

# **City of Gainesville**

*City Hall  
200 East University Avenue  
Gainesville, Florida 32601*



## **Meeting Minutes**

**Wednesday, January 30, 2008**

**5:15 PM**

**City Hall Room 16**

## **Regional Utilities Committee**

*Commissioner Jack Donovan, Chair  
Commissioner Ed Braddy, Member  
Commissioner Craig Lowe, Member*

*Persons with disabilities who require assistance to participate in this meeting are requested to notify the Office of Equal Opportunity at 334-5051 or call the TDD phone line at 334-2069 at least two business days in advance.*

## CALL TO ORDER

Present: Craig Lowe and Jack Donovan  
Absent: Edward Braddy

## ADOPTION OF THE AGENDA

*The agenda was adopted with one change. The RUC agreed to defer Item #070744 -GRU's Delinquent Policy to a future meeting.*

## APPROVAL OF MINUTES

### **070771. Regional Utilities Committee Meeting Minutes for November 28, 2007 (B)**

*The minutes for November 28, 2007 were approved as recommended.*

*Mr. Rob Brinkman was recognized who asked about follow-up at the RUC on the nuclear power issue. Ed Regan responded that staff would be planning another workshop and invite some people from the Keystone Report to participate. Mr. Regan also advised that Progress Energy has delayed the project and we still do not have terms and conditions and we're not aware of when that will happen.*

*Karen Johnson advised that in addition to having people from the Keystone Report at the workshop staff hopes to speak on the financial terms and conditions once we've received the information from Progress Energy.*

**RECOMMENDATION** *The Regional Utilities Committee approve the minutes for the November 28, 2007 meeting as circulated.*

**This matter was Approved as Recommended. The motion carried.**

RUC Meeting Minutes for Nov 28 2007.pdf

## CURRENT RUC ACTION ITEMS

### **070181. Forest Certification Stewardship Issues - Biomass Sustainability Ad Hoc Subcommittee (NB)**

*The Regional Utilities Committee received a status report from staff on the progress of the Ad hoc Sustainable Biomass Procurement Technical Committee.*

*Ed Regan, Assistant General Manager for Strategic Planning advised that the presentation would be divided into two major sections. The first section would be on what are the issues being dealt with, what is the management plan and what we are seeing at this point going into the contracts. The second issue would be about the certification programs. Mr. Regan introduced Joe Wolf, GRU Forester, who gave*

*the presentation.*

*Joe Wolf provided an update on the Ad hoc Sustainable Biomass Procurement Technical Committee's activities and some of the key questions that had been raised and discussed. Will land be converted to energy crops? Will the environment be harmed from a biomass power plant; and should some sort of forest certification be required for the fuel that comes to the power plant? Mr. Wolf also advised the RUC who the committee members were and their work experience. The committee consists of a diverse rounded mix of natural resource professionals with a many different interests represented. The committee has had dialogue with agreements and disagreements.*

*Commissioner Donovan asked that staff note where there were minority opinions diverging with the majority opinions and what the perimeters were for those. Commission Lowe asked to know what the basis of the difference between opinions might be.*

*Mr. Wolf continued with his presentation on the various issues that have been discussed by the ad hoc committee. He presented specific examples of individual opinions of the committee, (D. Conser - biomass prices need to be 7 times GRU's expected prices to encourage forest conversion to biomass crops, B. Simons - do not burden the private landowner with more regulations).*

*Commissioner Lowe and Commissioner Donovan expressed concern over moving forward with the process until the RUC completed its review of the biomass procurement issue and reported back to the full commission.*

*Karen Johnson advised the RUC that staff initially had a longer schedule for the process, but were instructed to come back with a schedule that would allow this decision to be made before new commissioners were seated. She further indicated that if they did not feel this was the right thing then a request to the full commission to modify the schedule would have to be made.*

*There was further discussion about the process and how the biomass procurement incentive program for certified forests (regardless of the type of certification system) works.*

*Mr. Regan explained that the Ad hoc Committee and GRU staff believes that the biomass fuel procurement must be flexible as economic and wood harvesting conditions change. Growers will tend to sell wood in markets where they can receive the most money. Therefore, it is likely that GRU will need to offer economic premiums for certain types of fuels and certifications. The amount and structure of these premiums will vary over time much like the level of rebates for conservation programs and there will be a certain amount of trial and error in establishing the appropriate levels. The biomass RFP will establish minimum standards, but will mostly be focused on the mechanism by which GRU will be able to establish and amend premium payments for sustainable wood supplies.*

*Dr. Josh Dickenson and Mr. Rob Brinkman were recognized who spoke to the matter.*

*Commissioner Lowe suggested that staff bring back further information on the findings of the Biomass Procurement committee for discussion and hopefully a decision at the February 12th meeting. If that does not occur then a request to modify the timeline would have to be presented to the full commission.*

*Commissioner Donovan requested that staff forward as much information as possible by February 8 so the RUC members would have time to review before the February 12th meeting. He commented, if rigorous standards are imposed, another competing utility could procure biomass in our area, reducing or taking our supply.*

*Mr. Brinkman brought up the question about paying taxes on the value of the plant even though it's on public property referring to litigation of the Hilton Hotel which is located on state property.*

*Skip Manasco, Utilities Attorney, explained the difference between the state and city as it relates to paying taxes and advised there would be a stream of tax revenue from that including ad valorem, tangible personal property and sales tax.*

**RECOMMENDATION** *The Regional Utilities Committee receive a status report from staff on the ad hoc biomass sustainability committee which is helping staff develop a program designed to assure a sustainable and environmentally benign source of fuel for electric generation.*

#### **Discussed**

RUC Forestry Presentation October 9 2007.pdf

Backup for Forest Stewardship Item #070181 Oct 9.pdf

Memo to RUC re Backup for Item #070181 Feb 12 2008.pdf

Forest Product Procurement Standards Item #070181 Attachment Feb 12 2008.pdf

#### **070772. Energy Supply Options Matrix (NB)**

*The Regional Utilities Committee received a draft of the matrix prepared by Ed Regan from Strategic Planning. There was a brief discussion regarding some of the information included on the matrix. Staff requested the RUC to review the document for discussion at a future meeting.*

**RECOMMENDATION** *The Regional Utilities Committee receive for discussion purposes, a draft matrix comparing energy supply options on a wide range of criteria.*

#### **Discussed**

#### **070744. GRU's Delinquent Policy (B)**

**RECOMMENDATION** *Receive a presentation that reviews the current delinquent*

*processing policy in comparison with prior policies and practices and recommend the City Commission affirm the delinquent processing policy.*

**Deferred**

Backup for #070744 Delinquent Policy Review Jan 8 081.pdf  
Backup for #070744 Delinquent Policy Review Revised Jan 30 2008.pdf

**MEMBER COMMENT**

**CITIZEN COMMENT**

**OUTSTANDING REFERRALS**

**070773. Regional Utilities Committee Outstanding Referral Status Report (B)**

*The outstanding referral list was not discussed as the Committee agreed to bring back to the next meeting the Forest Certification Stewardship Item (#070181) for further discussion, and as time permits the Energy Supply Options Matrix Item (#070772).*

**RECOMMENDATION** *The Regional Utilities Committee review the Outstanding Referral Status Report updated from the November 28, 2007 report.*

**No Action Taken**

RUC Outstanding Referrals status report January 8, 2008.pdf  
RUC Outstanding Referrals status report Feb 12 2008.pdf

**NEW BUSINESS**

**NEXT MEETING DATE**

**ADJOURNMENT**

*The meeting adjourned at 7:12 pm.*