

We took the time to address your claims regarding CII Cardinal. First, we are greatly disappointed with your approach as your claims are misleading and many are erroneous. However, the position of the City Manager deserves a response.

The total payments to CII Cardinal in FY2011 were \$118,492.42. The payments were for multiple repairs / projects. The payments are supported by documentation.

The total payments to CII Cardinal in FY2012 were \$703,470.50. The payments were made for multiple repairs / projects and emergency cooling tower repairs. The payments for the two fiscal years mentioned in your email actually total \$821,962.92 (55% of the \$1.5 million stated in your email). Of that, \$279,970.75 was for emergency cooling tower repairs which were approved by the EUB.

To get to the nearly \$1.5 million amount mentioned in your email requires that FY2013 be included in the discussion. The amounts paid to CII Cardinal in FY2013 total \$826,516. Fiscal year 2013 is open and will be audited after September 30, 2013.

Of the amounts paid to CII Cardinal in **FY2012** and thus far in **FY2013**, \$615,248.91 was for emergency cooling tower repairs. The emergency was declared by the appropriate City officials.

Your attempts to make it sound like there is a \$1.5 million misappropriation are misleading and wrong. Much of the CII Cardinal payments are for emergency repairs and the remainder is for necessary repairs or projects.

We assert that our purchasing policies were followed. Bids were taken for the work performed and we have the documents to support pricing and deliverables. Work was performed based on LP&L's purchasing authority and acceptance of bids.

In summary, much of the payments to CII Cardinal were for emergency repairs and multiple repairs or projects performed over three fiscal years. LP&L did not meet with City staff on this matter as stated in the email; however, we would have gladly met with them if asked. The documents regarding those payments are available for review and include price sheets. We have gathered supporting documents so that the transactions can be easily audited / reviewed.

Gail Kring