

TOWN OF PALM BEACH

Office of The Town Clerk

MINUTES FROM THE SPECIAL TOWN COUNCIL MEETING HELD ON TUESDAY, MARCH 30, 2004 REGARDING UNDERGROUND UTILITIES

I. CALL TO ORDER AND ROLL CALL

The meeting was called to order at 9:30 a.m. by President Allen S. Wyett. The following Elected Officials were found to be present on roll call: Mayor Lesly S. Smith; President Allen S. Wyett; President Pro-Tem Samuel C. McLendon; Councilman William J. Brooks; Councilman Norman P. Goldblum; and Councilman Jack McDonald. Also attending the meeting were: Town Manager Peter B. Elwell; Assistant Town Manager Thomas G. Bradford; Town Attorney John C. Randolph; Public Works Director Albert P. Dusey; Director of Planning, Zoning and Building Robert L. Moore; Acting Fire-Rescue Chief John DeLorio; Assistant to the Town Manager Sarah Hannah; Town Engineer James Bowser; Assistant Public Works Director Paul Brazil; EMS Captain Charles E. Price; and Town Clerk Mary A. Pollitt.

II. INVOCATION AND PLEDGE OF ALLEGIANCE

The invocation was given by Town Clerk Pollitt, and President Wyett led the pledge of allegiance.

III. APPROVAL OF AGENDA

President Wyett stated that he was adding an item to the Agenda. He requested the Town Council approve the purchase of Cardiac Enzyme Machines for the Fire-Rescue Department.

Councilman Norman Goldblum made a motion to approve the agenda as amended to include Item IIIA, Purchase of Cardiac Enzyme Machines for Fire-Rescue Department Rescue Units. The motion was seconded by President Pro-Tem McLendon and carried unanimously on roll call.

IIIA. PURCHASE OF CARDIAC ENZYME MACHINES FOR FIRE-RESCUE DEPARTMENT RESCUE UNITS

President Wyett advised that the Town did not get a donation, as expected, of Cardiac Enzyme Machines for the Fire-Rescue Department from Palm Health Care. He reported that they had rejected the Town's request; however, this is an item that would be more efficient for the Fire-

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Rescue Department to use than an electrocardiogram when a person is having a heart attack. President Wyett asked for approval of the machines.

Councilman Goldblum said that the maximum amount for the machines is \$25,000.

Town Manager Elwell advised that the memorandum from staff stated not to exceed \$25,000 from the General Fund Contingency to purchase five units and equip each of the rescue units with one.

Councilman McDonald said that he was in favor but expressed his concern over items being added to the agendas of Special Town Council Meetings in a piecemeal fashion. He stated that he would like to actually look at all the equipment the Town has in order to have better response times and deliver better service to the residents. He said that it may be more than this one item, and he wanted Council members to have more time to review it and would have liked it placed on the regular agenda next week. He continued that last minute decisions on items have to be made quickly although he will support the issue but would like to look at the broader picture than consider one piece of equipment.

Acting Fire-Rescue Chief DeLorio explained that this came up as a subpart to purchasing the rescue vehicles after compiling information regarding the transport of patients who were missed or had to be rerouted to a different hospital facility due to the situation at Good Samaritan Hospital. He continued that the Fire-Rescue Department through the budgetary process and the course of the accreditation program would like to develop a plan to improve response time and treatment of the patients.

Acting Chief DeLorio responding to questions from the Town Council said 10% of the patients transported in Palm Beach have symptoms of heart attacks, and 1/3 of those patients do not show EKG abnormalities, and the cardiac enzyme machine is the more definitive method to show if the patient is having a heart attack and further confirm EKG abnormalities.

Town Manager Elwell said the Fire-Rescue Department continues to maintain first class equipment, and this purchase of equipment will allow a procedure that is usually done in hospitals to be done in medical transport units.

Councilman Goldblum made a motion to approve the purchase of cardiac enzyme machines for Fire-Rescue Department Rescue Units. The motion was seconded by President Pro-Tem McLendon. On roll call, the motion carried 5-0.

IV. UNDERGROUND UTILITIES STUDIES STAFF REPORT

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A. Overview of Staff Report

Assistant Town Manager Tom Bradford explained this study began five or six years ago, and at that time, it was determined that the undergrounding of utilities was too prohibitively expensive to proceed. He continued that the Strategic Planning Board recommended the Mayor and Town Council oversee a study of the feasibility of putting the wires underground, and the issue is one of the top five goals for the current year of the Mayor and Town Council.

Mr. Bradford said that in July of 2003, consultant JLSD was hired to do separate studies for the Town: one was to consider the costs associated with underground utilities on all State roads in Palm Beach and the other study was to consider the costs for all Town roads. He continued he summarized those two reports with a delineation of the issues facing the Town if underground utilities were approved in Town.

Mr. Bradford said if the undergrounding was limited to all State roads and all north/south Town roads, the cost would be approximately \$21 million as opposed to a much higher number if all wires were buried. He continued that when most people complain about the appearance of above ground utility lines, the complaints pertain to wires that are generally viewable from the aforementioned roads.

Mr. Bradford, addressing the public safety issues, said if the same roads were addressed as opposed to all roads, the issue of ingress and egress to the Town during times of hurricane evacuation or hurricane recovery activities, those routes were more likely to be passable if those utilities were placed underground in the north/south areas.

He pointed out other issues that should be considered include road construction and the recommendation, if approved, would be to bury the wires when scheduled road improvement projects were being done to minimize disruption in Town. He added the secondary lines, connecting the main lines to the individual residences, are assumed to be paid for by the individual property owners, and many homes already have buried underground utility lines.

Mr. Bradford explained the funding resources include pay-as-you-go (cash) although major fluctuations in the need for funds ranging from \$356,000 in one year to almost \$6 million in another year with the average annual allocation at approximately \$2.6 million would be a problem using a cash basis. He continued revenue bonds or general obligation bonds were options with the general obligation bonds having the upside of having the residents vote on the undertaking. He said non-ad valorem assessments could be used where the Town would assess the affected property owners based on a formula; however, the problem would be to develop a formula that would be fair to all property owners. Mr. Bradford mentioned the option of developing a special taxing district allowing the use of a combination of bonds or assessments with the cost advantage not being part of the Town's millage rate or debt service millage rate, and those two millage rates would not be affected.

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Mr. Bradford added that a recent funding source is the recently passed utility bill tariff or a mechanism for governmental recovery of undergrounding fees, that would allow the costs to be placed on individual electric bills for a period up to 20 years; however, a surcharge cannot exceed 15% of the property owner's electric bill. He mentioned that FEMA does have a hazard mitigation grant program, but the competition for that funding is tremendous especially in Florida, and the Town currently has a couple of projects on the list for funding with the dollar amounts not being very large. He continued that the Transportation Enhancement Program through FDOT which is controlled by the Federal Government has a funding program as well as the National Trust for Historic Preservation which manages several programs which may be applicable to Palm Beach; although if every landmarked property in Palm Beach were eligible, the total amount received would be \$1.5 million with the likelihood that \$1.5 million would not be awarded to any one community.

Mr. Bradford reviewed some policy issues to be considered by the Mayor and Town Council:

- a) Adoption of a prioritized construction schedule;
- b) Cash versus financing;
- c) Should the input of the citizens be received via a referendum or straw ballot for such an undertaking?;
- d) Mandating placement of utility lines underground for all future public works construction projects if utility lines are in or adjacent to the effected right-of-way;
- e) Mandating property owners to place adjacent contiguous above ground utility lines underground on structure rebuilds, for renovation exceeding 50% of structure value, or upon sale of the property, whichever occurs first, if such can be accomplished under Florida law;
- f) Mandating placement of all utility lines underground whenever FPL proposes to upgrade an existing above ground facility;
- g) Payment of secondary service costs by the property owner or the Town and the impact of such a decision on the debt service costs or cash requirements;
- h) Easement issues - mandating front yard easements and abandonment of rear yard easement for all side street properties; and
- i) Authorization of staff to pursue placement of utility lines in rights-of-way, which, if future relocation for any reason is required, will have to be relocated at the Town's expense.

President Wyett commented that the Town Council should limit its discussion at this meeting to the feasibility of undergrounding the utilities and leave the other issues to be discussed at a later time.

Mayor Smith replied she would like to see a referendum as this is a huge project and the people must decide if it should be done.

Councilman Goldblum said he agreed with the Mayor; however, he wanted to consider the public safety issues.

Councilman Brooks said he, too, agreed the issue should be a referendum, and the safety issue was important.

Harold Reagan, Consultant from Johnson, Levinson, & Reagan, stated the public safety issue regarding downed utility lines being a hindrance to evacuation may not be a significant factor,

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because of the warning system for large storms and the evacuation should have taken place before any winds would down trees or power lines. He added this would be an issue if no notice is given or attempting to return to the island. He continued the cost figures are, at best, rough or of magnitude cost, and the only way to acquire a clear and more accurate cost estimate is to perform a design with the recommendation that the utility companies involved in the Town do the design.

Rod Macon, Florida Power & Light Company, said Palm Beach has no transmission lines on the island, and they are not a factor during a storm. He continued the main feeders on the island would be the first lines restored to provide service to police, fire, and Town Hall to insure functioning at a basic level of service could be reached as soon as possible after a major storm. He added that if the island was exposed to a 4 or 5 level hurricane, the residents probably would not be allowed back on the island for a minimum of a week or until the power is functioning.

Mr. Macon said the underground utility lines are the most difficult to restore and take the longest amount of time. He continued that he was not sure the issues of safety and evacuation, as discussed at this meeting, were legitimate arguments, and typically if poles were on the ground and residents were still on the island, they stayed far too long. He noted that evacuations are usually ordered long before the utility wires come down, and FPL would normally shut power off to the island before a hurricane arrives in an attempt to minimize whatever damage might occur to the facilities.

President Wyett said the residents south of Sloans Curve requested consideration of installing conduit piping under the road to allow the overhead wires on the west side of the road and the secondary wires to their condominiums to be buried under the road.

Mr. Macon responded that was quite possible, and if the road were being torn up for other reasons, that would be an opportune time to install conduit for later use, or if the road is not being excavated, directional boring may be used provided enough room is available on both sides of the road for equipment. He said FPL would provide the conduit and recalled an estimate was given to the Town approximately a year ago for a few hundred thousand dollars to do 14 crossings.

Councilman Brooks stated the estimate was dated June 12, 2002, and given to the Strategic Planning Board when they were studying the issue.

Mr. Macon noted that the burying of the secondary lines for the south end condominiums would not provide a very large reliability improvement, because most of the system would remain overhead. He stated each of the utility companies has to bury their own lines, because a certain amount of separation is required for the wires underground.

Sam Gonzalez, Adelphia Cable, said his company would supply the piping or conduits for the Town, and Adelphia would need at least 3 underground conduits to allow for future changes. He added the Adelphia boxes to go underground are smaller than FPL boxes depending on the

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equipment, and he was not too sure but thought Adelphia was underground north and south only in the south end.

Mayor Smith asked how far apart the Adelphia lines had to be from the FPL lines?

Mr. Gonzalez replied Adelphia goes under 24 inches with FPL usually going 36 inches and a foot apart from Bellsouth.

Hamid Rezaei, Professional Engineer, Electrical Engineering Consultant hired by the Palm Beach Civic Association, asked FPL if the underground systems took longer to repair during a major storm?

Mr. Macon replied that Saga Bay, next to Key Biscayne, was flooded during Hurricane Andrew, and the area had to drain before FPL could re-enter the area to repair underground utilities.

Mr. Rezaei said he wanted to point out that underground utilities were much more reliable than overhead utilities, and overhead utilities would take just as long to repair in a flooded area.

Responding to questions from Mr. Rezaei regarding the reliability of underground systems, Mr. Macon said a recent report from the Edison Electric Institute in Washington, dated January 2004, discussed the merits of overhead utilities vs. underground utilities, and one of the things that remains unclear is whether one system or the other is more reliable – reliable in terms of how much time in a given period, usually a year – how much time a customer is without electricity. He said underground has some advantages related to the frequency of interruptions that is typically less based on studies, but underground loses on the duration issue – how long the electricity is out.

Mr. Macon said if the Town decides to go underground, the reason should be for primarily aesthetic reasons as most communities do that for aesthetic reasons.

Mr. Rezaei said that underground utilities have a better performance record than overhead lines with 60% to 80% of lines are buried for aesthetic reasons and 40% to 20% are buried for reliability purposes. He added that safety factors are an additional issue.

B. Mayor and Town Council Comments and Questions

Councilman Brooks requested Mr. Macon and Mr. Regaei comment on the technology advances regarding reducing the duration of outage for underground lines.

Mr. Macon responded that technology has improved for the underground cables during the past 30 - 35 years, and the frequency of underground outages should improve as the equipment

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improves.

Mr. Regaei said cable life has increased dramatically, and equipment performs better as time goes on.

President Pro-Tem McLendon asked what extra protection is used in the flooding areas that above ground equipment is located in?

Mr. Macon responded that FPL, to the best of his knowledge, installs cabinets and equipment in Palm Beach in the same manner as installed in the middle of the State with the elevation determined by the slab under the cabinets.

Responding to Councilman Goldblum, Mr. Macon said he could provide information regarding the number of outages on the island within the past year. Mr. Macon said the outage problem in Palm Beach relates to the trees, because the island is so heavily vegetated, and undergrounding the utilities would help the tree situation. He added that the CMI, customer minute interruption, was 76 for FPL customers during a year or the average FPL customer was without electricity a total of 76 minutes during the one year period the latest statistics were available. He stated the FPL overhead system is 99.99% reliable as it is, and the question was what the cost would be to close the last small percentage? He added the statistics were based on the number of meters in the system.

Mr. Macon said installing the parallel lines could be done at any time not necessarily when South Ocean Boulevard is redone by FDOT. He continued that FPL prefers to place their lines in an easement on private property rather than in the road right-of-way, and the reason is that underground cannot be relocated and if the road wants to widen the right-of-way, relocation of the lines is very difficult. He said locating the lines in a private easement results in FPL being paid for any relocation.

Max Macon, FPL, said a cost estimate is being prepared for the Town related to burying lines on Royal Poinciana, and sufficient area exists on private property for easements. He said the Breakers and Royal Poinciana Plaza have been approached regarding easements in the area.

Mr. Elwell said staff would be providing a report at the April 13th Town Council meeting regarding that issue.

Town Engineer Jim Bowser added that the estimate is ball-parked to be approximately \$600,000 for that area, and it is probable that all the work will be done on private property and not done with the FDOT project with directional boring to be done at a later date. He said the lines could go in the median but reimbursement agreements would be a liability to the Town.

President Wyatt asked Mr. Rezaei what the cost might be to design the system?

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Mr. Rezaei said he could answer that for his area in Gainesville, Florida, but it would take him approximately 2 weeks to design the major theaters. He said the CMI number of 76, average time for a meter, does not normally include the measure during storms, and this is the time undergrounding may be an advantage.

Mr. Macon confirmed that was correct, and for the purposes of measuring, extraordinary events are not included.

C. Public Comments and Questions

The following is a verbatim transcript of the minutes.

Dr. Sten Lilja:

I am Sten Lilja (1330 North Ocean Boulevard)

I am here to try to be helpful, and I want to point out that I have an extensive background in power line material, transmission lines, in fact, I am one of the co-inventors. I have extensive background in heavy electrical systems and distribution, and I want to remind you that a few months ago, I spoke here when you had FP & L people here to explain the big power failure in the country. At that time, I spoke up and pointed out what blunder they had made and FPL stated 'yes, I was right.' Not to toot my own horn anymore, I want to say also that I have been helpful to FP&L in getting the present power plant in a much better technical position as far as steam generation is concerned. I also stood up for the Town at a recent meeting in West Palm Beach as to the dirtiness of FP&L and you might have seen in the newspaper recently that this plant was singled out for change from that viewpoint. This is my background.

I want to point out that I am not for or against anything discussed here today. Another thing is that the information I can present is free.

I want to start off with the reason here that I think has been said already – that what is the reason - escape or evacuation. Well, I like the idea that the main roads should be free from overhead power lines from a safety point. I also realize that I won't be around when this is put into effect, if it is. I would suggest that even North Ocean Boulevard will be included in your considerations, but again, I won't be around for that one.

There are technical matters which I think wouldn't hurt for you to consider including the consultants here that go deeper than has come out. I have not heard a word that said the Town shouldn't try to bury a system that by now, I can only guess, is 50 or 80 years old. We have in this Town an odd electrical system. Where, for instance, the regular, normal three-phase system that is available, is not here. We have what is called a high-line, and we are generally, as residents,

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confined to using two-phase for our air conditioning where the availability for a proper three-phase would be good and excellent and also better quality.

Now, having said that, I come to - well, the power is going to be brought from up and underground, there would be a need to put in new transformers. So, there is a replacement and it invites the idea of - well, is this the right way to do? To put this old stuff in? Should we change the voltage? The underground lines...

Wyett:

Sten, this is not a hearing to design the system. This is a hearing to decide the feasibility of spending \$22 million to put underground. At another hearing, it would be designed to what you are now going in to. The reason I am cutting you off is you are going to be using up much too much time to discuss technicalities which we are not prepared to listen to today. Do I have concurrence with the Council?

Smith:

Well, let me ask a question. I think that when the consultants did the study, I don't know whether or not they considered upgrading the voltage. This is certainly something Dr. Lilja has spoken to us before that perhaps we have to move up the amps.

Mr. Bradford? Mr. Bradford, did the consultants, as part of their \$22 million dollar cost, look into upping the amps? What Dr. Lilja has talked to us about since we did have the power outage.

Bradford:

No, ma'am. Their rough order of magnitude estimates done by JLSD or JLRD assumed keeping the system as is and just simply converting to underground.

Smith:

To underground. Well, this is because Dr. Lilja has told us that he felt that there were insufficient amps which is part of the problem that happened when we had the blackout on the East Coast. So, I think he is only mentioning it - some of the things you are saying, Dr. Lilja, you may lose us on. It's too technical.

Lilja:

I'm not proposing anything at all. I am just making a 'heads up'. These are questions that I think should be considered, because they are in the background, and they will come back and surprise us if we don't do it now.

Wyett:

Sten, you are 100% right that if we go underground, we would bring the system up to the state of the art, but this hearing is the feasibility hearing as to whether or not the Council wants to put the lines underground. If we decide to put the lines underground, the next item would be what

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you are bringing up. You are just one hearing too soon.

Lilja:

Why not ask the consultant here? What is the maximum voltage that can be carried underground? I don't know it myself.

Smith:

All right. Let's ask him.

Wyett:

We could do that.

Smith:

Why don't you speak? The consultant. What's the answer? Because, in addition to whether or not we decide we are going to do it, I wouldn't think we are going to decide yes or no until we know what it costs.

Wyett:

I would make an announcement that I have a – and anybody else who has a chilled water system – I have a 3 phase system in my house. One of the reasons I had to put a generator in was because it fails all the time.

Razaei:

Madam Mayor, the distribution voltage utilized by most utility companies in this country ranges from 4,000 volts to about 35,000 volts, and those are called – on the higher range, they are called subtransmission voltage. Normally, most utilities nowadays use single phase as opposed to 3 phase for residential developments. 3 phase are normally reserved for commercial and large power consumers. Residential customers are not large power. In the old days back 40 - 50 years ago, utilities used to supply even residential customers with 3 phase, but nowadays, it is only single phase, and that's based on the present state of science in this area. That is sufficient to run all of the equipment that normally people use in their houses.

Wyett:

Thank you. Next.

Flamm:

Al Flamm, 2000 South Ocean Boulevard.

We have heard many of the advantages and disadvantages of the various overhead and underground systems. I view the two main disadvantages as cost and major disruption, and as such I think we have an opportunity in the first phase of this project to dramatically reduce both of those

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negatives, and that is by being opportunistic with the major projects that are today being contemplated mostly by DOT, certainly on South Ocean Boulevard, and that will go on for three or four years after it starts, on Royal Poinciana, which is about to get under way, and that will accomplish an important part of the evacuation routes we speak of and it will-- certainly both the consultants have indicated -- aesthetics will certainly be improved. So, the term I use is opportunistic, and clearly when you are ripping up the roads anyhow, putting the trenching in, and putting the various utilities underground, greatly reduces the disruption to the community.

Now, the concern that was expressed by Mr. Macon of FPL that the Town might be incurring a liability because in the event the roads have to be widened and they have to be extended out, that we would incur a liability, that seems to me an extremely minimal risk. Here the DOT is coming along now and widening roads, resurfacing them and widening them, in many places, they can't even widen them. There is no place to widen from Widener up to Mar-a-Lago. There is no place to widen. So, the risk of that in those cases is zero. The risk of it on South Ocean Boulevard is minimal, and the risk on Royal Poinciana, we can address that just the way it has been addressed. So, that it strikes me, is a very, very minor issue.

Now, that is the disruption aspect. On the cost, I really have to ask Mr. Macon--could I ask you a question or two?

Not being an expert on rates by any means, I assume that depreciation has been built into your rate structure throughout -- on a continuous basis?

Macon:

Well, we depreciate our facilities. And that is a factor that is considered at such time as we come up with an estimate of the cost to replace overhead facilities with underground.

Flamm:

Right. So, here this Town is --probably, and I say this unknowledgeably --probably the average life of the systems you have to upgrade and replace is -- what -- 30 years, typically? 35 years?

Macon:

I don't know. I'm sure that you have some facilities here that are probably 50 years old, and we have some facilities here that are just a few years old. So, I really don't know what the average would be.

Flamm:

Okay. But, it is something in that order. It certainly isn't five years. It certainly isn't a hundred years.

Macon:

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Could be.

Flamm:

So, there are on-going and major investments that FP&L is obliged to make. Upgrade the overhead system.

Macon:

Correct. That is correct.

Flamm:

Now, is it a fair assumption to say that those monies that would have to go in upgrading those systems, which are substantial as you indicate, that it would be appropriate if we decide to go underground that those monies could be used to defray any expenses that we incur?

Macon:

That's exactly right. There is – and on more than one occasion, we have advised the Town in the past five or six years, when we have gotten ready to do like a major maintenance project, and we are getting ready to spend quite a bit of money to rebuild what is overhead with more overhead, we have brought that to the Town's attention and said this might be an ideal time for you to consider paying to put this underground instead, because we can avoid the money that we are going to spend overhead, and it essentially becomes a credit to you toward the cost. That is the way it works.

Flamm:

Okay. And I would suggest to you that those numbers are very substantial. Therefore, it is inappropriate for us to talk or even talk about going out for a referendum, not knowing what the costs are, because you can be opportunistic on that. Remember, we are talking about \$23 million and \$70 million may be the right order of magnitude for the total project, but the question is 'What will be obliged to pay?' I would suggest to you it is substantially - substantially less than that because of the age of our system and the obligation that FP&L has to continue to upgrade and modernize that system. So, when I say opportunistic, I mean opportunistic both as far as disruption, where we have that for the next 4 or 5 years and clearly opportunistic as far as investment when we can team with FP& L and reduce those numbers that we are talking about by some very substantial numbers.

Wyett:

Thank you. Next, please.

Gundlach:

I'm Heinz Gundlach, Algoma Road.

I just heard, speaking out of my heart, that is the issue. Most people don't know that electric rates and telephone rates – telephone rates no longer– are regulated by the Florida Public Power Commission, and the reason that we still have this horrible overline, above ground lines, which are

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a safety hazard, not only in hurricanes – I come to that in a minute – is because of the public rate base management, and there is a big depreciation part in there as you correctly stated which is long depreciated, and there is a major ongoing repair portion in our rates we pay, and FP&L in the last ten years has down-graded its maintenance operation to the point that it is a scandal. In our case, the trees were growing into the power lines. Whenever it was raining, the power was out. The gardeners didn't go near anymore. I called 20 times FP&L. Nobody came until the nice gentleman from Public Works helped me, and right away after they called, they came.

Now, there is no question that in Europe you wouldn't find any overhead power lines – too unsafe, un-aesthetic, unsafe. But the important portion is that the maintenance – the ongoing maintenance cost of an underground line is a fraction of the overhead, and the savings of that in addition to the depreciation will probably end up with FP&L paying 50% of the cost.

I helped Pete Wilson, my old friend, who was Mayor of San Diego 20 years ago, to put all the power lines underground. He was later on Governor of California, as you know. He still thanks me today for that. You can do that in concert by Town ordinances and close negotiations with the Florida Public Utilities Commission. FP&L will drag its feet, because they want to get the stock price up for the stock options to be valuable. That is not our interest. We want a safe power supply. What you said is correct, but in the consultant's report, I didn't hear the real issues. The real issue is money, and of course we have to pay some of it, but the majority comes from FP&L who has milked us for years and here is my report for the water plant.

Wyett:

Is there anyone else from the public who would like to come forward?

Gerald Frank:

Thank you Mayor, Council members - my name is Jerry Frank, 2784 South Ocean Boulevard. I'm also Vice Chairman of the Citizen's Association.

I'm not going to discuss the entire plan of the Town, and I know you're all thankful for that. But there is one piece here that really has to be addressed and that is, almost immediately, the fact that Florida's Department of Transportation is going to be putting a new surface and widening the road in the year 2005 on South Ocean Boulevard. It is the first year of that project. In 2006, they will go to the next section, and the next section will be from Sloan's Curve to the Southern Bridge; and I believe, in 2007, they will then go from the Lake Worth Bridge through Manalapan and that, of course, takes care of the southern section of our Town. But I'm concerned right now about 2005 and that is if we are going to have them do anything, I think we should be on drawing board now with what we want them to do or what we are going to be involved in.

When we brought this to the Council, sometime ago, we discussed it on the basis of putting the east/west lines underground; and I believe a price has been gotten for that which is very, very minimal in relation to a total project of putting the north/south lines underground. Those north/south

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lines now are set back quite a bit from the road. They seem reasonably safe when we look at them, but the east/west is a tragedy due to the fact that, in that part of Town, there is only one road. There are no east/west roads. In other words, if a line is down, there is no way of going around that line. Your Fire-Rescue people could not travel and get to any of the condominiums simply because there is no way around that line as there are in other sections of the Town. So, the thing that we are concerned about is that sixteen or seventeen lines that go across from east to west of South Ocean Boulevard, right now, and get the plan on the drawing board to put conduit under there at the time that the road project is going on. The north/south can be addressed at a different time. If you choose to go to referendum on a major project like that, and from what I've heard recently from the two gentleman, maybe it would be less money than we expected. But right now let's look at that east/west.

The Florida Department of Transportation is obviously concerned at the intersection of the lake bridge and A1A. They will replace those traffic signals with the new up to date hurricane proof type of posts and facility where there will no longer be cables, but it will be a huge device out over the roads which they believe is hurricane proof. The wires will disappear that the lights are hanging on now. So that will be taken care of, but the rest of that road could be a disaster.

For the small amount of money this involves, I really feel we have to address that now. It has to be done before that 2005 project gets underway. We talked about earlier saving one life. For this small amount of money, if we can save one life, I think it is a worth while thing to do now. We can talk about the rest of the project at some later time. Thank you.

Peter Rock:

Peter Rock of 44 Cocoanut Row. A couple of things - opportunistic I've heard mentioned often because of the road disruption. But it is my understanding that they want to go on easements for the underground cable, I thought, right of way. Is that not true?

McLendon:

They'd like to. That's true

Rock:

Is that your preference?

Elwell:

That's our preference.

Rock:

The other thing is my understanding is that on the 13th you're going to discuss the placing of

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underground conduit on Royal Poinciana which is a \$600,000.00 project roughly.

Elwell:

Yes that is the preliminary estimate. It's currently being - a precise cost estimate is being refined right now.

Rock:

Which will be voted by the Council.

Elwell:

That's correct.

Rock:

I see. It couldn't be grouped with the \$21,000,000.00 outlay, perhaps. That's going to be separate.

McLendon and Wyett:

No.

Rock:

I see. Okay. Thank you.

Isabel Furlaud:

Good morning, I'm Isabel Furlaud, and I live at 745 Hi Mount Road in Palm Beach. I'm also fortunate to live in four other towns all of which have undergrounded their wires. One is East Hampton who undergrounded their wires in 1923. Those wires are now eighty-one years old. I live on a dune. There is sand, there is salt, there is wind, there is flooding and I have had in the twenty-five years I have lived in that house, no interruption of electricity except when the grid has been pulled by LILCO - Long Island Lighting Company when the telephone poles have gone down in the other adjoining towns. I highly recommend undergrounding for safety. I recommend it for aesthetics, and I recommend it for lack of outages. In Vail, Colorado, when they put it in fifty years ago, everything was undergrounded. It still is, no problem. Telluride Mountain Village is undergrounded. Telluride Town which is a national historic town, is undergrounding their wires at one or two blocks a year and they are doing it mostly with clean air grants. I don't believe I heard those mentioned. West Palm Beach is being undergrounded for free by Florida Power and Light. They reported to us that they would not underground Palm Beach because we don't use enough wattage. I guess we should all turn our lights on and keep them on over night and maybe we will get a few freebies. I asked them to underground Worth Avenue and they said no again not enough wattage. Jacksonville, Florida buries a hundred miles a year. They caught a definite part of their progress and as this gentleman who spoke earlier said Europe undergrounds their wires, particularly Holland. The entire country is undergrounded and talk about water, flooding, salt, etc. Once you have been undergrounded you certainly aren't going to go out and put poles up. I would hate to see

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poles in East Hampton and they never will be and I would like to ask why would you ask for a referendum when you didn't ask for a referendum for beach renourishment. It seems to me that this is something that is for aesthetics, it's for safety, it's for longevity and I urge you please to do it.

Mayor Smith:

If you are directing that question to me, Mr. Furlaud, I did ask for a beach referendum.

Furlaud:

You did.

Mayor Smith:

I did.

Furlaud:

Thank you.

Mr. Wyett:

I'll testify to that.

David Barton:

David Barton of Jamaica Lane. I was hoping I wasn't going to ask any questions that they'd all be asked by now, but Bill Brooks raised something I think ought to be expanded on. There hasn't been any discussion about the individual items that are going underground - gas, power, cable, telephone. This business of what's going to happen in the future. Let's assume, to go through this thing, Adelphia buys Direct TV, gets rid of cable. Nobody's mentioned the experience of gas which is already buried. This is a new thing that happened that's been good, bad or indifferent as it relates to the subject at hand. Telephone service in Hungary, Budapest is the only place it's wired, the rest of the Country is getting telephone service, it never had it, they use all cell phones and they're way ahead of us because they were so far behind us. It seems to me that should be the dimension of technology, of that type, ought to be added to the study.

Wyett:

Anyone else that wants to come forward?

Susan Lee:

Susan Lee, 287 Pendleton Avenue. One of the things you all haven't mentioned today that I think you should consider...let me start by saying, I'm in favor of burying the lines, I think it is a matter of safety and it is a matter of aesthetics. I live in Houston, Texas, part of the time. Many years ago, in 1981, we had very small hurricane but it generated five tornadoes in the neighborhood we lived in. River Oaks is an area pretty much like Palm Beach, and I lived on a hill called Pine Hill. Afterwards we had no pines. We said we should call it stubble hill after that. There were no power lines. There were no telephone lines. It took one to three weeks to get electricity back. It took

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two to four weeks to get phone lines back. We literally started moving in with each other. It was a very desperate situation. There wasn't a single burglar alarm in all of River Oaks and the police made sure that the newspapers didn't report it and they had to barricade the outside of the neighborhood. So, the tornadoes that are generated can do a great deal more damage than hurricane itself. I thought we wouldn't have that problem here until one went down in Riviera Beach last year. It was scary.

The second thing I would like to talk about is asking you all to...well, I feel, in part, it is an aesthetic thing also. Last summer while many Palm Beach people were gone, Asplundh went down Coconut Row and started hat-racking trees, and I understand that they have to keep the lines open, but they apparently had a policy change, and they were cutting these trees back sometimes 20 feet, and they had never done that before. So, if FPL has a different policy about trimming the trees away from wires we need to consider that because that was an extreme trimming job and we shouldn't have to do that.

I would also ask you all if you are going to do your study, I recommend you all choose Pendleton as a street to be studying on. In the north side, the wires run behind the houses. On the west end of the street, they run across the street and are attached to the lake block. On the south side, we have wires that run in front of the houses. There are also wires that run behind the houses. We look like a tarantula spun a web on our street. It's really amazing. We don't even know where some of those wires go. So, that's a great place to study all of the problems of wiring.

I would also ask you all to look into a situation where the people on a block could get together as a group to help fund their own wiring system and ask the Town, perhaps, to do matching funds. If you have, like on Pendleton, there are a lot of houses there, there are a lot of people and believe me I would certainly be willing to pay to have the wires across street, they're not on my property, but I have to look at them everyday, I certainly be willing to help bury them and maybe we could get some of the inner structure done that way with you all assuming a little bit of the cost and us assuming a little bit of the cost. Thank you.

Susan Gibson:

Susan Gibson, 226 Pendleton Avenue. I have a question for the rep from FPL. He stated that with the underground utilities, specialized technicians are needed to repair when there are outages for those underground utilities. I wondered what availability there is for those types of technicians if a problem happens? Are they on staff regularly, etc.? Thank you.

Rod Macon

These are people that we normally have available to us. It depends, of course, what time of the day or what day of the week you might have this problem. Typically normal the normal work days we have this kind of person available. They're not just sitting there waiting to do something though they are working somewhere. They have to be brought to the problem and given time to fix it. I guess what I would say is that we have emergency services people that are on duty twenty-four

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hours a day seven days a week who can fix many of the overhead problems we encounter. We do not have the kind of technician that she's referring to always available twenty-four hours or seven days. So, that's part of the reason it takes longer to fix an underground problem. It's finding the problem first and then getting the right people out there who are trained and qualified to do the repair work.

Wyett:

Any other member of the public who would like to come forward?

Susan Collins:

I'm Susan Collins from 1085 North Lake Way and one of the extra costs that haven't been mentioned in doing all of this work is that I noticed that a great deal of the street lights are attached to the poles, the telephone poles or electric poles. So, I assume that there's going to then have to be street lighting installed as an additional cost and I wondered what that cost would be.

Wyett:

Well, Mr. Elwell do you have a quick answer to that.

Bradford:

That will be a cost. Where we have street lights today, we have to make it coincide with the underground program, and JSLD did include those costs, rough order of magnitude again, to accommodate that where we came across it but not to do additional street lighting but to accommodate that what we have today.

Mayor:

That's in the \$22 million figure that you quoted.

Bradford:

It was in...let me clarify that for you. The \$22 million number is my number if you break out their numbers from their two reports to do all State roads and all north/south Town roads. So, I generated my number from their numbers.

Mayor:

Did you consider what was spoken about earlier - the depreciation on the equipment and FPL coming into renew the equipment and what that cost would be?

Bradford:

Well, I didn't identify the cost.

Mayor:

No but I mean did you consider that as part of your figure that there would be...?

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Bradford:

No, I did not, but I brought it to your attention by saying that if you timed our work to coincide when they fully depreciated their systems or when they prepared to change out their systems, we would receive a credit. So, it would be advantageous to do it at those times.

Mayor:

Sure. Mr. Macon, in lieu of the conversation that's taken place, does FPL have a ten year plan for replacement of parts in the Town of Palm Beach?

Macon:

No.

Mayor:

No, you do not.

Macon:

We don't. We plan power plants ten years out. We plan sub stations and transmission lines typically five years out; and generally, for distribution facilities which are what these facilities are, we are only looking ahead a couple of years at a time.

Mayor:

So, but, would you be able to supply the Council with the information about what might happen in the next three years?

Macon:

We would be happy to provide you what we know of is planned to happen in the next three years. I don't know that would include things out as far as three years.

Mayor:

Right. I wasn't sure when Dr. Lilja spoke because I heard you tell us that the FPL plant up on Riviera Beach was not going to be upgraded, was not on the list to be upgraded, in the next ten years. Is there a change in that status, because we would be very, very pleased if we thought something was going to happen there. You know we have had our problems with it over the years.

Macon:

I'm glad you asked. There was a bill introduced in Tallahassee, I want to say maybe three weeks ago. It's generally referred to as an air quality bill. It was introduced at the request of the Department of Environmental Protection. It is designed to provide an opportunity for significant emission improvements at some of the older power plants across the State of Florida. I think that is what the gentleman was referring to. It was in the Palm Beach Post one day a couple of weeks ago. Basically, I am going to oversimplify it, but I will tell you what it calls for. It basically calls for utilities to freeze their rates for the next five to seven years. The expectation is that if we didn't

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freeze our rates, they would actually go down. But we would freeze our rates so that customers would not pay anymore over that period, and the excess income that is predicted to occur for companies like ours would be put into a fund that would improve plants such as the one in Riviera Beach. This is a bill that is currently being hotly debated in Tallahassee. There are some who think it is great because it means substantial environmental improvements at no additional cost to our customers. There are others who say if you've got the money to do that don't spend it on that, give us a refund or lower our rates. But that bill is in both the House and the Senate. It's under debate right now, and if this Town Council feels like environmental improvements at Riviera are worthwhile. then you might want to weigh in on this.

Mayor:

It's sort of hard, Mr. Macon when you're talking about reducing our rates, to say no.

Macon:

Well, I understand. It's really, do you want to....

Mayor:

I mean, I understand what your point is and we are environmentally concerned, and we certainly have been with the concerns there but that would be....

Macon:

But that's what's going on.

Mayor:

Thank you.

Wyett:

Mr. Brooks.

Brooks:

Mr. Macon has answered my question, for raising that bill. Thank you

Wyett:

Mr. Goldblum.

Goldblum:

Mr. Macon when you give us your schedule of replacing equipment in Town, can you give us a dollar figure of what credit we will get to put it underground?

Macon:

Can we do that? I guess so.

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Mr. Macon was advised by someone in the audience that there's a five year plan on distribution which exists. Dollar figures can be ..

Goldblum:

Can you get that to work into our equation and what it's going to cost us?

Macon:

We can report back to you on what we see on the horizon as improvements we intend to make and what kinds of credits might be available.

Mayor:

He did say there was a five year plan. This is for the record because it was not picked up by the microphone.

Macon:

That's news to me. I didn't think we looked out that far but he should know.

Mayor:

See we learn something everyday.

Goldblum:

All right. Can we send that to management, to Tom Bradford, I guess?

Macon:

Yes, and all I would say is that much of that improvement work probably has not been engineered by us. So, I do not know if I can give you exact numbers, but we might be able to give you order of magnitude numbers. We'll give you the best that we can at this point in time.

Goldblum:

That's all we can get. Thank you.

Bill Guttman:

Bill Guttman at 216 West Indies Drive. Mr. Macon, I have a couple of questions of you. Do you keep depreciation schedules on the overhead system in Town?

Macon:

I don't think we keep depreciation schedules on a specific system in a specific area. I mean we have different depreciation schedules for different types of equipment but I don't think we keep an inventory. I'm not qualified, I guess, to answer the question. I believe you are asking for more than we have though.

Guttman:

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Well, let me ask you a different way.

Macon:

Okay.

Guttman:

We know that were you to bury the overhead utility lines between any street in Palm Beach, the Town would be entitled to a credit...

Macon:

That's correct.

Guttman:

Credit equal to the amount that you have depreciated it over its life?

Macon:

Well actually the formula that we use to determine the price for converting from overhead to underground uses a charge for any un-depreciated value.

Guttman:

That's the reverse of what I just said.

Macon:

Okay, I just make sure it's clear.

Guttman:

Those figures have to exist in other words.

Macon:

Well, when we do the engineering, we can see how old the facilities are we are talking about. We know what the depreciation schedule is for those facilities, and we, from that, then determine whether or not there is any un-depreciated value in the specific facilities we are talking about.

Guttman:

We've heard Mr. Flamm talk about trying to approach the issue both from a disruption perspective and a cost perspective on an opportunistic basis.

Macon:

Right.

Guttman:

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Clearly, the principle driver, in terms of disruption, would be to try to time, at least, putting in the conduits, if they have to go in the roadway, when the roadways are otherwise being opened.

Macon:

Correct.

Guttman:

Similarly, it seems to me that, from the Town's perspective, the ideal time to make the system go live, when you got the conduit in place, is when the overhead utility lines are largely depreciated. You might decide not to wait until they were fully depreciated.

Macon:

Maybe.

Guttman:

But if you had some idea of what it was, you could plan so that you could reduce the cost to the Town as much as possible.

Macon:

Right.

Guttman:

I wondered whether or not you would be willing to share with the Town Council your depreciation schedule so that they could make intelligent, opportunistic decisions regarding the cost of bringing the system live.

Macon:

Well, I don't know what those schedules are. I mean, we don't have anything. I mean, there is no reason why we can't share those. I'm not sure how that's going to work though because our, I mean, our plan of work, let's say, over the next five years may or may not coincide with our oldest facilities out there. Our plan of what we call system improvement work which has been referred to this morning as maintenance work. We call it system improvement work is driven primarily by our reliability records, and in some cases, liability may correspond to age of the facilities. In other cases, it may not. So, we will be happy to provide information on our depreciation schedules. I don't know that that's going to help the Town plan for anything though.

Guttman:

Surely, Mr. Macon those poles or lines that have reached the expiration of their use for life, one would hope as a resident, that you plan to replace those particular lines.

Macon:

Not if they're performing well.

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Guttman:

Even though your records indicate that they have...

Macon:

We have many facilities out in the Town, I'm sure, and in other locations in our system, where the facilities were fully depreciated years ago and if they are continuing to perform well, from a reliability standpoint, we won't change them.

Guttman:

Then all the more reason to get a hold of those depreciation schedules, because the way the formula works, if you are going to bury them, even though they may be working from your perspective, we would get the maximum amount of credit if you were to provide us with those depreciation schedules.

Macon:

Right. We would be happy to do that.

Guttman:

I think it's also worth noting that if the Town were to proceed, opportunistically, on a cost basis, by trying to match depreciation with bringing the system live, bandying about numbers, at this point, is totally hypothetical. I don't know if it is 70 million, 20 million, or 5 million. One can only begin to address that issue when one has the depreciation schedules and you try to overlay that over that part of the Town you might be considering burying. Thank you.

Brooks:

While you are there, sir, I think in addition to the depreciation schedule, and I realize that you may not have this, but I think it would be helpful to the Mayor and the Council if you could take a look at what your capital budget is. I don't know if you go with a five year capital budget or a ten, but I think if we tied that in with the depreciation schedule, we would be able to get, I don't mean the entire Florida Public & Light universe, I just mean this area. Thank you, sir.

Macon:

Palm Beach. I'm sorry, Mr. Brooks, when you talk about capital budget, I mean, we have capital budget, we have new facilities that are part of our capital budget.

Brooks:

As I understood you a moment ago, sir, when you were talking about depreciation, you said you had one length of time for the power plants. I believe you said thirty years. Here another depreciation schedule and a third depreciation schedule for the transmission lines, and I assume, correct me if I'm wrong, that those three items coalesce into one number. Then I'm also assuming like any business, you've got a five year out capital budget that obviously can change, but I think that budget, that number then tied in with the request that Mr. Guttman and what Mr. Flamm on the

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depreciation, I think we will get an even tighter grip on the financials.

Macon:

I understand. I'm not sure. I don't think...

Brooks:

I don't think you have it Rod.

Macon:

I don't think I talked about a depreciation schedule for power plants, transmission lines, and distribution lines. I think, first of all, here on the Island, we are only talking about distribution facilities. It's my understanding that we have different depreciation schedules for different types of equipment. Poles may be thirty years, transformers may be twenty-five years, that sort of thing.

Brooks:

Correct, sir.

Macon:

And all I meant was, when you asked for capital budget, we spend capital two ways. We spend capital, we invest capital when we have to build something new, first time ever, and also, we invest capital when we are doing system improvement work. I think it is the latter in which you are interested. Is that correct?

Brooks:

Exactly my point, sir. Like any business. Thank you.

Heinz Gundlach:

Allow me two minutes. Mr. Gundlach. About what was said, I would emphasize, please that the deep depreciation issue is only a portion. I don't know the exact number but the combination of maintenance costs which can be rolled in dollar for dollar in our billed invoices we get plus the depreciation schedule accounts for about 50% of the rate base, of what we pay, plus- minus. It could be higher. Now all of this, Florida Power and Light will always drag its feet to show this to us. They would be ordered by the Florida Public Utilities Commission to open their books if we go together there. I told you, Peter, I would be happy to help you, free of charge, of course. Maybe you too. We have enough. The rate base thing. This whole Public Utility Commission thing is more a legal issue than anything else. Do you agree? And we know how to handle this, and we want to help you. It's our Town, it's our safety. Do you know the damage to our computers, being shut off constantly by power off and on? We should sue Florida Power and Light. We are decent people who don't sue people so easily, but at some point it's enough.

Mayor:

Are you sure? I'm not so sure about that.

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Gundlach:

At some point it's enough, you know.

Mayor:

I think so too.

Wyett:

I think we now are reaching one of the final stages of this hearing.

Mayor:

Wait, Mrs. Lee wants to speak again.

Lee:

I have one more thing to say in light of talking about the power plant. Forgive me, this is going to seem to be a little off topic but believe me it's not. I think it's rather gutsy of Florida Power and Light to plan to put a liquid natural gas line off the north end.

Wyett:

Mrs. Lee I have to cut you off of that. We are only talking about underground wires.

Lee:

We were just talking about...

Wyett:

I am going to cut you off, we are not talking about power plants.

Lee:

You were just talking about the power plant.

Wyett:

We are not talking about power plants.

Lee:

Are you aware that El Paso went through a melt down similar to Enron?

Wyett:

Mrs. Lee we are not going to listen to you on any subject, on this subject, please.

Lee:

I think you are being rude.

Wyett:

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I'm sorry. I am not going to get into this with you.

Lee:

Okay.

Wyett:

If you wish to bring this up on public comments in April, I will listen to it then.

Mayor:

But I don't think it is FP&L who wants to do the liquid gas line. I believe it is El Paso.

McLendon:

El Paso.

Lee:

It's servicing their power plant.

Mayor:

Up in Indiantown. If it gets here.

Lee:

Yes.

Mayor:

I wouldn't bet the house that it's going to get here.

McLendon:

Don't hold your breath.

D. Town Council Direction Relative to Underground Utilities Plan

Wyett:

We are now ready for Town Council direction relative to the underground utilities plan. Who would like to address this on the Council?

Goldblum:

I think we've heard from the experts, from the citizens, and I think we need more input, indepth, on figures from FPL. I think we have to be able to digest these figures, be able to make a presentation to the public, and have another meeting on how we are going to finance this. We haven't gotten to that, and I don't think we can get to how we want to finance this. Do we know

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what we want to do and how we want to do it? I would like to throw that on the floor. I don't need a motion on it, I don't think.

Wyett:

No. Mr. Brooks

Brooks:

Thank you, Mr. Wyett. I agree in principle with what Mr. Goldblum has said as regards to lack of specificity in certain critical areas. I would, and this maybe kind of wishy-washy, but I would like to make a motion, in light of Mr. Frank's observation on 2005 will be here soon, that perhaps the Council consider, in principle, at least, and as a compromise, at least, at this stage, burying the conduits as the work on A1A progresses. All of the points that Mr. Goldblum made are valid, we will have additional financial input but that is my request, Mr. Wyett.

Wyett:

I think that is a very good idea, Mr. Brooks. But I think we also ought to defer that to the April meeting and do it simultaneously with Royal Poinciana because they have the same attributes

Brooks:

That's fine with me sir. I just wanted to get it out in plenty of time before the year 2005.

Mayor:

Before you decide you're going to do that, can we see some figures on what this project is going to cost; and also there was discussion about burying or putting conduits in when the different roads are open. I would like to see some figures on that. I think we have opened more doors today then we've gotten the answers to, and I think that we must look at the bottom line, aside from public safety and aesthetics, we must look at the financial considerations here before we vote on anything; and I don't know if we will be ready by the April meeting to come up with all these figures. I think we have to have some figures. We are talking about one section of Town. We would be asking for figures no matter what section of Town it is. So, I think we have to have a pattern.

Wyett:

Mayor, we have figures coming in from Royal Poinciana. We almost have them in hand.

Mayor:

Well, we've discussed Royal Poinciana for over a year. I mean we've had the input from the Royal Poinciana Association. I've heard for the first time today about burying the lines in the south end and I'm just asking to see some figures.

Wyett:

Well, Mayor, we have figures coming in. I think we have very hard figures coming in for South Ocean Boulevard.

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Goldblum:

I have the figures here.

Elwell:

We have some. When you're finished I would like to address where we go from here.

Wyett:

Right. So those two numbers are easy. We have other numbers that are deferrable or that need more examination. But both of those areas have deadline aspects of it. The only reason I'm asking for a delay to the April meeting, is that those two delays are tolerable - to delay it for a short period of time, it is only days. Peter go ahead. Norman go ahead.

Goldblum:

We do have figures from FPL on the Southern/Ocean Boulevard - a better ballpark estimate, not binding estimates. It is for fifteen crossings for \$500,000.00. They go on and say that if we put the conduit in the crossing when the road is being built, we can save \$180,000.00. The question I don't know who is going to get the right of way to go down from north to south to bury the other lines.

Wyett:

We don't have to do the north to south. It is going to be done not in the hard areas. It is going to be done in the green areas. The testimony by FPL is that you can defer that decision.

Goldblum:

That is land that we own?

Wyett:

No. There are two areas to do it. They would prefer to do it in the private which is probably impossible but there is also the green area that they own.

Elwell:

DOT maintains the right of way.

Goldblum:

Okay, but there are the figures you have for the south end.

McLendon:

Can I ask Mr. Macon, I guess it was something like \$20,000.00 per crossing. Was that based on horizontal...?

Macon:

It was based on, as I recall, on directional drilling.

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McLendon:

Directional boring. They're not going to rip up the existing pavement, as I understand it.

Macon:

I don't have that letter with me. I'm going from memory. But, my recollection was that what we gave you was a cost for doing it all ourselves; and then we said, and I think, one of Mr. Bradford's questions, at the time, was what if instead of you all doing it all yourself, in which case, we would use directional boring to put the conduit in, the Town got the conduit put in place at the time the road is torn up, and what kind of difference in total cost would that make, and I think that's the number that you're referring to.

Goldblum:

Yes.

McLendon:

I don't think the road is going to be disturbed to any great extent as I understand, they are going to mill the surface of the existing road, add a few feet to the east side and then recoat the whole place. I don't think we're going to do anything subgrade.

Macon:

I don't know those details. The only thing I would say is that somebody's talking about authorizing the Town or the Town going ahead and putting these conduits in. The only thing I would say is that you can't just put conduits in without knowing precisely where they have to be put in. To put them in without our doing some engineering first and giving you very precise locations of where those need to be put in, it doesn't make any sense. We would have to do some engineering first. It's not a great amount of money, but the Town would have to pay for that engineering to be done. It's during the normal course of events. Similar to what you paid for us to do the engineering to come up with a precise number of, for you, for Royal Poinciana. In this case, we would be coming up with precise locations, at which down the road some point, we could use, you know, we would need those crossings.

McLendon:

Would the Council accept a motion to at least proceed with this to take care of...

Wyett:

No, I suggested that we defer this to the April 13th meeting. You have another question. This is not the only cost. I just want to get everything on the table.

Putting the conduit in that means you would have reserved the right to do it at the minimum costs and you raised a good question. Is DOT only milling the road in which case you have directional boring or is enough of the road being ripped up so that you can put conduit in and it costs over approximately 320 plus the engineering? But then the conduit is in the road one way or the

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other. When are you going to put the wires in; and who's going to pay for the wires?

Goldblum:

That's \$500,000.00.

Wyett:

That's another \$500,000.00; and how much does that cost? So you better look at the total cost and if you do decide not to wire the whole Town, can you wire the area south of Sloan's Curve without planning to wire the whole Town.

McLendon:

Sure. Why not:

Wyett:

That's a question we have to answer.

Mayor:

Well, we haven't gotten to that point yet.

Wyett:

No, we haven't gotten to that point.

Elwell:

I would like to suggest that you do wait to April 13th to make any of these decisions, and we provide you a report that will provide enough context so that you can address the South Ocean Boulevard question and certainly the Royal Poinciana Way question that day, if you are ready to proceed. The broader questions and the amount of research and communication that's going to need to go on in order to be prepared to make decisions, in context, for a potentially much larger project throughout the Town, certainly is not a conversation we are going to be prepared to have on April 13th; but I think we can get you enough information that you can make intelligent decisions about those two segments, and you can make those decisions, in the context of the larger issues, that need to be more fully explored over several months time, most likely, before you will be in a position to make decisions about the larger town wide project.

Wyett:

Let me see if I can bring a little more focus in. The decision that this Council, I think, needs to make, doesn't necessarily have to be made today, is to authorize a study of the feasibility of laying out all the planned north to south and access roads, I'll call it the evacuation, even though it is not the primary purpose of the system. Because I think we heard today, that evacuation is not the primary purpose because evacuation should be accomplished before a hurricane hits. But you better first authorize a study that has not yet been accomplished to see what is totally involved because before that study is made you don't know the true costs. You only have estimated costs of

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approximately \$20 to \$22 million. So, the first thing we have to do, if we decide to proceed, is authorize a study which would give us a pretty good ballpark of what the costs would be. If you proceed that far, then you would have to decide to proceed to the next step and that would be to authorize a system and then you would have to decide how to fund it. Those are three various different steps. Before you even get to those steps, because we may want to preserve some rights without having to dig up these major roads again, is whether Royal Poinciana and South Ocean Boulevard should be prepared for the system in case we don't get to make these major steps in a timely fashion.

If someone disagrees or has other ideas, I'm throwing that on the table for discussion, at the moment.

Mayor:

I believe, we also have to take into consideration besides FPL, BellSouth and Adelphia. If we are burying one, we're burying all and we're putting all of the, I'm not going to say blame, Mr. Macon, but on top of FPL, this is going to be a major project throughout the Town. Also, the idea, we are looking in Attachment A that Mr. Bradford gave us in his summation on the whole thing, and in fiscal year 2004, there is a project on Northlake Way. We have not discussed whether or not we are going to talk about putting the lines in the Northlake Way project and then you have the Sloan's Curve south to Lake Worth Road which I believe you are talking about now and that's in 2005. To put the conduit in all these projects, we have a nine year project which looks pretty good to me, we would have to have the costs on these because these are the ones that we know are being done by DOT and the Town. So, these are already on the table. As far as a study, I think the two or three inch report that Mr. Bradford gave us, which is not the summation we have been working from today, would have a lot of the information that you are talking about needing. Mr. Wyatt, I think that to talk about another study and another amount of money when we may have the information available is something we should look into. I also think that we can talk about Sloan's Curve and Royal Poinciana in April, but I think the other figures for the rest of the Town is going to take a much longer time. We have Mr. Gundlach's suggestion about the Public Service Commission and the things that can be done and all of these things should be considered before the Council reaches its decision.

Elwell:

I agree but let me take a stab at phrasing it slightly differently, but what I was trying to say a few moments ago is I think it will be helpful to everyone if you allow us to take everything that has been received today, which has been a lot, and it has been helpful, and it's come from many different sources and also addressed many different aspects of the potential project.

Let us synthesize that into a report that helps to put the necessary context on the decisions you do need to make about moving forward. Perhaps there is some more formal study that will need some additional outside help for, perhaps there isn't. Perhaps it's work in coordinating with FPL

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and others. We can get the information we need so that you can make more informed decisions about moving in the direction that some of you have expressed a comfort of where you think you would like to go with this, but as the Mayor has observed, that's going to take some time, but what we can do between now and April 13th is give you some additional detailed information about the two segments that are more urgent and give you some context on the bigger questions and decisions that need to be made.

Wyett:

I think I also heard today before this meeting my impression that evacuation and the public safety of the evacuation was primary and aesthetics was secondary. I think I learned today that aesthetics was primary and evacuation was secondary. The reverse occurred.

Brooks:

I don't think so.

Wyett:

Well, I heard...

Brooks:

That was stated Mr. Wyett and it was stated not necessarily with dogmatic force. I think also it has been brought up that there are people even with high speed computer lines that suffer outages and whatnot. So, I think there remains, most assuredly, a strong utilitarian value to undergrounding the electrical overhead wires.

Wyett:

Oh, there is no doubt that underground wires are more reliable. If we believe that FPL's statement that, is it 87 or 78, 78 minutes is the down time in the normal year.

McLendon:

76

Goldblum:

That's not a normal year. That's a year without anything happening.

Wyett:

That's a normal year. If you're in the middle of a hurricane or a major, major storm, you're not too worried about your computer. You're worried about something else. Your PC computers should have back up battery system that protects your computer.

McDonald:

I am going to move we adjourn because I think Peter's recommendations are finished.

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Brooks:

Second

McLendon:

Can I ask one question before we adjourn?

Wyett:

Please.

McLendon:

Tom, what is the significance of BellSouth not being here today? Have they already buried most of their lines? I've heard that, and I don't know if it's true or not.

Bradford:

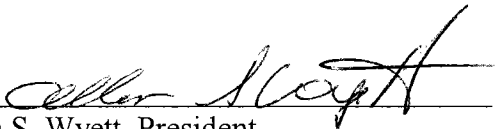
Well, there's a large area where they have buried it but there not here by a virtual snafu. I thought they had been invited, and I talked to their man this morning and they had not. So, he had been out of Town. So, there's nothing significant.

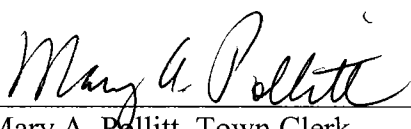
ANY OTHER MATTERS

There were no other matters.

ADJOURNMENT

The meeting was adjourned at 12:00 p.m.


Allen S. Wyett, President


Mary A. Pollitt, Town Clerk