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A regular meeting of the Council of the City of Bedford, Virginia, was held in the Council Hall of the Municipal Building at 7:30 p.m., February 24, 2009.

Members present: Mayor W. D. Tharp; Councilwoman Mary L. Flood; Councilman Jeffrey B. Hubbard; Councilman Steve C. Rush; Councilman C. G. Stanley, Jr.; Councilman James A. Vest; and Vice Mayor Robert T. Wandrei.

Members absent: None

Staff present: City Manager Charles P. Kolakowski; City Attorney W. W. Berry, IV; and Clerk of the Council Teresa W. Hatcher

Mayor Tharp opened the meeting and led all present in saying the Pledge of Allegiance to the Flag.

Mayor Tharp declared that the minutes of a regular Council meeting held on February 10, 2009, were approved as corrected reflecting that Vice Mayor Wandrei presided over the meeting as the Mayor was absent.

City Manager Kolakowski reported on the following:

- City staff is consistently monitoring the situation with revenues and expenditures
- City staff has been meeting with representatives from congressional offices and state offices on the implementation of the Federal Recovery Act and stimulus funding – proposals are being submitted for funding for infrastructure improvements for broadband, electrical distribution, water distribution, etc

Mayor Tharp asked members of Council to complete the annual evaluation forms for the City Manager and the City Attorney and give the forms to the City Manager's Administrative Assistant by March 3.

Mr. Warner, Director of Planning and Community Development, stated that during the process associated with last month's rezoning activity along Independence Boulevard, staff became aware of another property owner in the area who is interested in rezoning her property from M-1 to B-2. The property is located near the intersection of Independence Boulevard and Shady Knoll Avenue.

Mayor Tharp opened the public hearing at 7:35 p.m.

The Public Hearing Notice follows:

PUBLIC HEARING NOTICE

Notice is hereby given of a public hearing to be held by the City Planning Commission at 5:30 p.m. on Thursday, February 5, 2009 and by the City

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Council at 7:30 p.m. on Tuesday, February 24, 2009 at the City Municipal Building, Council Hall, 215 East Main Street for the purpose of:

- To consider rezoning tax map #177-A-3 from M-1, Manufacturing to B-2, General Business District. The request is being made by the Planning and Community Development Department of the City of Bedford.

Information regarding this request is on file in the office of Planning & Community Development.

Anyone who is in favor of or opposed to the request will have an opportunity to express his/her views at this hearing.

By the Authority of the Planning Commission
and the City Council of the City of Bedford

As there were no comments, the Mayor closed the public hearing at 7:35 p.m.

On motion by Councilman Vest, seconded by Councilman Stanley, voted upon and carried by a roll call vote, Council adopted the ordinance rezoning a parcel on Independence Boulevard from M-1 to B-2. Roll call vote follows:

Councilwoman Flood	aye
Councilman Hubbard	aye
Councilman Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Mayor Tharp	aye

The ordinance follows as adopted:

Ordinance No. 09-03

AN ORDINANCE CHANGING THE ZONING MAPS FOR THE CITY OF BEDFORD BY REZONING FROM M-1 TO B-2 A PARCEL ON INDEPENDENCE BOULEVARD

WHEREAS, the Planning Commission of the City of Bedford held a public hearing on January 8, 2009; and

WHEREAS, the City Council held a public hearing after notice was given in the *Bedford Bulletin* once a week for two successive weeks as required by Virginia Code 15.2-2204;

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**NOW, THEREFORE, BE IT ORDAINED BY THE CITY
COUNCIL OF THE CITY OF BEDFORD, VIRGINIA:**

Section 1. The Zoning Map of the City of Bedford is amended by rezoning from Manufacturing (M-1) to General Business (B-2) the following tax parcel:

177-A-3.

Section 2. This ordinance is effective upon enactment.

The City Manager reported that he and the Public Service Director and local industries have been discussing various strategies to reduce the cost of electric power, including making changes in the normal pattern of electrical use in response to changes in the price of electricity over time (“Demand Response”). These strategies include load-serving-entity (LSE) programs which would provide reductions in charges, for large customers if they are willing to significantly reduce their consumption requirements for a number of hours when requested.

City Manager Kolakowski stated that the Federal Energy Regulatory Commission (“FERC”) in October 2008 issued a new rule requiring regional transmission organizations (“RTO’s”) to accept bids from aggregators of retail customers (“ARC’s”) that aggregate demand response of individual retail customers as well as to allow retail customers to put bids and sell their retail demand response into the RTO’s wholesale electricity markets. A new FERC rule allows most public power systems to opt out of many of the rules concerning retail demand response requirements.

The City Manager reported that the American Public Power Association and the Blue Ridge Power Association have studied this matter and have concluded that public power systems can integrate their retail demand response programs into their power supply planning and through that process deliver significant value to all of the customers by avoiding or deferring generation purchases and investments. The bottom line is that allowing individual customers or aggregators of customers to participate in markets under the new rule could have significant and disruptive effects on municipal power systems such as the City of Bedford. Mr. Kolakowski said that in order to opt out of the provisions of the new rule, an ordinance amending the tariff has been drafted and posted, prohibiting the City’s individual retail customers from bidding and selling their demand response directly into RTO wholesale electric markets and designating the City Electric Department as the only authorized ARC for its retail customers for demand response purposes. The ordinance has been drafted following a model ordinance suggested by the American Public Power Association. The City Manager stated the ordinance had been posted as required.

Councilman Vest moved that the ordinance be adopted as presented. The motion was seconded by Councilman Stanley.

Councilman Vest asked if this ordinance can help some of the City’s large customers.

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The City Manager stated that a program has been developed and a number of the City's larger industrial customers have chosen to participate in the program by reducing their demand on call during selected time periods. Mr. Kolakowski stated that in exchange, the benefit the City receives in reduced costs will be passed on directly to these customers.

The motion was then voted upon and carried unanimously by the following roll call vote:

Councilman Hubbard	aye
Councilman Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	aye
Mayor Tharp	aye

The ordinance follows as adopted:

Ordinance No 09-04

**AN ORDINANCE TO AMEND THE CITY OF BEDFORD
ELECTRIC TARIFF TO MAKE PROVISION
WITH RESPECT TO THE AGGREGATION OF
DEMAND RESPONSE ON BEHALF OF RETAIL CUSTOMERS**

BE IT ORDAINED by the City Council as follows:

Section 1. LEGISLATIVE FINDINGS. Whereas, the Federal Energy Regulatory Commission has issued Order No. 719, 125 FERC paragraph 61,071, 73 Fed. Reg. 64,099 (October 28, 2008).

WHEREAS, pursuant to Order No. 719, 18 C.F.R. § 35.28(g)(1)(iii) provides: "Each Commission-approved independent system operator and regional transmission organization must permit a qualified aggregator of retail customers to bid demand response on behalf of retail customers directly into the Commission-approved independent system operator's or regional transmission organization's organized markets, unless the laws and regulations of the relevant electric retail regulatory authority expressly do not permit a retail customer to participate."

WHEREAS, pursuant to Order 719, 18 C.F.R. § 35.28(g)*(1)(i)(A) provides: "Every Commission-approved independent system operator or regional transmission organization that operates organized markets based on competitive bidding for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services (or its functional equivalent in the Commission-approved independent system operator's or regional transmission organization's tariff) must accept bids

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from demand response resources in these markets for that product on a basis comparable to any other resources, if the demand response resource meets the necessary technical requirements under the tariff, and submits a bid under the Commission-approved independent system operator's or regional transmission organization's bidding rules at or below the market-clearing price, unless not permitted by the laws or regulations of the relevant electric retail regulatory authority."

WHEREAS, pursuant to Article II of Chapter 58 of the City Code, the City Council is authorized to enact regulations governing the provision of electric power to retail customers served within the service area of the City Electric Department.

WHEREAS, the City Council has determined that it would be harmful to the demand response in the City electric power system, and the collective interest of the City electric power system, as a load-serving entity with an obligation to serve at retail, and the City Electric Department's retail customers to permit any entity other than the City Electric Department itself or its authorized designee to aggregate demand response on behalf of its retail customers.

WHEREAS, the City Council, as the electric retail regulatory authority for the City Electric Department has determined it to be desirable that the aggregation of demand response on behalf of retail customers served by the City Electric Department to be bid directly into the organized electric and ancillary services markets administered by current RTO/ISO or any successor independent system operator or regional transmission organization to which the City Electric Department is a member be performed by the City Electric Department or its authorized designee as set forth herein, the following amendments to the Tariff of the City Electric Department.

Section 2. The City Electric Tariff is hereby revised to add under the heading "Aggregation of Retail Customer Demand Response" a paragraph to provide as follows:

- A. The City Electric Department or its authorized designee is the sole entity permitted to bid demand response on behalf of retail customers served by the City Electric Department directly into any Commission-approved independent system operator's or regional transmission organization's organized electric markets.
- B. Retail customers served by the City Electric Department wishing to bid their demand response into a Commission-approved independent system operator's or regional transmission organization's organized electric markets may do so by participating in the program established by the City Electric Department or its authorized designee. Retail customers are not permitted to participate in the demand response program of any other entity without express prior authorization of the City Electric

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Department.

Section 3. The City Electric Tariff is hereby revised to add under the heading “Ancillary Services Provided by Demand Response Resources” a new paragraph to provide as follows:

- A. The City Electric Department or its authorized designee is the sole entity permitted to bid demand response on behalf of retail customers served by the City Electric Department directly into any Commission-approved independent system operator’s or regional transmission organization’s organized markets for energy imbalance, spinning reserves, supplemental reserves, reactive power and voltage control, or regulation and frequency response ancillary services or its functional equivalent in the Commission-approved independent system operator’s or regional transmission organization’s tariff.

Section 4. This ordinance shall take effect upon enactment.

The City Manager stated that the Virginia Department of Highways and Transportation, under the Code of Virginia, Section 33.1-41.1, makes street payments annually per lane mile for use in maintenance, construction, and reconstruction of the streets located in the City of Bedford. In order for the streets to be eligible for Virginia Department of Transportation maintenance payments they first need to be accepted into the City’s Street System by City Council, then approved and accepted by the Virginia Department of Transportation for maintenance payments. City Manager Kolakowski stated that Council was requested to approve the resolution approving and accepting the list of streets to be added to the City’s Street System.

On motion by Councilman Stanley, seconded by Councilwoman Flood, voted upon and carried by a roll call vote, Council adopted the resolution regarding acceptance of streets into the City street system. Roll call vote follows:

Councilman Rush	aye
Councilman Stanley	aye
Councilman Vest	aye
Vice Mayor Wandrei	aye
Councilwoman Flood	aye
Councilman Hubbard	aye
Mayor Tharp	aye

The resolution follows as adopted:

RESOLUTION

WHEREAS, the City of Bedford has accepted into the City Street system the following streets or portions thereof:

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ADAMS STREET, from RAILROAD AVENUE to MONROE STREET, 0.09 centerline miles and 0.18 lane miles; **BROAD STREET**, from MONROE STREET to the DAWN DRIVE, 0.10 centerline miles and 0.20 lane miles; **W. COOK STREET**, from LIBERTY STREET to SOUTH BRIDGE STREET, 0.13 centerline miles and 0.13 lane miles; **W. COOK STREET**, from LIBERTY STREET to W. KING STREET, 0.05 centerline miles and 0.10 lane miles; **DINWIDDIE DRIVE**, from BURKS HILL ROAD to EAST CITY LIMITS, 0.11 centerline miles and 0.22 lane miles; **E. FEDERAL STREET**, from SOUTH BRIDGE STREET to EDMUND STREET, 0.13 centerline miles and 0.26 lane miles; **W. FEDERAL STREET**, from SOUTH BRIDGE to LIBERTY STREET, 0.12 centerline miles and 0.24 lane miles; **GUM STREET**, from PEAKS STREET to GALAX STREET, 0.09 centerline miles and 0.18 lane miles; **HELM STREET**, from SOUTH STREET to the end, 0.23 centerline miles and 0.46 lane miles; **E. KING STREET**, from SOUTH BRIDGE STREET to EDMUND STREET, 0.14 centerline miles and 0.14 lane miles; **W. KING STREET**, from SOUTH BRIDGE STREET to CRENSHAW STREET, 0.17 centerline miles and 0.17 lane miles; **LIBERTY STREET**, from W. COOK STREET to W. FEDERAL STREET, 0.22 centerline miles and 0.44 lane miles; **LOCUST STREET**, from ELM STREET to HAMPTON RIDGE, 0.05 centerline miles and 0.10 lane miles; **MUSTANG ROAD**, from SALEM TURNPIKE to SOUTH CITY LIMITS, 0.013 centerline miles and 0.026 lane miles; **NICHOLS ROAD**, from PEAKS STREET to end, 0.24 centerline miles and 0.48 lane miles; **NORTH STREET**, from LONGWOOD AVENUE to JACKSON STREET, 0.18 centerline miles and 0.18 lane miles; **PONY ACRE ROAD**, from SALEM TURNPIKE to SOUTH CITY LIMITS, 0.014 centerline miles and 0.028 lane miles; **RANDOLPH STREET**, from PEAKS STREET to end, 0.27 centerline miles and 0.54 lane miles; **SHEARER AVENUE**, from PEAKSVIEW STREET to end, 0.05 centerline miles and 0.10 lane miles; **SHORT STREET**, from LYLE STREET to SOUTH STREET, 0.10 centerline miles and 0.20 lane miles; **VALLEYVIEW DRIVE**, from LONGWOOD AVENUE EXT. to end, 0.29 centerline miles and 0.58 lane miles.

WHEREAS, the City wishes to receive payment from the Virginia Department of Transportation for assistance in maintaining these streets;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Bedford, Virginia, that the City requests that the Virginia Department of Transportation add for payment those portions of the aforementioned streets.

Mayor Tharp adjourned the meeting at 7:43 p.m.