



TO: Mayor and City Councilors

FROM: Rich Olson, City Manager

REF: FYI ~ Week Ending December 15, 2006

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1. During the North Carolina Eastern Municipal Power Agency meeting held on December 13, 2006, the Agency distributed Performance Indicators for each municipality that is a member of ElectriCities. The Performance Indicators look at the following areas: General Fund Transfer Percentage, Power Cost Percentage, System Losses, Peak NCP Load Factors, Average CP Load Factors and Distribution Related Expenses. Although every city is unique, it is a way that we can benchmark Elizabeth City. The report is lengthy; however, if you would like to see the entire report, please stop by my office. I will provide a brief overview herein. The City's General Fund Transfer Percentage was 2.9%, which equates to \$964,000. The average for NCEMPA was 2.2%. The range however was from 0 to 18.1%. The City follows Local Government Commission guidelines in this area. The City's Power Cost, which is determined by dividing the power cost by total operating revenue was 74%, while the average is 79.2%. This is in essence a fixed cost of operation and there is very little the City can do to lower it. It also means that 26% of the operating revenue can be used for distribution, transfer and capital programs. The third indicator is System Losses, which all electrical utilities have. The City's average was 3.3%, while the agency average was 6.9%. Elizabeth City had one of the lowest percentages in this area and is something we can boast about. The Peak NCP Load Factor and Average CP Load Factor indicate that our load profile is basically residential in nature. Our Load Factor was 76.6%, while the average was 73.1%. Cities like Kinston have high load factors (89.5%) due to industrial base. Finally the Distribution Related Expenses were 2.61%, which exceeds the average of 2.11%. This can be directly attributed to our growth. These indicators are interesting to look at, but have very little substantive value.

2. Also during the NCEMPA meeting, the Board passed a Resolution of Support requesting the Nuclear Regulatory Commission to extend the Harris Nuclear Plant license for an additional twenty years. The Harris Plant was built in 1987 in Wake County and is a 900MW pressure water reactor. NCEMPA has a 16.17 percent ownership interest in the plant. The agency receives 10% of its capacity from the plant and 12% of its energy. One of the reasons the City's energy costs are high deals directly with cost overruns when this plant was built. Those overruns tie directly to the changing regulatory environment after the Three Mile Island incident. The current Harris operating license expires in 2026. The extension would be until 2046. 72% of NCEMPA's \$2.7 billion debt is from its participation in the plant. Extending the life of the license will not have any immediate affect on our rates. In a few years, however, our rates will be very competitive. The cost of energy we purchase via the plant is some of the cheapest in the industry. The debt payments make it expensive.
3. On Monday, the City will release a Request for Proposal (RFP) for design work to replace the historic Charles Creek Bridge. The RFP was developed jointly by the City and NCDOT, which is the principal funding agency for this project. Earlier this year, planning work was completed that highlighted the historic nature and special attributes of the Charles Creek Bridge. Due to the unique characteristics of the bridge's alignment and appearance, design work is expected to take almost one year. The City will accept proposals from qualified engineering firms through January 19, 2007 with award of a design contract anticipated in February. Presently, the bridge work is expected to begin in 2008 with completion in 2009.
4. The Technical Review Committee with hold its monthly meeting on Thursday, December 21 at 10 a.m. in the third floor conference room of the A. P. Midgette Building. The following items are on the agenda:
 - a. Preliminary Plat Application SUB-04-06 – Don Williams requests to subdivide 19.52± acres located on the north side of Savin Road into a 45-lot subdivision.
 - b. Site Plan Application SP-22-06-Tanglewood Development LLC requests site plan approval for the Dollar Tree Stores and Henry Winslow Drive improvements. This site is located off Tanglewood Parkway in the Super Wal-Mart Shopping Center.

5. On Wednesday, December 13, several members of the Elizabeth City Police Department attended a training seminar hosted by Chief William J. Anderson and the Greenville Police Department. Members from the ECPD who attended were: Lieutenant Jamie LaCombe, Lieutenant John Young, Sergeant John Etheridge, Sergeant Gary Bray, Agent Paul Perry, and Agent Jamie Judge. The purpose of the training seminar was to educate our members on recognizing gang activity and raising gang awareness. One of the key topics of discussion was intervention of gang activity, which begins in schools as early as the elementary level. Gang activity initially starts at the third grade level and begins with what is known as "bullying." Intervening at that level is crucial in deterring future gang activity. Everyone who attended the training seminar felt that the information will be very useful for our Department as we continue to take a proactive approach on the issue of gangs in our neighborhoods.
6. The Elizabeth City Fire Department has put up a display on the lot beside Station I on Halstead Blvd. The display is of a demolished car with a banner that encourages people not to drink and drive this holiday season. The display will be up through the first week of January. I would like to thank Gary Mann of Mann's Auto for loaning the car and Robert Sawyer of Robert Sawyer's Garage for towing it to the Station.
7. The annual Board and Commissions Holiday Party hosted by the Planning Department will be held on Monday, December 18 at 7:00 p.m. at West End Station.
8. City employees will observe the Christmas holiday on Monday and Tuesday, December 25 and December 26. Garbage collection for Monday's routes will be Wednesday, December 27. Garbage collection for Tuesday's routes will be on Thursday, December 28.

RCO/vdw