

City of Gainesville

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



Meeting Minutes

Tuesday, August 16, 2011

2:00 PM

City Hall, Room 16

Regional Utilities Committee

*Commissioner Susan Bottcher, Chair
Mayor Craig Lowe, Member
Commissioner Thomas Hawkins, 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**ADOPTION OF THE AGENDA****APPROVAL OF MINUTES****110252. Regional Utilities Committee Meeting Minutes for July 13, 2011**

The minutes from the 7/13/11 meeting were approved as drafted.

RECOMMENDATION *The Regional Utilities Committee approve the meeting minutes for July 13, 2011 as circulated.*

Approved as Recommended

CURRENT ACTION ITEMS**100000. Facilities for Electric Plug in Car**

Ed Regan gave a presentation on electric vehicle charging stations.

Several questions were asked about other communities that have implemented these charging stations and how we can anticipate the need for them. A comment suggested reviewing City fleet vehicles for possible future use.

Mr. Regan explained that the auto companies were currently only supplying larger metro areas with electric cars and that Orlando is slated to receive a certain number. He also explained that no one had approached GRU about the need for charging stations. He stated that demographic research has been conducted and he will send that info to the Commissioners.

Citizens Jason Fults, Rob Brinkman, Joe Wills, Jo Beatty and Nathan Skop all made various comments on the issue.

RECOMMENDATION *Staff will make a presentation on market trends for electric vehicles and planning considerations for electric utilities.*

080183. Coal Acquisition Policy

John Stanton and Thomas Foxx gave an update on GRU's coal acquisition policy.

Member Lowe said he would like additional information on the social and environmental impacts of mountaintop coal removal, and that consideration for a longer term strategy be given to obviate the need to utilize mountaintop coal. He

suggested the City Commission could discuss and consider including this issue as a part of their federal lobbying agenda.

John Stanton explained that GRU is in the process of negotiating new coal contracts. The recent environmental control additions at Deer Haven will allow some flexibility in coal supply, but time is needed to procure and then properly test and evaluate the test burn results. It is critical to ensure proper operation, equipment performance, and efficiency of Deer Haven Unit 2, regardless of the ultimate source of the coal supply. Mr. Stanton indicated that GRU is evaluating Illinois Basin coal in the present negotiations.

There was discussion relative to the evaluation of social and environmental impacts of the various sources of coal supply. Any source of fuel for electric generation facilities will have some environmental and social impact. The ability of GRU to determine and evaluate these impacts is very limited. For example, there are at least two distinct sides to the mountaintop coal supply issue. There are obvious environmental impacts to the terrain when hilly areas are essentially flattened. The social impacts are less obvious. Conversely, from a social viewpoint, the economy of these regions are based on mining and the various support services, which provide a living wage and support for people in the region.

The historic trend for Central Appalachian coal supply is declining. The two main drivers appear to be the increased cost to mine available coal seams (the less costly or easier seams to access are diminishing), and the increasing EPA regulations concerning mining techniques such as mountaintop removal. GRU has been investigating alternative coal supply in the past. With the ability of Deer Haven 2 to now operate on lower btu and higher sulfur coal, other coal supply can be tested and operationally evaluated. Mid to longer term, the ability to economically purchase Central Appalachian coal will decline, which will promote blending of other coal sources, and ultimately the replacement of Central Appalachian coal.

GRU and the City Commission have a fiduciary responsibility to our customers and bondholders to maximize the value of assets, including Deer Haven Unit 2. Flexibility in coal supply procurement will help to enhance this responsibility. There are continual regulatory and legislative initiatives that impact the use of fossil fuels such as coal for electric generation.

Citizens Jo Beatty, Nathan Skop, Rob Brinkman and Jason Fults made comments on the issue of mountaintop removal and GRU's coal acquisition policy. The future meeting discussion of the GREC referral was also raised.

Citizen Jason Fults submitted a document about mountaintop removal to be included in the minutes.

The committee retained this item and requested an update at a future RUC meeting, possibly in November.

RECOMMENDATION *The Regional Utilities Committee hear an updated presentation from staff on GRU's Coal Acquisition Policy.*

MEMBER COMMENT

CITIZEN COMMENT

NEXT MEETING DATE

October 10, 2011

ADJOURNMENT

The meeting was adjourned at 4:02 p.m.