

**RECORD OF PROCEEDINGS
BOARD OF PUBLIC AFFAIRS**

Minutes of _____

MEETING

Meet _____

BARRETT BROTHERS, PUBLISHERS, SPRINGFIELD, OHIO

Form _____

Monday, February 27, 2006

8:00 am Village Hall

Held _____

Lodi Board of Public Affairs - Minutes of Special Meeting Monday, February 27, 2006, 8:00 am.

The Lodi Board of Public Affairs met on the above date for a Special Meeting to discuss AMP-Ohio Bond Note Issuance with the following Board Members present: Anderson, Goodrow and Geissman.

SUPERINTENDENT'S FOCUS:

Electric Utility

Utility Superintendent Eaken informed Board of Public Affairs Members that the Village of Lodi tries to pay down \$200,000 each year on the bond note. After talking with AMP-Ohio, it is better for us to renew the note than it is for us to try to lock the remainder owned into a fixed loan. Our interest rate is around 2% and to tie in a loan we would be looking somewhere in the neighborhood of 4.5%-5% interest plus legal fees. The Utility Superintendent recommended paying down \$200,000 on the note plus the interest charges and renewal fees. The total amount being paid would be \$266,058.00. He suggested that this amount be split over a ten-month period, instead of the three months as it is set up at this time, to not have such a drastic change in the PCA charge.

Board Members inquired as to what the PCA charge would be after adding the bond note costs to it. It was explained to the Board Members that it depended on the other costs of operation for the month. It was explained to the Board Members that the PCA is set up, at this time, to recover 12% over their costs.

Several options were discussed on how we might be able to stabilize the PCA charge. It was discussed that the note costs should not be added to the PCA until the SECA charges went off in March. It was also brought up; since we know we are looking at \$250,000.00 at least each year, that the PCA should not go below zero. The Board Members felt if we did this, the extra funds accumulated would pay the bond note and not affect the PCA charge.

It was also explained that paying the note, as we have been, the project would be paid-off sooner than it would have been had we tied in a twenty-year loan.

Goodrow motioned that the PCA charge be zero effective February 27, 2006, until the next Board Meeting on March 6, 2006, seconded by Geissman.

Electric rates were also discussed for the water and wastewater facilities. At this time, both are paying the regular, in Village rate, for power. Setting up a separate rate for both the water and wastewater plants for actual costs of power were discussed. It will be discussed further at the next meeting.

Goodrow motioned to adjourn meeting at 9:05 AM, seconded by Geissman.

Daniel Goodrow
Board President

Joanne M. Clapp, CMC, CPFA
Clerk/Treasurer

An audiotape for this meeting is available in the Clerk/Treasurer's office for one year after the meeting.
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