

Florida Governmental Utility Authority

Board of Directors Meeting Minutes

Thursday, April 19, 2007 - 10:00 p.m.
Polk County Administration Building
330 West Church Street, Room 413
Bartow, Florida 33830

Board Members in Attendance

Ms. Lea Ann Thomas, Polk County
Mr. Brian Wheeler, TOHO Water Authority, Osceola County
Mr. Jim Lavender, Lee County

Staff Members in Attendance

Mr. Robert E. Sheets, System Manager, GSG
Mr. Charles L. Sweat, Director of Operations, GSG
Mr. David R. Miles, Chief Financial Officer, GSG
Mr. Tarek Fahmy, Manager of Capital Projects, GSG
Ms. Yvette Hartsfield, Community Services Manager, GSG
Mr. John Pelham, General Counsel, Pennington, Moore, Wilkinson, Bell & Dunbar, P.A.
Ms. Heather Encinosa, Utility Counsel, Nabors, Giblin & Nickerson, P.A.
Mr. Brian Armstrong, Utility Counsel, Nabors, Giblin & Nickerson, P.A.
Mr. Chris Traber, Utility Counsel, Nabors, Giblin & Nickerson, P.A.
Ms. Faith Doyle, Clerk to the Board, GSG

Guests in Attendance

Mr. Edward Goscicki, President, STS
Mr. Charles Massey, Project Manager, STS
Mr. Charles Saddler, Manager, Town of Dundee
Mr. Scott Coover, Lee County
Mr. Mark Lawson, TWA Legal Counsel
Mr. Richard Wagner, Southeastern Investment Securities

I - Call to Order

Chairman Lea Ann Thomas called the meeting to order at 10:02 a.m.

II – Invocation

Chairman Thomas gave the invocation.

III - Pledge of Allegiance

Chairman Thomas led everyone in the Pledge of Allegiance.

IV - Public Comment

Chairman Thomas asked if anyone from the Public wished to speak, there being none she closed the Public Comment and moved to the next agenda item.

V – Minutes Approval of the March 15, 2007 Meeting

Chairman Thomas brought the March 15, 2007 meeting minutes to the floor for consideration and asked if there were any questions. There were none and Mr. Jim Lavender moved to approve the March 15, 2007 meeting minutes and Mr. Brian Wheeler seconded the motion. Chairman Thomas asked if there was any discussion, there being none. All were in favor and the motion was unanimously approved.

Chairman Thomas then moved to the seventeen (17) Consent Agenda items and asked if there were any additions and/or deletions to the Consent Agenda.

Mr. Charles Sweat requested that items CA 1, CA 7, CA 12, CA 13, CA 14, CA 15, CA 16 and CA 17 be pulled from the Consent Agenda. Chairman Thomas stated that these eight (8) items had been removed from the Consent Agenda and asked if there were any other additions and/or deletions to the Consent Agenda, there were no further changes made to the agenda at this time.

VI - Consent Agenda

CA 1 Acceptance of the Florida Governmental Utility Authority Standard Utility Infrastructure Conveyance and Service Agreement with Tuscany Preserve Development, Inc. for Tuscany Preserve at Lake Marion Phase Three.

This item was pulled from the consent agenda at the request of the Director of Operations.

CA 2 Acceptance of the Florida Governmental Utility Authority Standard Utility Infrastructure Conveyance and Service Agreement with TIB Bank for TIB Bank located in the Lehigh Acres Utility.

Provided to the Board for their consideration was the Florida Governmental Utility Authority (FGUA) Standard Utility Infrastructure Conveyance and Service Agreement ("Agreement") to provide water and wastewater to TIB Bank. TIB Bank is located in Lee County and is a 3,795 square foot building. The construction completion date was estimated to be August of 2007.

The wastewater facilities to be installed are approximately 95 linear feet of 3-inch force main, 148 linear feet of 6-inch gravity and associated infrastructures, with an estimated value of \$13,209.88. The water facilities to be installed are approximately 231 linear feet of 6-inch water main, a 6-inch gate valve and Tee, a dedicated fire flow assembly and associated infrastructures with an estimated value of \$35,732.98.

Staff recommended acceptance of the TIB Bank Utility Infrastructure Conveyance and Service Agreement for water and wastewater.

CA 3 Acceptance of the Conveyance Close-out Package for Gassner Development, Inc. for the Town Lakes Phase III Subdivision in the Lehigh Acres Utility System.

Provided to the Board for their consideration was the close-out package for the Town Lakes Phase III Subdivision, Florida Governmental Utility Authority (FGUA) Developer Project No. 4028, located in Section 30, Township 44 South, and Range 27 East in Lee County, Florida.

The infrastructure conveyed to the FGUA included a water distribution system, and gravity wastewater collection system. The water facilities consist of 2,856 lineal feet of 8-inch water lines and associated appurtenance. The wastewater facilities consist of 3,398 lineal feet of 8-inch, 467 lineal feet of 10-inch gravity collection, fifteen (15) manholes and associated appurtenance. The total estimated value of assets being contributed to the FGUA is \$356,632.00.

Staff recommended acceptance of the Gassner Development, Inc. Conveyance Close-out Package for the Town Lakes Phase III Subdivision.

CA 4 Acceptance of Bellalago Water Treatment Plant No. 6 by the Florida Governmental Utility Authority from AVATAR Properties, Inc. in the Poinciana Utility System.

Provided to the Board for their consideration was the Utility Facility Warranty Deed and accompanying exhibits between AVATAR Properties, Inc. and the Florida Governmental Utility Authority (FGUA) that transferred ownership of the Bellalago Water Treatment Plant No. 6 to the FGUA.

Staff verified that all the documents were in order. The approval of the utility facility warranty deed was necessary in order to comply with the Bellalago Future Capacity Expansion Agreements and the pending transition of the Poinciana Utility System to the Toho Water Authority.

Staff recommended acceptance of the Bellalago Water Treatment Plant No. 6 conveyance and authorization to record same in the public records of Osceola County, Florida.

CA 5 Approval of Blanket Right-of-Entry for Lee County Electric Cooperative for the Lehigh Acres Mirror Lakes Water Treatment Plant, FGUA Project No. LE 004 in the Lehigh Acres Utility System.

Provided to the Board for their consideration was a blanket right-of-entry for Lee County Electric Cooperative (LCEC) to install electrical facilities for the Mirror Lakes Water Treatment Plant, located at 925 Boliva Drive, Lehigh Acres, Florida. The blanket right-of-entry will not be recorded and is used to expedite the FGUA's request for service. Upon completion of LCEC construction the right-of-entry will be replaced with a specific utility easement that will include the exact location of the facilities and a legal description drafted by a Florida registered land surveyor. The utility easement will subsequently be executed by FGUA and LCEC, and recorded in the public records of Lee County, Florida.

The original request from LCEC was for a blanket easement over the entire water treatment plant site to be used for construction, operation and maintenance of utility facilities. However, at the suggestion of General Counsel, and in light of the necessity to secure water treatment plants in response to Federal post 9/11 requirements, the right-of-entry was deemed a more appropriate instrument to avoid the necessity to vacate a blanket easement and issue a more restrictive easement located on a strip of land sixteen (16) feet in width on Tract A, Unit 1, Section 23, Township 45 South, Range 27 East, Lehigh Acres, according to the plat thereof as recorded in Plat Book 20, Page 20, Public Records of Lee County, Florida. Upon completion and location of the finished electrical power line, the specific easement request will be brought back to the Board for approval and the right-of-entry will automatically expire.

Staff recommended approval of the Blanket Right-of-Entry for Lee County Electric Cooperative for the Lehigh Acres Mirror Lakes Water Treatment Plant, FGUA Project No. LE 004 located in the Lehigh Acres Utility System.

CA 6 This agenda item was not used.

CA 7 Acceptance of the Florida Governmental Utility Authority Standard Utility Infrastructure Conveyance and Service Agreement with Tuscan Preserve Development, Inc. for Tuscan Preserve at Lake Marion Phase Two.

This item was pulled from the consent agenda at the request of the Director of Operations.

CA 8 Approval of Work Authorization WT 07-05 with Wade Trim, Inc. for Consulting Engineering Services for DOT Miscellaneous Relocations (12-inch Water Main on Gunnery Road) to Provide Water Services to the Existing Fire Station and the Neighboring Area, FGUA Project No. LE 053 located in the Lehigh Acres Utility System.

Provided for the Board's consideration was Work Authorization WT 07-05 with Wade Trim, Inc. for the engineering services related to the engineering, permitting and design for the Lee County Department of Transportation (DOT) Miscellaneous relocations (12-inch water main on Gunnery Road) to provide water services to the existing fire station and the neighboring area in the Lehigh Acres Utility System.

Lee County DOT's road widening project at Gunnery Road required that the FGUA's existing 2-inch water main that serves the Lehigh Fire District's fire station on Gunnery Road be relocated. After studying the anticipated future growth along with the growth that has taken place in the area, and with the need to provide fire hydrants for the community, staff recommended that the 2-inch water main be replaced with a 12-inch water main during this relocation.

The professional services will include permitting, design services, construction bid services and contract administration (A.2 through A.6 services). The lump sum cost for these services is \$39,390.00.

This project is scheduled for completion in thirty-five (35) days from Notice to Proceed, and is funded from water capacity fees and funds received attributing to replacing the existing 2-inch line.

Staff recommended approval of Work Authorization WT 07-05 to Wade Trim, Inc. in the amount of \$39,390.00 to provide engineering services (A.2 through A.6) for Lee County DOT Miscellaneous relocations, FGUA Project LE 053, Lehigh Acres Utility System.

CA 9 Approval of Change Order No. 1 to the Standard Construction Agreement with A.C. Schuites of Florida, Inc. for the Lehigh Acres Wellfield Expansion, FGUA Project No. LE 003 in the Lehigh Acres Utility System.

Provided for the Board's consideration was Change Order No. 1 for an additional forty-four (44) calendar days and the additive amount of \$55,230.00 to the Standard Construction Agreement with A.C. Schuites of Florida, Inc. for the Lehigh Acres Wellfield Expansion, FGUA Project No. LE 003 in the Lehigh Acres Utility System.

This change order provides for compensation for changed conditions. During the performance of the well drilling activities for the three (3) raw water wells (1, 2 and 3R), the contractor experienced subsurface conditions that caused a deviation from the original bid quantities that resulted in either increases or decreases to several original bid items with subsequent final costs implications.

The changed conditions noted above, and delays in receiving the Lee County Health Department Permit, along with flood conditions from Hurricane Ernesto resulted in extending the construction time by an additional forty-four (44) calendar days.

Staff recommended approval of Change Order No. 1 for an additional forty-four (44) calendar days and the additive amount of \$55,230.00 to the Standard Construction Agreement with A.C. Schuites of Florida, Inc. for the Lehigh Acres Wellfield Expansion, FGUA Project No. LE 003 in the Lehigh Acres Utility.

CA 9a Approval of Budget Amendment 2007-31 for FGUA Project LE068.

Provided the consideration of the Board was budget amendment 2007-31 that provided for the transfer of \$60,000 from project LE068, Section 10 Finished Water Booster Station. This fund transfer was to allow the payment of Change Order No. 1 to the construction contract with A.C. Schuites of Florida, Inc. for the Wellfield Expansion for the new Mirror Lake Water Treatment Plant No. 2. This project was originally funded in FY 2006, and not funded in the FY 2007 Budget. The budget amendment provided for the \$55,230.00 for the Change Order No. 1 and a small additional balance. Project LE068, the funding source, is expected to be completed by the developer, thereby releasing the available budget.

Staff recommended approval of the budget amendment in order to allow for the completion of the Lehigh Acres Wellfield Expansion project.

CA 10 Approval of Change Order No. 2 to the Standard Construction Agreement with Stately Contractors, Inc. for the Hunter Road and KOA Street Force Main Upgrade, FGUA Project No. PO 044 in the Poinciana Utility

Provided for the consideration of the Board was Change Order No. 2 for the additive amount of \$65,389.19 to the Standard Construction Agreement with Stately Contractors, Inc. for Hunter Road and KOA Street Force Main Upgrades, FGUA Project No. PO 044 in the Poinciana Utility System.

The change order was recommended due to changed field conditions encountered after the bid award which caused an increase in cost. The first changed condition was the rerouting of the proposed force main in order

to avoid direct conflict with an existing 8-inch force main, and the second, jacking and boring across an entrance roadway to Fieldstone residential subdivision.

The amount of the change order was an additive of \$65,389.19 with no time extension. Staff recommended approval of Change Order No. 2 as stated.

CA 10a Approval of Budget Amendment 2007-32 for FGUA Project PO 044.

Staff recommended approval of Budget Amendment 2007-32 in the amount of \$70,000 to fund Change Order No. 2 to the Standard Construction Agreement with Stately Contractors, Inc. for the additive amount of \$65,389.19 for the Hunter Road and KOA Street Force Main Upgrade, FGUA Project No. PO 044 in the Poinciana Utility System.

CA 11 Approval of Change Order No. 2 to the Standard Construction Agreement with Cardinal Contractors, Inc. for the Lehigh Acres Mirror Lakes Water Treatment Plant No. 2, FGUA Project No. LE 004 in the Lehigh Acres Utility System.

Provided for the consideration of the Board was Change Order No. 2 for an additional ninety-four (94) calendar days to the Standard Construction Agreement with Cardinal Contractors, Inc. for Lehigh Acres Mirror Lakes Water Treatment Plant No. 2 Improvements, FGUA Project No. LE 004 in the Lehigh Acres Utility System.

The time extension was recommended to account for the delays in the issuance of the Lee County Building permit that caused the contractor to request a time extension for an additional seventy-four (74) days with no additional monetary compensation. An additional twenty (20) days was also recommended for the time associated with the change in the instrumentation system at Water Treatment Plant No. 2. The monetary adjustment was approved on March 15, 2007 by Change Order No. 1, but the time extension was not included. The initial request for the instrumentation modification was made verbally on October 27, 2006 and written direction to proceed was provided by the engineer of record, Malcolm Pirnie, Inc. on November 15, 2006.

The total time extension requested was ninety-four (94) calendar days. Therefore, the contract time will be increased from three hundred thirty (330) days to four hundred twenty-four (424) calendar days, making the final completion date for the project September 4, 2007.

Staff recommended approval of Change Order No. 2 to the Standard Construction Agreement with Cardinal Contractors, Inc. for an additional ninety-four (94) calendar days for the Lehigh Acres Mirror Lakes Water Treatment Plant No. 2, FGUA Project No. LE 004 in the Lehigh Acres Utility System.

CA 12 Acceptance of the Florida Governmental Utility Authority Standard Utility Infrastructure Conveyance and Service Agreement with Tuscany Preserve Development, Inc. for Tuscany Preserve at Lake Marion Phase Four.

This item was pulled from the consent agenda at the request of the Director of Operations.

CA 13 Acceptance of the Florida Governmental Utility Authority Standard Utility Infrastructure Conveyance and Service Agreement with Tuscany Preserve Development, Inc. for Tuscany Preserve at Lake Marion Phase One.

This item was pulled from the consent agenda at the request of the Director of Operations.

CA 14 Acceptance of the Hammock Trails, Phases 1 and 2 Conveyance Close-out Package for the Poinciana System.

This item was pulled from the consent agenda at the request of the Director of Operations.

CA 15 Acceptance of the Concord Estates Conveyance Close-out Package for the Poinciana System.

This item was pulled from the consent agenda at the request of the Director of Operations.

CA 16 Acceptance of the Brighton Landings Conveyance Close-out Package for the Poinciana System.

This item was pulled from the consent agenda at the request of the Director of Operations.

CA 17 Acceptance of the Southport Bay Conveyance Close-out Package for the Poinciana System.

This item was pulled from the consent agenda at the request of the Director of Operations.

CA 18 Other Items

Chairman Thomas asked for a motion to approve the Consent Agenda items as amended. A motion to approve was made by Mr. Lavender and seconded by Mr. Wheeler. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

Chairman Thomas then moved to Finance and Administration and asked Mr. Miles for his report.

VII - Finance and Administration

FA 1 Approval of Resolution 2007-11, a Resolution Authorizing the Cash Defeasance of the Utility Revenue Bonds (Poinciana Utility System), Series 1999 and Series 2001, the Payoff of Utility Revenue Bond (Poinciana Utility System), Series 2004 and the Poinciana Line of Credit, 2005; the Execution and Delivery of an Escrow Deposit Agreement, and Appointment of an Escrow Agent.

Mr. Miles stated that on November 16, 2006, the Florida Governmental Utility Authority (FGUA) Board of Directors entered into the FGUA Transfer Agreement with the Tohopekaliga Water Authority (TWA). As part of this transition, TWA proposed to issue a new bond issue that would involve the refunding of the existing FGUA Poinciana utility debt with new TWA debt that would then be used to pay off the existing FGUA 2005 Line of Credit Note and the Series 2004 Utility Revenue Bond, held by SunTrust Bank, and to legally defease the existing 1999 and 2001 Utility Revenue Bonds, the proceeds of which were used to acquire the Poinciana Utility System from Avatar Properties, Inc. and perform certain other capital improvements to the system.

Resolution 2007-11 provides for the cash defeasance of the 1999 and 2001 Utility Revenue Bonds, the appointment of an escrow agent and the establishment of an escrow deposit agreement with the escrow agent. The requirement for the escrow agent, U.S. Bank National Association, is to maintain the escrow funds and to pay the principal and interest on the outstanding FGUA bonds until the remaining 1999 outstanding bonds can be called with premium (101% of par) on October 1, 2009. The remaining series 2001 outstanding bonds can be called with premium (101% of par) on October 1, 2010.

In addition, Resolution 2007-11 provides for the payoff of the two bank debt obligations of the Poinciana Utility System, both of which are held by SunTrust Bank. They include the Series 2004 Utility Revenue Bond and the 2005 Line of Credit Note.

Staff recommended the Board of Directors approve Resolution 2007-11 and authorize the Chairman to sign on behalf of the FGUA.

Legal defeasance of these 1999 and 2001 Bonds will allow the FGUA to remove these bonds from the accounting records of the FGUA. There will no longer be an outstanding liability on the FGUA's accounting records, requiring a continual annual audit. The payoff of the 2004 and 2005 bank indebtednesses will likewise allow the FGUA to remove the indebtednesses from the FGUA Poinciana books of account. The

escrow agent will be entrusted with the requirement to hold all cash used to defease the bonds and to pay all debt service when due to the bondholders until such time that the bonds can be called.

Chairman Thomas asked if there were any questions or comments from the other Board members, there being none, Chairman Thomas asked for a motion to approve FA 1, Resolution 2007-11. A motion to approve was made by Mr. Wheeler and seconded by Mr. Lavender. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

FA 2 Approval of Budget Amendment 2007-30 for FGUA Project PO 025 the Poinciana Customer Service Building.

Provided for the Board's consideration was Budget Amendment 2007-30 that provided for the appropriation of \$3,000 from the 2005 Line of Credit Unappropriated Fund Balance to complete the construction of the Poinciana Customer Service Building, which was occupied April 9, 2007 This fund transfer is to allow the payment of telephone and IT lines installation upon occupancy by STES. These costs are a FGUA responsibility in the new Operations and Customer Service contract and were unknown until the final wiring configuration was completed.

Staff recommends approval of the budget amendment in order to allow for the completion of the Poinciana Customer Service Building project.

Chairman Thomas asked if there were any questions or comments from the other Board members, there being none, Chairman Thomas asked for a motion to approve FA 2, Budget Amendment 2007-30. A motion was made by Mr. Wheeler and seconded by Mr. Lavender. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

FA 3 Approval of the Budget Amendment 2007-35, Clean, Inspect & Paint Water Storage tank

Chairman Thomas asked if there were any other items for finance and administration. Mr. David Miles asked that an additional item be considered by the Board.

Mr. Miles presented for the Board's consideration budget amendment 2007-35 that provided for the appropriation of \$12,000 from the unappropriated fund balance of the Renewal and Replacement Account. The minor adjustment was necessary to cover an error made in March 2007 when the award of a \$151,450.00 contract in Poinciana to Southland Painting Corporation (Item OP 3) was considered at the same time as an amendment to the Crom Engineering contract in this same project was approved for \$18,600 these two approvals resulted on the project being over encumbered by \$11,646.00.

Staff recommended approval of the above budget amendment in order to allow for the award of both contracts and to allow adequate resources to cover future disbursements for both contracts.

Chairman Thomas asked if there were any questions or comments from the other Board members, there being none, Chairman Thomas asked for a motion to approve FA 3, Budget Amendment 2007-35. A motion was made by Mr. Wheeler and seconded by Mr. Lavender. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

FA 4 - Other Items

Chairman Thomas asked if there were any other items for finance and administration. Mr. David Miles asked that an additional information item be considered by the Board that did not require action.

Mr. Miles informed the Board that on Monday, April 16, 2007 the FGUA staff was contacted by both Vanessa Welch of Channel 9 News and Daphne Sashin of the Orlando Sentinel concerning complaints that they had received from some residents of the Doral Pointe subdivision, served by the FGUA through its Poinciana Utility System. The complaints centered on concerns about very high meter readings and large reclaimed water bills a small number of customers in this subdivision had received. The Channel 9 News story was a follow-up to a similar story in late March 2007. In addition the complaining residents also contacted the Tohopekaliga Water Authority, the Osceola County Acting Administrator and Osceola County Commissioner(s).

Background was provided in the memorandum that Mr. Miles provided to the Board at the meeting. Mr. Miles stated that the FGUA and STES staffs are researching all accounts with consumption in excess of 75,000 gallons of reuse per month in Doral Pointe and will check the remaining three subdivisions also. A visit will be arranged for a water conservation review on site with each affected resident to attempt to determine the cause of high volumes of reuse. They will examine the meter, and the irrigation system to attempt to locate leaks and ascertain accurate meter readings and discuss water conservation techniques with the customer. Mr. Miles stated that he would provide an update to the Board as the research progresses and he provided the Board with a copy of the Orlando Sentinel article that appeared in the April 17, 2007 edition.

VIII - Operations

OP 1 Approval Budget Amendment 2007-33 for the Generator Installation, FGUA Project No. PO 024 in the Poinciana Utility System

Provided for review and consideration was budget amendment 2007-33 that provided for the appropriation of \$60,000 from the Wastewater Capacity Fees Unappropriated Fund Balance to complete the installation of generators at LS # 17 and #27 (Project P0024) and the addition of a third generator at LS #39 located in the Isles of Bellalago. The fund appropriation would allow the completion of the installation of three generators already purchased by the FGUA from a governmental contract piggyback. The budget amendment provided for the final costs to complete the project that was bid competitively at the cost of \$99,980.00 to install the three generators which will be signed by the System Manager, also provided as OP 1a was a work authorization for \$7,022.00 for inspection services to be performed by GSG.

Staff recommended approval of the budget amendment in order to allow for the completion of the LS Upgrade project by installing fixed generators at the three lift stations.

OP 1a Approval of Work Authorization GSG 07-35 for Government Services Group, Inc. (GSG) for General Inspection Services for the Emergency Generator Installations, FGUA Project No. PO 024 in the Poinciana Utility System

Provided for review and consideration was Work Authorization No. GSG 07-35 provided by Government Services Group, Inc. (GSG) for sixty-five (65) hours of general inspection services related to the Poinciana Emergency Generator Installation, FGUA Project No. PO 024. The generators were proposed to be installed at lift stations number 17 (San Remo N), 27 (N. Monterey), and 39 (Bellalago). GSG is to gather all required information and record the daily activities during the inspections in order to place this project into service and will provide this information to the Engineer of Record.

The work authorization is proposed to be executed after the construction contract is awarded to Gaudette Electric, Inc. in the amount of \$99,980.00 by the System Manager. The System Manager will execute the contract pursuant to the Board approval of the Budget Amendment 2007-33.

The proposed work authorization was for the not-to-exceed amount of \$7,022.00 and was scheduled for completion within ninety (90) days.

Staff recommended approval of Work Authorization GSG 07-35 in the not-to-exceed amount of \$7,022.00 for the general inspection services for the Installation of Emergency Generators, FGUA Project No. PO 024 in the Poinciana Utility System.

Chairman Thomas asked if there were any questions or comments from the other Board members, there being none, Chairman Thomas asked for a motion to approve item OP1 Budget Amendment 2007-33 and OP1a Work Authorization GSG 07-35. A motion was made by Mr. Wheeler and seconded by Mr. Lavender. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

Chairman Thomas asked if there were any other items for Operations. Mr. Tarek Fahmy asked that an additional item be considered by the Board.

OP 2 Approval of the Budget Amendment 2007-34

Provided for the Board's review and consideration was Budget Amendment 2007-34 in the amount of \$200,000.00 to allow award of Work Authorizations ST 07-74 and ST 07-75 with Severn Trent Environmental Services for work at Wastewater Treatment Plant No. 2 contract (Project PO 004).

The budget amendment as proposed provided for an appropriation of \$200,000.00 in project PO 004 from the unappropriated fund balance of the Poinciana Utility System 2005 Line of Credit.

Staff recommended approval of Budget Amendment 2007-34 in order to provide funding for the Severn Trent Environmental Services, Inc. work authorizations ST07-74 and ST07-75.

Mr. Miles introduced the item and explained that both of the Severn Trent work authorizations were under the threshold that required Board approval. Mr. Wheeler asked if the funds could be moved from the operations reserves instead of the line of credit. Mr. Miles stated that was possible and that he would accommodate the request if it was the Board's wishes.

Chairman Thomas asked for further discussion, there being none, Chairman Thomas asked for a motion to approve item OP2 Budget Amendment 2007-34. A motion was made by Mr. Wheeler to approve the item amending it to have the funds moved from the operations reserves instead of the line of credit. Mr. Lavender seconded the motion. With no further discussion, Chairman Thomas called for a vote and with all members being in favor the motion was unanimously approved.

OP 3 Other items

Mr. Fahmy provided a copy of correspondence received from the Citrus County Board of County Commissioners, Department of Water Resources, Contract Compliance Manager, James R. Morgan informing staff that they would be terminating the Interlocal Agreement for utility services between the FGUA and Citrus County effective May 15,2007.

Chairman Thomas asked if there were any other Operations items to be considered, there being none, she moved on to the informational items.

IX - Information Items

IN 1 Status Update on the Florida Governmental Utility Authority (FGUA) Capital Improvement Project (CIP) Program

Provided for the Board's information was the monthly capital project summary which tracks the progress of the Capital Improvement Projects in the Utility Systems.

IN 2 Status Update on the Monthly Community Outreach

Provided for the Board's review and consideration were the Florida Governmental Utility Authority (FGUA) Attendance and Community Organization Meetings Status Reports. The reports contained information regarding events, activities and meetings held in the Golden Gate, Lehigh Acres and Poinciana utility systems which are attended by the Community Service Representatives.

Staff continues to schedule meetings with many organizations in order to provide information regarding water conservation, to answer questions regarding services, incentive programs and to provide presentations from the FGUA. The Community Service Representatives also met with various groups to discuss the implementation of policies, operations and financial goals. In addition to these activities, customers are provided with quarterly correspondence and intermittent billing messages regarding the Community Outreach Program.

IN 3 Status Update on the FGUA Work Authorizations Under \$100,000 Issued During the Second Quarter

Provided for the Board's information is a list of all the Work Authorizations/Purchase Orders under \$100,000 issued in Second Quarter FY 2007 (January 1, 2007 – March 31, 2007), except for those work authorizations that were issued to Government Services Group, Inc. and received individual approval of the Board. In accordance with the current purchasing policy of the FGUA, projects and services that total less than \$100,000 need only be executed by the System Manager after the review and approval of the FGUA's legal counsel. The purpose of this listing is to inform the Board of Directors of those work authorizations approved administratively by staff.

The thirty-nine work authorizations awarded during the second quarter of 2007 were primarily for the purpose of rehabilitation and repair as listed in the worksheet provided.

IN 4 Status Update on the Quarterly Report to the Board on Capacity, Management, Operation and Maintenance (CMOM) Programs within the FGUA Utility

Provided for the Board's review and consideration was the quarterly Capacity Management Operations and Maintenance (CMOM) update. The following table captures the CMOM components currently tracked within the FGUA's capital improvement program:

Task	Poinciana	Lehigh Acres	Golden Gate
Manholes Cleaned	74		
Manholes Inspected	105		
Manholes Raised	14		
Manholes Epoxy Coated		46	
Wastewater Gravity Pipe Cleaned, Video Inspected Smoke Tested or Relined	34,691 Linear Feet	21,500 Linear Feet	9,100 Linear Feet
Force Main Upgrade or Repair New Force Main Installed	40,639 Linear Feet	7,880 Linear Feet 12-inches 15,246 Linear Feet 16-inches	
Lift Station Rehabilitation Lift Station Telemetry Upgrade	5	3	2

It was noted that an additional component of the CMOM program will include placement of emergency generators, serving the Lehigh Acres and Golden Gate Utility System through the hurricane season.

IN 5 Summary of FY 2006 CAFR Report

Mr. Miles stated that at the March 15, 2007 Board of Directors meeting, staff had distributed the FY 2006 Comprehensive Financial Report (CAFR) and offered to address any concerns or questions concerning the CAFR and the FGUA's FY 2006 financial results at the April 2007 Board meeting.

Chairman Thomas asked the members of the Board if they had any questions for Mr. Miles. There being none she moved to the next agenda item.

IN 6 Florida Governmental Utility Authority Quarterly Newsletter

A copy of the Florida Governmental Utility Authority Quarterly Newsletter was provided to the Board for their review.

IN 7 Status Update for the Town of Dundee

The Board was provided with information and a memorandum regarding the Town of Dundee located in central Polk County, Florida. The town's utility service area borders the utility service areas of Lake Hamilton and Haines City to the north, the utility service area of Winter Haven to the west, and the utility service area of Polk County Utilities to the east and southeast. Dundee is located approximately 50 miles southwest of the City of Orlando, and approximately 40 miles east of Tampa. A location map was provided. Dundee has a population of approximately 3,000, and is one of seven municipalities in Polk County.

In December 2006 the System Manager and Director of Operations were contacted by the Town Manager, Mr. Charles Saddler, inquiring about services offered by the Florida Governmental Utility Authority (FGUA) that could assist the Town of Dundee with their current and long range water and wastewater issues.

During a meeting with Mr. Saddler, on January 3, 2007, it was discussed how the FGUA could help Dundee with their water and wastewater growth issues. Meetings were held with each of the Town council members, on February 5, 2007.

On February 13, 2007 a memo was sent to the FGUA Board of Directors asking for their support of staff to continue the pursuit of inviting and securing the Town of Dundee as a member of the FGUA, the Board directed staff to continue with its pursuit.

The FGUA Director of Operations along with Mr. John Dunty completed a field overview of the water and wastewater facilities and the Town's service area on February 16, 2007.

The Town of Dundee's Town Council Meeting was held on April 10, 2007 where they took action to implement the following steps to enter into a formal relationship with the FGUA:

The Town Council voted 5-0 authorizing the Town Manager to enter into an Interlocal Agreement between the Town of Dundee and the FGUA.

The Town Council voted 5-0 authorizing the Town Manager to negotiate a Consulting Service Agreement between the Town of Dundee and the FGUA.

Staff recommended that the Board direct General Counsel to prepare an Interlocal Agreement between the Town of Dundee and the FGUA and authorize staff to continue negotiating a final Consulting Service Agreement between the Town of Dundee and the FGUA.

Mr. Sweat then introduced Mr. Charles Saddler, Manager of the Town of Dundee. Mr. Saddler confirmed that after several meetings between Dundee and FGUA staff his Board agreed that entering into an association with the FGUA would be of benefit to the Town of Dundee. This was evidenced by the Town of Dundee's unanimous vote to join the FGUA and to request consulting services from them. The Town will be maintaining ownership and operational oversight of their

utilities. Discussion ensued concerning the Town's interest in intergovernmental cooperation and their recent attendance at cooperative regional group meetings with other local municipal entities. Chairman Thomas stated that she has known Mr. Saddler as a concerned local government professional and believes the Town will benefit from its association with the FGUA and that the FGUA will benefit from assisting the Town with managing its growth and from Mr. Saddler's experience and enthusiasm. Chairman Thomas and Mr. Saddler agree that small communities will need to work together to hold down the costs associated with providing sufficient infrastructure for future growth by intergovernmental cooperation.

Chairman Thomas asked if there were any questions or comments from the other Board members concerning this item, there being none, Chairman Thomas stated that as the Polk County representative and because of the Town of Dundee is within Polk County she made a motion to direct General Counsel to draft the Interlocal Agreement and Staff to draft Consulting Services Agreement with the Town of Dundee. Mr. Lavender seconded the motion. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

IN 8 Other Items

Mr. Fahmy stated the he has been working with Lee County staff in an effort to provide a reuse system to two major developments located on the east end of Lee County. An agreement will be drafted and brought to the Board for consideration in the near future.

X - System Manager

SM 1 Approval of the Revised 2007 FGUA Board Meeting

Provided for the Board's review and consideration was the revised 2007 Florida Governmental Utility Authority (FGUA) Board of Director meeting schedule. It was noted that due to the recent transitions of the Citrus and Poinciana Utility Systems staff has prepared a revised schedule. It indicated that as of May 17, 2007 all meetings will rotate between the Lehigh Acres and the Golden Gate Utility Systems. This will result in all meetings now commencing at 1:00 p.m.

The Board accepted the schedule as presented.

SM 2 Other Items

There were no other additional System Manager items and Chairman Thomas moved on to the Utility Counsel items.

XI - Utility Counsel

Chairman Thomas asked if there were any items from the Utility Counsel. Mr. Brian Armstrong asked that an additional item be considered by the Board.

UC 1 Authorization for the Board Chair, or in Her Absence, the Vice-Chair, to sign the Closing Documents for the Poinciana System to the Tohopekaliga Water Authority

Mr. Armstrong stated that pursuant to the Transfer Agreement, the parties had agreed to the form of deed, bill of sale and transfer, assignment and assumption agreement that had been provided and staff was requesting the Board's authorization for the Chair or, in her absence, the Vice-Chair, to sign the closing documents, in substantially similar form and context, together with other documents ordinary and necessary to complete the transfer of the Poinciana System to the Tohopekaliga Water Authority.

Staff recommended the Board authorize the Chair, or in her absence, the Vice-Chair, to sign the closing documents for the transfer of the Poinciana System to the Tohopekaliga Water Authority (TWA).

Chairman Thomas asked if there were any questions or comments from the other Board members. Mr. Wheeler stated the transition closing date may be changed due to the possible litigation suggest by API in recent correspondence to TWA and the FGUA. Mr. Wheeler stated that API has issued a letter withdrawing the threatened litigation and that they would not intervene with the closing. Mr. Miles requested a copy of the letter from API withdrawing the litigation to be submitted to the FGUA's insurance provider. Mr. Pelham, who was copied on the letter, stated that he would forward a copy to Mr. Miles. Mr. Pelham also stated that he had prepared a response to API but because TWA had already responded to API he did not think that it was necessary for the FGUA to do so.

Chairman Thomas asked for a motion to approve item UC1 Authorization for the Board Chair, or in Her Absence, the Vice-Chair, to sign the Closing Documents for the Poinciana System to the Tohopekaliga Water Authority. A motion was made by Mr. Wheeler to approve the closing documents as presented and to authorize the chair to execute said documents with such additions, deletions or corrections as the Chair and counsel deems necessary. The motion was seconded by Mr. Lavender. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

Ms. Thomas stated that all of the hard work and time invested during this complex transition, by the legal team, Mr. Pelham, Ms. Encinosa, Mr. Busack and Mr. Armstrong was appreciated.

XII - General Counsel

GC 1 Acceptance of the Solivita Phases IVB, IVC (Sections 1 & 2), VIA and VIB Conveyances for the Poinciana System

Mr. Pelham stated that Staff and Avatar Properties Inc. (API) had been working to resolve numerous conveyances of water, wastewater and reclaimed water utilities in the Solivita subdivisions. Many of these facilities were found to be located in areas other than as described in the plat dedications. Additionally, the plat dedications did not convey the necessary property interests to the FGUA. Consequently, API arranged for numerous surveys to be undertaken to locate and describe the parcels that should be conveyed to the FGUA. Several previous conveyance attempts failed to include all of the title documents necessary for the FGUA to accept title. The conveyance packets presented for the Solivita Phases were reviewed by Mr. Pelham who considered them complete and ready for acceptance by the FGUA.

General Counsel recommended that the Board accept the conveyance of the Solivita Phases IVB, IVC (sections 1 & 2), VIA and VIB property interests contained in the conveyance packets and to authorize recording the deeds, easements and bills of sale for these conveyances upon the Board's acceptance. Once recorded, copies of the documents would be forwarded to the TOHO Water Authority.

Chairman Thomas asked for questions. Mr. Wheeler asked if there were other open conveyance issues. Mr. Pelham answered in the affirmative and noted that the files had been reviewed and detailed notes as to what deficiencies existed would be forwarded to TOHO Water Authority. A motion to approve item GC1. Accepting the Conveyance of Solivita Phases IVB, IVC (Sections 1 & 2), VIA and VIB in the Poinciana System was made by Mr. Wheeler. The motion was seconded by Mr. Lavender. Chairman Thomas asked for further discussion, there being none and all members voting in favor, the motion was unanimously approved.

GC 2 Other Items

XIII - Board Items

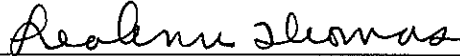
BD 1 Other Items

Mr. Wheeler stated that he was appreciative of the work done by FGUA staff and he and his staff are looking forward to a successful transition on April 26, 2007.

Mr. Lavender asked if Severn Trent had a policy for enforcing water restriction, because in Lee County there is a perception that Lehigh Acres is not held to as strict standards as the balance of the County residents. Mr. Sweat stated that conservation memorandums are regularly sent to Lehigh Acres residents. Mr. Lavender asked if staff approaches violators. Mr. Sweat stated that conservation was mostly requested by educating residents because the FGUA does not have enforcement powers. Staff can notify residents of infractions but can not penalize them. Mr. Wheeler added that TWA can terminate reuse service after due process for none compliance but only if the reuse is on a separate meter. Discussion ensued on the issue of irrigation abuse and dry wells in Lee County. It was noted that door hangers are used when staff notice violations of the irrigation rules and that as the drought continues this situation will get worse. Mr. Sweat stated that this should be considered an opportunity to contact well users for possible connection to the water system. Discussion continued on mandatory connections and the specifics of Lee County's ordinance. Mr. Scott Coovert, Lee County Attorney stated that Lee County Water Restriction Ordinance No. 05-15 covers water restrictions and requested further discussion with the FGUA's legal council. The Board was in favor of further discussion of this topic and Ms. Encinosa stated that she would contact Mr. Coovert concerning mandatory connections and water restrictions.

Chairman Thomas asked if there were any other items to be presented to the Board, and with no further business, she adjourned the meeting at 10:53 a.m.

APPROVED BY:



Lea Ann Thomas, Chairman