

CITY COUNCIL CONFERENCE MINUTES

March 10, 2009

The City Council of the City of Norman, Cleveland County, State of Oklahoma, met in a council conference at 5:30 p.m. in the Municipal Building Conference Room on the 10th day of March, 2009, and notice and agenda of the meeting were posted at the Municipal Building at 201 West Gray, and the Norman Public Library at 225 North Webster 48 hours prior to the beginning of the meeting.

PRESENT: Councilmembers Butler, Cubberley, Dillingham, Ezzell, Griffith, Kovach, Quinn, Mayor Rosenthal and Councilmember-elect Al Atkins

ABSENT: Councilmember Thompson

DISCUSSION REGARDING CHANGE ORDER NO. THREE TO CONTRACT NO. K-0607-38 WITH WALTERS-MORGAN CONSTRUCTION, INC., INCREASING THE CONTACT AMOUNT BY \$60,951.04 FOR THE WASTEWATER TREATMENT PLANT SLUDGE HANDLING PROJECT.

The Norman Utilities Authority (NUA) in its meeting of March 27, 2007, approved Contract No. K-0607-38 with Walters-Morgan Construction, Inc., in the amount of \$6,115,000 for the Wastewater Treatment Plant (WWTP) Sludge Handling Improvements Project. Change Order No. 1 increasing the contract amount by \$174,041.52 and extending the contract time by 34 calendar days was approved on September 11, 2007 and on February 26, 2008, Change Order No. 2 increasing the contract amount by \$129,629.67 and increasing the contract time by 80 calendar days was approved. The revised contract amount at that time totaled \$6,418,671.19 and revised the contract end date to December 8, 2008. Mr. Mark Daniels, Utilities Engineer, highlighted the changes outlined in Change Order No. 3 which increases the contract amount by \$60,951.04 and he broke down the itemized changes into three categories. The first category was related to the Digester Complex and those portions of the change order totaled approximately \$28,000; those items related to non-potable water system totaled approximately \$25,000; and the waste activated sludge portion totaled approximately \$6,000, leaving approximately \$2,000 of minor modifications. He said these modifications also extend the current contract by 35 calendar days bringing the revised completion date to January 12, 2009. He said the overall project is still approximately two months behind schedule, but the entire project is at 98% completion at this time. He said Staff anticipates the project being completed around April 1, 2009

Items submitted for the record

1. Memorandum dated February 24, 2009, from Mark Daniels, Utilities Engineer, to Norman Utilities Authority
2. Change Order No. Three to Contract No. K-0607-38

Participants in discussion

1. Mr. Mark Daniels, Utilities Engineer

DISCUSSION REGARDING CHANGE ORDER NO. ONE TO CONTRACT NO. K-0809-72 WITH NETWORK ALARM SERVICES, INC., INCREASING THE CONTRACT AMOUNT BY \$539.00 TO ADD ADDITIONAL EQUIPMENT TO THE LIBRARY SECURITY SYSTEM AND FIRE ALARM PROJECT AND FINAL ACCEPTANCE OF THE PROJECT.

City Council, in its meeting of October 28, 2008, approved Contract No. K-0809-72 with Network Alarm Services, Inc., in the amount of \$29,295.04 for the library security system and fire alarm project. Ms. Brenda Hall, City Clerk, said this project was designed to replace an existing security system which had been in place since 1983 and no longer functions properly. She said during the installation phase library staff contacted the City and asked that certain modifications be made to the proposed system. An additional keypad was added at the rear entry door by the loading dock that would allow employees who access the building through that door to disarm the security alarm when coming inside the building without having to walk to the front of the library by the checkout area to access the keypad. The request was also made to add security sensors on all three of the emergency exit doors in the children's

area that would trigger a keypad monitor at the security desk. This would prevent anyone from exiting the children's area without notice being given to the security guard on duty and would prevent any child from exiting the building through those doors or any possible child abduction from occurring. She said the total cost of modifications is \$539. She said the project is currently complete, final inspection has been made, and all work meets or exceeds standards.

Items submitted for the record

1. Memorandum dated March 2, 2009, from Brenda Hall, City Clerk, to the Honorable Mayor and City Council
2. Change Order No. One to Contract No. K-0809-72

Participants in discussion

1. Ms. Brenda Hall, City Clerk

DISCUSSION REGARDING OKLAHOMA GAS AND ELECTRIC REGARDING THEIR WIND POWER PROGRAM.

Mr. Steve Lewis, City Manager, said a presentation was given to the Finance Committee in November 2008 and the Committee did not make a recommendation whether or not to participate, but felt the entire Council should see the presentation on the program. He said the City's cost would be inflated slightly higher than our current rates and the City of Norman would become a partner in the investment of wind power. Mr. Anthony Francisco, Finance Director, said City Council adopted Resolution No. R-0506-36 in August 2005, and became the first city in Oklahoma to adopt the U.S. Conference of Mayors' Climate Protection Agreement (USCMCPA). In June 2008, Oklahoma Gas and Electric (OG&E) approached the City of Norman about their renewable energy offerings. He said OG&E's primary offering of renewable energy is in the form of wind power and the goal was to put together a program whereby the City could contribute to OG&E's investment by purchasing Renewable Energy Credits (REC) in an amount equal to 25% or 50% of the City's energy consumption. He said the University of Oklahoma (OU) announced in September that it had entered into an agreement with OG&E to purchase all of its electricity in the form of wind power by the year 2013 and if the City were to commit either 25% or 50% of the annual level of REC purchases, the City would meet its commitment to contribute to the reduction of greenhouse gases through the increased energy efficiency as stated in the resolution adopting the USCMCPA. The tariff rate for the purchase of REC would be .07 of a percent and for the City to commit to 25% it is estimated to cost an additional \$42,637 per year and 50% commitment is estimated at \$85,275 per year. Mr. Francisco said there would be no operational differences to the City as a result of participation in the program and the City would continue to receive electrical power from OG&E at all locations currently receiving power. He said the City would simply be a financial partner just as OU in OG&E's efforts to make to make an early commitment to renewable energy resources and would receive positive publicity for participating.

Councilmember Ezzell asked if OG&E was currently applying for a rate increase through the Corporation Commission and if so, would the .07 of a cent tariff for wind power be added to that rate increase. Mr. Chris Greenwolf, Manager of Commercial Services, OG&E, indicated the tariff rate would be an addition to the rate increase of two to three percent. Councilmember Ezzell questioned whether this was a suitable use of public funds and asked what the public benefit was. He was concerned there was not a way to measure the investment and questioned whether it should be done with taxpayer funds. Mr. Francisco said RECs are marketable and Councilmember Ezzell questioned whether marketing the RECs would be forfeiting the environmental impact purchasing them would gain. Mr. Greewolf said the benefit is somewhat intangible, but essentially the City would be buying pollution-free electricity, breathing cleaner air, and would become less reliant on foreign sources for oil. Mayor Rosenthal said the goal recommended from the Environmental Control Advisory Board (ECAB) was 20% and Mr. Mike Bergy who currently works with wind power wind mills strongly recommends the City develop a system capacity for renewable energy. Councilmembers questioned whether or not participating in the program was the proper use of taxpayer funds and questioned the tangible benefit received from participating in the program. The

cost of the electricity would still be paid in addition to the .07 of a cent tariff to be applied to the wind power program. Councilmember Cubberley questioned whether or not part of the rate increase would go towards the wind power program and Mr. Greenwolf indicated that it would and said wind power costs are about twice as high as current costs, but are good for the future. Mayor Rosenthal said the RECs are designed to reward customers for producing wind power and reminded Councilmembers that they were marketable. Councilmember discussed whether to participate in the program, participate at a very low level to indicate an investment in this type of program, or to look at other ways to cut costs and save energy. Councilmember Quinn felt he could support a 20% participation totaling around \$34,000, but would like to see additional study on the program. He said a commitment was made in 2005 with the adoption of the USCMCPA and felt like the Council should support energy reduction.

Mayor Rosenthal said it appeared there was not a broad base support to bring this program forward at this point; however, thought Council should look at a package of energy provisions for future consideration.

Items submitted for the record

1. Memorandum dated November 18, 2008, from Anthony Francisco, Finance Director, to Finance Committee Members
2. Our Common Vision, City of Norman Example Subscription Levels, Table of Total KWH Consumed FYE08 and FYE09, OG&E Electric Services Renewable Energy Credit Certificate
3. Letter dated November 13, 2008, from Raymond Whitley, Jr., Manager Retail Customer Accounts, OG&E Energy Corp, to Mr. Steve Lewis, City Manager
4. Letter dated November 12, 2008, from Raymond Whitley, Jr., Manager Retail Customer Accounts, OG&E Energy Corp, to Mr. Steve Lewis, City Manager
5. 25 % and 50 % subscription level for the City of Norman dated November 12, 2008
6. Memorandum dated March 6, 2009, from Steve Lewis, City Manager, to The Honorable Mayor and Council
7. Pertinent excerpts from Finance Committee Minutes dated November 20, 2008
8. Articles from The Oklahoman dated February 2009 and February 24, 2009

Participants in discussion

1. Mr. Steve Lewis, City Manager
2. Mr. Anthony Francisco, Finance Director
3. Mr. Chris Greenwolf, Manager of Commercial Services, OG&E

The meeting adjourned at 6:09 p.m.

ATTEST:

City Clerk

Mayor