

# Florida Governmental Utility Authority

## Board of Directors Agenda

Friday, February 24, 2006

Lee County East Regional Library

Meeting Room 1, 881 Gunnery Road

Lehigh Acres, Florida

### **Board Members:**

Lea Ann Thomas, Chair, Polk County  
Richard Wesch, Member, Citrus County  
Brian Wheeler, Member, Osceola County  
Jim Lavender, Member, Lee County

### **Staff Present:**

Robert E. Sheets, Systems Manager, Government Services Group, Inc. ("GSG")  
Charles Sweat, Director of Operations, GSG  
Heather Encinosa, Utility Counsel, Nabors, Giblin & Nickerson, P.A.  
John Pelham, General Counsel, Pennington, Moore, Wilkinson, Bell & Dunbar, P.A.  
Gregg Pavitt, Chief Financial Officer, GSG  
John Dunty, GSG  
Yvette Hartsfield, GSG  
Judi Gilbert, Clerk to the Board, GSG  
David Miles, GSG  
Linda Schnauffer, GSG

### **Guests Present:**

Jim Fleming, East County Water Control District  
Joseph Graziose, Severn Trent Environmental Services, ("STES")  
Dana Kaas, Severn Trent Environmental Services, ("STES")  
Dave Vago, US Water/Wade Trim  
Dave Schultz, US Water/Wade Trim  
Gary Deremer, US Water/Wade Trim  
Chris Haney, HDR  
David Burgstine, URS  
Frank Schiraldi, HTA  
Frank Lohlein  
Robert Anderson  
Elizabeth Reichert  
Ralph Hemingway

### **I. Call to order -**

Chairman Thomas called the meeting to order at 10:01 a.m.

### **II. Invocation -**

Mr. Jim Fleming conducted the invocation.

### **III. Pledge of Allegiance -**

### **IV. Public Comment –**

Chairman Thomas asked if anyone wished to address the Board, the Chairman recognized Mr. Frank Lohlein (Mr. Lohlein provided a hand-out, attached as Appendix A). Mr. Lohlein stated he was protesting for CAIT, Inc. He wanted to put on the record several items – Dr. Judith Hartner, of Lee County Department of Health stated the water in Lehigh Acres is not contaminated, this is in agreement with Mr. Rick Diaz' comments regarding the sewage in Lee County. Mr. Lohlein stated it will be pursued in a future lawsuit. The second item was a letter sent from a commissioner of Lee County and Rick Diaz asking that the FGUA not incur any further debt until the Lee County Board of County Commissioners (BOCC) had a chance to put a plan into action to purchase the Lehigh Acres Water Utility. Mr. Lohlein stated the Lee County BOCC ignored the request and then appointed Jim Lavender to the FGUA Board. The third item referenced was the BOCC acquisition of the water utility. Mr. Lohlein directed a question to Mr. Lavender on whether this item would be put on the April 3, 2006 agenda of the BOCC, was the county going to buy or not and is it going to be on the agenda? Mr. Lohlein felt Lehigh Acres has been abandoned and wanted FGUA out of Lehigh Acres. The last item mentioned was the plan to pursue legal action and have a judge decide. He stated FGUA members are not thinking on behalf of the community and Lee County does not know what is going on. He also added he wants Lee County to pay for the lines and Lehigh Acres to pay from the curb side to the house. He then asked Mr. Lavender to respond. Mr. Lavender declined to respond.

The Chairman recognized Mr. Richard Anderson to speak. Mr. Richard Anderson stated on January 25, 2006 there was a malfunction of the wastewater treatment plant; it stunk and the incident was in the newspaper. Mr. Anderson stated that Mr. Sweat provided him a copy of the agenda book last evening, because the Agenda book from the East County Library had disappeared as well as all other copies of the agenda books. He went on to state that in the February 24, 2006 agenda book, he strongly objected to agenda items PH1 and PH1a and also stated that FA 3 has the wrong backup material. In OP 6 and OP 7 he has concerns about each of these items. OP 7 refers to the interconnect which was a walk-on item before Lee County BOCC. He stated this should never be a walk-on item since it was not an emergency and vowed it will not happen again. He stated this item had been a budgeted item since September and should never have been pushed on as a walk-on item. It resulted in Lehigh Acres residents not getting proper (7-day) notice. Mr. Anderson spoke of FA 2 on the certification to DEP for the deep well injection. He stated the documents indicate that FGUA does not know where the deep well injection is going to be and stated after a discussion with Mr. Sweat that the document could change at any time; however the DEP needs the information now to start the process. He stated that if you do not know the exact location you should not proceed. He also mentioned that a newspaper article in Citrus Springs discussed that US Water/Wade Trim wants to negotiate a contract on the water utility with FGUA and FGUA has concerns about US Water and the contract. He wants it decided today and stated he does not care who runs it, but wants whoever it is to be financially responsible.

The Chairman then recognized Ms. Elizabeth Reichert a Lehigh Acres resident of thirteen years. She stated she had a water issue. She lives in Orange Grove Park and had a mainline break. She went on to say there is a hose connected to the water line and now feels she has to boil the water from the tap when she noticed a film (white), she was told by a Lehigh Acres office supervisor that she must

be cooking with oil when she observed film on glasses and items were oily to the touch. She feels this is not right and was also told by the supervisor the pipes are old. Ms. Reichert stated she needs to understand why the water is bad; she needs to incur extra expense to purchase bottled water and still needs to pay her bill on time when the water is not drinkable. She also stated that she has had someone out to check the water. She wanted to know if there is something wrong with the water. Mr. Sheets addressed the Chairman that the staff will get Ms. Reichert's mailing information after the meeting and respond to her concerns in writing. The Chairman then reiterated to Ms. Reichert that FGUA would be contacting her with a written report.

The Chairman acknowledged from the audience Mr. Jim Fleming. Mr. Fleming stated he is the Chairman of the East County Water Control District. Mr. Fleming stated he was there to discuss the roads in Lehigh Acres and how FGUA's plans impact the roads. As the Supervisor of the East County Water Control District ("District") he was responsible for the conveying of roads, even though they had no statutory right to own the roads. However, the District does own two roads, Centennial Boulevard and Abrams Avenue. Mr. Fleming stated the roads were in need of a great deal of repair and were a tremendous burden on the District's budget; many times going out daily to repair roads. It cost the District \$350,000 to bring the roads back up to standards the county would accept. Mr. Fleming stated he was told by Mr. Sweat that any roads impacted by the sewer and water lines would be returned to the original standards. Mr. Fleming has been told that the county would bring the 1,500 miles of roads within Lehigh Acres up to proper repair which has not occurred and asked if FGUA has the same standards as the county. Mr. Fleming then addressed the overburden with putting in the lines. He asked the FGUA where the dirt goes after being dug up and who gets the revenue for this dirt as a result of the digging of these lines. What will happen to the roads from water and sewer expansion lines? He wanted answers from the county and from the FGUA. Mr. Fleming went on to state that Lehigh Acres has twenty (20%) percent of the Center line roads in Lee County. The County spends over \$1 million a year to resurface the roads and the County takes in somewhere between \$40-50 million a year in gas tax revenue. He believes Lehigh Acres has been shortchanged for decades in road improvements, and now there's a real problem. He went on to say that the FGUA has an opportunity to fix things and make a difference in this respect with the existing expansion plans. He also stated with the recent growth of home values in Lehigh Acres the average tax bill of a residential lot is \$350.00. He pointed out that presently there are over 100,000 vacant residential lots in Lehigh Acres, that is \$35 million in tax revenue that the county collects, and this does not include all the improved properties within Lehigh Acres. He stated the county does have the money for this expansion system. Mr. Fleming stated it is an unfair burden to force the residents to pay \$17,500 for this expansion system. He believes the county should be held accountable. He also stated that he will put in writing to the county attorney this question, what happens to the overburden and spoil when the county digs the sewers, what happens to revenue from that digging, what happens to the roads, and to what standard will they be turned back over?

Chairman Thomas asked if anyone knew the population of the County. Mr. Richard Anderson stated from the audience it was 71,000. The Chairman asked if that was in Lee County. The response was no that was for Lehigh Acres.

The Chairman recognized Mr. Ralph Hemingway. Mr. Hemingway first started by correcting Mr. Anderson by saying that as of February 1, 2006 the population of Lehigh Acres was 72,711. He went on to add that 22,000 were registered voters. Mr. Hemingway stated he represented the concerned majority. He stated he was a former member of the Florida Water Advisory Board and a former fire commissioner. The residents knowing his past have gone to him for direction and had asked him

many questions regarding the sewage situation. Mr. Hemingway felt Lehigh Acres is growing too fast and developers are putting duplex housing on small lots where there are two septic systems and two wells. The sewage is a growing problem, and these systems need to be expanded. Last spring during the flood season there was water on the lawns and all you could see was a white spot which was the well casing. He got the engineers from Tampa to tour the area and wanted an agreement with US Homes while it was in the second to third phase of construction. Mr. Hemingway believes that if the sewer lines are not expanded within 4-5 years they will have a problem with the water. He felt that right now on the east side is a problem. There have been brush fires and stated if a fire starts it is a problem without the proper fire hydrants and water sources. He felt there is need to expand sewer and water lines, and is against the county buying these lines. He stated he does not feel the county has proven to be responsible.

He concluded he wants to object on behalf of the residents of Lehigh Acres. Jim Fleming, a neighbor has also witnessed these problems in Lehigh Acres with the county. The Chairman, after asking if anyone else wished to speak, closed to public comment and brought it back to the Board.

## **V. Public Hearing -**

**PH 1** Continuation of Public Hearing to Approve a Bulk Water Rate in Lehigh Acres

**PH 1a** Approval of Resolution 2006-01, Establishing a Bulk Water Rate in the Lehigh Acres Utility System

The Chair recognized David Miles. Mr. Miles stated that this item had been brought before the Board at the last meeting on January 20, 2006. It was decided at that time to continue the Public Hearing until today's meeting since this meeting is in Lehigh Acres and affects the Lehigh Acres system. In addition, Lee County requested a copy of the proposed Interlocal Agreement with the City of Fort Myers and the Bulk Rate Resolution which went before the Lee County Board on February 21, 2006 and passed by a vote of 5-0. The reason for setting up the Bulk Water Rate was because a bulk water or wholesale sales rate was not in place within the Lehigh Acres system and was required in negotiations with the City of Fort Myers for an interlocal agreement to provide a back-up water supply for both the City and the Lehigh Acres system. An agreement has been achieved with the staff of the City of Fort Myers on the interlocal agreement and the rate consultants, PMRG have conducted a rate study which concluded a rate of \$3.76 per thousand gallons was appropriate. A public hearing on this rate was held on January 18, 2006. The public hearing was first advertised on December 30, 2005 and then re-advertised on January 31, 2006 when the location was changed in Lehigh Acres. Chairman Thomas asked if there were any questions or if anyone wished to speak to this matter. Mr. Anderson stated he disapproves how this matter was handled by the Board. The first hearing was not held in Lehigh Acres, but in Riverdale. Public notice was not provided before it went to the Lee County Board of County Commissioners and he stated it was against the law to do so. He stated the interconnection is a good thing, but now you are going to lower the size of the pipe in the interconnection. Again, the interconnect is a good thing, but it is being handled in a bad way. There was no public notice in the Lehigh Acres newspapers. He went on to say there are two newspapers and no legal ads were placed in them. Why are the notices not being put in the Lehigh Acres newspapers? He went on to say that all meetings relating to Lehigh Acres should be in Lehigh Acres. Since no one else wished to speak on this issue Chairman Thomas then redirected the Public Hearing to the Board.

Mr. Richard Wesch asked that the question with regard to the legal advertisement be addressed to counsel on whether posting the legal ad in the News Press which has a circulation in Charlotte, Collier, Glades and Hendry Counties was sufficient notice under the law. Mr. John Pelham responded that his opinion was that sufficient notice was provided. Mr. Wesch then asked if that was not the test under the law to find a newspaper that reaches the most in a given area, rather than one with a limited circulation. Mr. Pelham responded that the notice requirement was to publish in a newspaper of general circulation within the affected areas. What the law requires is how we are complying. Chairman Thomas responded that there is nothing that would prohibit us from advertising in one paper. She suggested that we advertise in all the local papers in addition to all the general circulation paper. She asked if anyone objected and Mr. Wesch said no, except there would be an additional cost to do so and if the benefit outweighed the cost he had no objection. Chairman Thomas was glad that everyone understood that we have met the statutory requirement. Mr. Pelham stated that yes in this particular notice we have met all statutory requirements under the law. Mr. Jim Lavender wanted to address that there was no need for public notice of the meeting on the interlocal agreement between the City of Fort Myers and the FGUA since it was presented by Lee County staff to the Board of County Commissioners of Lee County. It was simply done as a courtesy.

The Chairman asked for a motion for approval of Resolution 2006-01.

**Mr. Jim Lavender motioned to approve the Resolution 2006-01 FGUA Board meeting minutes. Mr. Brian Wheeler seconded the motion. All were in favor and the motion was unanimously approved.**

**PH 2** Continuation of Public Hearing to Approve Permanent Water Line Extension Fees for the Citrus Springs Community in Citrus Utility System.

**PH 2a** Approval of Resolution 2006-02, Establishing Permanent Water Line Extension Fees in the Citrus Springs Community, Citrus Utility System.

Chairman Thomas opened PH 2 - Continuation of Public Hearing to Approve Permanent Water Line Extension Fees for the Citrus Springs Community in Citrus Utility System and PH 2a - Approval of Resolution 2006-02, Establishing Permanent Water Line Extension Fees in the Citrus Springs Community, Citrus Utility System up for public hearing. Mr. David Miles addressed the Board. Mr. Miles stated that this has been a long process getting here, including five public hearings by the Citrus County Water and Wastewater Regulatory Authority. Chairman Thomas asked if we advertised them. Mr. Miles responded that we did advertise for each of the hearings. As a result of public hearings, there were two final orders that were issued following the January 3, 2006 Regulatory Authority meeting. The water line extension fee was basically broken down into three components, based on when the water lines were placed into the ground in front of the lots. The rate had been \$446.00 and it was brought before the Board as Resolution 2005-29 to implement an interim rate prior to the five public hearings, that rate was \$2,068.00 for all water lines requests from September 13, 2005 and thereafter. When the Board made the final decision, the rate of \$446.00 was for the older lines. For the lines placed between December 5, 2003 and December 5, 2005 the rate is \$1,635.00 this was determined on background information from invoices from FGUA provided to the Board and for future lines installed December 6, 2005 and thereafter the rate is \$1,910.00. This was provided to FGUA in January, and a public hearing was held in Lecanto, FL on February 22, 2006. Mr. Miles referenced a Memorandum of Record prepared by him indicating that he and Yvette

Hartsfield attended the meeting as special masters. There were a total of fourteen (14) people in attendance from the Citrus Springs community. Six spoke at the meeting and their comments are included in the Memorandum. Mr. Miles asked the Board for four things. First, Mr. Miles asked the Board to provide a ratification of appointment of Ms. Hartsfield and him as special masters for the February 22, 2006 public meeting. Secondly, for the Board to accept into the record of the public meeting the memorandum of the meeting held on February 22, 2006. Third, he recommended approval of Resolution 2006-02, which was attached to item PH 2a and which supersedes Resolution 2005-29. It also provides a refund of any amount of money in the interim fee that was collected by the FGUA pending approval of the permanent rates by the Citrus County regulatory authority. Lastly, Mr. Miles requested direction to the staff in making the refunds directed by the Citrus County regulatory authority. In the two Final Orders it states refunds must be made by March 11, 2006 and to provide a list of customers who received the refunds to the Citrus County regulatory authority and of course staff will provide the FGUA Board with a list.

The Chairman opened up the discussion for the Board. Mr. Wesch asked Mr. Miles for clarification that the rates referenced are 100 percent consistent with the rates approved by the Citrus County Regulatory Authority. Mr. Miles stated that was absolutely correct.

The Chairman reopened the discussion for public hearing, with no response it was brought back to the Board.

**Mr. Richard Wesch motioned to approve Resolution 2006-02, Establishing Permanent Water Line Extension Fees in the Citrus Springs Community, Citrus Utility System as well as the indicated four actions mentioned in the agenda item being the ratification of appointment, the acceptance of the hearing record, the Resolution 2006-02 and directing staff to make appropriate refunds. Mr. Brian Wheeler seconded the motion. All were in favor and the motion was unanimously approved.**

#### **VI. Minutes – Approval of the January 20, 2006 Regular Board Meeting Minutes**

The Chairman directed the Board for a motion to approve the January 20, 2006 Regular Board Meeting Minutes.

**Mr. Richard Wesch motioned to approve the January 20, 2006 meeting minutes. Mr. Jim Lavender seconded the motion. All were in favor and the motion was carried unanimously.**

#### **VII. Consent Agenda**

- CA 1** Approval of Work Authorization HDR CI 015 with HDR Engineering, Inc. for Consulting Engineering Services for FGUA Project No. CI015.
- CA 2** Removed at the Request of the Director Operations
- CA 3** Approval of Amendment No. 1 to Work Authorization MP LE 037 with Malcolm Pirnie, Inc. for Consulting Engineering Services for Lehigh Acres Utility System High Service Pump and Switchgear Replacement for Water Treatment Plant No. 1 in the amount of \$15,000.

The Chairman asked if there were additions or deletions to the Consent Agenda. There being none, the Chairman asked for a motion of approval of Consent Agenda items CA 1 and CA 3.

**Mr. Brian Wheeler motioned to approve the Consent Agenda Items CA 1 and CA 3. Mr. Jim Lavender seconded the motion. All were in favor and the motion was unanimously approved.**

Chairman Thomas requested that the Board allow a change in the Agenda and bring SM 1 forward, which is Update on RFP Contract Operations, before the Board since there were a number of people interested in this item. The Chairman also advised that under Operations, agenda items OP 9, OP 10 and OP 11 (referenced below) were pulled until the regular March Board meeting.

**OP 9** Status of the Integrated Water Resource Management Plan.

**OP 10** Status Report on the Florida Governmental Utility Authority (FGUA) Capital Improvements Project Program.

**OP 11** Status of Severn Trent Environmental Services Deficiency List

**SM 1** Update on RFP Contract Operators

The Chair recognized Robert Sheets. Mr. Sheets referenced the memorandum provided to all Board members that gives a status report as of February 14, 2006. Mr. Sheets also referenced the correspondence distributed before the meeting from US Water/Wade Trim to the Board members. He stated that at the January 20, 2006 FGUA Board meeting, the request was made to defer any action on this item since Citrus County was scheduled to have a meeting within a two-week period after that Board meeting. The County chose to defer that meeting and workshop to February 28, 2006. Therefore, since no decision has been made by Citrus County, this is still an outstanding issue. He went on to say, as the memo explained, staff's position and recommendation has not changed from the staff's standpoint. Mr. Sheets wondered if Mr. Wesch was aware if the County was going to meet on this issue on February 28, 2006. He mentioned that representatives from US Water/Wade Trim and representatives from Severn Trent were present today. He stated that regardless of the decision the Board makes whether to defer until after the February 28, 2006 County hearing or to go ahead and make a decision, since representatives were present it was important to mention that a topic of discussion important to all parties is the demobilization fee in US Water/Wade Trim's proposal. Mr. Sheets stated they were there to provide the Board further clarification of any mitigation of that fee and referenced a memo from US Water/Wade Trim dated February 14, 2006. The memo gave further detail on the components of the demobilization fee and also further clarified their position that if they were to receive an award of less than four of the systems, they would be compelled to go back and re-negotiate both the price and scope from the original proposal. Mr. Sheets stated that Severn Trent (ST) also sent a letter outlining their willingness to work with the FGUA in working out the parameters for any modifications of any existing contracts with them and a commitment to comply with the levels of service outlined in their proposal. Also, from the staff's viewpoint ST acknowledged they would eliminate any demobilization fee in their negotiations. Mr. Sheets stated to the Board that they basically have the same options; do nothing – wait, accept US Water/Wade Trim's proposal and accept the contracts previously negotiated – which goes against many Board members prior response that they would not agree to a demobilization fee, or the Board could terminate the current RFP procurement process, develop parameters for discussion with ST and then attempt to sit down with ST and together make amendments and modifications to the

existing ST contract. Mr. Sheets stated that staff recommended in the memo to the Board to terminate the RFP process and work with ST on contract modifications and amendments.

Chairman Thomas opened the discussion to the Board. Mr. Richard Wesch explained that he appreciated that the Board allowed Citrus County the opportunity to explore whether Citrus County was going to acquire or not. He stated as Mr. Sheets had pointed out the meeting did not take place. However the County has set a special meeting for February 28, 2006 at 9:00 a.m. to hear the issue and make a decision. He has no indication that the meeting will not take place, and respectfully requested that the FGUA Board continue the matter at a later time subsequent to the Citrus County Board of County Commissioners in making a determination if Citrus County is going to acquire the Citrus system or not. Chairman Thomas asked Mr. Wesch if he was requesting the FGUA Board delay the decision to the next Board meeting on March 17, 2006. Mr. Wesch responded that he was open – but would like to get the decision from the Citrus County Board of County Commissioners on February 28, 2006 meeting. He stated that if a special meeting to discuss the matter is needed, that is fine, however, if it can wait until the next FGUA Board meeting that is fine – he stated he was flexible on when it occurred. He was intent on getting the determination before the Citrus County Board of County Commissioners so they have the benefit of knowing the direction of Citrus County. Mr. Lavender then asked Mr. Wesch if he had any idea if a determination would be made with regard to Citrus County on this issue. Mr. Wesch stated he did believe a determination would be made at the next scheduled meeting, February 28, 2006. He went on to say that if a determination was not made by Citrus County, he would not make any further requests of the FGUA Board to delay the matter.

Chairman Thomas stated she did not want to wait until the next scheduled Board meeting to hear the issue because of the past delays. Mr. Lavender stated he would be happy to work with the Board and understands the importance of this matter. Mr. Wheeler also agreed that the matter needed to be heard sooner than later. Chairman Thomas asked general counsel for confirmation that the location and time needed to be established at this meeting. Mr. Pelham stated it would be fine if everyone agreed. After some discussion it was unanimously agreed to find a central location to meet on March 8, 2006.

While the location was being confirmed the Chair recognized Mr. Joe Graziose. Mr. Graziose, stated he was the Vice President of Severn Trent Services (ST). He expressed his appreciation to the Board and stated he recognized that after hearing that the Board was making preparations to postpone the issue, he knew that he was not going to change anyone's mind. He stated he wanted to express his frustration. There are three constants, one being – transitions – the transition from existing operator to new operator, second – break-up fees, demobilization fees or lost profits, whatever name it is called, and lastly the issue of concern over whether the governmental body it lies in is going to acquire the system. He stated he recalls when Citrus County asked the FGUA Board to wait in making a decision on changing the existing operator which was months ago. He stated as the current operator he did not understand what changes in time in making this decision. He referenced the letter sent to the FGUA Board where a six-month extension was granted, and appreciated the extension, but wanted the Board to recognize that ST is keeping the system running no matter who owns it. Yes, he acknowledged there have been issues with personnel, but it does not help with all the delays of making a decision. He stated he wanted to put on the record that the letter that Mr. Sheets referenced to in his comments clearly stated that Severn Trent will take the prices in the RFP as a ceiling, which was lower than any other prices by other bidders. Should the FGUA continue to negotiate with ST they will also waive any discussion of any demobilization fee. That ST has had

multiple negotiations with this FGUA Board and its staff on many occurrences, and as such, should understand ST's willingness to work with the FGUA Board and a desire to move forward for the betterment of the system.

Chairman Thomas asked if a representative from US Water wished to speak. Mr. Dave Vago, of US Water/Wade Trim introduced himself and stated he agreed with Mr. Graziose on the issue of it being frustrating. Frustrating for US Water because they had been selected twice and now wants to move forward to do what they had been selected to do. The RFP process required that they look at the mobilization issue and then the demobilization issue and set a fee. It was a requirement of the RFP it was in the contract that was negotiated and they signed. He went on to say it becomes an issue now and they have reduced it, but to totally eliminate the fee works against how they determined the costs of completing the work. The demobilization fee is a fundamental part of the pricing model used in determining the cost of the project. It is a changed condition from the contract, and as the selected firm they felt it should be able to negotiate the new conditions and the impact and pricing which was stated in the correspondence provided to the FGUA Board. Mr. Vago clarified that the statement regarding the four systems and elimination of demobilization fee did not indicate that if they were not awarded all four systems they were not interested, but rather that the issues discussed earlier affect how the pricing models are determined, then they need to have an opportunity to discuss these issues. It is also important to recall that the contract clearly stated a start date and preparations on their part had been made with the presumption that fees would be generated from that start date. Now there is a fundamental issue of the length of the contract term and the interim lapse of time. He also agreed with Severn Trent that the delay does not make the decision any easier. Mr. Vago also mentioned the recommendation of staff to negotiate with ST for a period of sixty (60) day term and failing to come to terms that, to speak to other firms, namely them. He suggested that sixty (60) days is an unreasonable length of time to negotiate. That with the changing conditions each day that passes, the pricing model is affected. He recommended to the Board to direct staff to work with them and work out a contract by the next Board meeting. Their letter allows for ten (10) days and believes that is acceptable.

Chairman Thomas suggested that the Board authorize negotiations with US Water by March 8, 2006 concerning the demobilization fee and any other contract concern pending the decision of Citrus County, which is approximately ten (10) days. She agreed that sixty (60) days is too long to negotiate a contract whoever it is with, and work with them to come to some resolution. Mr. Wesch commented that he is not un-sympathetic to both organizations. However, he stated he is an employee of Citrus County and has been instructed not to move forward with any decision on US Water/Wade Trim. He cautioned them if they pushed there would be one no vote. Secondly, given the current relationship of the FGUA with Citrus County, and given that the County is on record that the contract not move forward or discussions not move forward with US Water, he was not sure that this is the message that the FGUA wants to send to Citrus County. The harm by not waiting the three days for the Citrus County meeting would far outweigh any benefit of moving forward. He asked that the FGUA Board respect the desire of the Citrus County Board and wait the three days. Chairman Thomas stated she understood that it was not he, Mr. Wesch, but Citrus County that was making this request, but it does put the FGUA Board in a terrible position. Mr. Lavender agreed with Mr. Wesch that if it were his County Board they would be upset if consideration was not made and believes that is what the issue is about and understands that this is the environment that they work within.

Mr. Vago then spoke again of the issue and reiterated that he was requesting of the Board to recommend that staff go back and negotiate the contract by March 8, 2006, and if that is the Board's determination they would work to get that accomplished.

Mr. Wheeler stated that he agreed with Mr. Lavender's comments that they are all in the same situation working for different counties, and when issues arise it is important to recognize each individual's situation within their organization. As the newest board member he stated he had been watching the events from the sidelines and understands the frustration; however he agreed with the request of Citrus County.

Mr. Dave Schultz, US Water/Wade Trim stated he wanted to echo Mr. Vago's comments with some further detail. The statistics that the pricing model used to negotiate the contract have changed. They were hoping to establish the parameters of the changes that they now face with staff so they could then go back and identify how this impacted the cost proposal and then determine what to do with the demobilization fee. The conversation could take place between now and March 8, 2006 or March 8, 2006 through March 17, 2006. However, with the shortening of the contract time, these items need to be addressed. They now need to get basic information by the removal of a demobilization fee and hope that they are given that opportunity before a decision is made to remove them from consideration.

Chairman Thomas requested that they move forward with the other agenda items during the search for the location for the March 8, 2006 special meeting.

## **VIII. Finance and Administration**

### **FA 1** Approval of the Two-Way Bulk Water Sales Agreement with the City of Fort Myers for the Lehigh Acres Utility System.

The Chair recognized David Miles. Mr. Miles stated as mentioned earlier in this meeting during discussion of PH 1 and PH 1a, that the rate resolution now allows the bulk rate to be placed into the Bulk Water Sales Agreement referenced as FA 1 between the FGUA and the City of Fort Myers. Copies have been sent to the City of Ft. Myers and the item has been placed on their March 6, 2006 agenda for their board to approve this agenda item. It did have a legal advertisement, as Mr. Anderson addressed. He noted that the bids that were opened in October 2005 on the interconnect project construction are being recommended for rejection. In the negotiation with the City of Ft. Myers it was determined that the bids received were too high for the project and the size of the pipe was larger than necessary to handle the volume of water provided under the Interlocal Agreement. This will assist staff in bringing the price back in alignment and allow the project to be re-bid in March with a change of the pipe size from 12-inches to 8-inches. The size diameter of 8-inches is sufficient to handle the maximum volume flow for this Interlocal Agreement. The staff recommends approval of this Interlocal Agreement. It has been approved by the Lee County Board of County Commissioners, and with the FGUA Board approval today and the subsequent approval of the City of Fort Myers it will provide a back-up water supply for all the governmental entities referenced and they believe it is necessary and helpful for future needs.

The Chairman brought it back to the Board and Mr. Wesch asked Mr. Miles that presumably since it is on the agenda for the City of Fort Myers, the City is in favor and in support of the negotiated

agreement. Mr. Miles stated that in particular, the city engineer and the city public works director had personally expressed their agreement to the interlocal agreement to him.

Mr. Wheeler asked Mr. Miles how the half million gallons a day number was derived. Mr. Miles stated that was the maximum amount that the City of Fort Myers was able to transmit. It was based on their maximum commitment to provide water.

Chairman Thomas asked for a motion for approval of the Two-Way Bulk Water Sales Agreement with the City of Fort Myers for the Lehigh Acres Utility System.

**Mr. Wesch motioned to approve the Bulk Water Sale Agreement Between the City of Fort Myers, Florida, and the Florida Governmental Utility Authority. Mr. Wheeler seconded the motion. There being no further discussion the Chairman called for a vote and the motion was carried unanimously.**

Chairman then directed the Board to item FA 2.

**FA 2** Certification of Financial Responsibility for Deep Injection Wells in Lehigh Acres and Golden Gate.

Mr. Miles addressed the Board by stating he acknowledged an assembly problem with the agenda book on this agenda item that Mr. Anderson made reference to earlier. Exhibit B is a Certificate of Financial Responsibility for two deep injection wells that FGUA has included in its FGUA financial 2006 budget. This well is being designed for the Lehigh Acres system by PBSJ, a large engineering firm. The second well in the Golden Gate system is being designed by Arcadis. There is a requirement of the Florida Administrative Code Chapter 62.528 that is part of the permitting process by the Department of Environment Protection (DEP) that a certification of financial responsibility has to be signed in the event that a determination is made at a later date that these wells have to be capped. The estimated capping costs provided by the two engineering firms is attached as Exhibit B to the agenda item. The Certification needs to be signed by the Board Chair, if approved by the FGUA Board. The other requirement is certification by our general counsel of two items. First, that we are not in a state of financial emergency and our independent auditors Mowlen, Holt & Miner, a certified public accounting firm has provided our general counsel this certification. This may be a requirement for the CAFR for 2005 as well. Secondly, they require a certification that we are a local government in accordance with Section 218.31 F.S. The requirement in the Florida Administrative Code (FAC) was last updated in 1995. The law that allowed the establishment of the FGUA was passed in 1997. The law that allowed the establishment of FGUA was not considered when the FAC provision was written. Therefore, the FGUA does not fall within the parameters of Section 218.31 of Florida Statutes. But the FGUA does fall within the parameters of Section 163.01 (7) (g) Florida Statutes. The staff has contacted the general counsel's office of FDEP and requested they allow an exception to the Florida Administrative Code requirement to include the FGUA as a local government based on our enabling statute. Staff requests that the Board approve the Certification and expects to get a determination from the FDEP general counsel on the request made which will allow Mr. Pelham to sign his certifications. The general counsel letter would be attached to the Board Chair Certification and forwarded to the DEP for proper permitting.

The Chairman asked if there were any questions or comments from the Board. Mr. Wesch stated that with regard to Mr. Anderson's question on location, he asked Mr. Sweat if that was an issue. Mr. Sweat commented that he did not believe that to be an issue. Mr. Sweat stated the staff knows

generally where the deep well is going to be placed. If there is a change, it is a simple matter of an application for modification to the DEP and they will change the information of the location. The Chairman then asked for a motion for approval for FA 2 Certification of Financial Responsibility for Deep Injection Wells in Lehigh Acres and Golden Gate. Mr. Pelham requested that the Chairman stipulate in the motion that it is approved contingent upon receiving the general counsel's approval that they will accept our substitution of Chapter 163.01 (7) (g). The Chairman then asked if the motion should approve the Certification pending approval of the Florida Statute 163 decision. Mr. Pelham said yes.

**Mr. Lavender moved for approval of Agenda Item FA 2 contingent upon FDEP's acceptance of the FGUA as a section 163.01 (7) (g) entity. Mr. Wheeler seconded the motion and it was carried unanimously.**

**FA 3** Resolution 2006-03 approving a Disaster Relief Funding Agreement between the Florida Governmental Utility Authority and the State of Florida, Department of Community Affairs for damages incurred during Hurricane Jeanne.

The Chairman recognized Mr. David Miles. Mr. Miles stated this is a catch-up item. In the fall of 2004, the staff brought to the Board two disaster relief funding agreements for Hurricane Charlie and Hurricane Frances. The Poinciana system which includes Polk and Osceola Counties also needed relief from Hurricanes Charlie, Frances and Jeanne. Staff was informed by the Department of Community Affairs in the State of Florida and FEMA representatives that since Hurricanes Jeanne and Frances occurred within 2 weeks of each other that one application would be accepted for both hurricanes. Staff was recently informed that this is not the case, and is holding approximately \$86,000.00 in funds until such time an agreement is signed for Hurricane Jeanne. It is the same agreement that was passed for Hurricanes Charlie and Frances. The staff is requesting that Resolution 2006-03 be approved, the agreement be forwarded to the DCA, and then allow us to recoup some of the funds that the FGUA incurred during this time.

Chairman Thomas asked if anyone had any questions or discussion on this motion.

**Mr. Richard Wesch motioned to approve FA 3. Mr. Brian Wheeler seconded the motion. All were in favor and the motion was unanimously approved.**

**FA 4** Clarification of Coastal Underground Change Orders

Chairman Thomas brought forward Agenda item FA 4. Mr. Gregg Pavitt stated that this is a change order that was brought before the Board at the last meeting. In that change order the Board approved an additional \$560,000 for funding of line extensions for the Citrus Springs system for the Citrus Springs and Pine Ridge communities. The addition of the change order was correct, however, the total outstanding amount was incorrect since it did not list the outstanding contracts. The correct amount of the change order is listed on the Change Order No. 7. He asked the Board to approve FA 4.

Chairman Thomas asked if there were any questions, there being none she asked for a motion to approve FA 4, Clarification of Coastal Underground Change Order.

**Mr. Richard Wesch motioned to approve FA 4. Mr. Brian Wheeler seconded the motion. All were in favor and the motion was unanimously approved.**

**FA 5**            Other Items

Chairman Thomas stated that this completed Finance and Administration. She requested that discussion go back to the Contract Operations discussion and asked Mr. Wesch if he had a motion. Mr. Wesch stated that on behalf of Citrus County that he respectfully requested of the FGUA Board to postpone discussion of this matter until a special meeting can be held of this Board on Wednesday, March 8, 2006 at Quoram Hotel, 700 North West Shore Boulevard, Tampa, Florida commencing at 2:00 p.m.

**Chairman Thomas asked for a second to Mr. Wesch's motion to postpone the discussion to a special meeting on March 8, 2006. Mr. Jim Lavender seconded the motion. All were in favor and the motion was unanimously approved.**

Chairman Thomas then asked if the Board wanted a break or move forward, they decided to move forward and the Chairman directed the Board to Operations and opened discussion to Mr. Charles Sweat. Mr. Sweat stated Mr. John Dunty would be discussing OP 1 through OP 8.

**IV.    Operations**

**OP 1**            Approval of Change Order No. 5 to the Construction Agreement with Encore Construction Company for Lehigh Acres Utility System Project No. LE 052 Wastewater Treatment Plant Expansion.

**OP 1a**          Approval of Budget Amendment 2006-04 for LE 026 Lehigh Acres Utility System Wastewater Treatment Plant Expansion.

Mr. John Dunty directed the Board to OP 1, Change Order No. 5 to the construction agreement with Encore Construction, the company for the Lehigh Acres Utility System for the Wastewater Treatment Facility. The treatment facility currently has an effluent pipe that is smaller than the feed pipe that is designed to feed the wastewater facility under the master planning of the Lehigh Acres Utility System. The 16 to 24-inch feed pipe that is currently larger than the receptor effluent pipe at the wastewater facility. This change order will take advantage of an on-site construction company and also the advantage to excavate this pipe during the movement of current construction and make upsizing the pipe from 16 to 30 inches to be able to receive the upcoming force main. The Change Order is for \$60,186.00. The contingency fund of \$100,000.00 has been expended due to previous change orders. This request will include a budget amendment for \$60,186.00. Mr. Dunty asked the Board to approve the Change Order.

Chairman Thomas asked if there was any discussion on the item. Chairman Thomas then asked for a motion to approve OP 1 Approval of Change Order No. 5 to the Construction Agreement with Encore Construction Company for Lehigh Acres Utility System. Mr. Sweat asked that the Board also include OP 1a the budget amendment which is a companion to OP 1 in the motion. Chairman Thomas asked Mr. Lavender if he would include this in his motion to approve OP 1 and OP 1a.

**Mr. Lavender motioned to approve OP 1 and OP 1a. Mr. Wesch seconded the motion. Chairman Thomas asked for further discussion. Mr. Wheeler asked if the \$60,000 amount was coming from reserves. Mr. Pavitt stated it was coming from reserves of the existing wastewater capacity fees. All were in favor and the motion was unanimously approved.**

Chairman Thomas asked to move to OP 2.

**OP 2** Approval of Amendment No. 1 to Work Authorization No. URS LE 026 with URS Corporation for Consulting Engineering Services for the Lehigh Acres Utility System

Mr. John Dunty stated this item is Amendment No. 1 to Work Authorization No. URS 05-01 for Project No. LE 026 for additional planning, engineering and consulting services to assist the FGUA at Lehigh Acres Utility system, including the extended construction contract associated with the wastewater treatment facility expansion and labor expended to evaluate existing reuse pumping system, also the required monitoring of the bald eagle nest site. The additional service total is \$53,587.00.

Mr. Wheeler asked for clarification of the additional service amount and Mr. Dunty confirmed. Chairman Thomas asked for a motion of approval.

**Mr. Wheeler motioned to approve OP 2. Mr. Lavender seconded the motion. Mr. Lavender asked for clarification of the cost. Chairman Thomas asked if there was any discussion. Mr. Lavender asked Mr. Dunty to explain the cost difference in two separate documents provided on the bald eagle nest cost breakdown. Mr. Sweat stated the staff will get the exact amount and asked the Board to approve the small amount of difference. Mr. Lavender stated since the amount is less on the Work Authorization and this is the amount to be approved he had no objection. All were in favor and the motion was unanimously approved.**

**OP 3** Approval of the award of the bid to APEC, Inc. and authorization for the Chair to execute the Standard Construction Agreement with APEC, Inc. for FGUA Project PO 061 Poinciana System Wastewater Treatment Plant No. 2 Pond Liner.

**OP 3a** Approval of Budget Amendment 2006-06 for the award for bid for Project PO 061 Poinciana System Wastewater Treatment Plant No. 2 Pond Liner.

**OP 3b** Approval for Work Authorization GSG 06-12 for General Inspection services for Project PO 061 Poinciana System Wastewater Treatment Plant No. 2 Pond Liner.

Mr. Dunty discussed the repairs needed on the pond liner for this wastewater treatment plant no. 2 and stated it could not be repaired and needed to be replaced. The lowest bid to provide these services was \$438,980.00.

**Mr. Wheeler motioned to approve OP 3. Mr. Lavender seconded the motion. Chairman Thomas asked for clarification if this also included OP 3a. Mr. Sheets stated there was also OP 3b. Chairman Thomas stated the motion was for OP 3, OP 3a and OP 3b. All were in favor and the motion was unanimously approved.**

**OP 4** Approval of Change Order No. 1 for Citrus Springs Utility System, Citrus Springs Wastewater Treatment Facility Improvements, Contract No. CI 004

Mr. Dunty stated the contractor is on site and provides economy of service for a much needed repair to the pumps that are over thirty (30) years old and are not working properly. Mr. Dunty provided pictures of the damage. Staff is asking for new pumps and the Change Order of \$42,526.00 reflects the additional scope of work. He stated it is also within the existing budget.

Chairman Thomas asked Mr. Dunty if any transfers were needed and Mr. Dunty said no. Chairman Thomas asked for a motion to approve OP 4.

**Mr. Wesch motioned to approve OP 4. Mr. Wheeler seconded the motion. All were in favor and the motion was unanimously approved.**

**OP 5** Approval of the award of the bid to Encore Construction Co. and authorization for the Chair to execute the Standard Construction Agreement with Encore for the Golden Gate Utility System Water Treatment Plant Lime Slaker Replacement for FGUA Project GG 009.

**OP5a** Approval of Budget Amendment 2006-05 for the Award of the Bid for the Golden Gate Utility System Water Treatment Plant Lime Slaker Replacement for FGUA Project GG 009.

Mr. Dunty stated that pictures were also provided to the Board of the deteriorating condition of the lime slaker. The lowest bid was \$194,000.00. This includes labor and materials. A budget amendment is included in OP 5a in the amount of \$73,000 and this amount would come from the 2005 bonds. Mr. Sweat wanted to bring to the Board's attention that the slaker unit at Golden Gate is a critical component of the treatment process of the water. This price of around \$75,000 is a good price; however it did not come in at that budgeted price. The work was bid and re-bid and the price was a much higher price. Mr. Sweat stated he believed it was a matter of the market and the size of the project is problematic. Most bidders are not willing to take it on due to the size and charge a premium cost to do the work. Mr. Sweat wanted to discuss with general counsel and hoped we can negotiate the cost with the contractor. Mr. Sweat will support Mr. Dunty in wanting the Board to approve knowing the need to be done immediately. Chairman Thomas stated that cost is always an issue with Golden Gate. Mr. Sweat stated he understood, however it is a bigger problem for Lehigh Acres if nothing is done to treat the water. Mr. Pelham stated we can not negotiate a bid with a contractor once it has been bid and accepted. Mr. Sweat stated he thought that would be the answer. However, he wanted the Board to know that the cost was a concern for the staff. Mr. Wheeler brought to Mr. Sweat's attention that an alternative remedy may be that he knows of a company in St. Cloud who has devised a slaker and slurring process as an alternative to lime slaker and would be glad to provide Mr. Sweat the information to discuss with them directly. Mr. Wheeler also agreed with Mr. Sweat that the smaller the project bid out to contractors, the fee scale is inflated due to the size of the work. Mr. Sweat mentioned that the Board can reject the bid and ask staff to attempt to go a third time to bid out the work. Mr. Lavender asked about the cost to maintain without repairs. Mr. Dunty stated that due to the age it is very costly to maintain and monitor with the extreme abrasion and scale accumulation. Mr. Lavender stated that these systems are only meant to last around ten (10) years and to spend money on maintaining this system is not cost effective.

**Mr. Lavender motioned to approve OP 5 and OP 5a. Mr. Wheeler seconded the motion. All were in favor and the motion was unanimously approved.**

**OP 6** Approval of the award of the bid to American Infrastructure Technologies Corporation (AITC) and authorization for the Chair to execute the Standard Construction Agreement with AITC for Lehigh Acres Utility System Inflow & Infiltration Rehabilitation Project LE 015.

Mr. Dunty stated the lowest bid was selected in January and qualified the lowest bidder for \$1,197,100.00. Mr. Dunty stated successful completion will maximize the downstream facilities and enhance future facility expansions. These funds will be afforded by the combination of the available budget \$1,102,000.00 and contingency funds of \$88,000.00 and carry over of \$108,000.00. This will not require any transfer of funds. Mr. Sweat brought to the Board's attention that on the March agenda he will bring a Consent Agreement for the Board's approval which does require a 2-year program of I & I. The staff believes that with the study just completed that once the project is completed it can lower the inflow into the treatment plant by as much as a half million gallons of water which is a large number.

Chairman Thomas asked for a motion to approve OP 6.

**Mr. Wesch motioned to approve OP 6. Mr. Lavender seconded the motion. All were in favor and the motion was unanimously approved.**

**OP 7** Rejection of Bid for Project LE 038, Lee Boulevard Water Main Interconnect with the City of Fort Myers serving the Lehigh Acres Utility System.

Mr. Dunty stated the lowest bid was in the amount of \$2,903.405. As Mr. Miles mentioned before the size of the pipes is larger than necessary and will actually save money over a period of time. He asked the Board to reject this bid and allow staff to open for re-bid for the re-sizing and design to provide the proper size pipe and proper delivery of water to allow for the .5 mgd flow. Mr. Lavender asked if that would lower the price. Mr. Dunty responded yes.

Chairman Thomas asked for a motion to reject this bid in OP 7.

**Mr. Wheeler motioned to approve Agenda Item OP 7 rejecting the bid received for Project Le 038. Mr. Lavender seconded the motion. All were in favor and the motion was unanimously approved.**

**OP 8** Approval of Change Order No. 1 for Sugarmill Woods Wastewater Treatment Facility Expansion, Project No. CI 025 in the Citrus Springs Utility System.

Mr. Dunty stated this is approving Change Order No. 1. There were three modifications suggested by staff. Of the three, two were deducts, resulting in no sacrifice in quality lost and the modifications to head works provides a safer and less labor intensive design and does not reduce the efficiency to the holding pond. The total deduct of the Change Order is \$41,500.00.

Chairman Thomas asked for a motion to approve OP 8.

**Mr. Wesch motioned to approve OP 8. Mr. Lavender seconded the motion. All were in favor and the motion was unanimously approved.**

The Chairman asked if there were any further items in Operations since OP 9, OP 10 and OP 11 were pulled from the Agenda items. Mr. Sweat responded that was all the Operation items.

**OP 12** Other Items

Chairman Thomas asked Mr. Sheets to respond to SM 2.

**X. System Manager**

**SM 2** Status on 2006 FGUA Board Meeting Schedule

Mr. Sheets stated that there was a new schedule and asked the Clerk if the agenda is complete, she responded yes. He stated that if there were to be any change to contact himself or the Clerk. Chairman Thomas then asked if the September 15, 2006 date would be moved from the Longwood location and Mr. Sheets stated it will be done and the Meeting Schedule re-sent to all members.

**SM 3** Other Items

Mr. Sheets brought to the Board's attention the documents provided involving an Interlocal Agreement between FGUA and Polk County. Mr. Sheets stated Polk County has reached out to utilize the resources that the FGUA has to offer in providing resources from one government to the next. There have been several discussions within the past three weeks with Polk County's county manager, utility director and assistant county manager to help them in two critical areas. One is to come in with a team of experts to assess where they are in meeting their growth issues and the work plan is attached. Secondly, they have asked the FGUA to assist them with additional staffing in the development review area, up to three professional engineers as soon as possible. The work plan has just been finished and the Board will be provided a copy. The Interlocal Agreement has been prepared by general counsel and presented to Polk County. This will be discussed further by Mr. Pelham. However, this Agreement will formalize the relationship between FGUA and Polk County of the types of services that they can utilize. Mr. Sheet stated they are very happy to be involved since this is not just system management resources, it is operational resources, engineering resources and planning resources. It is absolutely consistent with the mission statement of the FGUA. Mr. Wesch asked about the rates. Mr. Sheets stated the rates and fees are consistent with the work orders and contracts of the FGUA have with these service providers. Mr. Sheets stated the other memorandum refers to the annual Strategic Planning meeting which is scheduled for March 16, 2006 the day before the March 17, 2006 Board meeting and information will be provided next week. This year there is a new facilitator, Dr. Melissa Jurado. She is the same facilitator that Polk County has used in the past, dealing with multiple issues in a difficult climate. The facilitator has asked the Board to provide in advance responses to twenty (20) questions to assist the facilitator and email back to Dr. Jurado by March 9, 2006. The last item is an announcement that Government Services Group, Inc. (GSG) has hired Mr. Kevin Grace as the Director of Contract Services starting on March 7, 2006. Mr. Grace has been the Seminole County Manager for the past seven years and spent almost twenty years in local government in Charlotte County and worked in public works. The staff is happy to have him come aboard with all of his hands-on experience.

**SM 4** Other Items

No other items were presented.

Chairman Thomas asked if there were any items from Utility Council.

**XI. Utility Counsel**

**UC 1** Other Items

Ms. Encinosa stated there was nothing.

Chairman Thomas then asked if General Council had any items.

**X. General Counsel**

**GC 1** Other Items

Mr. Pelham brought to the Board's attention the Interlocal Agreement with Polk County discussed by Mr. Sheets. Chairman Thomas brought to everyone's attention that this agreement was given to her county attorney and he could not find anything wrong with the twenty (20) page agreement and complemented Mr. Pelham on a good job. Mr. Pelham stated the agreement is consistent with the past interlocal agreements used in the past. He pointed out that this is the same agreement used in Citrus County that Ms. Encinosa had drafted. The operative provisions are in Section 2.01. This is an item that is important in that they must come to FGUA for the Work Authorization request and under either the Management Services Agreement or Operations/ Maintenance and Customer Service Agreement or the Consulting Professional Engineering Agreements with contract engineers and will secure those services and price those services with Polk County. It will require administration by the System Manager in each case. The services will be handled with a 1% administrative fee for processing. Mr. Pelham stated it was very close to other interlocal agreements used in the past.

Chairman Thomas recognized that all counties are experiencing tremendous growth and the FGUA is a great tool to help Polk County with these services. Mr. Pelham asked the Chairman if Polk County had considered this for approval before their Board. Chairman Thomas responded March 8, 2006 is the next scheduled Board meeting for Polk County and pending approval of the FGUA Board on this matter it could be heard at that time.

**Chairman Thomas motioned for approval of the Interlocal Agreement with Polk County. Mr. Wesch seconded the motion. All were in favor and the motion was unanimously approved.**

Mr. Pelham wanted to apprise the Board that in the last legislative session there was an amendment of Chapter 255.078 which now requires local government to reduce retainage from ten (10%) percent to five (5%) percent after the project is half-way complete. This change has been made to the basic contract documents.

Chairman Thomas asked Mr. Pelham if he had looked at the item emailed to him and Mr. Pelham stated that Ms. Encinosa is looking into the item and there may be changes from Section 153. Chairman Thomas was assured it would be resolved before the March 8<sup>th</sup> Board meeting of Polk County.

Mr. Wesch stated he wanted to know why the FGUA Board Meeting Agenda books at the Library were being taken and did anyone have an answer. Ms. Schnafer stated that the books were never gone. They were being catalogued at the time of the request of the customer. Mr. Wesch stated he was glad to hear that and Chairman Thomas asked that Mr. Anderson be apprised.

Chairman Thomas then adjourned the meeting at 1:35 p.m.