

MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, DECEMBER 2, 2008, 4:00 P.M., CITY COMMISSION CHAMBERS

Members Present: Chairman, Pamela K. Cully; Secretary, Thomas K. Perona; Deputy Secretary, Darrell Drummond; Mayor Robert J. Benton III; Ex-Officio Member/City Manager, David Recor.

Excused: Mr. Robert W. Summerhays, Jr., CPA, Vice Chairman

Others Present: Director of Utilities; Director of Electric/Gas Systems; Director Shared Services; Director of Finance; Mr. Putnam Moreman for Risk Manager; Jan Gorham, City Purchasing Manager; FPUA Attorney

Chairman Cully called the meeting to order.

The Invocation was given by Mr. Bill Baldwin.

The Pledge of Allegiance was recited.

Motion by Mayor Benton, seconded by Mr. Perona and unanimously carried to approve the items on the Consent Agenda:

1. Approval of the Minutes of the Regular Meeting of November 18, 2008.
2. Excuse Mr. Robert W. Summerhays, Jr. from the meeting as he is out of town.
3. Approve Interlocal Agreement between FPUA and St. Lucie County for installation and maintenance of the St. Lucie County International Airport guide lights.
4. Bid 5885: Approve piggyback of Indian River County bid for Water/Wastewater supplies and materials with HD Supply Waterworks, LTD in the amount not to exceed \$100,000 annually, with two one-year renewal options.

Mrs. Betsy Schnebli presented a request for approval of Change Order No. 2 to the Overland Contracting open book contract in the amount of \$1,112,590.

Mrs. Schnebli explained due to the lateness of the signing of the agreement between FPL, FMPA and FPUA staff asked the Board to declare an emergency in December, 2007, waive the formal bidding process and award an open book contract to Overland in the amount of \$1,801,815. This work was completed under Phase 1 and came in under budget by \$269,500. This contract was for the upgrade of two transformers, extending the bus, replacing breakers and protection.

Change Order No. 1 was approved in the amount of \$663,938 on May 6, 2008. This was for transmission work for both the King Substation and Hartman. The King transmission line needed to be relocated prior to July 8 to keep up with the demolition contractor's schedule. This was a budgeted item in the amount of \$825,000. The line was temporarily moved, but we had difficulty obtaining the poles due to material availability. They were recently delivered, but OCI had to demobilize during that time period. Now that we have the poles, they are remobilizing to complete the transmission work, which consists of a permanent pole replacement at the King Substation and relocation of our 69kV line at Hartman to make room for the new third FPL line from Weatherbee Substation to Hartman Substation.

Change Order No. 2 is for the upgrade of Hartman Substation 138kV yard to meet FPL's current standards of increased capacity from Midway to Hartman and installation of equipment required for the third FPL line. This is the final stage of the project. This upgrade consists of increasing the capacity of our switches and breakers from 1,200 to 2,000 amps, replacing four gas circuit breakers,

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disconnect switches, a new A-frame for the new FPL line takeoff, relaying and protection, nine new disconnect switches, and five circuit breakers. Since OCI will be mobilized in the area, staff felt it would be in FPUA's best interest to award the completion of the project to them.

The original estimate for the project was \$11.3 million. Currently, with real prices, we are at \$10 million. Lift Station A has a new backup generator and storage tank for \$912,000, which was not a part of this original estimate. We are re-evaluating the need to proceed with the 69kV portion of the Hartman upgrade for \$2.34 million, which is part of this estimate. Based on an R. W. Beck impact study, this is not recommended at this time.

Mrs. Cully said these monies spent have to do with the decommissioning of the H. D. King Plant and updating the Hartman Substation. Also, FPL has required some extra work be done for reliability for FPUA by adding a third line into Hartman. Mrs. Schnebli confirmed this.

Mr. Perona said change orders always get his attention. He thinks these change orders were anticipated. Mrs. Schnebli said they were anticipated, and they were budgeted.

Motion by Mr. Perona, seconded by Mayor Benton and unanimously carried to approve Change Order No. 2 to the Overland Contracting, Inc. Open Book Contract for Hartman Road Substation Construction Contract in the amount of \$1,112,590.

Mr. John Tompeck explained the implementation process of new PURPA Standards adopted under the Energy Independence and Security Act of 2007.

Mr. Tompeck stated this item is for initiating review of new PURPA Standards. Earlier this year staff made recommendations on several PURPA Standards that were a result of the Energy Policy Act of 2005. Four additional standards and one new non-PURPA standard have recently been added as a result of the Energy Security and Independence Act of 2007. The procedural requirement for reviewing these standards is identical to the way we have reviewed them in the past. We are required to consider the standard and make a determination on whether it is appropriate to implement the standard. During the last round of reviews we adopted the net metering standards, but chose not to adopt the standards on fuel sources and fossil fuel generation efficiency. We are out in front of this one a little bit. The timeline for consideration of these standards starts on December 19th of this year with a final determination by December 19, 2009. Staff will commence review shortly and develop a position paper for the Board and then hold public hearings before final Board approval of adoption or non-adoption of these standards.

The five standards for review include the following:

1. Integrated Resource Planning – This requires each utility to integrate energy efficiency resources into their planning and adopt policies establishing cost-effective energy efficiency as a priority resource.
2. Rate Design Modification to Promote Energy Efficient Investments – This requires the utility to align incentives with the delivery of cost-effective energy and promote energy efficiency investments.
3. Smart Grid Investments – This standard requires utilities to consider investment in qualified smart grid technologies prior to investing in traditional grid technologies.

4. Smart Grid Information – This requires that electric purchasers be provided direct access to information from the provider for pricing, usage, projections and sources.
5. Additional Incentives for Recovery use and Prevention of Industrial Waste Energy – This standard encourages waste energy recovery on projects that generate net excess power, including sales to a utility, transport by the utility or transport over private transmission lines.

These standards are very broad and encompass not only our utility, but the entire FMPA system. As such, we will be working closely with our FMPA counterparts to ensure consistency in approach and to make sure our recommendations meet our contractual obligations with the All Requirements Project.

Mr. Perona asked about rate design modification for promoting energy efficient investments. Do we offer incentives for people not to use electricity? Mr. Tompeck said that is one way of doing it. There are other ways in terms of energy efficient appliances. Some of the things we are already doing would certainly fit into this category. He doesn't think we have really absorbed what is in these standards yet. What normally happens is FMPA has a group that has representatives from all the cities, and they sit down and try to translate this based on input from the legal folks to see exactly the kinds of requirements we need to implement to meet the standard. He is not sure we have gotten to the point where we know exactly what we need to do to meet that, but we will.

Mrs. Cully said she read that we do not have enough grid systems in the United States, and we have to start working on this. She wondered if that has anything to do with Standard No. 3. Mr. Tompeck said he doesn't think that is what the Smart Grid Investment is talking about. Obviously, some transmission and distribution facilities will have to be expanded. He thinks what they are talking about is integrating information technology and advanced communication into the grid. He thinks the extension of that is it gives them the ability to moderate or to take control of the load a little bit. He talked to a couple of people at Black & Veatch who are working on a project in Vancouver. Historically, load has been controlled from the actual power plant with the substation. What they are able to do is to bring it down to a level closer to residential where they can control the demand so they don't necessarily have to start up another unit – even to the point where they can control smart outlets in the house. They can cut a particular residence's load, so they don't have to start up a new unit, which is a lot more efficient than bringing on a unit that could generate 1% more power when they might have to have a unit that will be 10%. There is wear and tear on the equipment doing that. He is not sure how far we would take that here. It is not really associated with the fact that we are maybe short of some transmission in the country.

Mrs. Cully said she was wondering how extensive it is in the US. Mr. Tompeck said he doesn't think it is that extensive. There are already some things even FPL is doing in terms of being able to control the load. There is a lot more that could be done via information technology and communications input on a smart grid to do that. He thinks that is where we are eventually going to be headed. It will take a long time to get there.

The Chairman thanked Mr. Tompeck for his presentation.

Mrs. Nina Hurtubise, Director of Finance, presented the rate comparisons for the month of October, 2008.

Mrs. Hurtubise displayed a chart prepared by Florida Municipal Electric Association for 1,000 kilowatt hours residential usage for October, 2008. An improvement has been made in FPUA's relative position as compared to the other municipalities even though our bill is the same as it was last month. We have moved a little bit. Since September, seventeen utilities have increased their bills. Eight have

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decreased their bills. Williston reflects an increase of \$17.60 per thousand kilowatt hours. Tallahassee has increased by \$12.08 per thousand kilowatt hours. Newberry's bill increased by \$10.74. Ocala had a huge jump a couple of months ago of over \$30.00 per 1,000 kilowatt hours and have dropped their bills by \$28.82. The municipal average has been increased by \$1.60 across the board per thousand kilowatt hours.

She displayed a chart showing 2,500 kilowatt hours usage. FPUA has not moved on this chart in the past month.

Both Port St. Lucie and Vero Beach had increases during the month of October. Port St. Lucie's water and wastewater rates increased 3%. Vero Beach's power cost adjustment increased \$3.11 per thousand kilowatt hours.

Mr. Drummond said as we watched our rate go up earlier this year as a reflection of the big increase in fuel cost, we were sitting back hopeful that we would move back to the middle as other utilities were forced to make the same kinds of economic decisions we were forced to make based on recovery of those funds. Now that fuel costs are starting to recede, he is guessing there is less likelihood that other utilities will feel the need to increase their rates.

Mrs. Hurtubise said there were 17 utilities that increased their rates in the month of October. That is one of the more common months to make those changes, because it is generally the beginning of the fiscal year for municipalities. The reason our power cost adjustment has not come down is because of the cost of power we pay out to FMPA. Their power costs have not come down because they hedged their purchases of natural gas at what, unfortunately, now is a higher price than the market price. Unfortunately, they didn't have a crystal ball telling them when the prices would go up or down. Unfortunately, we are continuing to pay a higher than market price for natural gas.

Mr. Drummond said he understands that. He also argues that all of the All Requirements members are in the same boat that we are as a result of the hedging that was done by FMPA. Given that we are always sitting in the middle, historically, he is just curious if others were suffering the same volatility that we were, why are we still now finding ourselves in the upper quartile versus somewhat moving back to the middle? Mrs. Hurtubise said she wishes she had a good explanation for that. She doesn't know what the others are doing internally financially to be able to support it. They may have had some sort of large over collection going into the high priced fuel in the middle of the summer and were able to draw on some sort of rate stabilization. They could also be bearing a high liability.

Mr. Drummond asked if FMPA maintains some sort of data with regard to its members concerning just how they handle their collection for volatility as a result of the PCA. Mrs. Hurtubise said not that she is aware of. She doesn't know that data is available. She would like to see what everyone's over and under collection is. That might explain some of the reason we seem to be lagging behind in coming down on our power cost adjustment.

Mr. Perona said some of these are generation communities that have the ability to generate power. They get a kick back on that, much like we did when we had the King Plant up and running. Mrs. Hurtubise said that is an excellent point.

Mr. Thiess said the good news is that we are still over collecting on a month to month basis, so the adjustment that was put into effect last July has been enough to absorb the \$7.50 surcharge that FMPA put on us for four months, which ends in November. Even with that we have still been able to over collect and knock down the deficit that got close to \$2 million in under collections. We are below half a million as of October. We will know in a week or so if we're gaining on that in November. Hopefully, we are getting close to wiping out that deficit. Once we do and once that surcharge that FMPA put on us goes away, we should be over collecting at a faster pace. Once we get what we feel

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is a reasonable rate stabilization account in over collection, so we can survive a hit with a big bill, which we always get in May, then we will back off the power cost adjustment. We will do that as soon as it is humanly possible.

Mr. Perona said he would be happier with the words "minimally required." This is the time for us to be on the line. He knows it puts us in a little bit of a hazardous position if we get the spikes like we did before. It is important for the utility to have a little bit of a buffer in their account to be able to handle these up and down spikes. He would say do whatever we could do minimally to get some relief on the power cost adjustment. Mrs. Hurtubise said one of the issues might be if you are willing to make adjustments each month. Historically, we used to only change it every six months. She thinks a lot of municipalities are in that situation. That is how we used to do it until the prices went haywire this past summer, and we unfortunately had to raise the power cost adjustment at time when we normally would not.

Mrs. Cully said she thinks we should get to the point where we need to be with the \$2 million, so that if we do have another hit like we did, we will be in better shape and don't have to go through this again. She thinks we should just get it over with and move on and be in a better situation.

Mr. Drummond certainly is in agreement that we don't want to be in a posture again where we are having to make an enormous lump movement. He somewhat agrees with Mr. Perona. He would prefer to almost be in a world of just getting to a minimal situation where we have some sort of ability to feel comfortable and somewhat share whatever savings we can. He thinks the economy is getting worse, not better. Rather than making sure we are overly compensated and secure, he thinks we've got to somewhat share the pain. That means also sharing the risk.

Mrs. Cully said she agrees, but if we get to one point and don't get it completed, with the possibility of next year being a bad year, we could end up back where we were. Mr. Drummond said he understands we want to eliminate as quickly as possible the deficit. He understands that part. He thinks we have to be willing to share the risk at this point. The sooner we can bring some relief, the better overall for all our ratepayers.

Mayor Benton said he agrees.

Mr. Thiess said when we look at the power cost adjustment on a monthly basis now, we do it in concert with our rate consultant, PRMG. We look at a 12 month projection, so we're looking at estimated consumption and our estimated bill from FMPA, so we are not looking at it at one point in time. We have projections of what we're going to pay out and projections of revenue. We have a spreadsheet built showing what we might be able to do at a lower level as opposed to waiting until we get to a million plus over collection. We will be sharing that information with the Board before we make any major movements.

Mr. Perona asked if there are any bond requirements on the power cost adjustment as far as collection. Mr. Thiess said he doesn't think so. You wouldn't want to go seriously negative, because it is such a big liability. We don't want to go into this May with a zero balance. We went in last year with over \$200,000 deposited balance and got slammed with May's big bill. May is when FMPA takes the big coal plants off line for maintenance. We want to make sure we have a little bit of cushion going in to May, and we will decide looking at the model and spreadsheet with our consultants what that cushion needs to be. Mr. Perona said when we get rid of the deficit, at that moment in time the Board needs to be aware of where we are and be a part of that decision process, so we are not doing over collections. We do want to put the UA in good standing in that fund, but we also want to be minimally in good standing. He thinks it will make us sharpen ourselves to the point where we can anticipate these things a little bit closer and try to offset and mitigate those spikes that come up and shock us.

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Mr. Thiess said we bring the rate comparisons monthly, and starting next month we can bring a status report of where we are under or over and a little look forward.

Mr. Drummond said if we are looking at it on a 12 month basis, he doesn't know if we ever set a policy here at the Board in terms of what we wanted our collection period to be. If you are able to project over 12 months, we can look at it and say we are comfortable with it based on the annual projection that we can get ours back in six months or eight months versus in two or three months. Right now, it is just getting it back as quickly as possible. He doesn't know that we have to set a policy that we get it back as quickly as possible. That would enable us to look at a longer term in terms of getting our dollars and not having to ask it from the ratepayers that quickly.

Mr. Perona said also when you take a look at the comparison, this is going on in every utility right now. They are all talking about power cost adjustment. Some are probably collecting for monies that are not there and trying to build up their coffers accordingly, and they may be doing it long after we are. That might help also with the adjustment to bring us closer to the center. We all have similar accounting practices, but they aren't exact. He thinks we expected by this time of the year to be closer to the center, and he remembers he and Mr. Drummond said if we get to the end of the year and we're not there, we're going to ask why. Well, we are starting to ask why, and we have to be able to come up with a reason. He thinks all these adjustments are happening because of the craziness in the fuel markets. Hopefully, in the next couple of months everybody will be adjusting themselves, and hopefully we will be close to the center.

Mr. Bill Baldwin requested approval of two blanket purchase orders to Florida Municipal Power Agency for F 2009.

Mr. Baldwin explained one of these is for the All Requirements project, and one is for the St. Lucie Power Project for a combined total of \$51,313,211.00. These are exactly the numbers that are in our approved budget for power purchases for resale.

Motion by Mr. Drummond, seconded by Mr. Perona and unanimously carried to approve two blanket purchase orders to the Florida Municipal Power Agency for a total of \$51,313,211.00 for FY 2009.

Mrs. Valerie Schulte presented a request for approval of purchase of caustic soda for FY 2009.

Mrs. Schulte explained this is a second year renewal of this bid for the annual supply of bulk caustic soda for use at the water treatment facilities' R/O plant. This represents a 145% increase from the 2008 price. We have done a lot of research and the costs have increased throughout the industry. Others we have contacted would not guarantee the price for more than three months. We are also looking at ways to reduce the use of the chemical at the plant to keep costs down.

Mr. Perona said he remembers this from last year when it spiked up to \$138 per ton. It seems to be going up. There was a discussion about moving away from use of this chemical. Mr. Thiess said our water plant people are looking for alternatives, but he doesn't think we've identified anything concrete that we can use. We are looking at that and ways to reduce consumption. We are looking at other possible agents we can use in the treatment process.

Motion by Mr. Perona, seconded by Mayor Benton and unanimously carried to approve Bid 5682 for an increase in caustic soda from \$138.40/ton to \$339.59/ton for a total not to exceed \$220,733.50 annually for the second year renewal option with Allied Universal Corp. for the period 1/1/09 – 12/31/09.

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Mrs. Schulte requested approval of 2009 funding for uncompleted 2008 projects and to increase the unit price contract with Ditchdiggers by \$909,000.

She explained we have the money in the existing budget, but we need Board approval to move it to be paid to Ditchdiggers. We had some factors with the storms where they were pulled off jobs to do rehab work. We are hoping to get these projects completed. The first three should be completed by January. The fourth and fifth project are existing roadway projects we need to keep moving on. The last project is a City of Fort Pierce project where we will be relocating water facilities.

Mrs. Cully said she believes all these projects except one are in the northwest portion of town. Mr. Thiess said that is correct. All except the Selvitz Road force main are located in the northwest section of the city. Mrs. Cully said Lincoln Park, Harmony Heights, 25th Street North – Orange Avenue to Avenue A water, 25th Street North – Orange Avenue to Avenue A wastewater, and Moores Creek Linear Park.

Motion by Mayor Benton, seconded by Mr. Perona to approve Bid 5740 for additional amount not to exceed \$909,000.00 for annual unit price contract for installation of underground utilities for Water/Wastewater Systems with Ditchdiggers, Inc., bringing the total contact amount for the first year renewal through September 30, 2009, to \$2,109,000.00.

Mrs. Schulte presented a request for adoption of Resolution UA 2008-13 Amending the Provisions Concerning Guaranteed Revenue Charges for Water and Wastewater Systems and Electric Capital Improvement Charges.

She explained we provided a track changes document to the Board to indicate where changes were incorporated. We are trying to clear up our guaranteed revenue charge policies and adding a termination clause. We've seen a lot of large subdivisions we've guaranteed capacity for, and we want to make sure that runs with the land, so if they sell the land or go defunct, there is some way for us to collect since we have reserved that capacity for them. There was one 100 amp clause we've removed so people didn't have to pay capital improvement charges. It was a confusing issue, so it was removed. The termination gives the developer the option to terminate and also allows FPUA the option.

Mr. Drummond said on the confusing part with regard to the electric 100 amp or less that is being removed, he had spoken with Mr. Thiess about it, and he wanted to be sure it is on the record. Essentially, as he is understanding it, this has no bearing on any residential customers. It is only for demand electric use. Mr. Thiess said it applies to demand customers only. Mr. Drummond said he just wanted to be sure on that so that if a residence is changing out a service from 100 to 200, they won't have to pay an additional charge. Mr. Thiess said that is correct.

Motion by Mr. Drummond, seconded by Mr. Perona and unanimously carried to adopt Resolution UA 2008-13 Amending the Provisions Concerning Guaranteed Revenue Charges for Water and Wastewater Systems and Electric Capital Improvement Charges.

Mr. Thiess said he attended a meeting yesterday of the City of Vero Beach Utility Commission. He was invited along with representatives from Orlando Utilities and Kissimmee Utility Authority to present our history and our structure of the Board and the Charter. We all gave a brief presentation and answered a lot of questions from that Board. The Vero Utility Commission is an advisory board which advises the City Council, which actually makes the decisions on the utilities. They are a very knowledgeable group and asked a lot of good questions. The purpose of their meeting was to explore

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formation of a utility board in Vero Beach. We are not sure what the outcome will be. That is the direction they may be headed in. He is talking about a Utilities Authority. They haven't talked about the structure of it. The big issues there are that 61% of the electric customers are outside the city limits. What they are getting from that group of customers is they have no representation on the policymaking board, which is the City Council. That is probably the biggest argument on the customer side. There are issues of rates, too, but whether the board is an autonomous or semi-autonomous board or the City Council, it's not going to have that big a bearing on the rates. He thinks if they do form a board, there will be representation outside the city limits as well as within the city limits.

Mr. Koblegard said we have a meeting set up Thursday with Mason Simpson and his Attorneys and Engineers in relation to the letter the Board authorized him to send about Capital Improvement Charges and their use of the water at Harbor Isle far in excess of what we thought they would use and the way they designed the project. Hopefully, by the next meeting Mr. Koblegard will have something to report to the Board.

Mrs. Cully asked if Mr. Koblegard could refresh her memory about the project. Mr. Koblegard said this is where they hooked up the irrigation system and ran it through the potable water system at Harbor Isle. This amounts to some \$400,000 in Capital Improvement Charges.

Mr. Recor asked if the City is participating in that discussion. There has been some interest expressed by the City building department. Mr. Koblegard said he is not aware of any participation, but they are welcome to join the meeting if they would like to. Mr. Recor said he knows there has been a lot of communication from the City to try to put their hands on plans. He thinks they have been unsuccessful. If Mr. Koblegard thinks they would be able to contribute or play a small part, he would like to have some staff there. Mr. Koblegard said that will be fine with us. He believes the meeting is set for 2:00 p.m., but he will let Mr. Recor know.

Mr. Perona said it is already December, and he was driving by the demolition of the King Plant and it seems like we're moving a little bit, but he thought we anticipated the site being a grassy lot by the end of January. How close are we? Mr. Thiess said our expert is in the audience and asked if the Board would like a brief update. There are a couple of things that have impacted the schedule.

Mr. John Tompeck said the original schedule was to bring the site down to grade by the end of December, and there were a couple of months added on top of that to bring it four feet below grade. We also added the demolition of the intake structure. They have already started putting in the sheet piles and will be tearing that down. It was originally scheduled to begin in February. He suspects, based on their schedule, they are about six weeks behind. We are starting to get very large piles of scrap metal. Where they were getting \$310 to \$320 for a ton of structural steel, they would be lucky to get \$70 to \$80 at this time. The prices are starting to rebound, but he doesn't think they will have much luck in getting rid of anything until right after the first of the year. Mr. Perona would hate for them to stockpile this bulk metal that has been cut from the generation plant in the prime downtown location. Mr. Tompeck said he has asked them to keep the piles small so you can't see them from the street. They are getting rid of some of the non-valuable scrap steel this week. Most of the structural steel is starting to pile up, and he is strongly encouraging them to get rid of it as quickly as possible. He thinks the prices are starting to even out a bit on the non-ferrous material, but that doesn't create a visual problem. Mr. Perona said it is no issue to FPUA what the market is. They bid accordingly and have a certain performance and they need to operate within it even with the changes. Mr. Tompeck agreed. We don't have much leverage with the schedule since they are paying us. It is costing them additional money, the longer the schedule becomes. We've had to delay some of the environmental testing, because we can't do it until the No. 9 combustion turbine has been sold. He understands it has been sold. He thinks you will see the big No. 5 tank come down beginning next week. They are

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doing a good job in terms of protecting the environment by being careful with the scrap material and residual oil, which is important. We want to make sure it isn't dumped into the creek or intake. He is doing everything he can to push the job along.

Mr. Drummond said our contract did have a timeframe. Mr. Tompeck said they told us in their bids how long it was going to take them. That was part of our evaluation process. Mr. Drummond said that was part of the award process, so he is assuming the contract had a timeframe. Mr. Tompeck said to the best of his knowledge, the 24 weeks the contractor gave in their bid wasn't necessarily incorporated into the contract. He will have to go back and look. All the bids were somewhere between 20 and 28 weeks. He likes the way they are doing the demolition. They are recycling a lot of material, which is important to all of us. We are not going to have to remove any of the concrete from the site. They are going to grind it up and will use it for structural fill. They are also recycling the metals. We are sending very little material to the dump, except some insulation and asbestos containing material. He thinks overall they are doing a good job.

Mayor Benton said compared to the US 1 work south of Midway Road, they are doing an excellent job. It is work in progress, but he expected some hold ups. He sees things moving along, and nobody is beating the doors down for that property in this economy.

Mr. Tompeck said he tried to impress that demolition is one part of it. The environmental close out of the site is really the critical path in turning it back to the City. We are about three quarters of the way through Phase II evaluation. There is really not a lot there. We are finding some things, but it is not going to be a major superfund site or anything like that. He thinks we will be able to handle it in a timely manner. That will make the property significantly more valuable.

Mrs. Cully said she would rather have it done and done well and give them the time to do it without pushing them, than to have them feel they have to get it done and get out of here.

Mr. Tompeck said as soon as the schedule slips, the budget always slips. We want to get them moving so we don't see any more change orders. Mrs. Cully agreed.

There being no further business, the meeting was adjourned.

ATTEST:

SECRETARY

CHAIRMAN