

**Utility Committee**  
**July 6, 2009**

The Utility Committee met in the Commission Chambers. Members Karin McKnight, Stacy Campbell-Domineck, George Lindsey, and Tom Joyner were present. Commissioners Glenn Higgins, Justin Troller, Howard Wiggs, Gow Fields, and Mayor Pro Tem Verplanck were present. LE General Manager Jim Stanfield, City Manager Doug Thomas, City Attorney Tim McCausland, and City Clerk Kelly Koos were present.

Mayor Pro Tem Verplanck called meeting to order at 1 p.m.

**Unit #3 and Unit #5 Update “The Paradigm Change”**

Tony Candales gave this presentation, a copy of which is on file in the City Clerk’s Office. The Old Paradigm was that Unit #3 was the base load unit and Unit #5 was the lemon. The New Paradigm was that Lakeland Electric had two reliable base load units that burn different fuels, capable of continuous operation that will be dependent solely on fuel prices (coal vs. gas) which positively impact the cost of electricity to all our customers.

Discussion:

The group discussed peaking units. A peaking unit had a low capacity factor and ran only 3-4% of the time, producing not more than 100 mgh. A peaking unit was capable of picking up load very quickly. A new unit built today would probably be a 100 mgh unit and would cost \$100-\$150 million. Units 1 and 2 were not peaking units. They peak because they are not efficient for long-term, they are not peaking units because they are slow to start up. Winston was a peaking unit. LE was considering retrofitting Unit 1 for some type of renewable energy.

The group discussed the Carbon Tax – the consequences of the carbon tax had not been related to the public. The public did not realize the cost. The Utility Committee would like staff to begin putting together the numbers on how the new legislation would affect LE customers. The State recently passed legislation making it more difficult for municipalities to communicate with citizens re these type issues.

**Solar Solutions for a Brighter Tomorrow**

Jeff Curry gave this presentation, a copy of which is on file in the City Clerk’s Office. Lakeland Electric had two solar programs Solar Photovoltaic (PV) Electricity – commercial properties and Solar Thermal Water Heating (SHW) – residential customers.

**Memo re: Water Solutions Agreement with GE Mobile Water, Inc.**

This was a proposed Agreement with GE Mobile Water, Inc. for water treatment equipment, operation and maintenance to supply demineralized water primarily for use with McIntosh Power Plant's Unit 5 combustion turbine. This demineralization project would effectively supply demineralized water at a reduced capacity, which would save on equipment and operating costs through more efficient utilization of existing equipment. After obtaining competitive quotes from other suppliers of demineralized water, staff selected GE Mobile Water, Inc. based on its ability to provide demineralized water at the flow capacity nearest to the requested 125 gallons per minute at the lowest cost.

The term of this Agreement would be effective upon approval by the City Commission and execution of the parties and would continue for a period of five (5) years. The annual cost of this leased demineralizer process system was \$226,800. There was also an additional cost of \$0.62 per 1,000 gallons of demineralized water supplied under this contract. Staff estimated the total annual cost of this contract at \$249,120, using the volume of demineralized water used last year as an approximation of water use for each year under this Agreement. All equipment, maintenance, and other services were included in these identified costs.

Staff recommended that the Commission authorize the appropriate City officials to execute this proposed Agreement with GE Mobile Water, Inc. on behalf of the City.

Ramona Sirianni presented this item to the Utility Committee. This was a 5-year agreement. The annual cost was \$226,800.

**Action:** George Lindsey moved to approve staff's recommendation. Commissioner Higgins seconded and the motion carried unanimously.

The Utility Committee adjourned at 1:45 p.m.