

GAS COMMITTEE MEETING

March 3, 2014

Meeting was called to order at 6 pm by Chairman Notheisen. In attendance were Mayor Smith, Aldermen Heller, Frederick, Thomas and Hopkins. Also in attendance were Tim Birk, Shawn Kennedy, Blake Bastian of CenterPoint Energy, Lindsay Enloe (City Gas Engineer) and City Attorney Dan Hayes.

There were no citizens in attendance.

Minutes from the September 16, 2013 meeting were reviewed and approved. The motion was made by Heller and seconded by Frederick. The motion passed 5-0.

Shawn Kennedy gave a brief presentation of the 2015 Gas Department budget and an update on the cost of the gas infrastructure relocation for the expansion of Route #3.

Alderman Notheisen led a discussion about the need to increase the City's Natural Gas Capacity. The City has been at the same capacity of over a decade. The City's need for capacity has grown and the City demand has exceeded our capacity twice in the last 2 months. The City's need to expand capacity has become urgent. CenterPoint has given the City two options: to increase capacity 800 MMBTU and 1000 MMBTU per day.

After a lengthy discussion about the cost to increase capacity and our future needs along with the possibility to increase capacity at a later time a decision was made. Alderman Heller made a motion to contract for an additional 1000 MMBTU and the motion was seconded by Alderman Frederick. Motion passed 5-0.

The discussion moved to Natural Gas Storage. Blake Bastian and Lindsay Ensloe led the discussion about why the City needs to maintain some level of storage. The City currently contracts for 75,000 MMBTU and with the increased cost of storage, the Committee wants to lower our obligated storage commitment. Blake and Lindsay want to come back to us with a recommendation and decision will be made at that time.

Alderman Thomas made the motion to adjourn and was seconded by Alderman Hopkins. With a vote of 5-0, the meeting adjourned at 7:15