I. MAYOR
*1. Mayor Seng Presents December Award of Excellence to Officers Nathan Flood and Steven Wiese of the Technical Investigations Division of the Lincoln Police Department.
*2. NEWS RELEASE. City Seeks Proposals for Downtown Project.
*3. NEWS RELEASE. Holiday Tree Recycling Ends Sunday.
*4. NEWS RELEASE. Nominations Now Accepted for Arts Awards.
7. NEWS RELEASE. City Receives Grants for Street Trees. (Delivered to Council on January 11, 2007)
8. NEWS RELEASE. Crime in Lincoln Drops for Fifth Consecutive Year.
9. NEWS RELEASE. Mayor’s Committee for International Friendship to Host General Secretary of UK’s Labour Party.
10. NEWS ADVISORY. Mayor Seng’s Public Schedule. Week of January 13 through 19, 2007. (Forwarded to Council on 01/12/07)
11. Citizens Information Center reports on Snow Conditions:
   a) January 13, 2007, 9:30 a.m.;
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12. NEWS ADVISORY. Mayor Seng will kick off the Earned Income Tax Credit campaign at a news conference, Thursday, January 18, 2007 at the Bennett Martin Library.
13. Results of drinking water samples tested for Total Coliform and E. coli bacteria by the Colilert® method of analysis.
15. University of Nebraska-Lincoln free tax preparation.
16. Lincoln Coalition Vita Program’s schedule for free electronic filing of individual tax returns.
17. NEWS RELEASE. Mayor Seng Promotes Free Tax Assistance.
18. NEWS RELEASE. Wood Chip Distribution Delayed One Week.
II. DIRECTORS

COUNTY COMMISSIONERS
1. Letter from Bob Workman, Chair, Lancaster County Commissioners, re: City Special Permit No. 06062, Soil Mining-Extraction. North 56th and Waverly Road

FINANCE/BUDGET

PLANNING COMMISSION
*1. Hearing on Wednesday, January 31, 2007 to Consider Amendments to Bylaws and to the City and County Zoning and Subdivision Regulations.

PLANNING COMMISSION FINAL ACTION

III. CITY CLERK

IV. COUNCIL REQUESTS/CORRESPONDENCE

JON CAMP
*1. Email from Eric Mitchell listing concerns.
2. Email from Attorney Bob Creager regarding HyVee development agreement.

ROBIN ESCHLIMAN

ANNETTE McROY
*1. Request to Public Works & Utilities Department - Traffic Division - RE: Parking in the Centrum (RFI#176 - 01/05/07) - SEE RESPONSE FROM KENNETH D. SMITH, PUBLIC WORKS & UTILITIES. RECEIVED ON MCROY RFI#176 - 01/12/07.
ANNEtTE McROY/PATTE NEwMAN
*1. Request to Scott Holmes & Bruce Dart, Health Department/Dale Stertz & Mike Merwick, Building & Safety Department/Tonya Skinner & Dana Roper, City Law Department - RE: Bar owners, outdoor smoking areas (McRoyRFI#175 & NewmanRFI#41 - 12/18/06). — 1.) SEE RESPONSE FROM SCOTT HOLMES, HEALTH DEPARTMENT RECEIVED ON McRoyRFI#175 & NewmanRFI#41 - 01/11/07.

*2. Request to Darl Naumann, Mayor’s Office/Karl Fredrickson, Public Works & Utilities Director/Nicole Fleck-Tooze, Public Works-Watershed Management - RE: 50th Street corridor costs (NewmanRFI#42 & McRoyRFI#177 - 01/10/07)

PATTE NEwMAN
*1. Response of John McQuinn to email from Jacob Hamilton regarding unlawful possession of firearms.
3. Letter from Charles P. Brown regarding Alcohol in Parks. Received 01/12/07.
4. Letter from Charles P. Brown regarding Alcohol in Parks. Received 01/16/07.

V. MISCELLANEOUS
*1. Email from Robert Heese re: Radon levels in Lincoln.
*3. Email regarding removing holiday decorations within a certain time frame.
*4. Email from Sharon Smith re: 50th Street opening.
*5. Email from David Oenbring re: Opposition to City funds spent on HyVee Store at 52nd and “O” Streets.
*6. Written and Web comments faxed in from constituent.

MISCELLANEOUS RECEIVED WEEK OF JANUARY 22, 2007
2. Email from Terry Bundy, Lincoln Electric Service re: Ice Storm Update.
3. Email from Robert Heese, reply from Scott Holmes, Environmental Public Health, and Mr. Heese’s reply to Scott Holmes.
4. Letter from Steve Sieck re: Suggestion to relocate the Starship Theater.

VI. ADJOURNMENT

* HELD OVER FROM JANUARY 15, 2007
Council Members Present: Patte Newman, Chair; Dan Marvin, Vice-Chair; Ken Svoboda, Annette McRoy, Robin Eschliman, Jon Camp, Jonathan Cook

Others Present: Mayor Coleen Seng, Ann Harrell, Darl Naumann, Mayor’s Office; City Clerk Joan Ross; Dana Roper, City Attorney; Directors and Department Heads; Tammy Grammer, City Council Staff; Deena Winter, Lincoln Journal Star Representative, and Coby Mach, LIBA

Location Announcement of the Nebraska Open Meetings Act: A Copy of the Nebraska Open Meetings Act is Located on the Wall at the Rear of this Room.

I. MAYOR -

Mayor Coleen Seng reminded Council that she will be out of town tomorrow afternoon and will not be back until Saturday evening. I will be attending the United States Conference of Mayors in Washington D.C.

Mayor Seng stated Item 22 on their Agenda today, I asked the Planning Director to appeal this because in our view this applicant has not properly demonstrated why alternative “Preferred Sites” in the area are not feasible, including locating on any publicly owned sites such as Sawyer Snell Park, located approximately two blocks to the south, and other industrial zoned sites located an appropriate distance from a residential use as defined in our ordinance. The site approved by the Planning Commission is across the street from a residence. The City Council at one point adopted policies governing cell towers locations to minimize the impact that tellers would have on the community and the adjacent neighborhoods. While at the same time furthering development of the enhanced telecommunications services. Marvin Krout (Planning Director) and Lynn Johnson (Parks & Recreation Director) are going to be at the meeting this afternoon to talk to them about this issue and I want you to really listen to what they have to say and to place this application on pending. It should stay on pending until Alltel has made a good faith effort to research the possibility of using the existing power that is nearby and if the new tower does prove to be needed to work with the Parks & Recreation Department to locate the new tower on publicly owned property. [#22, 07R-7, Special Permit #06065 - Application of Alltel Communications of Nebraska to construct a 118 foot tall monopole wireless facility capable of accommodating up to three carriers in the I-1 Industrial District, on property generally located northwest of the intersection of S. 3rd Street and Garfield Street.]
Marc Wullschleger (Urban Development Director) stated on the Verizon Wireless project as you know our invitations for redevelopment proposals were due at 4:00 p.m. on Friday. We received one and late Friday evening we contacted Verizon to tell them about the one that we received which was ‘MDG Development Group’. They have four offices around the country and this one was received out of Dallas, Texas and Mike Merwick (Building & Safety Director) tells me their permit is ready to pick up so we can break ground immediately and have 800 jobs. Mr. Svoboda asked how many developers or contractors requested the information but only one obviously submitted a proposal? Mr. Wullschleger replied don’t know for sure, I know several local ones did and Mike (Merwick) informed me a local engineering firm actually took out the permit, hopefully there will be a lot of local subcontractors.

Mayor Seng noted Don Herz (Finance Director) wants to talk about the Aquila letter that a lot of people received. Don Herz (Finance Director) mentioned the Aquila letter and went over it.  [See Attachment ‘A’]

Karl Fredrickson (Public Works & Utilities Director) stated you probably read about it, we had a fire in the Que Place Parking Garage on Saturday. We have also had some problems in regard to our (inaudible) and stand-pipe system and Fire Chief Wright can give more detail on it. Mr. Fredrickson stated we’ve had problems at all of our garages, brass hardware and other different metal items missing around the garages-theft as well as with the valves turned by some folks at different times of the day that caused some problems for fire departments. Noting, don’t know since the salvage ordinance was passed whether that slowed it down. So, we are investigating what to do and what happened and then what should we do to minimize or eliminate it.

Fire Chief Dan Wright stated he will be working with Karl (Fredrickson) on it. Currently what happened as Karl (Fredrickson) had indicated the garage’s stand-pipe system which routes water from a connection on the sidewalk level and pumps it to different floors wasn’t working. All the valves were turned on and the caps were missing out of one of the risers in the southwest corner which caused a lot of problems and then also prevented us from being able to give water to the floor the cars were on fire. A couple of other problems created for us was that we had a hydrant in the area that we could not get open and so we had to work with Karl (Fredrickson) to fix it. Mr. Marvin commented what ever you learn will you share with the private garages too. Fire Chief Wright replied we will put a letter together.

Police Chief Casady reported he’s had three employees retire in the past few months, Allen Soukup, Duane Bullock, and Gary Engel all of whom have more than 35 years of service. These are members of my senior management staff and when that happens you have kind of a domino effect of promotions and transfers. Captain Brian Jackson is now in charge of our Narcotics Unit; Captain Jon Sundermeier has been moved from the Northwest Team to head Criminal Investigations; Captain Genelle Moore has been moved from Duty Command to command the Northwest Team; and Sergeant Anthony Butler has been promoted to ranking Captain. So, some new faces, new names, and
everything should be current and accurate on the website. Ms. Newman commented I just want to say Captain Bullock was absolutely wonderful. I worked with him at the Health Department eight or ten years ago when we had to do a drug and alcohol visioning process. He was the one person sitting in the room and no one had ever heard of methamphetamine and he said you have to keep your eye on this it is going to be a problem and he was absolutely correct, so I think this community will definitely miss him. Chief Casady commented yes very difficult person to replace and someone who you just can’t say enough about what he has done for this community and it’s all been in the shadows.

Darl Naumann stated Item 23 on their Agenda today is the amendment to the redevelopment agreement with Hy-Vee which will allow this City to build 50th Street. Originally in the redevelopment agreement it was proposed that we would do this during the assessment district and we were unsuccessful in getting the petition signatures and brought this to your attention. This is for Council to really make a decision on today, Kent Seacrest representing Hy-Vee, Dennis Ausenhus from Hy-Vee and I will be at the meeting today. Mr. Svoboda commented he had a conversation with the attorney for a number of the land owners to the west of 50th Street over the weekend. If you remember at the public hearing I asked the question would any of the property owners be willing to pay what would be recognized as the more normal cost for abutting properties. The attorney said they have never been asked that question and it sounds like as of last Friday afternoon they still had not been asked that question and it’s my understanding at least through him that he said my clients would recognize more normal cost. I’m just curious if that’s something that we can explore so that we might be able to get the assessment district moving forward with more normal cost and recognize the City would have some share in it as well. Mr. Naumann replied we can certainly ask, I’m not sure under the time frame that we have time to do it. The closing date between Hy-Vee and Abram LLC is January 29th and I’m not sure what the agreement will be between Abram LLC and Hy-Vee that’s a question you should ask today. If we have additional time to do some compromise we are more than willing to do it but these compromises have been going on for a long time. Mr. Camp commented if you would make sure that who ever is there today has information on 48th & O Street for some of the other lots because I was contacted as well bringing up the dollar amounts on it. [Item 23, 07R-8 – Approving an Amended Redevelopment Agreement between the City and Hy-Vee, Inc. previously adopted by the City Council with Resolution No. A-83893 on June 26, 2006, to provide for construction of N. 50th Street.]

*1. Mayor Seng Presents December Award of Excellence to Officers Nathan Flood and Steven Wiese of the Technical Investigations Division of the Lincoln Police Department. — NO COMMENTS

*2. NEWS RELEASE - RE: City Seeks Proposals for Downtown Project. — NO COMMENTS
*3. NEWS RELEASE - RE: Holiday Tree Recycling Ends Sunday. — NO COMMENTS

*4. NEWS RELEASE - RE: Nominations Now Accepted for Arts Awards. — NO COMMENTS


6. NEWS ADVISORY - RE: Mayor Seng and Police Chief Casady News Conference on 1/12/07 (Delivered to Council on 01/11/07). — NO COMMENTS

7. NEWS RELEASE - RE: City Receives Grants for Street Trees (Delivered to Council on 01/11/07). — NO COMMENTS

8. NEWS RELEASE - RE: Crime in Lincoln Drops for Fifth Consecutive Year. — NO COMMENTS

9. NEWS RELEASE - RE: Mayor’s Committee for International Friendship to Host General Secretary of UK’s Labour Party. — NO COMMENTS

10. NEWS ADVISORY - RE: Mayor Seng’s Public Schedule Week of January 13 through 19, 2007 (Forwarded to Council on 01/12/07). — NO COMMENTS

11. Citizens Information Center Reports on Snow Conditions: – NO COMMENTS
   a) January 13, 2007, 9:30 a.m.;
   b) January 14, 2007, 2:00 p.m.; and
   c) January 14, 2007, 8:00 p.m.

12. NEWS ADVISORY - RE: Mayor Seng will kick off the Earned Income Tax Credit campaign at a news conference on 01/18/07 at the Bennett Martin Library. — NO COMMENTS

13. Results of drinking water samples tested for Total Coliform and E. coli bacteria by the Colilert® method of analysis. — NO COMMENTS

14. AARP Tax-Aide Program, 2007 Schedule - Free preparation of tax returns for those age 60 and older. — NO COMMENTS

15. University of Nebraska-Lincoln free tax preparation. — NO COMMENTS

16. Lincoln Coalition Vita Program’s schedule for free electronic filing of individual tax returns. — NO COMMENTS
II. DIRECTORS

COUNTY COMMISSIONERS

1. Letter from Bob Workman, Chair, Lancaster County Commissioners - RE: City Special Permit # 06062 - Soil Mining-Extraction - North 56th & Waverly Road. — NO COMMENTS

FINANCE/BUDGET

*1. Fiscal Year 2005-2006 Operating Budget Report. — NO COMMENTS

2. Monthly City Cash Report. — NO COMMENTS

PLANNING COMMISSION

*1. Hearing on Wednesday, January 31, 2007 to Consider Amendments to Bylaws and to the City and County Zoning and Subdivision Regulations. — NO COMMENTS


PLANNING COMMISSION FINAL ACTION .....

*1. Waiver # 06010 - Gushard and Omel Addition Final Plat - South 56th & Rokeby Road - Resolution No. PC-01034. — NO COMMENTS

*2. Special Permit #06070 - Apple Hill Community Unit Plan - South 48th Street & Apple Hill Lane - Resolution No. PC-01033. — NO COMMENTS

*3. Special Permit #1989A - Lighting Plan-Sid Dillon Auto - South 27th Street & Kendra Lane - Resolution No. PC-01035. — NO COMMENTS
III. CITY CLERK -

City Clerk Joan Ross stated on their Agenda today, Items 1 & 2 will be called together. [#1, Application of DJ Salia Investment Properties, LLC dba DJ’s for a Class IK liquor license at 901 Oak Street.; and #2, Manager application of Dan Lesoing for DJ Salia Investment Properties, LLC dba DJ’s at 901 Oak Street.]

Items 3 through 8 will be called together. [#3, Application of Kwik Shop, Inc. dba Kwik Shop #642 for a Class D liquor license at 3939 A Street.; #4, Manager application of Mary Elizabeth Hoage for Kwik Shop, Inc. dba Kwik Shop #642 at 3939 A Street.; #5, Application of Kwik Shop, Inc. dba Kwik Shop #641 for a Class D liquor license at 2811 N. 48th Street.; #6, Manager application of Mary Elizabeth Hoage for Kwik Shop, Inc. dba Kwik Shop #641 at 2811 N. 48th Street.; #7, Application of Kwik Shop, Inc. dba Kwik Shop #681 for a Class D liquor license at 4400 O Street.; #8, Manager application of Mary Elizabeth Hoage for Kwik Shop, Inc. dba Kwik Shop #681 at 4400 O Street.]

Items 9 & 10 will be called together. [#9, Application of Nebraska Dining LLC dba Noodles & Company #7102 for a Class I liquor license at 2801 Pine Lake Road.; and #10, Manager application of Edward Lynch for Nebraska Dining Holding LLC dba Noodles & Company #7102 at 2801 Pine Lake Road.]

Items 13 & 14 will be called together. [#13, 07-3, Vacation #06008-Vacating Rudolph Street from the east right-of-way of N. 15th Street to the west right-of-way of N. 16th Street.; and #14, 07R-19, Approving a Conservation Easement Agreement between the Joint Antelope Valley Authority and the City of Lincoln over approximately .14 acres in Rudolph Street from N. 15th Street to N. 16th Street, to preserve the flood storage capacity on the property.]

For Items 17, 18, & 19 under ‘Public Hearing-Resolutions’ would Council prefer these items be called separate or together. Council agreed to have these items called together. [#17, 07R-2, Approving the transfer of Railroad Transportation Safety District funding in its 2006-07 budget year, for the S.W. 40th Street/BNSF Overpass.; #18, 07R-3, Approving the transfer of Railroad Transportation Safety District funding in its 2006-07 budget year, for the Harris Overpass on O Street, 3rd through 9th Streets.; and #19, 07R-4, Approving the transfer of Railroad Transportation Safety District funding in its 2006-07 budget year, for the Antelope Valley Project - Phase 1, the “Amended Draft Single Package.”]

For Item 21 you have a Motion-To-Amend #1. [#21, 07R-6, Approving a Lease Agreement between the City-County Health Department and Cornhusker Center, Enterprise Co., Inc. for the lease of space at 2662 Cornhusker Highway for a one-year term for the Health Department’s Access Medicaid Program.]
We have already talked about Item 22. [#22, 07R-7, Special Permit #06065-Application of Alltel Communications of Nebraska to construct a 118 foot tall monopole wireless facility capable of accommodating up to three carriers in the I-I Industrial District, on property generally located northwest of the intersection of S. 3rd Street and Garfield Street.]

For Item 27 you have a Motion-To-Amend #1 substitute Resolution and then they also requested this item be placed on pending with no date certain. [#27, 07R-18, Waiver 06009-Application of Geico Development to waive the Design Standards and Subdivision Ordinance requirements for stormwater associated with Use Permit #04008 on property generally located at S.W. 17th Street and West A Street.]

For Item 39, she handed out a hard copy of the ordinance this just simply had a mistake in the dollar amount. It wasn’t corrected from a previous document but was correct on the internet, it was caught after the packets were delivered. [#39, 07-14, Street Name Change 03002 - Renaming 15th Street between A and H Streets as Goodhue Boulevard.]

For Items 54 through 58, Mark Wible has requested that we delay City Council proceedings two weeks. We’re thinking that they want to have introduction on February 5th with public hearing on February 12th. Ms. Newman asked do you need a motion? City Clerk Joan Ross responded yes it would be placed on pending, 1st Reading on February 5th, public hearing on February 12th, and action on February 26th. City Clerk Joan Ross noted there’s a draft agreement and maybe it’s just not ready for introduction. [See Formal Council Agenda of January 22, 2007 for descriptions of these five items.]

For Item 72, she handed out to you the Resolution and so we would like to move forward with introduction and public hearing on January 29th. [#72, 07R-31, Declaring the official intent of the City of Lincoln to reimburse certain expenses in connection with the acquisition, purchase and installation of light poles rom the proceeds of City of Lincoln, Nebraska Certificates of Participation.]

Ms. Newman commented Nicole Fleck-Tooze (Public Works & Utilities Department) for Item 27 which is the Geico Development waiver has your department received any new information about possible solutions. Ms. Tooze replied no I’m assuming that’s why they requested the Motion-To-Amend. Ms. Tooze commented thank-you for asking about it, I was going to have somebody from my division at the meeting but I will not have them attend if this was going to be placed on pending. Ms. Newman commented I talked to a neighborhood person and they’re basically not coming down because it has been on the agenda as putting on pending. Ms. Tooze stated okay, our assumption is that it’s being placed on pending because they’re preparing something else but as of right now we have not yet seen anything else.
IV. COUNCIL REQUESTS/CORRESPONDENCE -

**JON CAMP -**

*Camp handed out a letter regarding the permanent Fire Chief.* Mr. Camp stated he has a letter that he would like to read to Mayor Seng regarding the permanent Fire Chief selection and read it.  *[See Attachment ‘B’]*

*1. Email from Eric Mitchell listing concerns. — NO COMMENTS
2. Email from Attorney Bob Creager - RE: HyVee development agreement. — NO COMMENTS

**JONATHAN COOK - NO COMMENTS**

**ROBIN ESCHLIMAN -**

Ms. Eschliman thanked Karl Fredrickson for the great snow removal job the last two weeks and presented a gift to him. She knows it has been rough, we have been averaging a blizzard a week but yesterday the roads were good, there is light at the end of the snow removal tunnels.

*1. Letter from Elaine Schramm - RE: New business suggestion. — NO COMMENTS

**DAN MARVIN -**

Mr. Marvin mentioned to Marvin Krout for Item 15 in conversations with Mark Hunzeker and Mike (inaudible) it’s my impression that they will make a request to withdraw or perhaps put this item on pending.  *[#15, 07-4, Change of Zone 06081 - Application of B&J Partnership for a change of zone from R-6 and R-7 Residential District to B-4 Lincoln Center Business District on property generally located at the northeast corner of South 18th Street and L Street.]*

**ANNETTE McROY -**

Ms. McRoy stated she would like to speak with Don Taute (Personnel Director) after the Directors’ Meeting today.

*1. Request to Public Works & Utilities Department - Traffic Division - RE: Parking in the Centrum (RFI#176 - 01/05/07) - SEE RESPONSE FROM KENNETH D. SMITH, PUBLIC WORKS & UTILITIES. RECEIVED ON MCROY RFI#176 - 01/12/07. — NO COMMENTS*
ANNETTE McROY/PATTE NEWMAN

*1. Request to Scott Holmes & Bruce Dalt, Health Department / Dale Stertz & Mike Merwick, Building & Safety Department / Tonya Skinner & Dana Roper, City Law Department - RE: Bar owners, outdoor smoking areas (McRoyRFI#175 & NewmanRFI#41 - 12/18/06). — 1.) SEE RESPONSE FROM SCOTT HOLMES, HEALTH DEPARTMENT RECEIVED ON McRoyRFI#175 & NewmanRFI#41 - 01/11/07. — NO COMMENTS

*2. Request to Darl Naumann, Mayor’s Office/Karl Fredrickson, Public Works & Utilities Director/Nicole Fleck-Tooze, Public Works-Watershed Management - RE: 50th Street corridor costs (NewmanRFI#42 & McRoyRFI#177 - 01/10/07). — NO COMMENTS

KEN SVOBODA - NO COMMENTS

PATTE NEWMAN - NO COMMENTS

*1. Response of John McQuinn to email from Jacob Hamilton regarding unlawful possession of firearms. — NO COMMENTS


3. Letter from Charles P. Brown - RE: Alcohol in Parks. — NO COMMENTS

4. Letter from Charles P. Brown - RE: Alcohol in Parks. — NO COMMENTS

V. MISCELLANEOUS -

*1. Email from Robert Heese - RE: Radon levels in Lincoln. — NO COMMENTS


*3. Email - RE: Removing holiday decorations within a certain time frame. — NO COMMENTS

*4. Email from Sharon Smith - RE: 50th Street opening. — NO COMMENTS
*5. Email from David Oenbring - RE: Opposition to City funds spent on HyVee Store at 52nd and “O” Streets. — NO COMMENTS

*6. Written and Web comments faxed in from constituent. — NO COMMENTS

MISCELLANEOUS RECEIVED WEEK OF JANUARY 22, 2007

1. Email from Paul Haith - RE: Lincoln Bid Proposal 06-347 - Emergency Medical Billing. — NO COMMENTS

2. Email from Terry Bundy, Lincoln Electric Service RE: Ice Storm Update. — NO COMMENTS

3. Email from Robert Heese, reply from Scott Holmes, Environmental Public Health, and Mr. Heese’s reply to Scott Holmes. — NO COMMENTS

4. Letter from Steve Sieck - RE: Suggestion to relocate the Starship Theater. — NO COMMENTS

AD D E N D U M - (For January 22nd)

I. MAYOR -

1. NEWS ADVISORY - RE: Mayor Seng’s Public Schedule Week of January 20 through 26, 2007 - Schedule subject to change. — NO COMMENTS

2. City of Lincoln Snow/Traffic Conditions Report - 01/20/07 at 11:30 p.m. — NO COMMENTS

3. City of Lincoln Snow/Traffic Conditions Report - 01/21/07 at 9:30 a.m. — NO COMMENTS

4. City of Lincoln Snow/Traffic Conditions Report - 01/21/07 at 6:30 p.m. — NO COMMENTS

II. CITY CLERK - NONE
III. CORRESPONDENCE

A. COUNCIL REQUESTS/CORRESPONDENCE - NONE

B. DIRECTORS AND DEPARTMENT HEADS - NONE

C. MISCELLANEOUS - NONE

[End of Addendum]

VI. MEETING ADJOURNED - Approximately at 11:30 a.m.

January 17, 2007

Joan Ross
City Clerk
County-City Building
Lincoln, NE 68508

Dear Joan,

After investing $42 million in delivery systems and technology improvements since the previous rate case in 2002, Aquila filed an application for a general rate increase with the Nebraska Public Service Commission (PSC) in November 2006. The $16.3 million request is 7% of Aquila’s total annual revenue. Aquila has worked to contain operating costs. However, like other businesses, we face increased costs through labor, materials, health care and fuel. These conditions prompted this rate request.

Interim rates will begin Feb. 15, in accordance with Nebraska Statutes. The PSC will take up to 240 days to conduct a thorough analysis and review prior to setting a final increase. The Public Advocate will also conduct thorough audits and scrutinize the request. If the final rates are lower than interim rates, customers will be refunded or credited with interest.

The increase is $7 per month for the average residential and commercial bill. Following a national trend, most of the increase is in the monthly customer charge because network costs are fairly constant throughout the year. The proposed interim and final rates are uniform across all of Aquila’s Nebraska customers in rate areas I, II and III.

In March, Aquila will conduct a series of town hall meetings across the state with public officials and customers to review our operations as well as the requested rate increase. As arrangements are finalized, more information will be provided.

Bonuses awarded to Aquila executives has surfaced as an issue for some parties. Aquila has never asked for recovery of these bonuses in our rate requests. The costs in the rate case filing are based solely on our costs of providing service to our Nebraska customers.

We are proud to serve Nebraska with perhaps the most efficient and environmentally-friendly energy form – natural gas. Natural gas provides comfort and its value compares very favorably with all other forms of energy. Aquila’s proposed rates remain comparable with other natural gas providers in Nebraska and surrounding states.

Please feel free to contact Aquila’s Nebraska Community Relations Manager Jan Davis at 402-935-4868 if you have additional questions. Additional information about the filing is also available at www.aquila.com.

Sincerely,

[Signature]

Steve Pella
Vice President, Nebraska Operations
Mayor Coleen Seng
City of Lincoln
555 S. 10th Street
Lincoln, NE 68508

Re: Permanent Fire Chief

Dear Mayor Seng:

STOP...CEASE...and...DESIST! The citizens of Lincoln are overwhelmingly asking that you stop the selection process for a permanent Fire Chief.

Only 99 days remain until the May 1st general election, when the voters of Lincoln will be choosing a new Mayor and four City Council members--5 of the 8 elected leaders of our City. Should not candidates for the new fire chief be solicited and reviewed by those individuals? Undoubtedly many other qualified candidates did not apply since they would be subject to termination by the new Mayor.

Rather, please devote your time and energies, and those of the City staff as follows:

1. Initiate a performance audit of Lincoln Fire & Rescue, and
2. Immediately proceed to collect the fire truck late fees to which the City is contractually entitled.

These measures will significantly reduce the $9 million 2007-2008 budget deficit you presented to the City Council last month.

On behalf of the citizens of Lincoln, I respectfully ask that you please stop seeking a permanent fire chief.

Sincerely,

JON A. CAMP
Lincoln City Council