DIRECTORS’ MEETING
MONDAY, FEBRUARY 11, 2008
COUNTY-CITY BUILDING
11:00 A.M., ROOM 113

I. MAYOR
2. NEWS ADVISORY. Mayor Beutler and Public Works and Utilities Officials Will Brief Media on Snow Removal, Wednesday, February 6, 2008, 555 So. 10th Street, 9:30 am.
6. NEW RELEASE. Fair Housing Conference Planned for March.
7. Drinking Water Tested for Total Coliform and E. Coli Bacteria by the Colilert® Method of Analysis.

II. DIRECTORS

URBAN DEVELOPMENT/HOUSING REHAB & REAL ESTATE DIVISION
1. Memo from Clint Thomas. Vacating North 43rd Street from Franklin Street to Sumner Street. Miscellaneous No. 05004.
2. Street and Alley Vacation No. 07010. North 11th Street from “Y” Street to Railroad Tracks.
3. Street and Alley Vacation No. 07009. North 1st Street from “Q” Street North.

III. CITY CLERK

IV. COUNCIL REQUESTS/CORRESPONDENCE

JON CAMP

V. MISCELLANEOUS
1. Email from Jayne Sebby/KZUM Radio. Can Law Be Amended to Allow Sign Owners to Donate Sign Time to Nonprofits as Traditional Billboard Owners Can and Do?
2. Email from P. M. Smith. Audio Bad in Council Meeting Room.
3. Email from Maribeth Milner. Support LES’s Proposal to Help Citizens Become More Energy Efficient. (Council Received on 02/04/08 Before Meeting)
5. Email from Carol Smith. Approve LES Proposal for $1 Million for Renewable Energy.
6. Email from Judy Cole. We Must Put Priorities To Energy Efficiency and Renewable Energy.
8. The Lower Platte South Natural Resources District Urges Approval of the Deadmans Run Watershed Master Plan.
9. Email from Al Koontz. Snow Removal in Cul-de-Sacs.
10. Email from Dan Schlitt. California Energy Efficiency.
11. Letter received on Reasons Why the City Council Should Not Approve LES Rate Increase. (Distributed to Council Members in Thursday Packet)
12. Lincoln Electric System, Rate Hearing Discussions. (Distributed to Council Members in Thursday Packet)

VI. ADJOURNMENT
CITY OF LINCOLN
SNOW/TRAFFIC CONDITION REPORT

A COMPLETE VOICE REPORT IS AVAILABLE AT 441-7783. THIS NUMBER IS FOR NEWS MEDIA USE ONLY.

For more information:
Public Works Snow Center -- 441-7644
Citizen Information Center -- 441-7547

Date: Tuesday, February 5, 2008
Time: 10:15 a.m.

City street crews were on stand-by at 4 a.m. this morning for a snowfall that eventually began at about 6:45 a.m. Street crews hit the streets of Lincoln at 7 a.m. with 20 material spreaders addressing the City’s snow emergency routes and major arterials.

Street maintenance officials have called all contractors with plans to start plowing arterials, snow routes and emergency routes by 10 a.m. A full-plowing operation is expected to be in full swing by late morning. As of 9:30 a.m., about an inch of snow had accumulated in the Capital City.

Lincoln Police Department reports a significant increase in accidents this morning with a total of 51 reported since 6 a.m.

StarTran is reporting that buses are running between 20 and 30 minutes late as they attempt to deal with slick street conditions.

If travel is required today, motorists are urged to drive cautiously and defensively. Intersections, turn lanes, bridges and hills can be particularly hazardous in the current weather conditions.

Please stay informed on the status of snow operations in Lincoln. Additional information is available on the City Web site at lincoln.ne.gov and on pages 48 and 49 in the blue pages of your Windstream phone directory. If you have questions, you may call the Public Works Snow Center at 441-7644.

-30-
Mayor Chris Beutler and officials from the Public Works and Utilities Department plan to brief the media on snow removal operations at **9:30 a.m. Wednesday, February 6 in Room 113 at the County City Building, 555 South 10th Street.** The briefing will be carried live on 5 CITY-TV, government cable access channel 5.
CITY OF LINCOLN
SNOW/TRAFFIC CONDITION REPORT

A COMPLETE VOICE REPORT IS AVAILABLE AT 441-7783. THIS NUMBER IS FOR NEWS MEDIA USE ONLY.

For more information:
Public Works Snow Center -- 441-7644
Citizen Information Center -- 441-7547

Date: Tuesday, February 5, 2008
Time: 4:10 p.m.

As the snow continues to blanket the Capitol City, street crews continue intense plowing efforts on the City’s snow emergency routes and major arterials. Plowing will continue throughout the evening and overnight hours. A snow-blowing operation – the actual hauling and removal of the accumulated snow – will occur downtown beginning at midnight. If the Lincoln area does not receive more snow than has been predicted, plows may begin work in the residential areas as early as 8 a.m. tomorrow.

Parking bans are not in effect at this time.

Earlier this morning, street crews were on stand-by at 4 a.m. for a snowfall that eventually began at about 6:45 a.m. At 7 a.m., 20 material spreaders addressed the snow emergency routes and major arterials followed by the full-plowing operation that began at about 10 a.m.

Lincoln Police Department has responded to 111 reported accidents today. If travel is required today, motorists are urged to drive cautiously and defensively.

StarTran is reporting that buses are running between 20 and 30 minutes late.

City ordinance requires property owners to clear snow from sidewalks by 9 a.m. the day following the end of the snow storm. Residents are asked to make sure sidewalks are clear, particularly at crosswalks and curb lines. It is illegal to push or blow snow into or on any street, alley or sidewalk. Violators are subject to a fine. Residents are also encouraged to clear snow from fire hydrants.

Please stay informed on the status of snow operations in Lincoln. Additional information is available on the City Web site at lincoln.ne.gov and on pages 48 and 49 in the blue pages of your
CITY OF LINCOLN
SNOW/TRAFFIC CONDITION REPORT

A COMPLETE VOICE REPORT IS AVAILABLE AT 441-7783. THIS NUMBER IS FOR NEWS MEDIA USE ONLY.

For more information:
Public Works Snow Center -- 441-7644
Diane Gonzolas, Citizen Information Center --
    work 441-7831, home 421-1247, cell 525-1520

Date: Tuesday, February 5, 2008
Time: 5:30 p.m.

Mayor Beutler has announced that a residential parking ban will go into effect at 8 a.m. Wednesday morning. At that time, parking will be banned on the even-numbered sides of the street in all residential areas.

City crews will continue plowing snow emergency routes and major arterials throughout the evening and overnight hours. Snow removal operations will begin in downtown Lincoln around midnight.

The Lincoln Police Department has responded to 111 reported accidents today. If travel is required tonight, motorists are urged to drive cautiously and defensively.

StarTran reports that evening buses were running 20 and 30 minutes late.

City ordinance requires property owners to clear snow from sidewalks by 9 a.m. the day following the end of the snow storm. Residents are asked to make sure sidewalks are clear, particularly at crosswalks and curb lines. It is illegal to push or blow snow into or on any street, alley or sidewalk. Violators are subject to a fine. Residents are also encouraged to clear snow from fire hydrants.

Again, a residential parking ban will go into effect at 8 a.m. Wednesday morning. At that time, parking will be banned on the even-numbered sides of the street in all residential areas.

Please stay informed on the status of snow operations in Lincoln. Additional information is available on the City Web site at lincoln.ne.gov and in the blue pages of your Windstream phone
directory. If you have questions, you may call the Public Works Snow Center at 441-7644.
CITY OF LINCOLN SNOW/TRAFFIC CONDITIONS REPORT

A complete voice report is available at 441-7783. This number is for news media use only.

For more information:
Public Works Snow Center - 441-7644
Diane Gonzolas ? 421-1247, 525-1520

Date: Wednesday, February 6, 2008
Time: 5:45 a.m.

Snow continued off and on all night in Lincoln, and plows and sanders have been out working on emergency routes, bus routes and arterials. Crews will begin working on residential areas this morning, and a residential parking ban is in effect as of 8 a.m. That means parking is banned on the even-numbered sides of the street in all residential areas until further notice. Many streets are snow-packed so motorists will want to take it easy on their way to work this morning.

Snow removal operations began in downtown Lincoln about midnight. The east-west streets have been cleared and crews were finishing up the north-south streets about 5 this morning.
Residents are asked to make sure sidewalks are clear, especially at crosswalks and curb cuts. It is illegal to push or blow snow into or on any street, alley or sidewalk.

Again, a residential parking ban is in effect as of 8 a.m. and parking is banned on even-numbered sides of the street in all residential areas.

Please stay informed on the status of snow operations in Lincoln. Additional information is available on the City Web site at lincoln.ne.gov and in the Windstream phone directory. If you have questions, you may call the Public Works Snow Center at 441-7644.
CITY OF LINCOLN
SNOW/TRAFFIC CONDITION REPORT

A COMPLETE VOICE REPORT IS AVAILABLE AT 441-7783. THIS NUMBER IS FOR NEWS MEDIA USE ONLY.

For more information:
Public Works Snow Center -- 441-7644
Citizen Information Center -- 441-7547

Date: Wednesday, February 6, 2008
Time: 4:15 p.m.

RESIDENTIAL PARKING BAN TO CHANGE SIDES
Parking banned on odd-numbered side of streets beginning 8 a.m. Thursday

Mayor Chris Beutler has announced that parking will be banned on the odd-numbered side of all residential streets beginning at 8 a.m. Thursday, February 7. The current residential parking ban on the even-numbered side of residential streets will be rescinded at 10 p.m. tonight. That means there will be no residential parking ban overnight from 10 p.m. to 8 a.m.

City street crews spent the day plowing in the residential areas as well as material spreading on the snow emergency routes and major arterials. Residents are asked to report any slick areas to the Snow Center at 441-7644. Public Works reports that the plowing is progressing well in the residential areas, and a similar day is planned for tomorrow when the residential parking ban switches to the odd side of the streets at 8 a.m.

Lincoln Police Department reports “business as usual” following yesterday’s heavy activity, which included 149 reported accidents. LPD urges residents to comply with the residential parking ban and to give the plows and spreaders ample room to operate.

StarTran reports that buses are running on time.

Residents are asked to make sure sidewalks are clear, especially at crosswalks and curb cuts. It is illegal to push or blow snow into or on any street, alley or sidewalk.

Again, the residential parking ban for the even-numbered side of the streets will end at 10 p.m. tonight. A residential parking ban for the odd-numbered side of the streets will take effect at 8 a.m. tomorrow morning.
Please stay informed on the status of snow operations in Lincoln. Additional information is available on the City Web site at lincoln.ne.gov and on pages 48 and 49 in the blue pages of your Windstream phone directory. If you have questions, you may call the Public Works Snow Center at 441-7644.
FAIR HOUSING CONFERENCE PLANNED FOR MARCH

Nominations being accepted for Fair Housing Award

The Lincoln Commission on Human Rights (LCHR) will mark the 40th anniversary of the Fair Housing Act with its annual Fair Housing Conference March 25 and 26 at the Embassy Suites in Lincoln. The conference is free, but there is a $25 charge for lunch. The registration deadline is March 12.

Two sessions will run from 1 to 5 p.m. Tuesday, March 25:

- A session for Realtors® will be presented by Shanna Smith, President and CEO of the National Fair Housing Alliance in Washington, D.C. She will discuss implementing fair housing practices into daily real estate business activities to avoid housing discrimination complaints or violations. The class is available for three CE hours for Realtors®.

- A session for attorneys will be presented by Scott P. Moore with the Baird Holm Law Firm in Omaha.

Sessions on Wednesday, March 26 begin at 9 a.m. with an update on fair housing legal issues presented by attorney John Relman of Relman and Dane Law Firm. The noon luncheon will include remarks from Macie Houston, Regional Director for the U.S. Department of Housing and Urban Development (HUD) in Kansas City; presentation of the Fair Housing Award; and a keynote address by Myrtle Wilson, HUD Region VII Director. The afternoon includes sessions on predatory lending; foreclosures and home ownership; disability law; substandard housing and fair housing concerns; Fair Housing Act information for elected officials; landlord-tenant law; and mobile homes.

Nominations for the Fair Housing Award are being accepted through Wednesday, March 12. Nominees will be judged on their achievements in improving fair housing based on activities implemented, services performed or programs operated in the State of Nebraska. Last year's recipient was the High Plains Community Development Corporation of Chadron, NE.

Registration brochures and nomination forms are available by contacting Margie Kniep of the LCHR at 441-7624 or mknief@lincoln.ne.gov. The forms and brochures also can be downloaded from the City Web site at lincoln.ne.gov (keyword: human). Realtors® attending the Tuesday session must register with Liz Bruce, Realtors Association of Lincoln, at 441-3621.
Title VIII of the Civil Rights Act (Fair Housing Act), was signed into law in 1968 and bans discrimination in the sale, rental and financing of housing.

LCHR is sponsoring the conference in partnership with the Midwest Housing Equity Group, Nebraska Department of Economic Development, Nebraska Equal Opportunity Commission, Nebraska Housing Developers Association, Nebraska Realtors® Association, Omaha Human Relations Department, the Realtors® Association of Lincoln, and the Real Estate Owners and Managers Association. The conference is funded in part through a grant from HUD.
February 5, 2008

The Honorable Mayor and City Council

All of the drinking water samples were tested for Total Coliform and E. coli bacteria by the Colilert® method of analysis.

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Respectfully,

Sandra Irons
Nebraska Public Health Environmental Laboratory
Lab Manager

enc.
WETLAND RESTORATION WORK SCHEDULED FOR WILDERNESS PARK

The Lincoln Parks and Recreation Department will begin restoring wetland habitat in Wilderness Park in mid-February near the 14th Street and Rokeby Road area of the park.

In 2001, a wetland inventory of the park identified 19 wetlands or wetland areas needing restoration. Six of these wetland areas were identified for this upcoming restoration project. The restoration work, which will include shallow soil excavation and the removal of scrub trees, is scheduled to be completed by April 1.

A committee of representatives from various groups meet several times each year to discuss projects important to Wilderness Park management. Future projects include managing bur oak stands and prairie, wetland restoration and scrub tree removal from former farm land that will be converted to prairie.

Wilderness Park is a 1,475-acre linear park in southwest Lincoln that is owned by Lancaster County and managed by the City of Lincoln. The park’s primary purpose is flood protection, but it also provides a natural area for wildlife and public recreation.

This wetlands restoration project is a cooperative project among the City of Lincoln, Lower Platte South Natural Resources District, Nebraska Environmental Trust, Lancaster County, Friends of Wilderness Park and the Wachiska Audubon Society.

For more information on the park and ongoing management efforts, call 441-7847, or e-mail parks@lincoln.ne.gov.
Bush to present final budget to Congress next week. President Bush will formally present his FY 2009 budget proposal to Congress on Monday. The proposal, which is not expected to deviate much from previous White House plans, represents the final fiscal recommendations from the Bush Administration.

Throughout the Bush Presidency, Members of Congress from both sides of the aisle have decried the President’s practice of proposing major reductions for programs knowing full well that they will ultimately be reinstated by Congress. This year, the President will reportedly recommend cuts of almost 50 percent for programs at the Department of Homeland Security, a risky proposition for Members facing re-election in November. Local law enforcement programs and programs at the National Institutes of Health are also expected to be slated for large reductions under the FY 2009 Bush budget.

The President also suggested he will use his final year in office to reduce the number of congressionally-approved earmarks in the FY 2009 budget. In his State of the Union Address earlier this week, Bush remarked that he would veto appropriations bills that did not reduce earmarks by 50 percent. Most Democrats -- and many Republicans -- defended the practice of limited earmarks and found it curious that the President chose not to veto earmark-laden spending bills as the practice gained steam during his tenure in the White House.

While some conservative Republicans in Congress are promoting a moratorium on earmarking in the FY 2009 budget process, most congressional offices are moving ahead with plans to submit proposals in spite of the President’s threats. However, congressional offices do recognize the circumstances and as a result are setting stringent policies for the vetting of projects and emphasizing the likelihood of fewer projects being funded at lower levels.

Another slow legislative week is anticipated on the House floor next week, as there will be no votes Monday or Tuesday to allow Members to be in their home districts for Super Tuesday elections. Upon their return, House members are expected to debate a reauthorization of the Higher Education Act.

Senators, meanwhile, will attempt to complete floor debate on electronic surveillance legislation and their version of the economic stimulus package.

Senate considering changes to stimulus package. The Senate Finance Committee approved legislation this week that would make changes to the economic stimulus package that was brokered last week between the President and House Democratic leaders.

Among the proposed changes recommended by the Finance Committee is an increase in income limits for tax rebates, a 13-week extension of expiring unemployment benefits, and funding a series of energy-related tax credits.

In the name of expediency, both House leaders and the White House made concessions last week when negotiating their stimulus package, which focuses on tax rebates for families earning $150,000 or less annually, as well as mortgage assistance. However, Senators in the more deliberative body did not sign off on the agreement, and chose to consider their version through the normal committee process. House leaders bypassed the committee process and
approved their package quickly last Wednesday prior to breaking for the Democratic Member retreat.

While the Senate Finance Committee stimulus package is not expected to win approval in the full Senate, Majority Leader Harry Reid (D-NV) will also allow floor votes on three amendments to the House-approved bill next week:

- A Democratic-sponsored package that would include an extension of unemployment benefits, expansion of the mortgage revenue bond program, and increased food stamp payments;
- An expansion of the Low-Income Home Energy Assistance Program (LIHEAP), and
- Provision of rebate checks to low-income seniors and disabled veterans who do not earn over $3,000 annually and would not qualify for checks under the House bill.

If the amendments fail, the Senate would likely approve the House bill and it could then be sent to the President for his signature. If any amendments are approved, further negotiations with the House and White House would be necessary.

Meanwhile, House Transportation and Infrastructure Committee Chairman Jim Oberstar (D-MN) is pressing House leadership to consider another stimulus bill later this year that would include funding for infrastructure programs. In response to a request from Oberstar, the organizations representing state highway officials and public transit agencies identified over $20 billion in projects that would be “ready to go.”

**WATER UTILITIES**

Chemical security bill approved by House panel covers water utility sector. The House Homeland Security Subcommittee on Transportation Security and Infrastructure Protection approved legislation this week that would revise the Department of Homeland Security (DHS) Chemical Facility Anti-Terrorism Standards (CFATS) program.

While the legislation is designed to provide security guidelines for chemical facilities, it covers any facility that exceeds the threshold quantity of chemicals identified by DHS. For chlorine gas – used by many water and wastewater utilities – the threshold is 500 pounds. As a result, a number of local water systems will have to conduct vulnerability assessments and develop security plans that must be submitted to DHS for review and approval.

Organizations representing water utilities had sought an exemption in the legislation on the basis that such plans are already required of them through EPA as a result of legislation approved in 2005. They are concerned about the administrative and financial burdens of duplicating vulnerability assessments and security plans, in addition to the fact that the plans will now be housed in two federal agencies (DHS and EPA).

The legislation also allows DHS to order “methods to reduce the consequences of a terrorist attack,” which is believed to give the agency the ability to force utilities to consider decontaminants other than chlorine. Local water agencies argue that such “inherently safer technologies” are expensive and unproven.

The legislation must now be considered by the full House Homeland Security Committee, where water agencies will attempt once again to receive an exemption. No Senate companion legislation has been introduced.

**HOMELAND SECURITY**

The Department of Homeland Security (DHS) announces 14 federal grant programs. Today, the department announced the FY 2008 grant guidance for state and local Homeland Security programs for a total of $1.69 billion available funding for the following programs (comparison to FY 2007 in parenthesis):

- State Homeland Security Program (SHSP), $862.9 million (+$353.6 million)
- Urban Areas Security Initiative (UASI), $781.6 million (+$34.7 million)
- Metropolitan Medical Response System Program, $39.8 million (+$7.8 million)
- Citizen Corps Program, $14.5 million (-$100,000)

The Urban Areas Security Initiative (UASI) Program provides higher risk metropolitan areas support in preventing acts of terrorism. For FY 2008, there are 60 areas that are eligible for funding of which 15 are newly eligible. Seven areas are named as having the highest risk and are able to compete for $429 million (55% of the available funds). The remaining $351 million (45% of the available funds) will be provided for the remaining 53 UASI areas.

The new UASI areas for FY 2008 include: Austin and Round Rock, TX; Rochester, Syracuse, and Albany, NY; Baton Rouge, LA; Bridgeport, Stamford, Norwalk, and Hartford, CT; Louisville and Jefferson County, Kentucky and Indiana; Nashville, Davidson County, and Murfreesboro, TN; Salt Lake City; UT; Richmond, VA; Riverside, San Bernardino, and Ontario, CA; Toledo, OH, and San Juan, Caguas, and Guaynabo, Puerto Rico.

In comparison to the funding for FY 2007, the total amount of funding for the State Homeland Security Program (SHSP) and the Urban Areas Security Initiatives (UASI) were increased. This increase was made by eliminating the Law Enforcement Terrorism Prevention
Program allocations. To reportedly make up for the loss of terrorism prevention programs, DHS will require that applicants use 25 percent of funding from both SHSP and UASI towards activities for terrorism prevention.

DHS also released the grant guidance for the FY 2008 Infrastructure Protection Program (IPP). There will be $852 million available for state, local, and private industry infrastructure programs. The IPP includes the Transit Security Grant Program, Port Security Grant Program, Buffer Zone Protection Program, Trucking Security Program, and Intercity Bus Security Grants.

In addition to the Homeland Security and Infrastructure programs, the department announced a number of other grant programs relating to disaster preparedness and security. The programs being funded are the Emergency Management Performance Grants, Operation Stonegarden Grants, Regional Catastrophic Preparedness Grant Program, REAL ID Systems Integration and Data Verification Grant Program, and Urban Areas Security Initiative Nonprofit Security Grant Program.

For more information on these programs, see:
INTEROFFICE MEMORANDUM

TO: Mayor Beutler & City Council Members
FROM: Clinton W. Thomas

DEPARTMENT: City Council Office
DEPARTMENT: Housing Rehab & Real Estate Division

ATTENTION: 
DATE: January 30, 2008

COPIES TO: Teresa J. Meier
Marvin Krout
Dana Roper
Byron Blum, Bldg & Safety
Jean Walker, Planning
SUBJECT: Misc. No. 05004
North 43rd Street from Franklin Street to Sumner Street

A request has been made to vacate the southerly portion of 43rd Street between Franklin and Sumner Streets. The northern portion of this street was vacated in Street & Alley Vacation Action 04001. At that time, a permanent access easement was retained over the area being vacated and because of that the abutting property owner paid only a nominal sum for the property with the understanding the balance would be paid at the time the remaining portion of the street was vacated. For the purpose of this estimate of value, the area to be vacated is considered to be all of 43rd Street from the north line of Franklin Street to the south line of Sumner Street.

Public Works has indicated there are existing utilities including gas, electric, sewer and water within the area to be vacated and easements would be required over the entire area for these utilities. However, the permanent easement for access will no longer be required. The land owner will be required, however, to remove the street returns on either end of the street being vacated and reconstruct them as driveways, or replace them with curb, gutter and sidewalk. That cost is estimated by Public Works at $10,000.

The area to be vacated while not being buildable due to the utility easements would still have value for density, removal of set backs, open space, or parking associated with other buildings on the abutting owner’s property. As such, an abutting owner could be expected to pay 30% to 40% of the value of the abutting land to obtain a parcel such as this which would take on the value of the abutting land once it was assembled into it. The abutting property is considered to have a value of $2.00 to $2.25 per square foot. Given the fact there are numerous utilities which would require maintenance and repair causing intermittent disruptions to the use of the area, it is considered an abutting property owner would be willing to pay something at the lower end of the range of values for assemblage land, or roughly one-third of the value they would hope to realize once the land was assembled, or $0.75 per square foot. The calculations are as follows:

36,054 sq. ft. \times $0.75/sq. ft. = $27,040.50

From that amount we must deduct the cost of the removal and replacement of the street returns in the amount of $10,000.00 and the price previously paid toward the vacated northerly portion of the street which was $250. Those calculations are as follows:

$27,040.50 - $10,250.00 = $16,790.50 called $16,800

Therefore, it is recommended if the remaining area of the street be vacated, it be sold to the abutting property owner for $16,800.
Should the property owner wish to relocate any of the utilities, they ultimately could do so, but it would be their obligation to replace the utilities and provide the City with a corresponding easement for their continued use and maintenance. As such, it should not affect the estimate of value for the land.

Respectfully submitted,

[Signature]

Clinton W. Thomas
Certified General Appraiser #990023
A request has been made to vacate the remaining portion of 11th Street from the Burlington Northern Railroad tracks to Y Street along with the alley abutting Lots 1 and 2 – 4, Block 1, Davenport Subdivision. Staff reports indicate utilities may be located within the area, but it appears there is some discrepancy in the actual easements to be retained. Public Works stated a gas line was located within the area, but was to be abandoned and would not require the retention of a permanent easement. They also indicated a sanitary sewer was located within the area. In conversations with them, it was disclosed the sanitary sewer lies 20 feet west of the centerline of 11th Street and an easement over the westerly 40 feet of the area to be vacated would be more than sufficient to provide for that sanitary sewer. This would leave the easterly 60 foot of the area to be vacated as buildable. The report also indicated L E S has an existing easement (Inst. No. 82-6133) that must be retained. A conversation with Steve Hanks of Lincoln Electric System indicated that easement was actually over the westerly 20 feet of the 11th Street right-of-way. This is the area that was previously vacated by Ordinance 13283. Since this was a previous vacation and not included in the area to be vacated, it appears it will not be necessary to retain the easement.

Therefore, it appears as though it is only necessary to retain a utility easement on the west 40 feet of the 11th Street right-of-way to be vacated leaving the east 60 feet of 11th Street and the portion of alley being vacated as buildable. While the size and the shape of the street and alley are such they may not lend themselves well to being developed as free standing, they most certainly could be assembled into the larger parcel abutting them and increase the size of any building located there. The abutting land value is estimated in a range of $2.50 to $3.00 per square foot and one would expect a buyer to be willing to pay 30% to 40% of the abutting land value to add a parcel of assemblage land which ultimately will take on the value of the property it is assembled into. As such, $1.00 per square foot is deems an appropriate value for the area to be vacated. The calculations are as follows:

\[
19,588 \text{ sq. ft.} \times \$1.00/\text{sq. ft.} = \$19,588.00 \text{ rounded to } \$19,600
\]

Therefore, it is recommended if the area be vacated, it be sold to the abutting property owner for $19,600.00 with a sanitary sewer easement to be retained over the westerly 40 feet of the area to be vacated.

Respectfully submitted,

Clinton W. Thomas
Certified General Appraiser #990023
INTEROFFICE MEMORANDUM

TO:    Mayor Beutler & City Council Members

FROM: Clinton W. Thomas

DEPARTMENT: City Council Office

DEPARTMENT: Housing Rehab & Real Estate Division

ATTENTION:

DATE: January 30, 2008

COPIES TO: Teresa J. Meier
Marvin Krout
Dana Roper
Byron Blum, Bldg & Safety
Jean Walker, Planning

SUBJECT: Street & Alley Vacation No. 07009
North 1st Street from Q Street north

A request has been made to vacate that portion of North 1st Street lying north of the north line of Q Street. In viewing the area, it appears to have some sort of hard surfacing over the original rural section of roadway that was constructed. The street is not graded and surfaced to City standards. Overhead electric lines were also visible along a portion of the right-of-way to be vacated. A request has been made by Public Works for numerous easements to be retained for storm water, gas, electric as well as a conservation easement over the entire area.

The conservation easement is the most restrictive in terms of uses that can be made on the surface and virtually guarantees it will remain as open space similar to what currently exists. However, the presence of numerous utility easements would also raise the specter of periodic disruptions to the area for installation and maintenance of the utilities. As such, the area is considered to have only a nominal value. The conservation easement is considered to restrict the use of the area far greater than utility easements and as such the only value considered to accrue to the property is for density or the elimination of set backs along that side. As such, a minimal value is considered appropriate.

Therefore if the area be vacated and easements be retained for utilities as well as a conservation easement, it is recommended the area be sold to the abutting property owner for $750.

Respectfully submitted,

Clinton W. Thomas
Certified General Appraiser #990023
February 4, 2008

Jon Camp,

I am contacting you in regards to the proposed LES $140.00 increase on new construction connection fee. As you recall 2 years ago LES agreed that $150.00 - $175.00 was sufficient to cover their connection costs. During that deliberation, two council members insisted the increase be raised to $400.00. At the time the anti-business majority City Council approved the increase.

With new construction facing one of the worst housing downturns in recent memory, I think this increase is untimely and unjustified. Small business owners in new construction have been forced to make due with substantially less revenue coming in, why can’t LES?

I am urging you to vote against this increase.

Respectfully,

Steve Fulton
InterLinc: City Council Feedback for General Council

Name: Jayne Sebby/KZUM Radio
Address: 941 O Street, Suite 1025
City: Lincoln, NE 68508
Phone: (402) 474-5086 ext. 5
Fax: (402) 474-5091
Email: gm@kzum.org

Comment or Question:
KZUM Radio is a 501(c)(3) non-profit educational radio station licensed to the community of Lincoln. We have approached the owner of an electronic billboard in Lincoln about allowing us to list information about the station and some of our events in the community. He's willing to add the information to his rotation but apparently the new law allowing electronic billboards restricts their use to businesses at the sign site. Is this correct? And if it is, can the law be amended to allow sign owners to donate sign time to nonprofits in the same manner as traditional billboard owners can and do?
i watch the city council, county supervisor, and planning commission meetings on channel 5. the audio is very bad. there are times when you can't heard the speaker, dead silence, background noise, speaker breakups, and very noisy (humming) etc.

it is from all the mikes. i don't know if the speaker is too far away or what is the problem

i hope you can fix the problem

p m smith
I laud LES's proposal to help residential and business customers to become more energy efficient and to explore renewable energy alternatives. In light of "rapidly" melting, land bound ice sheets... it makes sense to decrease our carbon foot print as quickly as possible.

I urge City Council members to support LES's proposal and to keep a close eye on both their progress and the IPCC updates. To ignore the warning of the overwhelming majority of climate scientists would be foolhardy.

Though I'd like this e-mail to go to all council members, my councilman is Doug Emery.

Maribeth

Maribeth Milner
5151 Vine #608
Lincoln, NE 68504

They claim that Obama and Clinton only differed on 10 votes, but somehow Obama comes in first and Clinton is #16. Fuzzy math, I tell ya. In fact, looking at the voting chart the NJ uses to draw their conclusions, it's obvious that there are a few senators who are clearly more liberal than Obama. In fact, as this poll from Progressive Punch suggests, every Democratic Senator has a more liberal voting record than Obama, except Baucus, Biden, Pryor, Dodd (due to absenses on crucial votes), Landrieu and Ben Nelson - but since when do right wing journalists let those pesky facts get in the way? Let us not forget that in 2004, they claimed that.. you guessed it, John Kerry and John Edwards were the most liberal senators. What a coincidence.

Logan Murphy post at Crooks and Liars
http://www.crooksandliars.com/2008/02/01/national-journal-rates-obama-1-liberal-senator/
Dear Council Members,

The topic of the new LES plan is cause for a letter. All I am asking is that your listen to the Green groups who are FOR the plan. One of the Sierra club spokespersons, Foster Collins, is my son-in-law. He convinces me almost everyday that we must change our ways of using electricity. I am not positive that he will be speaking, but I am asking that you listen, and do not make any rash decisions. It will be difficult to vote for the increase, as no one wants to pay more money. I trust each one of you.

God's blessings,
Thank you,
Sharon Nore, retired teacher who is "green"
Dear Council members,

Please approve the proposal by LES to spend $1 million of their 5.5% rate increase for conservation measures and renewable energy programs. I have supported LES in their renewable energy program from its inception and look at the 2 wind generators that I helped pay for with pride.

I support efficient use of electricity as the cheapest and fastest way to curb global warming and mercury pollution from coal power plants. Think Globally--Act Locally has never been more important than it is today.

Sincerely,

Carol Smith
1814 Sumner St.
Lincoln, NE 68502
489-8669
smithcarol.49@gmail.com
As I am unable to attend the LES hearing today, I am writing to express my strong belief that we MUST put our priorities (and votes!) toward energy efficiency and renewable energy. Otherwise there will be no future "hearings" of any kind!

thanks for your attention, Judy Cole
Subject: Support Energy Conservation

Dear Council members,

I am writing to you to ask you to approve the allocation of $1 million to assist residential and business customers become more energy efficient.

Please begin the program as soon as possible, and then use what you learn to expand it substantially in later years.

I support the efficient use of electricity - the cheapest and fastest way to curb global warming pollution.

Sincerely,

Pam Baker
1235 Surfside Ct.
Lincoln, NE  68528

More new features than ever. Check out the new AOL Mail!
February 4, 2008

Lincoln City Council

RE: Deadmans Run Watershed Master Plan

The Lower Platte South NRD Board of Directors has reviewed the recently completed Deadmans Run Watershed Master Plan and unanimously approved the plan at their December Board Meeting. In addition to updating the floodplain maps the plan identified a number of capital improvement projects that will significantly reduce the flood threat to northeast Lincoln and enable over 800 buildings to no longer be threatened by flooding. These projects are very important for the community and the NRD looks forward to working with the City on seeking funding and doing additional study so we can jointly implement these projects. The NRD Board urges the Lincoln City Council to approve the Deadmans Run Watershed Master Plan.

Sincerely,

[Signature]

Glenn D. Johnson
General Manager
Dear Councilmembers:

The plows were just here to remove the already packed down snow in our cul-de-sac. The plows closed the driveways of four of the five freshly-scooped driveways in the cul-de-sac.

My question: why can't the snow in cul-de-sacs be pushed and piled to the center of each cul-de-sac?

Thanks,

Al Koontz
4830 Fleetwood Circle
At the hearing on the LES rates I did not intend to mention the per capita electrical energy use in California until the LES staff member mentioned per capita use. If I had intended to use that in my testimony I would have provided more information about the source of that information.

In his testimony before the US House Ways and Means Committee David B. Goldstein of the Natural Resources Defense Council stated:

"Looking retrospectively, California has held its energy electricity consumption per capita constant since 1975, compared to the 60% growth for the rest of the country. Considering that the rest of the country was also improving efficiency, this means that California now derives more than half of its electricity supply from energy efficiency."

The figure comes from the California Energy Commission report which can be found on their web site - Public Interest Energy Strategies Report, pg. 24.

On that site is also information on the per capita electricity use by state. The most recent data is for 2005 where Nebraska ranks 13th at 15,343 kWh per capita. Iowa is 21st, Kansas is 24th and South Dakota is 32nd at 12,661. California is 51st at 7,032. It is clear that LES has much room for improvement.

Like you, I was a bit put off by the lack of detail in the proposal of LES. The items on the survey were quite superficial and some did not provide any return to LES. As I stated, LES should be looking for energy efficiency projects that provide a good return on their investment. The money in this proposed rate increase should be viewed as seed money to locate such projects and if possible get a start on them. These project will certainly require the cooperation of the businesses in Lincoln and should be structures to share the returns with those participants in the projects. It would not be unreasonable for the Council to ask LES to center their attention on these sort of projects.

When we lived in New York Con Ed did offer compact florescent bulbs at an attractive price. We got some, used them and then brought them back to Lincoln when we moved back. Some are still in use. But at the time we got them they were hard to find in the stores. Today you can find a wide variety of them all over the place. LES shouldn't be distributing them at a discount. The time for that is long gone.

During the time that I was working at City College Con Ed did do something about florescent lights. They replaced all of the tube type lights at the college with higher efficiency fixtures. That is the kind of thing that LES could look at.

There is a report of the Office of Technology Assesment on the studies that were done at Lawrence Berkeley Lab dated September 1993 (OTA-E-561), but there is a great deal of experience that has been
gained by electric utilities that have taken the path of working on energy efficiency that the report is a bit obsolete. LES should look to the experience of other utilities for useful ideas.

The idea of a voluntary checkoff is a non-starter. I would not participate. The things that LES should be doing are things that serve their business interest. They should be of financial benefit to the utility. They are not public relations gimmicks. They belong in their rate base.

You should approve this rate increase.

/dan

--

Dan Schlitt
schlitt@world.std.com
Reasons why the City Council should not approve LES rate increase

Since the City Council approved the LES budget in November, the entire economy has slowed down. The economy today does not support a 5.5% rate increase, more people are out of jobs and losing their houses because of this slowdown. The economy could sustain a 3% maximum rate increase.

*Top economists are predicting a recession. (Yahoo finance)  
*Since Council approved LES budget approval, the DOW has retreated over 1500 points  
*Since Council approved LES budget approval, the FEDS recently lowered prime by 125 basis points which is the most abrupt easing of monetary policy by the US central bank since the early 1980s.  
*Without a growing economy, electric consumption will be down, thus lower demand. Less coal and gas.  
*Without a growing economy, the City Council will be forced to approve higher property tax rates (That is the mill levy) to fund City budgets. Which will strain all property owners further!

Specifically

**No to the 1% rate stabilization fund,** which is compared to a slush fund with no oversight by the City Council.

*This fund was started when the City Council did not rebate ratepayers when LES had a windfall payment from exiting a NPPD agreement on Nuclear power. (Nuclear power is the cleanest form of energy production today. One railroad train could provide all of the fuel for all of the nuclear plants since inception) Exiting the agreement was a mistake, not rebating ratepayers was wrong and should be remedied today by rebating all customers what is left in the stabilization fund. LES ratepayers left stranded $100 million or more to NPPD.

**EXAMPLE,** imagine that the City, County, State or Federal governments approached the average taxpayer and said, I am going to tax you higher today, so that in the future there MAY BE a reduction in taxes, or that I can use this extra tax money so that I do not have to come before the Public watchdogs so that my spending is audited by the governing and controlling bodies. This would create a huge outcry, but LES and the Council seems it is okay to tax me today, for future benefit, even though I may not live in this city in some point in the future to recoup my present day rate increase.

*LES was correct in coming before the City Council and asking for a temporary rate increase to cover increase operating expenses last year. This slush fund is not the correct way to fund day to day activities.  
*With this fund will LES enter into riskier marketing schemes that have more chances to turn sour. Just recently LES was generating with fuel oil rather than natural gas at its power plant Salt Valley. Why? Not because it was cheaper, they either sold the rights to the pipeline, or sold the gas itself. Reserves were compromised, will a Federal agency fine LES for this? Is this what the stabilization fund is to be used for? The ratepayers do not need this.

*Where actually is this rate stabilization money going to be applied, and will LES account for it monthly?  
*Return it to the ratepayers, like the FED's are rebating taxpayers to stimulate the economy!!
No to the Renewable Energy rate increase
*LIBA and Coby Mach could not express themselves clearly. LES is already proposing a $4.5 million plant that will burn landfill gas, isn’t that enough renewable or sustainable energy? And does the $4.5 million include all costs, or are there hidden costs that will cost ratepayers more by higher bills? Why landfill gas only? Why do ratepayers pay all the bill for the plant, where is the city in funding this? Where is the study on partners with the University on generation on their steam plant? More overhead lines to get power to grid.

*The City Council allowed LES to quit rebating homeowners for heat pumps a few budget years ago. By Todd Hall’s own testimony, heat pumps are more efficient than gas furnaces, simply restore the heat pump rebate. Low hanging fruit is what Curt Donaldson called it. Return to rebating all heat pumps (including ground source), on demand water heaters and electric furnaces which partner best with all heat pumps, rather than natural gas furnaces.
*NegaWatt,(Amory Lovins, Colorado) electricity which is not used. Where is LES on demand side load management, and smart meters that reduce peak usage without the customer noticing any change?
*Where is true net rate metering for local renewable, sustainable or cogeneration? LES will only pay avoided costs on any business or homeowner that sells back energy in excess of their usage. This program is a sham. If LES is serious about sustainable, cogeneration or renewable energy, let’s start in our own backyard! Terry Bundy testified about NPPD wind generation being contracted out to Investor Owned plants, (which is a first in Nebraska) Why pay NPPD a premium, that they would pay an Investor, and then have to ship power on to overloaded transmission lines to help our renewable portfolio?

Lastly, if the City Council truly believes that the economy is not a problem, that coal shipping rates HAVE NOT stabilized, that rate stabilization is not an unfair lien today on future dreams of rate reductions, that East Coast financiers will derate LES bonds lower, that whether it is a capital expenditure or maintenance expenditure for renewable energy on the landfill gas sustainable energy plant (either way, ratepayers are paying for this), that LES did not make poor decisions on exiting the nuclear power partnership with NPPD, that LES overbuilt and overbudgeted for a natural gas power plant that is today nothing more than a peaking unit, (Salt Valley Generation) that caused LES to hastily enter into a coal fired power plant for full time power..then fund the rate increase by higher leasing rates (which LES is doing now) of substation sites and transmission line structures to cell tower entities that can make up the difference in direct payments to LES and the City, do not just pass the bill on to the ratepayers and businesses that truly depend on the lowhanging fruit to survive.
TO: Chair Dan Marvin and Lincoln City Council Members

FROM: Terry L. Bundy

DATE: February 7, 2008

SUBJECT: Rate Hearing Discussions

This letter is to follow up on some of the discussions at the rate hearing on Monday.

First, and most important is that the hearing and the issue that is before you is rates and not budget. While it was interesting to hear the public views with regard to the landfill gas project, and parts of the operating budget like advertising expense and the sustainable energy program, those comments were not relevant to the subject at hand. The City Council in December approved the LES Operating and Capital Budgets which constitutes an appropriation granted to the LES Board.

At Budget time I fully laid out the components of the budget and the associated rate levels that would be required. (Attached is a copy of that letter.) If the City Council fails to approve rates necessary to support the budget appropriations, I cannot tell you that the Rating Agencies will consider that a responsible action by a regulatory body. Second guessing the LES Board and your own decision in December will put millions of ratepayer dollars at risk in order to change rates by 0.5% or about 32 cents per month for a typical customer. If the City Council does under fund the budget appropriation, it is the LES Board that must determine how funding will be shifted. The City Council does not have line item control of the Budget.

The place where the City Council does have line item control is retail electric rates and charges. For instance, the realtor's request to modify the timing or level of the residential lot aid-to-construction is within the Council's scope of authority.
City Council members asked for additional information in several areas. Included in attachments are the following items:

- History of LES rate changes and inflation
- History of the aid-to-construction including the number of lots
- History of deposits and withdrawals from the rate stabilization funds

Another question related to the types of ads that LES uses. A review of the past three years shows the following distribution of ad subjects:

- Energy Conservation, 95.9%
- Low Rates, 3.5%
- Right Tree, Right Place, 0.3%
- Parade of Homes ENERGY STAR homes 0.1%
- Phone number to report outages 0.1%
- “Branding” 0.0%

If you would like to see copies of the newspaper ads or scripts for radio ads for any of the past 3 years, please let me know.

Although capital transfers to operations, budgets, advertising, and sustainable energy are really outside the scope of this rate action, I would nevertheless like to address a few of these items discussed at the hearing.

LIBA’s comment about being suspicious of our statements that we can’t transfer a capital budget item to an operating fund is unfounded innuendo that is more of an indication they don’t understand basic accounting let alone what it takes to run a utility with a billion dollars in facilities.

For your information, LIBA’s request for detailed budget information was dated May 15, 2007. Mr. Mach inappropriately tried to leave the impression we were uncooperative in providing that information. Since the request was for something approaching 1,000 pages of material I let them know they would have to pay the cost of copying as provided by law. He may complain that we wouldn’t turn that material into a spreadsheet or a CD, but there is nothing that requires us to create new reports just for him. I did offer to let him come in and look through the material to decide if he really needed it all, but he declined to do that.
In mid-October we met with Bob Caldwell of Hampton Enterprises and Charlie Meyer from Nebco to provide information about the budget we would be taking to the LES Board and the City Council.

On November 20, we met with the LIBA Budget Monitoring committee at their request to review budget and rates.

In late January, we were requested by a local attorney to provide a copy of or access to budget material similar to the LIBA request. He did not indicate who originated that request. From the hearing, it was evidently the Coalition and LIBA. We assembled that material and let them know a week ago that it was available in one location for their convenience. To date they have not made an appointment to review the material.

While LIBA and the Coalition want our small level of ads eliminated, in a recent phone survey of customers 89% said LES should invest money to educate consumers about how to conserve energy, use electricity efficiently, and about renewable energy sources.

In contrast to the opinion of Hampton Enterprises on behalf of a small group of large customers, the Council also heard from a large group of small customers that understand the importance of the Sustainable Energy Program and agree with the LES Board that LES should not bury its head in the sand, but should start getting prepared to live in a carbon constrained energy world.

Sincerely,

[Signature]

Terry L. Bundy, P.E.
Administrator and CEO

E-mail: tbundy@les.com
Phone #: (402)473-3392
FAX #: (402)475-9759

TLB:cls
Attachments

c: Mayor Chris Beutler
LES Administrative Board
ATTACHMENTS
LES Rates Vs. Inflation

Percent Change From 1986

0% 3.6% 7.9% 10.7% 19.3% 24.3% 28.0% 31.8% 35.2% 39.1% 43.2% 46.4% 48.7% 50.0% 52.0% 57.1% 61.6% 64.4% 67.9% 72.4% 78.2% 83.9% 89.1% 94.3%

-10% 3% 4% 5% 3% 9% 4.5% 5.5%

86 87 88 89 90 91 92 93 94 95 96 97 98 99 00 01 02 03 04 05 06 07 08

LES Rates ▲ Inflation ▼

Projected
# LES Aid-to-Construction

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Lots</th>
<th>Aid-to-Construction Rate/Lot</th>
<th>Aid-to-Construction Collected *</th>
<th>LES Construction Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>1,525</td>
<td>$150</td>
<td>$233,942</td>
<td>$1,681,177</td>
</tr>
<tr>
<td>2004</td>
<td>2,113</td>
<td>$150</td>
<td>$328,228</td>
<td>$2,867,797</td>
</tr>
<tr>
<td>2005</td>
<td>2,211</td>
<td>$180</td>
<td>$369,276</td>
<td>$3,036,311</td>
</tr>
<tr>
<td>2006</td>
<td>1,357</td>
<td>$400</td>
<td>$421,166</td>
<td>$2,466,108</td>
</tr>
<tr>
<td>2007</td>
<td>438</td>
<td>$400</td>
<td>$193,052</td>
<td>$1,085,667</td>
</tr>
<tr>
<td>5 Year Total</td>
<td>7,644</td>
<td>$400</td>
<td>$1,545,664</td>
<td>$11,157,060</td>
</tr>
</tbody>
</table>

* Aid-to-Construction collected is not always equal to the number of lots times the rate per lot because some lots are wider than the 100’ maximum.

Rate changed August 1, 2005
Rate changed March 1, 2006
October 30, 2007

Dear Chair Marvin and Members of the City Council:

This document reviews the Lincoln Electric System 2008 Operating and Capital Budget. The budget was reviewed in detail with the LES Administrative Board Budget and Rates Committee and approved by the Board at its regular meeting on October 19, 2007.

For 2008 the LES Operating Budget shows an increase of $17.8 million while the Capital Budget is reduced by more than $46 million. The combined requested authorization of $286 million for 2008 is a reduction of $28 million from 2007.

As you recall, LES did not have an increase in base rates during 2007. We did institute a 5.5% surcharge in March, 2007 to recover added replacement power costs due to the central Nebraska ice storm. At the October 2007 meeting of the LES Board, the Board reviewed LES’ financial situation and determined that while the increased costs due to the storm were not fully recovered by the surcharge, that improvements in other areas had made up the difference. Therefore, the Board voted to end the surcharge at the end of October.

Two of the focal points of 2008 will be to improve our financial metrics and to make a positive step forward in sustainable energy. First is to dedicate 1% of retail revenue (approximately $2 million per year) to start rebuilding the rate stabilization fund which has been drawn down significantly over the last few years. Once at about $12 million, the current balance is about $4.3 million. The second initiative involves putting 0.5% of retail revenue (about $1 million per year) into programs that support sustainable energy programs that focus on energy efficiency, conservation, renewable energy, consumer education and research. The capital budget also includes $4.5 million for renewable energy projects.

We expect that the 2008 Budget will require a 5.5% increase in retail rates in March of 2008. The components of the increase are:

- Power Costs, O&M, A&G since 2006: 3.0%
- Adverse STB decision on rail rates: 1.0%
- Rebuild Rate Stabilization fund: 1.0%
- Sustainable Energy Programs: 0.5%
- TOTAL: 5.5%
The approval of this budget does not constitute approval of an increase in rates. LES will conduct a cost analysis and review any recommendations with the public and the LES Board prior to bringing a formal rate recommendation to the City Council.

The following pages describe in greater detail the major components of the operating and capital budgets. We have proposed the following schedule for your consideration of the 2007 budget:

- Monday, November 5 - Introduction and Pre-Council review
- Monday, November 19 - Public Hearing
- Monday, December 4 - City Council Action

The LES Administrative Board and Management recommend the 2008 Budget for your approval.

If you have any questions about the budget, we would be glad to address them prior to or during the Pre-Council Session on November 5.

Sincerely,

Terry L. Bundy, P.E.
Administrator and CEO

TLB:cls
2008 LES Budget Summary for the Lincoln City Council

Operating Budget

The Operating Budget reflects our planned operating expenses and it is this amount that we use to track our budget progress. For purposes of City Council authorization we also include the Budget Authorization which is derived by subtracting depreciation (a non-cash item) from the Operating Budget and adding back in debt service and the payment in lieu of tax (PILOT). Because of a required accounting change, PILOT is no longer included as an operating expense. In order for the historical years to be on a comparable basis, we have also removed PILOT from the 2005-2007 numbers in the chart above and any comparative tables.

The 2008 LES Operating Budget is nearly $18 million higher than the current year’s budget. The chart above shows the “Operating Budget” of $198,213,000 and an “Operating Authorization” of $217,962,000.

The largest increase is in power costs although a significant component of that increase is due to increased production at the Walter Scott #4 plant that will be sold at wholesale. Wholesale revenue from that sale will more than offset the increased production costs. About $2 million of the increase is due to the decision of the Surface Transportation Board to deny rail rate relief to the participants in Laramie River Station. The
participants continue to pursue rate relief on several fronts. Power costs are also increased to cover a projected 2.5% increase in retail energy sales.

The $2.7 million increase in Other Operating expenses includes the $1 million for sustainable energy projects. Increased labor and materials costs are also in other operating expenses.

Depreciation expenses have increased by more than 10% ($3.6 million) with the addition of new generation and transmission plant.

* PILOT (Payment in Lieu of Tax) of $10,200,000 is not included in operating expense, however is a required part of the budget request.

The drivers of the LES Operating budget are Power Costs at 61.4% and Depreciation of our large capital infrastructure at 18.1%. Together they are roughly 80% of our budget. The amounts going to other functional areas are also shown.

The addition of the Walter Scott #4 unit in Council Bluffs represents a major change in our resource portfolio. It will significantly reduce our use of natural gas and in the long term, will help to keep our costs down. In the short term, while we are growing into that resource we expect to be selling additional power on the wholesale market. We forecast our wholesale revenue to grow from $16 million in 2006, to $21 million in 2007, and $31 million in 2008. For 2008 we will be selling half of the output of the Walter Scott unit.
We continue to face challenges of increasing coal costs and freight rates as well as record low water conditions at the reservoir serving Laramie River Station.

The budget also assumes in increase in the Energy Voucher Program with Lincoln Action Program from the equivalent of $0.07 per customer per month to $0.08 in 2008. The LES Administrative Board had previously directed that the funding level for the program be reviewed whenever there was an approved change in LES rates. The funding level for the program would increase from about $105,000 in 2007 to $123,000 in 2008.

The proposed 2008 budget assumes adding $2 million to the Rate Stabilization Fund and a debt service coverage of 1.90.

LES, along with a number of other utilities in Montana, North and South Dakota, Nebraska, Minnesota and Iowa are considering various proposals to become market participants in the wholesale market administered by the Midwest Independent Transmission System Operator. This would be the most significant, fundamental change in the way LES operates since we moved from primarily a wholesale customer to a facility owning utility in the late 1970s.

Such a market operates under an approach called Locational Marginal Pricing (LMP). Under LMP, we would no longer run our generation to meet our load. Our load would be served from the market at market prices, and our generation would run and receive payment only when it is able to produce at a cost that is at or below the LMP. Studies are currently under way to determine if there are economic benefits for LES. The difficulty is that LES may not really have any choice if all of our neighboring utilities decide to join the market. Decision points are likely to occur before the end of this year and the dates currently being discussed for the operational change are June, 2008 or September, 2008.
The 2008 LES Capital budget of $67,750,000 is down $46.2 million from this year's capital budget. The above chart shows that LES capital costs tend to fluctuate from year to year, which is a function of the intermittent nature of large generation and transmission projects. The decrease in 2008 reflects the completion of the Walter A. Scott #4 coal-fired power plant and significant transmission projects to assure continued high levels of service reliability. LES has added significant generation and transmission infrastructure over the past few years. While 2008 reflects a significant decrease, we expect the capital budget to decrease further to the $50 million dollar range in 2009. Capital costs are primarily funded by long-term debt which is why we see increased debt service payments in the 2008 budget.

The capital construction is necessary to continue providing reliable electric service to approximately 128,800 customers and a total system load of 799 megawatts. As noted earlier, LES will add about 1,800 net new customers. Service will be upgraded to about 1,200 existing customers, including about 500 overhead to underground residential conversions.
Nearly $20 million of the proposed 2008 capital budget is for transmission infrastructure. Part of this is a carryover of projects started, but not completed in 2007. In 2008, a new transmission line being constructed by the Omaha Public Power District (OPPD) will be connected to the LES system which will enhance regional reliability. OPPD will reimburse LES for the cost of the substation and facilities to connect the line to the LES system.

Part of the increase in the capital budget is attributed to continuing escalation in the cost of raw materials, particularly steel, copper and aluminum.

On the generation side, LES has completed a multi-year plan to add over $325 million in local and regional generation resources. We have completed the Salt Valley Generating Station, a natural gas-fired combined cycle plant in northeast Lincoln and the WAS #4 coal-fired plant was completed in 2007. LES expects that it will be several years before major new generation resources are needed. One of the goals of the sustainable energy program is to further delay the need for additional resources.

In recent years, LES has been under pressure to increase its financial metrics in order to maintain its enviable “AA” debt ratings. These ratings are important to keep borrowing costs low, recognizing that LES finances more than 70% of its capital needs with bonds. With this budget LES proposes to start rebuilding the rate stabilization fund, start moving the debt to equity ratio back to the goal and to meet a target debt coverage of 1.85 or greater. The following charts show history and projections for these ratios.

**Debt to Equity Ratio**

![Graph showing Debt to Equity Ratio from 2003 to 2008 with actuals and forecasts.](Image)

Goal: Below 70.0%
Budget Request Summary

The total budget authorization request for 2008 is $285,712,000, compared to last year's request of $313,262,000. The decrease from 2007 a function of significantly reduced capital costs.
ADDENDUM
TO
DIRECTORS’ AGENDA
MONDAY, FEBRUARY 11, 2008

I. MAYOR -

1. NEWS ADVISORY - RE: Mayor Beutler’s Public Schedule Week of February 9 through February 15, 2008 - Schedule subject to change.

2. City of Lincoln Snow/Traffic Condition Report - 02/07/08, 4:00 p.m. - RE: Mayor Beutler To Rescind Residential Parking Ban-Parking again allowed on both sides of residential streets.

II. CITY CLERK - NONE

III. CORRESPONDENCE -

A. COUNCIL REQUESTS/CORRESPONDENCE - NONE

B. DIRECTORS AND DEPARTMENT HEADS -

PLANNING


C. MISCELLANEOUS -

1. 2 E-Mail’s & Letter from Jana McGuire - RE: Question about Deadman’s Run Master Plan & 2nd E-Mail Additional Information with the attached letter.

2. E-Mail from Mary Roseberry-Brown - RE: LES Rate Hikes.

3. E-Mail - RE: LES rate increase.

Date: February 8, 2008
Contact: Diane Gonzolas, Citizen Information Center, 441-7831

Mayor Beutler’s Public Schedule
Week of February 9 through 15, 2008
Schedule subject to change

Saturday, February 9
- Valentines from Ted Kooser - 6 p.m., Rococo Theatre, 140 N. 13th St.

Monday, February 11
- Mayor’s Award of Excellence presentation - 1:30 p.m., Council Chambers, 555 S. 10th St.

Tuesday, February 12
- Harris Lecture Series lunch with Amory Lovins - noon, Lied Center for Performing Arts, 12th and “R” streets (Orchestra Lobby)
- Mayor’s Multicultural Advisory Committee - 3:30 p.m., Mayor’s Conference Room, County City Building, 555 S. 10th St.
- Lecture on Public Policy, “Winning the Oil Endgame,” (E.N. Thompson Forum on World Issues) - 7 p.m., Lied Center

Wednesday, February 13
- Face the Chamber, remarks - noon, Country Club of Lincoln, 3200 S. 24th St.

Thursday, February 14
- News conference on Lincoln Cares - 10 a.m., Ager Indoor Playground, Antelope Park
- Mayor’s Neighborhood Roundtable - 5:30 p.m., Mayor’s Conference Room, County-City Building

Friday, February 15
- Realtors® Association “Breakfast Before Business - 7:30 a.m., 8231 Beechwood Dr.
- KFOR - 12:30 p.m., Three Eagles Communications, 3800 Cornhusker Hwy.
- St. Paul United Methodist Church’s midwinter banquet, remarks - 6 p.m., 1144 “M” St.
CITY OF LINCOLN
SNOW/TRAFFIC CONDITION REPORT

A COMPLETE VOICE REPORT IS AVAILABLE AT 441-7783. THIS NUMBER IS FOR NEWS MEDIA USE ONLY.

For more information:
Public Works Snow Center – 441-7644
Citizen Information Center – 441-7547

Date: Thursday, February 7, 2008
Time: 4 p.m.

MAYOR BEUTLER TO RESCIND RESIDENTIAL PARKING BAN
Parking again allowed on both sides of residential streets

Mayor Chris Beutler has announced that the residential parking ban will be lifted at 6 p.m. tonight (Thursday, February 7). At that time, parking will again be permitted on both sides of the street in residential areas.

City street crews continue to monitor and evaluate the condition of Lincoln’s streets. Material spreading and snow hauling continues today. Street crews will continue similar efforts tomorrow, also looking for trouble areas where blowing and drifting have occurred.

Again, Mayor Beutler will lift the residential parking ban effective at 6 p.m. tonight.

Please stay informed on the status of snow operations in Lincoln. Additional information is available on the City Web site at lincoln.ne.gov and on pages 48 and 49 in the blue pages of your Windstream phone directory. If you have questions, you may call the Public Works Snow Center at 441-7644.

- 30 -

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MEMORANDUM

TO: City Council

FROM: Jean Walker, Planning

SUBJECT: Bill #08R-48 - Northwest 48th Street Redevelopment Area Blight Declaration

DATE: February 8, 2008

cc: Mayor Chris Beutler
    David Landis, Urban Development
    Sara Hartzell, Planning
    Dennis Van Horn, LPS

The attached letter from Dennis Van Horn on behalf of Lincoln Public Schools was submitted to the Planning Commission and inadvertently omitted from the Factsheet. I apologize for this oversight.

The concerns of LPS about TIF were discussed by David Landis at the public hearing before the Planning Commission, the minutes of which are attached to the Factsheet for Bill #08R-48, being introduced on Monday, February 11, 2008.

q:\pc\misc\07000\Misc.07010 letter from LPS
January 24, 2008

David Landis, Director
Urban Development Department
City of Lincoln
808 P Street, Suite 400
Lincoln, NE 68508

Dear David,

As I review items scheduled for action by the Lincoln-Lancaster County Planning Commission, I note the Blight Designation for 503 acres in the vicinity of NW 48th and I-80. It appears that the redevelopment plan for this area could include use of tax increment financing (TIF) for residential development. As such, I felt it important to reinforce the position of the Lincoln Public Schools Board of Education related to use of TIF to support residential development.

The Board of Education has opposed the use of TIF for new residential development. That opposition is based on the following:

1. The state aid formula reimburses school districts for property tax revenue lost due to TIF only on the General Fund portion of the school district’s budget. Property tax revenue lost due to TIF on the bond fund and other portions of the school district’s total levy are not reimbursed through the state aid formula.

2. New residential developments contribute to the need to build new schools. TIF diverts tax revenue paid by the homeowners in these new developments away from paying the debt service for new schools to paying the TIF debt.

Fundamentally, the use of TIF to pay the infrastructure costs for new residential developments erodes the tax base assigned by the State to school districts to fund the school facilities required by the new developments. Further, it transfers the responsibility to the other taxpayers of the school district for the term of the TIF debt.

The Board of Education most recently expressed this opinion to the Mayor and City Council in August of 2006 at the time the North 56th and I-80 Redevelopment Plan was under consideration. Enclosed you will find the letter that was sent to the Mayor and copied to City Council members expressing the Board of Education’s opposition to the use of TIF for this redevelopment plan.

On January 18, 2008, I met with Trish Owen and Rick Hoppe to clarify the Board of Education’s position on TIF. At that time I expressed the Board’s understanding and support of TIF for the redevelopment of substandard housing in core neighborhoods. This investment aimed at providing quality and affordable housing to families in areas
where schools already exist is not only good for the community, but it helps keep core neighborhoods and schools viable. Additionally, I clarified the Board of Education's opposition to use of TIF in new residential developments and the diversion of the tax increment beyond the actual period required to pay the bond debt. When the City Council approved the North 56th and I-80 Redevelopment Plan they agreed to collect the tax increment only for the number of years required to pay off the bond.

If you have questions or would like to discuss this issue, I would be happy to meet with you.

Sincerely,

[Signature]

Dennis A. Van Horn
Associate Superintendent
for Business Affairs

Enclosure

c: Susan Gourley
   Trish Owen
   Rick Hoppe
   Marvin Krout
   Sara Hartzell
   Jim Gessford
August 22, 2006

Mayor Coleen Seng
City of Lincoln
555 South 10th Street
Lincoln, NE 68508

Dear Mayor Seng:

In a letter (attached) to you dated October 21, 2005, I voiced and explained the Board of Education's concerns about the proposed use of tax increment financing (TIF) on residential portions of N. 56th Street and I-80 being considered for blight designation. In discussions you and Mr. Naumann had with Dr. Gourley, Superintendent of Schools, you provided assurances that the City Administration understood the School Board's concerns and it was not the intent of the City to draw TIF from residential developments.

Over the past several weeks, the Board of Education Planning Committee has participated in two presentations related to the proposed N. 56th and I-80 Redevelopment Plan. At the regularly scheduled Board of Education meeting on August 22, 2006, the Board of Education discussed the proposed redevelopment plan for the N. 56th Street and I-80 area. The Board Planning Committee presented the following resolution that was adopted by the Board of Education:

The Planning Committee has received information from the City of Lincoln related to the "Draft" N. 56th and I-80 Redevelopment Plan and proposed associated residential tax increment financing. The Board Planning Committee provides the following for Board review and discussion:

- LPS plays a major role in Lincoln's economic development by maintaining and strengthening our excellent public school system, to foster a competitive workforce and help retain and attract quality businesses.

- LPS supports the Lincoln economy through sound hiring, procurement, and construction practices.

- When the blight study for a development area at N. 56th and I-80 was first reviewed by Planning Commission and City Council, LPS spoke against deriving Tax Increment Financing (TIF) from new residential developments. We are grateful that the City Council endorsed the policy urged by LPS.
• LPS reiterates that Tax Increment Financing new residential development is poor public policy, requiring that for up to 15 years, property taxes on existing homes and businesses would bear most of the costs of public education (and other essential services) for those new neighborhoods, especially their share of the cost of building new facilities.

Planning Committee 8-21-06

The Board of Education respectfully requests that any proposed TIF to be drawn on residential property be removed from the N. 56th and I-80 Redevelopment plan. Your consideration and support of this request will be appreciated.

Sincerely,

Dennis A. Van Horn
Associate Superintendent
for Business Affairs

Attachment

c: Board of Education
City Council
Dr. Gourley
Marvin Krout
Marc Wullschleger
Jim Gessford
Hello Doug,

I’m president of the Taylor Park Neighborhood Association and have some questions about Monday’s vote on the Deadman’s Run Watershed Master Plan. I hope you will review the concerns below, share them with the rest of the council and consider delaying the vote until you get answers from project planners.

Darryll Pederson, a TPNA board member and UNL geologist/hydrologist, serves on the Deadman’s Run Citizens Advisory Committee and has expressed his concerns to me about the part of the proposal that includes construction of a dry detention basin and 12-foot-high earthen berm in the south end of Taylor Park. (See more details at www.lincoln.ne.gov/city/pworks/watrshed/. Click on the Deadman’s Run link on the right-hand side. Go to page 19 for Taylor Park information.)

Below is part of written testimony that he says he’s submitted to the City Council. He also testified before the Lancaster County Planning Commission.

He summarizes: “The project has the potential to create a local health hazard, disrupt access by Eastridge children walking to and from Eastridge School, destroy potential for use of the south part of the park, severely stress or kill trees on private property bordering the park, the project does not meet cost/benefit standards and will reduce property values in the area.”

He continues by saying:

Groundwater levels are high underneath the park. It is likely that development of a retention basin will cut into the groundwater table. There will be difficulties in excavation of the retention basin as have been experienced other places. Cost overruns should be expected. The bottom of the basin will represent the top of the water table with all the attended problems. Trees will not be able to grow because their roots would drown. There will likely be new
springs developed in the basin bottom. There will be ample possibilities for mosquito breeding.

Filling of the retention basin during storm runoff would lead to recharge of the groundwater. Draining the basin afterwards will require considerable time. Placing drain tile for drainage will add to the cost of development and is not a panacea because there will still be problem areas within the basin.

As the basin will directly cut across the route that children take in going to Eastridge School this means multiple days when they will have to take much longer alternate routes. Don’t lose sight of the fact that the basin will directly border school grounds. The basin represents an attractive nuisance (danger to children) when filled especially because of its location by the school.

Because the basin will be developed on a short time scale (compared to tree root growth) there is a serious potential for severely stressing trees on private property along the park boundaries. Currently the roots for these trees go down to the water table. Extensive root development is not required because of the abundant availability of groundwater. Dropping of the water table with development of the basin will be on a much shorter time scale than roots can grow. Area trees will be severely stressed and may die.

The Nebraska Department of Highways paid dearly for doing just this along the section of the Platte River by the Brady Island rest stop on I-80. During the construction of I-80, the Platte River channel was dewatered so gravel could be mined. The rapid drop of the water table resulted in extensive deaths of trees on the north side of the channel. One can still see the dead trees decades later. The owner of the land requested compensation for the loss of trees. The highway department denied any role. The landowner sued, the case went up through the courts and the Nebraska Supreme Court sided with the landowner.

The owner collected orders of magnitude greater compensation compared to what he first requested. The courts have established the precedent of he who drops the water table pays for trees that die. The presence of the underlying Dakota Formation increases the possibility that the hydrologic effects will be the same.

I hope you will consider Darryll’s comments and request that planners satisfactorily address these concerns. While I can’t attend the Monday meeting, I will try to watch the broadcast. Darryll does not plan to testify but has submitted his testimony. There may be some other Taylor Park residents there looking for answers.
I look forward to hearing from you. Please call or e-mail if you’d like to discuss this further.

Sincerely,

Jana McGuire
President
Taylor Park Neighborhood Association
(402) 486-3307
mcguire@neb.rr.com
Hello Doug,

Regarding my last e-mail: attached it the full text of Darryll Pederson’s letter.

A have an additional question as well. The Deadman’s Run Watershed Master Plan says:

“In addition, the area is an excellent candidate for a walking trail system that would meander within the basin footprint.”

I assume a walking trail system is not a part of this plan. How would such a trail be funded? If the plan is indeed approved, can a walking trail be included as part of the proposal budget?

Thank you,

Sincerely,

Jana McGuire
President
Taylor Park Neighborhood Association
(402) 486-3307
mcguire@neb.rr.com

- taylorrentbasin.pdf
Lincoln/Lancaster County Planning Commission:

I urge you strongly not to approve the flood retention basin in Taylor Park as part of the Deadman’s Run project. This project has the potential to create a local health hazard, disrupt access by children to Eastridge School, destroy the potential for use of this part of the park, severely stress or kill trees on private property bordering the park, does not meet cost/benefit standards, and will reduce property values in the area.

I am a member of the Deadman’s Run Citizen Advisory Committee, a professional geologist and hydrogeologist, and have lived in the general park area for over 32 years. I feel well qualified to support the above statements.

The park is a general area of groundwater discharge. Before Taylor Creek started downcutting, there were a number of active springs at the park level along the creek. These springs dried up with incision of the channel but the groundwater discharge did not stop. Taylor Creek is a constant flowing groundwater fed stream as this area represents a general area of groundwater discharge for the water recharged in the Taylor Creek watershed. The Dakota formation also underlies the park and there is likely groundwater discharge from this geologic unit.

Why is it important to consider groundwater discharge? Groundwater discharge represents an intersection of the groundwater table with the surface. Groundwater levels are high underneath the park. It is likely that development of a retention basin will cut into the groundwater table. There will be difficulties in excavation of the retention basin as have been experienced other places. Cost overruns should be expected. The bottom of the basin will represent the top of the watertable with all the attended problems. Trees will not be able to grow because their roots would drown. There will likely be new springs developed in the basin bottom. There will be ample possibilities for mosquito breeding.

Filling of the retention basin during storm runoff would lead to recharge of the groundwater. Draining the basin afterwards will require considerable time. Placing drain tile for drainage will add to the cost of development and is not a panacea because there will still be problem areas within the basin.

As the basin will directly cut across the route that children take in going to Eastridge School this means multiple days when they will have to take much longer alternate routes. Don’t lose sight of the fact that the basin will directly border school grounds. The basin represents an attractive nuisance (danger to children) when filled especially because of its location by the school.

Because the basin will be developed on a short time scale (compared to tree root growth) there is a serious potential for severely stressing trees on private property along the park boundaries. Currently the roots for these trees go down to the water table. Extensive root development is not required because of the abundant availability of groundwater. Dropping of the watertable with development of the basin will be on a much shorter time scale than roots can grown. Area trees
will be severely stressed and may die.

The Nebraska Department of Highways paid dearly for doing just this along the section of the Platte River by the Brady Island rest stop on I-80. During the construction of I-80, the Platte River channel was dewatered so gravel could be mined. The rapid drop of the watertable resulted in extensive deaths of trees on the north side of the channel. One can still see the dead trees decades later. The owner of the land requested compensation for the loss of trees. The highway department denied any role. The landowner sued, the case went up through the courts and the Nebraska Supreme Count sided with the landowner. The owner collected orders of magnitude greater compensation compared to what he first requested. The courts have established the precedent of he who drops the watertable pays for trees that die. The presence of the underlying Dakota Formation increases the possibility that the hydrologic effects will be the same.

Trees are a critical component in determining property values. As a taxpayer I and many other citizens of Lincoln will be extremely upset if at some point Lincoln ends up having to pay for another dumb decision because the science was ignored. The flood plain map fiasco comes to mind.

The retention basin cannot under any conditions be considered aesthetically comparable to park land. Part of the value of homes in the area is based on bordering park land. This has not been considered in cost/benefit studies.

There is only one home along the park that might benefit from the retention pond. The home will still be flooded during very high runoff conditions as the height of the road over the culvert will back up water. This homeowner has a daylight basement window that caused the basement to flood in 2002. The road height has not changed since the house was purchased so the potential for flooding was not unknown. The house can be flood proofed by removing the window and filling in earth. The cost for this is far less than the millions for the retention pond.

Downstream in the Shopko and East Park Plaza area their design has considered the conveyance of flood water exceeding the capacity of the culvert at the north end of the park. This served well during the 2002 runoff event. Cars were washed off O street into the East Park Plaza area, but that was their choice to try to drive through high water. No buildings were flooded. My question, never answered during the meetings of the Deadman’s Run Advisory Committee meetings, was if the retention pond would allow much greater development of the Shopko and East Park area. The answer was always that Taylor Creek is not a big enough watershed to be included in the Deadman’s Run studies. I suspect that somewhere there is an analysis that has been done that will show that much more development can occur in the Shopko and East Park Plaza area with the retention basin.

I will bring this to a close by asking why Taylor Park residents have to pay the price for people downstream who developed in the floodplain? Certainly Shopko and East Park Plaza recognized they were building in a floodplain as demonstrated by their layout design. In essence, property in flood plain of less value is enhanced by building structures (retention basins) that decrease values
of land that is not in a floodplain.

Don’t build the retention pond. The funds required for building the retention pond should be used to buy out the 80 some structures that would be removed from the floodplain, or at least pay their flood insurance. Most cities have addressed floodplain problems by clearing the land. It appears only in Lincoln that new development is allowed in floodplains.
February 10, 2008

TO:
City Council Members
550 South 10th Street
Lincoln, NE 68508

FROM:
Mary Roseberry-Brown
1423 F Street
Lincoln, NE 68508

RE: Proposed LES rate increase

Dear Lincoln City Council Member

I urge you to vote for the proposed LES rate hike. Consider that the best return on investment comes from increased energy efficiency. If the rate increase is passed, LES will be then able to learn from the studies that other states that have already done on energy efficiency and apply that knowledge for greater efficiency here in Lincoln.

Let us be good stewards of what we have, not wasting what we have, and move ahead with this proposal.

Thank you.

Mary Roseberry-Brown

Never miss a thing. Make Yahoo your home page.
http://www.yahoo.com/r/hs
In response to LES' proposed rate increase, please consider my objection to what appears to be another attempt to receive a blanket approval for a rate increase without over site objection. Please consider, a rate increase while the prediction of a recession is eminent seems inappropriate. Why not "tighten up" expenditures, just as their patrons are forced to do?

An article recently in the Lincoln Journal Star stated it would not be wise to start reviewing and analyzing the utility's budget. I wonder why this would be inadvisable? Shouldn't there be over site of an entity that is the consumers' only option?

Please review the budget. As with all budgets, there are always opportunities for improvement and cost cutting. I question, how much is spent on advertising, travel and entertainment, benefits provided to employees? I see ads on TV for LES, what would be the purpose? They are our only choice. In tough economic times, social conscious ads could be dropped, and if it was felt they are still needed, include inserts. It's great that they are a low cost provider, but does that give them blanket approval to increase rates, just because everyone else is higher? Why not try to stay low cost and promote this to attract much needed new businesses to our city.
January 20, 2008

CEO
Lincoln Electrical System
P.O. Box 80869
Lincoln, NE 68501

CEO:

My letter to you is about your new rate increase for Lincoln, Nebraska residence. Obviously, the increase of more than five percent does not take in the people that are over 65 and are on a fixed income. My cola rose 2.5 percent and it has been the same for several years. This is the reason that we only live in our Lincoln home only about one month each year.

I have some questions to ask you and hope that you have time in your busy schedule for appropriate answers. The questions are:

1. What is the total budget for LES in year 2006 and 2007?
2. What part of the above budgets represents wages in dollars for each year?
3. What part of the above budgets represents maintenance and daily operation in dollars (not including wages)?
4. What is the average daily hourly wage for employees of LES?
5. What is the average daily hourly wages for executive employee of LES?
6. Are 450 employees excessive for the LES system? If not why?
7. What is your yearly income? What percent increase did you get this year?

Each year my wife and I write off about $1000.00 for added insurance, maintenance cost and line budget items increases from our local government and state government. This past year, the Lincoln sewer system backed up and caused $8000.00 damage to our basement. The city did nothing for helping with the cost. Do you think that the Lincoln residents are getting “ripped” off by city owned entities?

We would appreciate your response for the above questions. Thank you.

Sincerely,

Claude Reymah
Resident
705 South 30
Lincoln, NE 68510

Copy to City Council