

**Florida Governmental Utility Authority
Board of Directors Meeting Minutes
Thursday, June 14, 2007 - 10:00 a.m.
Renaissance Orlando Resort at Seaworld
Unicorn Room, 6677 Sea Harbor Drive
Orlando, Florida 32821**

Board Members:

Lea Ann Thomas, Chairman, Polk County
Jim Lavender, Vice-Chairman, Lee County
Robert Knight, Member, Citrus County
Mike Johnson, Alternate member, (TOHO) Osceola County

Staff Present:

Robert Sheets, Systems Manager, GSG
Charles Sweat, Director of Operations, GSG
John Pelham, General Counsel, Pennington, Moore, Wilkinson, Bell & Dunbar, P.A. (via telephone)
Fred Busack, General Counsel, Pennington, Moore, Wilkinson, Bell & Dunbar, P.A.
Crystie Carey, Utility Counsel, Nabors, Giblin & Nickerson, P.A.
David Miles, Chief Financial Officer, GSG
Tarek Fahmy, Manager of Capital Projects, GSG
Yvette Hartsfield, Community Services Manager, GSG
Faith Doyle, Clerk to the Board, GSG

Guests Present:

Scott Coover, Esquire, Lee County
Ed Goscicki, Severn Trent
Douglas Meurer, P.E., Lee County
James Ratz, D.R. Horton, Inc.
Charles Saddler, Town of Dundee

I - Call to Order

Chairman Thomas called the meeting to order at 10:03 a.m.

II - Invocation

See Below

III - Pledge of Allegiance

Chairman Thomas requested that because there was not a flag present the invocation and pledge of allegiance be dispensed with. The Board concurred with this request.

IV - Public Comment

Mr. James Ratz representing D.R. Horton, Inc. stated that he wished to discuss items CA9 and CA9a on the agenda. Chairman Thomas, on the advice of General Counsel, requested that he be part of the discussion after these items were presented to the Board.

- V - Minutes I Approval of the April 19, 2007 Regular Board Meeting Minutes
Minutes II Approval of the April 19, 2007 Strategic Planning Minutes

Chairman Thomas asked if there were any additions, deletions and/or changes to the meeting minutes. Hearing none, Chairman Thomas asked for a motion to approve the April 19, 2007 Regular and Strategic Planning meeting minutes. A motion to approve was made by Mr. Jim Lavender and seconded by Mr. Robert Knight. Chairman Thomas asked for discussion, there being none and all being in favor, the motion was unanimously approved.

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

VI - Consent Agenda

CA 1 Approval for an Extension in Term for Two Members of the Lehigh UAC Board

Staff requested that the Board consider the extension of terms for two (2) Lehigh Acres Utility Advisory Committee (UAC) members. On September 15, 2006 the Florida Governmental Utility Authority (FGUA) Board approved for staff to revise the Utility Advisory Committee By-laws to stagger two (2) of the original committee members 3 year terms that presently serve on the UAC Board. The extended terms of 18 months will allow for continuity of the Board. In a random drawing, Richard Thompson and Diane Turrill were chosen as the members to continue their terms for the extended 18 months.

Staff recommended approval of the extended terms for Richard Thompson and Diane Turrill to serve on the Lehigh Acres Utility Advisory Committee for an additional 18 months.

CA 2 Acceptance of the FGUA Utility Infrastructure Conveyance and Service Agreement with Maple Development of SW Florida, LLC for the Maple Professional Office Building Located in the Lehigh Acres Utility System

Provided for the Board's review and consideration was the FGUA Standard Utility Infrastructure and Service Agreement ("Agreement") to provide water and wastewater to Maple Development of SW Florida, LLC for the Maple Professional Office Building. The Maple Professional Office Building is located within the FGUA's Lehigh Acres service area and is a 10,141 square foot professional center.

Construction completion is anticipated to be in the 4th quarter of 2007.

The wastewater facilities will connect to an existing wastewater main with an 8 X 6" wye. The water facilities to be installed are approximately 60 linear feet of 8-inch PVC pipe, 34 linear feet of 14-inch and 10-inch HDPE carrier pipe, an 8 X 6 inch tapping sleeve with a gate valve and associated infrastructures. The estimated value of the infrastructure is \$15,220.80.

The Agreement was signed on February 26, 2007 for the Maple Professional Office Building developed by Reached the Beach, LLC by Brian Owens its Managing Member.

Staff recommended approval of the FGUA Utility Infrastructure and Service Agreement to provide water and wastewater to Maple Development of SW Florida, LLC for the Maple Professional Office Building located in the FGUA Lehigh Acres system.

CA 3 Approval of Change Order No. 3 to the Standard Construction Contract with Cardinal Contractors Inc. for the Water Treatment Plant System Improvements, FGUA Project No. LE 004 Lehigh Acres Mirror Lakes WTP No.2

Provided for the Board's consideration was Change Order No. 3 for the additive amount of \$12,882.62 and 10 calendar days to the Standard Construction Agreement with Cardinal Contractors, Inc. for FGUA Project No. LE 004, Lehigh Acres Mirror Lakes WTP No. 2 Improvements.

The change order included the following items:

(1) Additional conduits for telephone and data lines	Add	\$3,092.00
(2) Conduit between pad mounted transformer and offsite connection point for electric utility power,	Add	\$3,241.70
(3) Credit for modification of electrical for roof exhaust fans	Deduct	(\$1,635.00)
(4) Conduit and wiring for aeration system cleaning pump	Add	\$3,220.62
(5) General contractor costs associated with item (1) through (4) required for utility power	Add	\$4,963.30

The 10 calendar day time extension was to compensate the contractor for time involved for work activities addressing the above mentioned item number (2). The item was for additional work that was not included in the original scope of work and was not the fault of the contractor (Lee County Electric Cooperative "LCEC" was to have completed this work), and is essential to the completion of this project.

Staff recommended approval of Change Order No. 3 to the Standard Construction Agreement with Cardinal Contractors, Inc. for the additive amount of \$12,882.62 and an additional 10 calendar days to be added to the contract time for the Lehigh Acres Mirror Lakes WTP No. 2, FGUA Project No. LE 004.

CA 4 Approval of Amendment No. 1 to Work Authorization URS LE017 (Phase 1) for FGUA Project No. LE017, Lehigh Reuse Pipeline Expansion in the Lehigh Acres Utility System

Provided for the Board's review and consideration was Work Authorization URS LE 017 (Phase 1) Amendment No. 1 for the elimination of engineering services related to the engineering, permitting and design of the of the Lehigh Acres Reuse Pipeline Expansion Project Phase 1 in the Lehigh Acres Utility System. This project consisted of the development of a Reclaimed Water Master Plan and the extension of a reuse pipeline to the Copperhead Golf Course with reclaimed water produced by the Lehigh Acres Wastewater Treatment Plant. The approved lump sum cost for these services totaled \$175,990.00. When it was determined that there would be no demand for reuse water at the Copperhead Golf Course, URS was directed to cease work as this project, LE017, was no longer viable. At that time URS had invoiced FGUA the sum of \$12,976.46 for A.3 Services, leaving a balance of \$181,013.54 for services no longer required. The approval of Amendment No. 1 would serve to deduct this amount from Work Authorization No. URS LE 017 (Phase 1).

Staff recommended approval of Amendment No. 1 Work Authorization URS LE017 (Phase 1) in the deductive amount of \$180,923.54 for consulting engineering services that are no longer required for the Lehigh Acres Reuse Pipeline Expansion Project (Phase 1), FGUA Project No. LE 017 in the Lehigh Acres Utility System.

CA 5 Approval of the Budget Amendment 2007-29, Mirror Lakes Potable Water Transmission System

Provided for the Board's review and consideration was budget amendment 2007-29 that provided for the transfer of \$70,000 from project LE068, Section 10 Finished Water Booster Station. This

fund transfer allowed the payment of permit fees to the East County Water Control District for use of their right-of-way for the water transmission line and for Change Order No. 1 to the construction contract with Stately Contractors, Inc. This project was originally funded in FY 2006, and not funded in the FY 2007 Budget. The budget amendment provided funds for the \$7,035 permit fee, the \$51,910.60 for Change Order No. 1 and a small additional balance to address any further minor change orders as the project approaches completion. 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 Mirror Lake Water Transmission Line project

CA 5a Approval of Change Order No. 1 to the Standard Construction Contract with Stately Contractors, Inc. for Mirror Lakes Water Distribution System, FGUA Project No. LE 007 in the Lehigh Acres Utility System

Provided for the Board's review and consideration was Change Order No. 1 for an additional 120 calendar days and the additive amount of \$51,910.60 to the Standard Construction Agreement with Stately Contractors, Inc. for the Mirror Lakes Water Distribution System, FGUA Project No. LE 007.

This change order provided Stately Contractors, Inc. with compensation for the additional work and deductions for unneeded work items associated with the Mirror Lakes Water Distribution System project. The additional work was due to changed site conditions which happened subsequent to plan revisions made as part of Lee County's permit requirements. The County roads had been widened at three (3) locations after the project had been awarded, resulting in longer jack and bore activities and increases to incidental items. The increase in construction costs was \$90,890.60, and the additional proposed time extension was 120 calendar days. Deductions came about for unneeded work items that were recommended for deletions as part of this change order, this results in a subtotal deductive amount of \$38,980.00. Therefore, the total additive change order to the contract amount was recommended to be \$51,910.60.

Staff recommended approval of Change Order No. 1 to the Standard Construction Agreement with Stately Contractors, Inc. for an additional 120 calendar days and the additive amount of \$51,910.60 for the Mirror Lakes Water Distribution System, FGUA Project No. LE 007 in the Lehigh Acres Utility System.

CA 6 Approval of Budget Amendment 2007- 37 for the Lehigh Acres Wastewater Treatment Plant Expansion, FGUA Project No. LE 026

Provided for the Board's review and consideration, was budget amendment 2007-37 that provided for the appropriation of \$100,000 from unappropriated wastewater capacity fees. This appropriation was to allow the approval of Change Order No. 8 for FGUA project Lehigh Acres Wastewater Treatment Plant Phase 1 Improvements. The attached budget amendment provided for the \$96,317 of minor changes enumerated in agenda item CA6a plus a small additional balance to address any further minor change orders as the project approaches completion.

Staff recommended approval of the budget amendment in order to allow for the completion of the Lehigh Acres Wastewater Treatment Plant Phase 1 Improvements project.

CA 6a Approval of Change Order No. 8 to the Standard Construction Agreement with Encore Construction Company for the Lehigh Acres Wastewater Treatment Plant Improvements, FGUA Project No. LE 026 in the Lehigh Acres Utility System

Provided for the Board's review and consideration was Change Order No. 8 for the additive amount of \$95,317.00 to the Standard Construction Agreement with Encore Construction Company, Inc. for FGUA Project No. LE 0526, Lehigh Acres Wastewater Treatment Plant Expansion.

In order to complete work included in the items listed above the contractor has requested an addition of 200 days to the contract time.

Staff recommended approval of Change Order No. 8 to the Standard Construction Agreement with Encore Construction Company, Inc. for the additive amount of \$95,317.00 and for the addition of 200 days to the contract time for Lehigh Acres Wastewater Treatment Plant Expansion, FGUA Project No. LE 0526 in the Lehigh Acres Utility System.

CA 6b Approval of Change Order No. 9 to the Standard Construction Agreement with Encore Construction Company for the Lehigh Acres Wastewater Treatment Plant Improvements, FGUA Project No. LE 026 in the Lehigh Acres Utility System

The Board reviewed the Change Order from Encore Construction Company, Inc. that requested a reduction in the amount of retainage being held by the FGUA from 5% to 2.5% of the completed work for FGUA Project No. LE 0526 Lehigh Acres Wastewater Treatment Plant Phase 1 Improvements in a letter dated May 23, 2007.

This request was made by Encore Construction Company, Inc. because the amount retained at present is equal to more than 200% of the total change order work. The project is substantially completed. Documentation of substantial completion was provided via the Official Construction Punch List from URS Corporation, the consulting engineer for this project. It is estimated that the retainage based on holding 2.5% of the value of completed work will be approximately \$180,000.00. URS has provided a letter dated May 24, 2007 recommending that the FGUA reduce the retainage by the amount requested.

Staff recommended approval of Change Order No. 9 to the Standard Construction Agreement with Encore Construction Company, Inc. for a reduction of retainage from 5% to 2.5% for the Lehigh Acres Wastewater Treatment Plant Phase 1 Improvements, FGUA Project No. LE 0526.

CA 7 Acceptance of the FGUA Utility Infrastructure Conveyance and Service Agreement with Bohjam Again, LLC for the Lee Boulevard Complex Located in the Lehigh Acres Utility System

Provided for the Board's review and consideration was the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Bhojam Again, LLC for the Developer Project No. 07-022, Lee Boulevard Complex located at Lots 1-8 & 15-22, Block 54, Section 25, located within the Lehigh Acres Utility System.

Construction completion is anticipated to be in the first Quarter of 2008.

The wastewater facilities will connect to an existing wastewater manhole on IDA Avenue through an 8" wastewater main connecting the three manholes on the property. The water facilities to be installed are an approximately 3" large meter with a backflow prevention device with a gate valve and the associated infrastructures. The estimated value of the infrastructure is \$168,212.

The agreement was signed May 7, 2007 for Bhojam Again, LLC by Mark C. Bates, Managing Member.

Staff recommended approval of the FGUA Utility Infrastructure and Service Agreement to provide water and wastewater utility services to Bhojam Again, LLC, FGUA Project No. 07-022, Lee Boulevard Complex located in the Lehigh Acres Utility System.

CA 8 Acceptance of the FGUA Utility Infrastructure Conveyance and Service Agreement with West Gate Properties for JSW Building No. 7 Located in the Lehigh Acres Utility System

Provided for the Board's review and consideration was the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with JSW Westgate Properties, LLLP for Developer Project No. 4427, JSW Building # 7 Multi Unit Warehouse & Office Building located at 5513 SW 8th Street within the Lehigh Acres Utility System.

Construction completion is anticipated to be in the third Quarter of 2007.

The wastewater facilities will connect to an existing wastewater manhole with a 6-inch pipeline. The water facilities to be installed are approximately 101 feet of 2-inch PVC pipe, and a 12" x 2" inch tapping sleeve with a gate valve and associated infrastructures. The estimated value of the infrastructure is \$61,102.80.

The agreement was signed May 9, 2007 by Jeffery Walls as General Partner of JSW Westgate Properties, LLLP.

Staff recommends approval of the FGUA Utility Infrastructure and Service Agreement to provide water and wastewater utility services to JSW Building # 7 FGUA Project No. 4427, Multi Unit Warehouse & Office Building in the Lehigh Acres Utility System.

CA 9 Acceptance of the FGUA Utility Infrastructure Conveyance and Service Agreement with DR Horton for Caloosa Lakes Phase 1 (The Groves) Located in the Lehigh Acres Utility System

Provided for the Board's review and consideration was the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with D.R. Horton, Inc. for Caloosa Lakes Phase 1 Developer Project No. 4037, that consists of the first 189 Single Family homes of a multi-phase residential project located within the Lehigh Acres Utility System.

Construction of Phase 1 is in the final stages of completion.

The associated water facilities comprise approximately 10,100 linear feet of 8" and 10" water main and associated appurtenances. The wastewater facilities being installed and conveyed to the FGUA comprise approximately 11,200 linear feet of 8" wastewater main and associated appurtenances, including two lift stations. These facilities are valued at approximately \$1,800,000 and were detailed in Exhibit A of the Agreement.

The agreement was signed May 4, 2007 by Paul Romanowski as the Division President for D.R. Horton, Inc.

Staff recommended approval of the FGUA Utility Infrastructure and Service Agreement to provide water and wastewater to Caloosa Lakes Phase 1 FGUA Project No. 4037, 189 Single Family homes of multi-phase residential project located in the Lehigh Acres Utility System.

At the request of the Board item CA9 was pulled from the consent agenda for further discussion.

CA 9a Acceptance of the FGUA Conveyance Close-out Package for Caloosa Lakes Phase 1 (The Groves) Located in the Lehigh Acres Utility System

Provided for the Board's review and consideration were the following documents to be considered in part for the close out package for Caloosa Lakes Phase 1:

- 2 Warranty Deeds for Lift Stations
- 2 Bills of Sale, Water and Wastewater
- 1 Attorney's Affidavit

- 1 Owner's Waiver and Release
- 1 Owner's Affidavit
- 1 Plat Cover Page
- 1 Engineer's Certificate of Construction Completion
- 1 FDEP Wastewater System Acceptance Application
- 1 FDEP Water System Acceptance Application

These items were reviewed and discussed by Staff and General Counsel.

At the request of the Board item CA9a was pulled from the consent agenda for further discussion.

CA 10 Acceptance of the FGUA Utility Infrastructure Conveyance and Service Agreement with Joseph E. Clouse, Inc. for the Sunset Quadraplex Building, 611 Joel Boulevard in the Lehigh Utility Acres System

Provided for the Board's review and consideration was the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Joseph E. Clouse, Inc. for the Developer Project No. 06-023, Sunset Quadraplex building located at 611 Joel Boulevard within the Lehigh Acres Utility System.

Construction completion is anticipated to be in the first Quarter of 2008.

The wastewater facilities will connect to an existing wastewater gravity main. The water facilities to be installed are approximately a ¾" water meter with backflow prevention device with a gate valve and associated infrastructures. The estimated value of the infrastructure is \$15,170.53.

The agreement was signed May 9, 2007 by Joseph E. Clouse, President of Joseph E. Clouse, Inc.

Staff recommended approval of the FGUA Utility Infrastructure and Service Agreement to provide water and wastewater to Joseph E. Clouse, Inc. FGUA Project No. 06-023, Sunset Quadraplex in the Lehigh Acres Utility System.

CA 11 Acceptance of the FGUA Utility Infrastructure Conveyance and Service Agreement with Joseph E. Clouse, Inc. for the Sunset Quadraplex Building, 621 Joel Boulevard in the Lehigh Utility Acres System

Provided for the Board's review and consideration was the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Joseph E. Clouse, Inc. for the Developer Project No. 06-024, Sunset Quadraplex building located at 621 Joel Boulevard within the Lehigh Acres Utility System.

Construction completion is anticipated to be in the first Quarter of 2008.

The wastewater facilities will connect to an existing wastewater gravity main. The water facilities to be installed are approximately a ¾" water meter with a backflow prevention device with a gate valve and associated infrastructures. The estimated value of the infrastructure is \$15,170.53.

The agreement was signed May 9, 2007 by Joseph E. Clouse, President of Joseph E. Clouse, Inc.

Staff recommended approval of the FGUA Utility Infrastructure and Service Agreement to provide water and wastewater to Joseph E. Clouse, Inc. FGUA Project No. 06-024, Sunset Quadraplex in the Lehigh Acres Utility System.

CA 12 Approval of Change Order No. 1 to the FGUA Standard Construction Contract with Southland Painting Corporation for FGUA Project No. GG042, Golden Gate Painting Project in the Golden Gate Utility System

Provided for the Board's review and consideration was Change Order No. 1 for the additive amount of \$17,200.00 to the Standard Construction Agreement with Southland Painting Corporation for FGUA Project No. GG042, Golden Gate Painting.

The proposed change order was for additional painting of the exterior of the lime storage tank and building at the Golden Gate Water Treatment Plant that was not addressed in the original scope of work because staff had planned to have structural modifications performed prior to painting.

In order to complete the work included in the items listed above the contractor had requested the addition of 15 days to the contract time.

Staff recommended approval of Change Order No. 1 to the Standard Construction Agreement with Southland Painting Corp. for the additive amount of \$17,200.00 and an addition of 15 days to the contract time for Golden Gate Painting, FGUA Project No. GG042 in the Golden Gate Utility System.

CA 13 Approval of Budget Amendment 2007- 38 for the Lehigh Acres Water Treatment Painting

Provided for the Board's review and consideration was Change Order No. 1 for the additive amount of \$5,300 to the Standard Construction Agreement with Southland Painting Corporation for FGUA Project No. LE001 Lehigh Acres Painting.

Also provided was Quote #10790 from Southland Painting Corporation dated May 18, 2007 that totaled \$10,500 and included a quote of \$5,200 for painting the crane structure at the wastewater treatment plant. However, it was recommended by staff to have only the aerator structure at the water treatment plant painted at this time. Therefore, the proposed change order was for additional painting of the exterior of the aerator structure at the Lehigh Water Treatment Plant LE001 only for the amount of \$5,300.

In order to complete the work included in the items listed above the contractor requested the addition of 15 days to the contract time.

Staff recommended approval of Change Order No. 1 to the Standard Construction Agreement with Southland Painting Corporation for the additive amount of \$5,300.00 for painting the aeration structure at the water treatment plant and an addition of 15 days to the contract time for Lehigh Acres Painting, FGUA Project No. LE 001 in the Lehigh Acres Utility System.

CA 13a Approval of Change Order No. 1 to the FGUA Standard Construction Contract with Southland Painting Corporation for FGUA Project No. LE001, LE062, Lehigh Acres Painting Project in the Lehigh Acres Utility System

Provided for the Board's review and consideration, was budget amendment 2007-38 that provided for the appropriation of \$5,300 from unappropriated renewal and replacement funds. This appropriation allowed the approval of Change Order No. 1 to the project for Lehigh Acres Water Treatment Plant Painting (LE001). The budget amendment provided funds for the \$5,300 for painting of the aerator structure, not included in the base award.

Staff recommended approval of the budget amendment in order to allow for the completion of the Lehigh Acres Water Treatment Plant Painting project.

CA 14 Approval of the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Whispering Lakes I, LLC for the Developer Project No. 06-018, 288 Single Family Homes Located within the Lehigh Acres Utility System

Provided for the Board's review and consideration was the FGUA's Standard Utility Infrastructure Conveyance and Service Agreement with Whispering Lakes I, LLC for the Developer Project No. 06-018, 288 Single Family Homes located within the Lehigh Acres Utility System.

Construction completion is anticipated to be early 2008. Build out is anticipated to be by year end 2008.

The wastewater facilities will be installed and conveyed, including a lift station, to the FGUA and are valued at approximately \$1,178,106.90.

The agreement was signed May 21, 2007 by Ricardo Munoz-Tobar as the managing member.

Staff recommended approval of the FGUA Utility Infrastructure and Service Agreement to provide water and wastewater to Whispering Lakes I, LLC FGUA Project No. 06-018, 288 Single Family Homes located within the Lehigh Acres Utility System

CA 15 Approval of Change Order No. 1 to the Standard Construction Agreement with Inliner American, Inc. (Formerly known as American Water Services Underground Infrastructure, Inc.) for the Golden Gate Infiltration and Inflow, FGUA Project No. GG 001 in the Golden Gate Utility System

Provided for the Board's review and consideration was Change Order No. 1 for an additional one hundred and eighty (180) calendar days for completion of the Standard Construction Agreement with Inliner American, Inc. (Formerly known as American Water Services Underground Infrastructure, Inc.) for the Golden Gate Infiltration and Inflow Removal, FGUA Project No. GG 001 in the Golden Gate Utility System.

The change order provided for a time extension to permit the completion of system repairs identified through the televised system survey conducted earlier in the year that are supported by Arcadis' in their technical memorandum on monthly rainfall values versus lift station pump run times for the FGUA project No. GG 001 in the Golden Gate Utility System. It was noted that the time extension was due to staff review of the scope of work and providing additional locations to the contractor. The results of the survey and a copy of the technical memorandum are on file.

The total time extension requested was one hundred eighty (180) calendar days. The contract time will be increased from two hundred twenty (220) calendar days to four hundred (400) calendar days, making the final completion date for the project October 28, 2007.

Staff recommended approval of Change Order No. 1 to the Standard Construction Agreement with Inliner American, Inc. (Formerly known as American Water Services Underground Infrastructure, Inc.) for an additional one hundred eighty (180) calendar days for the Golden Gate Infiltration & Inflow, FGUA Project No. GG 001 in the Golden Gate Utility System.

CA 16 Other Items

Chairman Thomas stated CA9 and CA9a would be pulled from the Consent Agenda for further discussion. Chairman Thomas asked if there were any other additions and/or deletions to the Consent Agenda, there being none, Chairman Thomas asked for a motion to approve the remaining Consent Agenda items. A motion to approve was made by Mr. Jim Lavender and seconded by Mr. Robert Knight. All were in favor and the motion to approve CA1 through 8 and CA10 through 15 was unanimously approved.

Chairman Thomas then brought items CA9 and CA9a to the floor. Mr. Jim Lavender made a motion to discuss the items and Mr. Robert Knight seconded the motion. General Counsel, Fred Busack stated that the D.R. Horton Caloosa Lakes subdivision is nearing completion. However the final plat for the subdivision does not provide a warranty deed for the two lift stations along with dedicated easements for the infrastructure. The Board's policy presently is to wait for clear title before accepting the conveyance of infrastructure. The developer has properties ready to be occupied in

the very near future and suggests that there be some type of temporary agreement until the title is cleared. Mr. Busack suggested a contract for deed for a defined period of time to permit the developer to correct the plat. A contract for deed is not the usual procedure but it would permit clearance for the sale of homes. Discussion ensued concerning the usual conveyance procedure and what procedures Lee County follows. Mr. James Ratz of D.R. Horton stated that the contract for deed would be appreciated and considered an amicable solution to the present issues. Mr. Busack stated that any legal fees would be the responsibility of D.R. Horton. Mr. Ratz stated that the FGUA had not informed them of the errors until recently. Mr. Ratz stated that D.R. Horton did not have these difficulties with the plans as presented to Lee County. Mr. Lavender asked Lee County Counsel, Scott Coovert if Lee County would take a similar course of action. Mr. Coovert stated that waiting for clear title would be the best procedure. Mr. Lavender stated that policy should not be changed in his opinion. **Mr. Lavender made a motion to accept legal counsel's recommendation and to not accept the conveyance close out package until the deficiencies are corrected and the title is clear. Mr. Mike Johnson seconded the motion.** Discussion ensued on how this issue might have been avoided. Chairman Thomas asked for further question or discussion and with there being none and all being in favor the motion was unanimously approved.

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

VII - Finance and Administration

FA 1 Approval of the Preliminary FY 2008 Florida Governmental Utility Authority (FGUA) Budget

Mr. David Miles presented the preliminary FY 2008 FGUA budget information as described in the power point presentation that is incorporated as part of the minutes as Attachment A.

Mr. Jim Lavender questioned the rates in the Lehigh Utility System. Mr. Miles stated that a study will be required to be done by 2009 or 2010 to identify what adjustments would be needed to cover the debt service on the current bond issues. The FGUA's rate consultants, PRMG, indicated a 1.5 percent annual rate increase but other adjustments may be necessary.

Mr. Miles stated that the Golden Gate System will also need to be looked at for future minimal rate increases, mostly due to growth in the costs of operations. Ms. Thomas asked about the projected growth in wastewater accounts for the Golden Gate System. Mr. Miles stated that it expected to increase once the projects to expand the plant and to construct the deep injection well are completed. It was noted that the Water Management District and the DEP have restricted the addition of water customers and Mr. Miles indicated that connection programs may result in approximately 3% growth.

Mr. Robert Knight asked if there are mandatory connection programs or County ordinances that apply to FGUA customers. Mr. Miles stated that the County's doesn't cover the FGUA systems.

Mr. Robert Sheets stated that a budget workshop would be scheduled for July or August prior to the final budget hearings scheduled for September 20, 2007 where the budget resolutions will be presented for approval.

Mr. Sheets informed the Board that the Lehigh study on the agenda as OP1, OP1a and OP1b would be most beneficial if done prior to the final FY2008 Budget being adopted. The study is being conducted to gather planning information for the FGUA and to have definite facts to present to the Lee County BOCC in September. The County has indicated that with the number of dry wells and

increasing concern over ground water contamination from approximately 3000 septic tanks, they need to consider future expansion. The FGUA is taking the initiative to review the options and determining how the growing Lehigh System (90 square miles with 100,000 planned lots) and the County can work cooperatively to improve both FGUA and County systems to the mutual benefit of each and ultimately the residents.

FA 2 Approval of Budget Amendment 2007- 36 for the Santa Barbara Boulevard Utility Relocation

Provided for the Board's review and consideration was budget amendment 2007-36 that provides for the appropriation of \$43,000 in unappropriated fund balance of the Golden Gate Renewal & Replacement Fund and transfers \$57,000 from Project GG028 (Well Upgrades) which will not be required until FY 2009 to cover the cost of relocating utilities along Santa Barbara Boulevard. The total new appropriation would be for \$100,000. This work was identified in the FY 2007-2011 Capital Improvement Plan for execution in FY 2008. The FGUA staff has since learned that Collier County has advanced the construction on this project to FY 2007. Additional work on other segments of the project is also expected to occur in FY 2008 as originally planned. This Budget Amendment is designed to bring forward the appropriation of \$100,000 to FY 2007 to allow the FGUA to respond to requirements in the current budget year. Most of the work related to these relocations is being assigned to Severn Trent Environmental Services, Inc. on work authorizations approved by the System Manager.

Staff recommended approval of the budget amendment as presented in order to allow for the completion of the utility relocations along Santa Barbara Boulevard.

Mr. Lavender made a motion to approve Budget Amendment 2007-36 for the Santa Barbara Utility Relocation and Mr. Mike Johnson seconded the motion. With no further discussion, Chairman Thomas called for a vote. All members were in favor and the motion was unanimously approved.

FA 3 Evaluation of the PRMG Study for the FGUA Golden Gate Wastewater System Interconnect with Collier County

Mr. Miles stated that In March 2007, the FGUA System Manager addressed to the Board of Directors a concern about the cost effectiveness of the FGUA's current plans to address the need to expand wastewater treatment and disposal capacity at the Golden Gate Wastewater Treatment Plant. An initial decision had been made in 2005 while preparing the FY 2006 budget, to drill a deep injection well for effluent disposal and to expand the treatment plant in stages from 0.95 MGD average daily flow to 1.8 MGD average daily flow. The initial construction cost estimate to drill the deep injection well was \$3.435 million. In October 2006, it was awarded at a cost of \$5,764,185, along with inspection costs of \$207,047. It was anticipated that the cost to construct the wastewater treatment plant expansion would also exceed the budget of \$1.515 million. For these reasons the System Manager asked the Board of Directors to engage Public Resource Management Group (PRMG) to re-examine the option of purchasing bulk wastewater treatment disposal services from Collier County Water-Sewer District. Collier County agreed to fund fifty percent of the PRMG analysis costs.

In the interim since the March Board meeting, the FGUA staff has received written confirmation from the FDEP of their intent to issue a permit for the deep injection well. This will allow the contractor, Youngquist, Inc. to begin work in the near future, unless stopped by the FGUA. Also the wastewater treatment plant expansions to 1.5 MGD capacity bids were opened May 22, 2007. The low bid of \$3,418,000 was one of five bids received. In addition almost \$1.5 million in additional costs have been identified for FY 2009 to bring the plant up to the full 1.8 MGD capacity desired for the long

term service to the Golden Gate community. This new and more accurate information was furnished to PRMG to incorporate in their study.

Golden Gate Utility System information showed that the current revenue stream is inadequate to cover the costs of operating the system in all three scenarios addressed above. Therefore, future rate increases for Golden Gate customers are likely regardless of the scenario selected. In order of least future impact on the additional revenue required to be raised, the study indicated the alternatives finished in the following rank order:

First Place- Scenario 3: \$1,813,336 NPV in additional revenue required.

Second Place- Scenario 2: \$5,988,262 NPV in additional revenue required.

Third Place- Scenario 1: \$13,191,200 NPV in additional revenue required.

It was pointed out in the study that \$11,951,000 of the NPV additional revenue required in Scenario 1 was necessary to pay the Collier County Water-Sewer District capacity fees. Without these fees, this scenario would cost \$1,240,200 in additional revenue. The study stated that the Collier County Water-Sewer District has given no indication that it would be willing to delay collecting these fees. Therefore, Scenario 3 is the least cost alternative.

Staff recommended acceptance of the results of the Financial Evaluation provided by PRMG. Staff further recommended that it bring the proposed award of the WWTP Expansion Project along with an appropriate budget amendment to the Board at its July 19 meeting. Upon receipt of the final FDEP permit for the deep injection well, that the current contract with Youngquist, Inc. be affirmed by staff and construction proceed. Finally, staff includes within the FY 2008 budget a fee for a rate sufficiency study to determine the need for future rate adjustments for the Golden Gate Utility System. The last such study was completed in 2005 and resulted in a 6.0% increase in four equal increments of 1.5%.

Mr. Miles informed the Board that this item requires further action including award of a contract to expand the plant and proceeding to construct it.

Mr. Fahmy stated that an item would be presented to the Board in July or August concerning the construction contract.

Mr. Pelham recommended the action to be taken by the Board be the acceptance of the PRMG financial evaluation, to affirm that staff should move forward with the final review of the feasibility of the deep well project as previously approved with Youngquist that has been on hold during the study and provide a final recommendation to the Board at the July or August meeting. **Mr. Lavender made the motion as stated with the condition that Collier County be made aware of the results of the study and the actions being taken by the FGUA. Mr. Sweat stated that he would update Collier County immediately following the meeting. Mr. Knight seconded the motion. All were in favor and the motion was unanimously approved.**

FA 4 Other Items

Mr. Miles informed the Board that the Golden Gate customer service building will be completed and occupied with in the next few weeks.

Mr. Sheets requested guidance from the Board concerning a potential modification to the agreement for the System Manager to approve work authorizations below \$100,000. Mr. Sheets stated that on

the occasion a work authorization requires a budget adjustment would the Board want to approve them. It was the consensus of the Board to have any budget adjustment presented to them for consideration and approval.

VIII - Operations

OP 1 Approval of Budget Amendment 2007- 39 for a Preliminary Study for the Potential Expansion of the Lehigh Acres System Facilities

Provided for the Board's review and consideration, was budget amendment 2007-39 that provided for the appropriation of \$60,000 from unappropriated operating budget funds. This appropriation is to allow the award of two work authorizations, one each to Malcolm Pirnie, Inc. (OP 1b) and Government Services Group, Inc. (OP 1a) to do an engineering and related consultant evaluation of extending the water and wastewater systems to cover additional areas in Lehigh Acres in a coordinated, systematic and technically effective manner.

Staff recommended approval of the budget amendment in order to allow for the completion of the Lehigh Acres water and wastewater extension study.

OP 1a Approval of Work Authorization GSG 07-36 for a General Development Services for a Preliminary Study for the Potential Expansion of the Lehigh Acres System Facilities

Provided for the Board's review and consideration was Work Authorization GSG 07-36 with Government Services Group, Inc. for general work tasks in relation to the development of a preliminary study for the potential expansion of the water and wastewater utility systems in Lehigh Acres.

The FGUA Management team had an opportunity to meet with the Management of Lee County on May 23, 2007, to discuss the future development of the Lehigh Acres water and wastewater expansion. As a result of this meeting, it was determined that for proper planning for future growth and development in the Lehigh Acres Utility System a study to address the coordinated, systematic and technically effective extension of the existing water distribution and wastewater collection and transmission systems and the potential for new reclaimed water distribution systems within the currently un-serviced portion of the FGUA's Lehigh service area would be necessary.

Staff has determined this work would be implemented most effectively by combining the resources available within GSG's Contract Services Division for general and historical knowledge of the FGUA and the Lehigh Acres Utility System, GSG's Government Services Division for special assessment program and capital financing expertise and Malcolm Pirnie, Inc. for detailed engineering and capacity modeling expertise.

Work Authorization GSG 07-36 encompasses the tasks specifically assigned to GSG's Contract Services Division. The deliverables were specified on the project schedule provided with the agenda package and will be developed in conjunction with Malcolm Pirnie, Inc. Accompanying Work Authorization from Malcolm Pirnie, Inc. is provided for your review under agenda item OP 1b. Because determining funding options, payment methods, special assessment programs and possible incentives cannot be considered until project areas are developed, GSG's Government Services Division work authorization will be provided at a future meeting.

Staff recommended approval of Work Authorization GSG 07-36 with Government Services Group, Inc. for general work tasks in relation to the development of a preliminary study for the potential expansion of the water and wastewater utility systems in Lehigh Acres.

OP 1b Approval of Work Authorization MP 07-10 for Engineering Services for a Preliminary Study for the Potential Expansion of the Lehigh Acres System Facilities

Provided for the Board's review and consideration was Work Authorization MP 07-10 with Malcolm Pirnie, Inc. for the development of a preliminary study plan to address the coordinated, systematic and technically effective extension of the existing water distribution system, the existing wastewater collection and transmission systems and the potential for a new reclaimed water distribution system within the currently un-serviced portion of the FGUA's Lehigh Acres utility service area.

This work authorization will be implemented in conjunction with GSG 07-36 (agenda item OP 1a) because staff has determined this work would be accomplished more effectively by combining the resources available within GSG's Contract Services Division and Malcolm Pirnie, Inc.

Work Authorization MP 07-10 encompasses the tasks detailed in the summary of services to be rendered that was provided.

Staff recommended approval of Work Authorization MP 07-10 with Malcolm Pirnie, Inc. for the development of a preliminary study for the potential expansion of the water and wastewater utility systems in Lehigh Acres.

Mr. Lavender made a motion to approve items OP1, OP1a and OP1b. Mr. Mike Johnson seconded the motion. With no further discussion, Chairman Thomas called for a vote. All members were in favor and the motion was unanimously approved.

OP 2 Other Items

Mr. Sweat asked the Board's consideration of the Interlocal Agreement by and between the FGUA and the Town of Dundee and the Town of Dundee's Resolution to become members of the FGUA.

Mr. Sweat stated that he was pleased to present for the Board's review and consideration the final Interlocal Agreement and Resolution that admits the Town as a member of the Florida Governmental Utility Authority. The Interlocal Agreement was reviewed by Staff and Legal Counsel and the changes requested by the Town of Dundee were deemed to be acceptable. The agreement provides specific details on the scope of services, compensation schedule and insurance requirements. Also provided was Resolution 07-27 of the Town of Dundee, Florida approving the form of interlocal agreement that was approved on June 12, 2007 by Town Council and signed by their Mayor, Linda Riner-Mizell.

The Board was informed that the Town Council had appointed the Town Manager, Mr. Charles C. Saddler as their representative to the FGUA Board of Directors and that Mr. Sweat looks forward to his attendance and participation at future meetings.

Mr. Lavender made a motion to approve the Interlocal Agreement by and between the FGUA and the Town of Dundee and to accept the appointment of Mr. Charles C. Saddler as the Town's FGUA Board representative and to accept the Resolution 07-27 of the Town of Dundee, Florida approving the form of interlocal agreement and acknowledging the receipt of the executed signature page from the Town of Dundee for the 1999 Interlocal Agreement forming the FGUA. Mr. Mike Johnson seconded the motion. Chairman Thomas called for a vote and with all members in favor the motion was unanimously approved.

Chairman Thomas introduced Mr. Saddler to the audience and welcomed him on behalf of the Board.

Mr. Sweat asked the Board's consideration of the approval of GSG Work Authorization GSG 07-37 with the FGUA for basic management services for the Town of Dundee.

Mr. Sweat stated that he had provided by hand delivery for the Board's review and consideration Work Authorization GSG 07-37 with Government Services Group, Inc. for operational oversight services to be provided to the Town of Dundee's water and wastewater utilities.

Staff recommended approval of Work Authorization GSG 07-37 with Government Services Group, Inc. for operational oversight services that will be provided to the Town of Dundee's water and wastewater utilities.

Mr. Lavender made a motion to approve Work Authorization GSG 07-37 with GSG to provide operational oversight services to the Town of Dundee. Mr. Mike Johnson seconded the motion. With no further discussion, Chairman Thomas called for a vote. All members were in favor of the motion and it was unanimously approved.

Mr. Sweat then informed the Board that initial due diligence was conducted on the Pine Crest Ranches utility system in Polk County. Pine Crest is a small water only system and Polk County would be contacted for any objections to the possible acquisition of this system by the FGUA before further action is taken by Staff.

IX - Information Items

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

The Capital Improvement Project Program status bar charts were included in the Board Agenda for their reference.

IN 2 Status Update on the Community Outreach Program

The Community Outreach Program monthly status reports for May and June were included for the Board's review.

IN 3 Status Update on the 2nd Quarter Financial Review

Mr. Miles stated that this quarterly financial report covered financial information for the Citrus, Golden Gate, Lehigh and Poinciana Systems and the General Fund. Detailed line item reports for each system were provided. The information for the Citrus System only covered half of the second quarter of FY 2007, reflecting the transfer of the Citrus Utility System to Citrus County on February 15, 2007. The other three Utility Systems and the General Fund reflected a full two quarters of operations.

The capital projects were broken out to separately show actual expenses and open encumbrances. Capital projects showed the cumulative total budgeted, expended, encumbered and balance available at the end of the second quarter of fiscal year 2007 for each capital project that was active within FY 2007. Any FY 2006 capital project carryover amounts were re-appropriated and included in the FY 2007 budgets on a project by project basis. A list of these carry over amounts was provided on page I-5 of the Revised Budget approved in September 2006.

FGUA Accounts

	March 2006	March 2007	Change	Percentage Change
Water				
Citrus*	12,302	13,280	978	7.95
Golden Gate	3,888	3,938	50	1.29
Lehigh Acres	12,330	12,446	116	0.94
Poinciana	21,699	24,437	2,738	12.62
(Osceola County)	12,755	14,006	1,251	9.81
(Polk County)	8,944	10,431	1,487	16.63
Grand Total Water	50,219	54,101	3,882	7.73
Wastewater				
Citrus*	5,230	5,723	493	9.43
Golden Gate	2,605	2,624	19	0.73
Lehigh Acres	9,954	10,035	81	0.81
Poinciana	21,354	25,130	3,776	17.68
(Osceola County)	12,398	14,528	2,130	17.18
(Polk County)	8,956	10,602	1,646	18.38
Grand Total Wastewater	39,143	43,512	4,369	11.16

*Citrus counts for 2007 are as of February 2007. In March 2007, all accounts had been transferred to Citrus County Utility Division.

All systems grew in the last twelve months, with the Poinciana System leading the way. The chart provided the March 2006 and March 2007 counts by System. It is noteworthy that the FGUA managed 54,000 water and about 43,500 wastewater accounts at the end of this reporting period. It should be noted that the rate of increase has slowed from the previous quarterly comparison both in new water and wastewater accounts in all systems. In the Poinciana System the rate of growth of wastewater accounts has accelerated to the point where the system now has more wastewater accounts than water accounts. The O&S Water Company provides water service to many accounts in the Poinciana System where the FGUA has been providing wastewater service.

Information on the current financial status of each system were provided as detailed below. Certain non-cash expense items, such as depreciation and amortization were not been included:

CITRUS SYSTEM:

Citrus revenues of \$3,266,840 were at 29 percent of the budgeted revenues of \$11,416,319. Most of the shortfall is in water and wastewater capacity fees which were at 13% and 10% of budget, respectively. This slow start to the fiscal year signals a significant slowdown in the torrid pace of growth seen over the past three years. Billed water was at 36% of budget and billed wastewater was at 34% of budget. Operating expenses at \$2,684,858 amount to 30 percent of budget.

Capital project expenses for the Citrus System were \$2,194,853 with open encumbrances reduced to zero by transfer of all open contracts to Citrus County. A total of \$5,592,650 in open encumbrance contracts was transferred to Citrus County for administration.

GOLDEN GATE SYSTEM:

Golden Gate revenues of \$3,183,424 were 52 percent of the annual budget. This slight improvement over budget resulted primarily from increased interest earnings over the amounts budgeted. Billed water was at 47% of budget and billed wastewater at 43%. Actual operating expenses of \$1,229,607 were at 48 percent of budget.

Actual capital project expenses were \$490,755 with outstanding encumbrances of \$8,187,744. This represents 74.66% of the \$11,624,555 amount available in the capital budget.

LEHIGH ACRES SYSTEM:

Actual revenues of the Lehigh Acres System were \$7,520,569, or 47 percent of the annual budget. Billed water and wastewater were both at 45% of budget. Actual expenses were \$2,523,786 against an estimated budget of \$5,783,287, or 48 percent.

A total of \$7,517,091 in capital expenses were recorded in the first half of FY 2007, with \$18,860,827 in open encumbrances at the end of the second quarter. These amounts represent 67.26% of the \$39,219,943 in available capital budget authority in FY 2007.

POINCIANA SYSTEM:

Revenue of \$10,791,851 was received in the first half year, or 38 percent of the annual budget. Billed water and wastewater revenue were both 45 percent of budget. Water and wastewater capacity fee collections are at 15% and 18% of budget, respectively, which reflects a significant slow down from the rapid pace of construction in the past three years. The significant reduction in these impact fee accounts are the primary cause of the underperformance of the revenue budget. In the upcoming year, it is also expected this will result in a dramatic reduction of new connections and account growth. Total operating expenses of \$4,432,570 were 43 percent of budget.

Capital expenses were \$9,640,831 in the first half with an additional \$10,525,003 in outstanding encumbrances at calendar year end. This represented 40.69% of the total capital budget of \$49,556,139 being placed under contract or completed.

GENERAL FUND:

Total revenue of \$140,264 was received from Polk and Citrus Counties for work involving engineering services and preparing customer service billing and collection of revenue. Total expenses incurred were \$159,969 to deliver these services to the two counties.

The detailed quarterly financial reports were provided.

IN 4

Status Update of the Water Conservation Plan

Provided for the Board's review was The Florida Governmental Utility Authority (FGUA) Water Conservation Plan Overview that is currently being provided in Lehigh Acres and Golden Gate Utility Systems. This overview outlines the History of the FGUA, Demand Management, Water Supply Shortage Response Plan, Regional Cooperation, Raw Water Cooperation, Raw Water Quality, Recreation/Aesthetic Flows and State Funding for Water Utilities.

The Board was informed that staff will include as an informational item in the July agenda package a report detailing the Florida Governmental Utility Authority Water Conservation Plan goals, programs, partnerships and accomplishments for the year.

IN 5 Other Items

There were no other informational items to be presented to the Board.

X - System Manager

SM 1 Other Items

Mr. Sheets stated that one of the goals presented as part of the strategic plan was to become proactive in informing utility departments and County boards about options available to offset the fiscal impact of the proposed State tax reforms. Staff has been meeting regularly with local governments to inquire if they consider their utility assets as a benefit that provide returns to their organization or are they a drain to the organization. Most communities that have been contacted have indicated an interest in learning more about the GUA concept and have requested a range of value for their utilities for presentation to their Boards. Some showed an interest in FGUA management of their utilities and some have question information on selling assets so they could generate cash to use on other endeavors. Mr. Sheets stated that in the past GSG had worked at risk for the few potential acquisition opportunities present, however the potential is present for many system reviews and should they go beyond a desk top review the communities may need to commit to paying some acquisition costs up front that could be recovered should an acquisition go forward.

Discussion ensued on recent meetings with the City of Edgewater in Volusia County and several other communities that did not know that the GUA option existed. Mr. Sheets informed the Board that a workshop is to be set up with Pasco County to inform their Commissioners of these options.

XI - Utility Counsel

UC 1 Other Items

There were no other Utility Counsel items to be presented to the Board.

XII - General Counsel

GC 1 Other Items

Mr. Fred Busack verified the motion to approve the GSG Work Authorization for the Town of Dundee and the FGUA Interlocal Agreement.

Mr. Busack informed the Board that to bring the Mirror Lakes Wastewater Treatment Plant on line the Lee County Electric Cooperative (LCEC) requires an easement which is being restricted because of limitations being placed on utility easements per the vulnerability assessment. The specifics of the easement are presently being negotiated by General Counsel and the Board was asked to authorize Mr. Charles L. Sweat, as Director of Operations, to execute the easement once it is negotiated. This request was made to expedite the start up of the Mirror Lakes Wastewater Treatment Plant that would be delayed by bringing the easement back to the Board at the July meeting.

Mr. Jim Lavender made a motion to authorize Mr. Charles L. Sweat to execute the easement on behalf of the FGUA with LCEC for the Mirror Lakes Wastewater Treatment Plant. Mr. Mike Johnson seconded the motion. Chairman Thomas asked for any further discussion, there being none, the vote was called. All members were in favor and the motion was unanimously approved.

Mr. Busack informed the Board that the Vulnerability Assessment will be updated to include the addition of the Mirror Lakes Facility.

XIII - Board Items

BD 1 Other Items

Mr. Knight stated that after his review of the April minutes he would like a follow up to the high bills generated in the Poinciana System. Mr. Miles stated that there had been an error made by a meter reader in one subdivision in Poinciana that resulted in the high bills. Mr. Miles stated that he would forward the reports that had been provided to the media and the FGUA Board members. Mr. Mike Johnson confirmed that the issue has been resolved to all parties' satisfaction.

Ms. Lea Ann Thomas then read a proclamation into the permanent records as follows:

Let it be known that on this 14th day of June 2007 that the Board of Directors and the Florida Governmental Utility Authority do hereby proclaim their gratitude and appreciation for the service of David R. Miles as Chief Financial Officer of the Authority, his leadership, expertise and attention to detail throughout his tenure as Chief Financial Officer were invaluable to the growth and development of the Florida Governmental Utility Authority. His unwavering support, diligence and service to the Authority were instrumental in building the firm foundation that will serve thousands of citizens across the state in the years to come. His character and efficiency were evidenced by the multiple Governmental Finance Officer Association Certificates for Achievement in Financial Reporting (CAFR) awards that were presented to the authority during his tenure. The Board of Directors and Staff do hereby wish to enter this Proclamation into the public record of the Authority by permanently memorializing the recognition set forth herein.

Mr. Mike Johnson made a motion to approve and accept the proclamation as read. Mr. Robert Knight seconded the motion. All were in favor and the motion was unanimously approved.

Chairman Thomas asked if there was any further business to be presented to the Board. There being none the meeting was adjourned at 11:50 a.m.

APPROVED BY:



Lea Ann Thomas, Board Chair



Proposed Budget For Fiscal Year Ending September 30, 2008

June 14, 2007



FY 2008 Budget and FY 2008-2012 Capital Improvement Plan

FGUA FY 2008 Budget Issues

- CIP Debt Service Requirements
 - LOC Debt Required FY 2008 \$49,798,000
 - Special Assessment Debt Required FY 2008 \$2,700,000
- New Customer Expansion Analysis \$70,000
- Connection Incentive Program (FY 2009 funding) \$60,000
- Performance Audit of Customer Billing Function \$30,000
- Operations & Maintenance, Capital Project, and Development Services Management for the Town of Dundee \$102,000



FY 2008 Budget and FY 2008-2012 Capital Improvement Plan

Capital Plan FY 2008-2012 (in Millions)

	2008	2009	2010	2011	2012	Total
Golden Gate	4.679	5.487	3.551	1.830	1.830	17.475
Lehigh Acres	49.575	11.112	10.268	11.250	8.954	90.868
Total	\$54.254	\$16.599	\$13.819	\$13.080	\$10.882	\$108.634



FY 2008 Budget and FY 2008-2012 Capital Improvement Plan

Operating Budget Golden Gate System (\$ in Millions)

	2006 Actual	2007 Estimate	2008	2009	2010	2011	2012
Revenue	\$6.096	\$6.167	\$6.479	\$6.829	\$7.162	\$7.552	\$7.965
Expense	5.708	6.095	6.313	6.212	6.458	6.570	6.733
Surplus (Deficit)	\$0.388	\$0.548	\$0.166	\$0.619	\$0.704	\$0.983	\$1.232
Water Accounts	3,915	3,988	4,068	4,189	4,315	4,445	4,578
Wastewater Accounts	2,619	2,643	2,662	2,689	2,770	2,853	2,939



FY 2008 Budget and FY 2008-2012 Capital Improvement Plan

Operating Budget Lehigh Acres System (\$ in Millions)

	2006 Actual	2007 Estimate	2008	2009	2010	2011	2012
Revenue	\$10.264	\$10.910	\$11.578	\$12.417	\$13.561	\$14.817	\$16.193
Expense	9.089	9.649	11.050	11.765	13.686	14.431	15.171
Surplus (Deficit)	\$1.175	\$1.261	\$0.527	\$0.653	\$(0.125)	\$0.386	\$1.022
Water Accounts	11,883	12,562	13,064	13,848	14,956	16,152	17,445
Wastewater Accounts	9,945	10,116	10,500	10,920	11,576	12,270	13,006



FY 2008 Budget and FY 2008-2012 Capital Improvement Plan

Operating Budget
General Fund
(\$ in Millions)

	2006 Actual	2007 Estimate	2008	2009	2010	2011	2012
Revenue	\$0.400	\$0.165	\$0.102	\$0.102	\$0.102	\$0.102	\$0.102
Expense	0.326	0.186	0.102	0.100	0.100	0.100	0.100
Surplus (Deficit)	\$0.074	\$(0.020)	-	\$0.002	\$0.003	\$0.003	\$0.003



FY 2008 Budget and FY 2008-2012 Capital Improvement Plan

RECOMMENDATIONS

- The Board authorize the System Manager to proceed with the following items in preparation for the FY 2008 Budget.
- Take the steps necessary to establish support for the Town of Dundee in accordance with the Interlocal Agreement for management services.
 - Implement the proposed Special Assessment Districts, to include inclusion on the 2008 tax rolls in.
 - Take the necessary steps in preparation for issuance of the Special Assessment Debt beginning in Oct. or Nov. 2007.
 - Take the necessary steps in preparation for issuance of the Line of Credit Debt in Oct. or Nov. 2007.
 - Prepare the necessary legal advertisements to conduct the public budget hearing on Sept. 20, 2007 to adopt the budget.
 - Prepare the necessary budget resolutions to adopt the budgets in each enterprise fund.



FY 2008 Budget and FY 2008-2012 Capital Improvement Plan

QUESTIONS ?