

Florida Governmental Utility Authority Board of Directors Meeting Minutes

Thursday, March 15, 2007 - 1:00 p.m.

**Golden Gate Community Center
4701 Golden Gate Parkway, Room A/B
Naples, Florida 34116**

Board Members:

Lea Ann Thomas, Chairman, Polk County
Jim Lavender, Vice-Chairman, Lee County
Thomas Dick, 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.
Heather Encinosa, for Utility Counsel, Nabors, Giblin & Nickerson, P.A.
Judi Gilbert, Clerk to the Board, GSG
David Miles, Chief Financial Officer, GSG
Tarek Fahmy, Manager of Capital Projects, GSG
Yvette Hartsfield, Community Services Manager, GSG
Bill Focht, Golden Gate Community Services Representative, GSG
Barbara Kerby, Lehigh Acres Community Services Representative, GSG

Guests Present:

Ralph Hemingway, Lehigh Acres Utility Advisory Chairman
Scott Coover, Esquire, Lee County
Charles Massey, Severn Trent
Douglas Meurer, P.E., Lee County
Bill Lynch, Arcadis, US, Inc.
Jamie French, Collier County
Edward Holt, Nowlen, Holt & Miner, P.A.
William Miner, Nowlen, Holt & Miner, P.A.
Keith Denny
Jim Klug

I - Call to Order

Chairman Thomas called the meeting to order at 1:03 p.m.

II - Invocation

Mr. Thomas Dick 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, the Chairman recognized Mr. Ralph Hemingway.

Mr. Ralph Hemingway, Chairman of the UAC of Lehigh Acres first thanked the Board for the work on the deep well injection and the meeting on this matter. Mr. Hemingway said everyone who had questions on the deep injection well appreciated the discussion. Mr. Hemingway said he was also glad to see the Majestic well was up and running as well as the new fire hydrants in the area. He commented that the residents in this area can now look for insurance rates to come down as a result of all of the good things that have and are occurring in this area.

Mr. Hemingway said he did have one item to bring to the Board, he was concerned about the five (5) housing developments that are going up or are planned to go up around him. FGUA has guaranteed that water and sewer will be available in this area, and this being a large area this would be a lot to get accomplished. He asked the Board if the FGUA will have capacity for future use in this area around Lehigh Acres. He said the development will also bring with it the demand for commercial use as well. Mr. Hemingway stated this has created conflict among residents that the demand will not be there and/or will increase rates for the water. He mentioned there are four (4) wells that have all dropped in water levels and the canals and ponds have no water now. He said again that all [residents] are very concerned about where the FGUA will get and provide the water supply. Mr. Hemingway said the residents are saying they want no more expansion in this area.

Mr. Hemingway said that Lehigh Acres is seeing tremendous growth. The growth of Lehigh Acres is now 82,000 residents and it only keeps growing. He said the FGUA must find water to maintain the growth in this area. Recently there were fourteen (14) new companies and four (4) fire departments dealing with the continuous growth. This will not be sufficient, and can not be controlled. He said he wants the Board to be aware of the growth and danger, he also commented that he is aware of the discussion with the Lehigh Acres Fire District and the 6-inch water line and believes it is not adequate. He looks forward to hearing how the FGUA will resolve the issue.

Lastly, Mr. Hemingway said that everyone also needs to be concerned about the brush fire danger during this dry period of time when the water levels are so low.

V - Minutes Approval of the February 15, 2007 Meeting 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 February 15, 2007 meeting minutes. A motion to approve was made by Mr. Mike Johnson and seconded by Mr. Thomas Dick. Chairman Thomas asked if there was any 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.

Mr. Tarek Fahmy requested that the Board pull CA 4 from the Consent Agenda.

VI - Consent Agenda

- CA 1** Acceptance of the Florida Governmental Utility Authority (FGUA) Standard Utility Infrastructure Conveyance and Service Agreement with Sembler Family Partnership #41, Ltd. for Brooks Village, a Commercial Center in the Golden Gate Utility System
- CA 2** Approval of Change Order No. 1 to the Standard Construction Agreement with Stately Contractors, Inc. for Marigold Avenue Force Main Upgrades, FGUA Project No. PO 011 in the Poinciana Utility System
- CA 2a** Approval of the Budget Amendment 2007-20 to FGUA Project No. PO 011, Marigold Avenue Force Main Upgrades in the Poinciana Utility System
- CA 3** Acceptance of the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Garton Enterprises, Inc. for Garton Retail Building in the Lehigh Acres Utility System
- CA 4** Acceptance of the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Copperhead, LLC for Copperhead Golf and Country Club in the Lehigh Acres Utility System
- CA 5** Approval of Amendment No. 2 to the Standard Construction Agreement with American Infrastructure Technologies Corporation (AITC) for the Wastewater Collection System Improvements, FGUA Project No. LE 015 in the Lehigh Acres Utility System
- CA 5a** Approval of Amendment No. 1 to Work Authorization GSG 06-14 for the General Inspection Services for the Inflow and Infiltration Improvements, FGUA Project No. LE 015 in the Lehigh Acres Utility System
- CA 6** Approval of Change Order No. 1 to the Standard Construction Agreement with Rayken, Inc. for the Broadmoor/Avenue A Force Main Upgrades, FGUA Project No. PO 051 in the Poinciana Utility System
- CA 7** 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 2005 I&I Removal, FGUA Project No. PO 0501 in the Poinciana Utility System
- CA 8** Approval of Change Order No. 1 to the Standard Construction Agreement with Stately Contractors, Inc. for the Hunter Road/KOA Street Force Main, FGUA Project No. PO 044 in the Poinciana Utility System
- CA 8a** Approval of the Budget Amendment 2007-21 to FGUA Project No. PO 044, Hunter Road/KOA Street Force Main in the Poinciana Utility System
- CA 9** Approval of Change Order No. 1 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
- CA 9a** Approval of the Budget Amendment 2007-22 to FGUA Project No. LE 004, Mirror Lakes Water Treatment Plant No. 2 in the Lehigh Acres Utility System
- CA 10** Approval of Work Authorization AGM 07-24 for the Department of Environmental Protection (DEP) Required Annual Capacity Analysis and Membrane Bioreactor Annual Report for the Lehigh Acres Wastewater Treatment Plant Serving the Lehigh Acres Utility System
- CA 11** Approval of Change Order No. 3 to the Standard Construction Agreement with R.L. Burns, Inc. for the Poinciana Customer Service Building, FGUA Project No. PO 025 in the Poinciana Utility System
- CA 11a** Approval of the Budget Amendment 2007-28 to FGUA Project No. PO 025,

- CA 12 Customer Service Building in the Poinciana Utility System
Approval of Change Order No. 1 to the Standard Construction Agreement with Reynolds, Inc. for Water Main Upgrades and Extensions, FGUA Project No. PO 057A in the Poinciana Utility System
- CA 13 Approval of Change Order No. 1 to the Standard Construction Agreement with Slaughter Construction Company, Inc. for Poinciana Line Extensions, FGUA Project No. PO 057B in the Poinciana Utility System
- CA 13a Approval of the Budget Amendment 2007-23 to FGUA Project No. PO 057, Water Main Upgrades and Extensions in the Poinciana Utility System
- CA 14 Approval of Change Order No. 2 to the Standard Construction Agreement with Slaughter Construction Company, Inc. for Water Main Upgrades and Extensions, FGUA Project No. PO 057B in the Poinciana Utility System
- CA 15 Other Items

Chairman Thomas stated CA 4 will be pulled from the Consent Agenda and 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. Thomas Dick and seconded by Mr. Mike Johnson. 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. David Miles for his report.

VII - Finance and Administration

- FA 1 FY 2006 Comprehensive Annual Financial Report

Mr. David Miles stated the FY 2006 CAFR report which is the Annual Financial Report was completed, and that Mr. Edward Holt and Mr. William Miner with Nowlen, Holt & Miner (NH&M) who oversaw the report were present to discuss any questions that the Board may have on the report. Mr. Miles stated he realized the Board did not have an opportunity to read the report since it had been distributed to them right before the Board meeting. Therefore, he said he would bring it back for discussion at next month's Board meeting to address any questions. Mr. Miles stated that he wanted to point out that the FGUA did receive for the fifth consecutive year the Certificate of Achievement for Excellence in Financial Reporting and staff would be submitting the CAFR report to the Government Finance Officers Association to apply for what would be the sixth award on financial reporting.

Mr. Ed Holt, NH&M came before the Board and presented a brief overview. He said the report was in the same format as last year's financial and compliance audit, and was broken down into four (4) segments; the Introductory Section, Financial Section, Statistical Section and Other Reports. He said it was an independent auditors' report to render a decision on the internal control over financial reporting and on compliance performed under the government auditing standards, and he was happy to say the FGUA is in compliance. He concluded by saying he was happy to answer any questions from the Board.

Mr. Holt provided more detailed information on the Audit Report for the fiscal year ending on September 30, 2006. He stated in their opinion the financial statements were fairly presented. He then referred to the Management's Discussion and Analysis segment and said one of the

improvements from Statement 34, required Management's Discussion and Analysis which provides financial highlights, overview of statements, and information on customers. He said when one reads over the six (6) pages, the reader has a feel for what occurred during the prior period. He then referred everyone to pages 10-13, Statement of Net Assets, he pointed out this statement is on an accrual basis, and on page 13 the Statement of Net Assets was basically a statement that takes the total assets, \$331 million, the total liabilities of approximately \$240 million and net assets of \$91 million. He said of the \$91 million, about \$16 million is unrestricted. Mr. Miner said this is really the key that one should be looking at – how much is being brought into the current period, and here the amount is about \$16 million. He said the rest of the \$91 million is invested in fixed assets, reserves for bonds, etc. Of the \$16 million one of the measures that he asks is, how much should it be, and one of the items is in meeting the bond requirements, etc. He said as a gauge they like to see every community have at least twenty-five (25%) percent of the current operating expenses. He said using this gauge of \$31 million which includes depreciation and interest expense, then taking the \$16 million, this equates to about fifty-three (53%) percent which he said was a “healthy, good number”. Mr. Miner commented that with things occurring such as hurricanes and other situations, this is the reason for having at least twenty-five (25%), and valid reasons for having over that amount would include items such as saving for future projects to eliminate financing. Mr. Miner said they always encourage their clients to have a healthy reserve.

Mr. Miner then referred everyone to the next section, Changes in Net Assets on pages 14 and 15. He mentioned that on page 15 [far column] there is about \$40 million in revenues, about \$31 million in expenses, Other Non-operating total is about \$11 million and when the Capital Contributions is added there is an extremely significant change of about \$25 million. He stated that basically the FGUA started with about \$60 million of net assets and this has increased within the last period to approximately \$91 million. He said this reflects an extremely good year.

The next item Mr. Miner mentioned was Compliance Audit for Government Standards on pages 43 and 44. He said NH&M concentrate on looking at both internal control and compliance. This section brings to the FGUA's attention any item that they believe is a reportable condition, a material issue that they think should be brought to the Board's attention. He said that he was happy to report that they did not have anything to report. However, in the Management Letter a couple of items on pages 45 and 46 had been brought to the FGUA's attention in previous periods, items that continue to exist. Mr. Miner said one of those items is the policies and procedures manual, the observation is that NH&M believe that the FGUA should have written policies and procedures in many areas. He said within this last period, there were improvements made, but there is still room for improvements. Mr. Miner stated in the Fixed Asset Inventory, here again there were some improvements made, but the FGUA still needs to move forward in making improvements.

Mr. Miner closed by thanking Mr. Robert Sheets, Mr. David Miles and his staff for all of their support during the audit, making this a very good audit.

Chairman Thomas stated she appreciated all the work that Mr. Miles and his staff does and remarked that she knew this made NH&M's job with the audit easier and certainly makes the Board's job easier. Chairman Thomas asked the other Board members if they had any questions and/or comments.

Mr. David Miles asked if he could mention a couple of very positive things that have occurred in the past year. Chairman Thomas recognized Mr. Miles.

Mr. Miles stated that part of the contract renewal with Severn Trent (ST) required that they provide an accountant to work with the FGUA. For six (6) consecutive years there was an audit finding from two (2) different audit firms regarding the inability to reconcile the FGUA's subsidiary ledger and the general ledger for customer deposits and accounts receivable. Mr. Miles stated this was not mentioned in today's discussion. He said he wanted to credit in particular the work of Patricia Stonehouse from ST and Zee Delgado from the GSG staff on fixing this particular problem, and in making it go away. He stated that he was very happy to see this finding eliminated. He also mentioned that the FGUA had gone from six (6) findings last year to only two (2) findings this year, and staff is working on both of these to see them both go away. He said the final item he wanted to bring to the Board's attention was on pages 14 and 15 of the audit book. He said this was something that he had pointed out to the senior management staff, but felt it was important for each person to recognize. He brought everyone's attention to the last line called Net Assets, End of Period. He said the FGUA had acquired the Golden Gate and Poinciana Utility Systems in April of 1999, and at that time the net assets were zero. He said that was due to the fact that the assets for each system equaled their liability when the FGUA bought out the systems. Mr. Miles said looking at the last line on page 15 as of September 30, 2006, the net assets in the Poinciana Utility System were \$56.9 million, this is within seven and one-half (7½) years. He said the Golden Gate Utility System has been challenging, but it now has a little more than \$1 million in net assets and it is better than when it was first acquired. Mr. Miles said when you look at Lehigh Acres and Citrus they were owned for only two (2) years and ten (10) months. Lehigh Acres had net assets of \$19.3 million and the Citrus System had \$13.8 million and three (3) years prior the net asset position was zero. Mr. Miles stated he believed this was very good fiscal stewardship of these particular systems for the counties that the FGUA represents and for the residents within each county.

Chairman Thomas asked Mr. Miles why were the net assets zero, was it due to the fact that they were mishandled. Mr. Miles responded when the FGUA took them over they started at zero. In other words, the FGUA borrowed the money to buy the systems, leaving the assets and liabilities exactly equal to each other at that point and time. He said the net assets was the accumulated profit over the period of time, and to put it in more commercial terms, the FGUA has tremendously grown the systems during its ownership of the systems.

Chairman Thomas thanked Mr. Miles for pointing this out, because it would probably not be something that they would have gone back to check, and that he was right, this was an excellent sign of stewardship. Chairman Thomas also thanked Mr. Holt and Mr. Miner for their report.

Chairman Thomas asked Mr. Miles to report on FA 2.

FA 2 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 Bonds (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. David Miles stated FA 2 was essentially the same two documents that were prepared by Chris Trabor of Nabors, Giblin & Nickerson, P.A. (NG&N) firm in the bond area. He said this provides a draft of an agreement that will be completed as part of the Poinciana closing. He said this defeases two (2) bond issues and pay off two (2) bank loans. Mr. Miles said in the Citrus closing it was only paying off one (1) of each. This resolution provides the FGUA to pay off the 1999 and 2001 bond

issues that were issued to investors that are paid off through a defeasance, and it also provides for the actual cash payoff of the 2004 bank loan that was obtained from SunTrust and the 2005 Line of Credit obtained from SunTrust. Mr. Miles said this will be part of the closing documents.

Mr. Miles said there were some issues still with these documents, and it will be fine-tuned. He said after speaking to Mr. Trabor the day before, the documents are substantially in the final form, but some of the numbers still need to be added and a few minor changes made, so he said staff was asking for permission from the Board to allow the Chairman to sign these finished documents upon completion and to allow them the selection of an escrow agent, which is US Bank, and to have an escrow deposit agreement with this particular bank.

Chairman Thomas reiterated Mr. Miles comments by saying everything was there except some of the specific figures. Mr. Miles said some of the numbers are still changing, and have not been entered into the documents yet.

Chairman Thomas asked when the final numbers would be determined. Mr. Miles said the figures would be determined approximately one (1) week prior to the actual closing. Chairman Thomas asked for the actual date of the closing. Mr. Miles said the latest discussion was a date of April 26th. He said there had been some discussion that it may slip into early May and having said that he did not know if an actual date had been finalized at this point and time.

Mr. John Pelham asked the Chairman if he could address this issue, and added that Mr. Chris Trabor had also called him yesterday, and his understanding was an additional potential change was there are some ongoing discussions with Toho, that Toho may be a party to the escrow agreement, which is provided in the resolution and escrow agreement. He said this could be an item that the Chairman could approve at a later date.

Chairman Thomas stated that she had no objection to signing and approving if the other Board members approve it, but asked if the closing was not going to be until the end of April, and since there is going to be another Board meeting in April, why did it need to be approved now. Mr. Miles stated that if it was the Board's desire, it could be tabled until that time, this was discussed with Mr. Trabor yesterday, because they still have some minor revisions to be made on this document, and again the numbers will not be entered until approximately one (1) week prior to the actual closing date, due to transactions occurring very close to the closing date.

Chairman Thomas asked for clarification on the date for the April Board meeting. Mr. Miles stated it was on April 19th. Mr. Pelham remarked that there still may be blanks that will not be completed even on that date. Chairman Thomas responded but they would be a lot closer. Mr. Pelham agreed that they would be a lot closer to the final document. He stated he also had the same conversation with Mr. Trabor and he did not believe there was anything that would be hindered by delaying it if it was the Board's choice.

Ms. Heather Encinosa stated that she believed that when this was placed on the Board agenda, the closing date was expected to be before the next FGUA Board meeting. Mr. Miles stated that was correct.

Chairman Thomas stated her preference would be to wait until the next Board meeting. Mr. Thomas Dick stated even though they may not have the figures, there may be further changes in the documents. Mr. Miles responded that there may be a few words changed in the document, this was

what Mr. Pelham and he had been told by Mr. Trabor. He stated that this was placed on the agenda because at that time a closing date was given as April 17th or 18th and as such it needed to be on this agenda, but now that it has been moved beyond the April 19th agenda, it certainly could be deferred until that time. Mr. Thomas Dick stated he would like to defer it until April's meeting. Chairman Thomas polled the Board members and stated it is the Board's consensus to defer it until April's Board meeting.

FA 3 Other Items

Chairman Thomas asked if Mr. Miles had other finance items to bring before the Board. Mr. Miles stated he had one item under the SM agenda items. She asked if he would go ahead and present it at this time.

SM 1 Financial Analysis of Options for the Golden Gate Utilities and Approval of Work Authorization GSG 07-31 with Government Services Group, Inc.

Mr. David Miles stated this is an agenda item brought before the Board at the request of the System Manager, and said that staff had been having discussions since February 15, 2007 with Collier County, the Collier County Water Utilities and the Environmental Services Director. The System Manager has also requested that staff reexamine the budgetary impact of the deep injection well for wastewater disposal. Mr. Miles confirmed with the Board that they each had a copy of the agenda item that he had placed before them prior to the Board meeting. Chairman Thomas confirmed that they all had copies. Mr. Miles stated agenda item SM 1 was a presentation of a proposal to engage GSG, and in turn, GSG would be jointly engaging PRMG, Inc. with Collier County, and requesting ARCADIS US, Inc. to assist in conducting an evaluation of alternatives in the wastewater treatment and disposal area.

Mr. Miles stated that originally staff had budgeted \$3.5 million for this project of a deep injection well in the Golden Gate System. He said when the bids came in and it was awarded last February 2006, the cost was about \$6 million, and with the engineering and inspection services the total budget was now \$6.5 million. Mr. Miles said for a system as small as Golden Gate, a \$3 million growth in the cost of doing the treatment and disposal is very significant. Mr. Sheets asked staff to re-evaluate an alternative of purchasing this capacity from Collier County in lieu of this project for the deep injection well to assure that this change in cost is warranted. He also remarked that when staff was putting together the bond issue in December 2005 and the fiscal year budget of 2006-07 it was clearly more favorable, based on the cost estimates at that time, to go forward. However, with the \$3 million increase in cost, staff was requesting permission from the Board to re-examine this cost to validate if this was the wisest decision, or if this project should be eliminated. Mr. Miles said this was simply a method to evaluate if this was a valid cost compared to the cost of buying the additional capacity from Collier County. Mr. Miles said staff had also attached a Work Authorization to engage GSG to manage this study over the next sixty (60) days. He said they would also be jointly engaging PRMG, Inc. with Collier County to assist in preparing the documents, and staff will then engage ARCADIS US, Inc. to assist with the engineering estimates in preparation of this analysis. Mr. Miles stated that Mr. Sheets may have some additional information that he would like to provide.

Mr. Robert Sheets stated that the Board had discussed this item on several occasions, and when the analysis was completed before, as Mr. Miles stated, the numbers were not in the FGUA's favor to interconnect with Collier County. He said with the new numbers and the fact that they have had some initial discussions with the County, both parties believe it may be in everyone's best interest

to sit down and take another look at this project. Mr. Sheets stated the issue will always be there from Collier County's standpoint that anyone that they connect with on their system, they will impose their own impact fees, and that is an issue the FGUA will need to resolve. He said if this can not be resolved in some form, then the numbers, and ultimately the decision may not change. However, he stated, staff believes it is important to give this a very thorough review, since this is a \$6.5 million decision. He said the dollars that are spent today, even if the decision is to continue forward, will not be dollars wasted, since it will provide a level of assurance for the Board and to demonstrate to the community, that this was the most cost effective approach to handle this situation.

Chairman Thomas stated that she agreed, because having worked with this community over eight (8) years now, it needs to be a thoughtful process since the rates are already pretty high and obviously would have to be increased if the Board decides to move forward on a \$6.5 million project that was not planned. Plus, she believed, it would defer other projects because of the cost. She agreed, it was wise to double check and make sure that the Board was making the most cost effective decision. Mr. Thomas Dick agreed that he felt it was wise. He did ask when was the first cost analysis completed, how long ago? Mr. Miles responded it was approximately eighteen (18) months ago. Chairman Thomas stated at that time the bid came in much higher than anticipated. Mr. Dick asked if there was any trend that these contracting bids are coming down a little bit. Mr. Sweat responded no. Mr. Miles stated that staff does have on the agenda today in Lehigh Acres a bid award on a deep injection well that is down a little bit from the one in Golden Gate. Mr. Dick stated he agreed that it would be prudent to go ahead with an analysis again. Mr. Jim Lavender asked if the contractor, Youngquist Brothers, Inc. would hold the price until the study was complete. Mr. Miles stated they are in a holding pattern with the contractor, because staff was still awaiting the final permit from the Department of Environmental Protection (DEP) so that they can begin construction. He said the contractor has recently moved the well drilling equipment off-site to another job, and this meant they would not be able to come back for approximately sixty (60) days. Staff was hoping to have completed the analysis before they were back, so additional costs are not incurred. Mr. Miles said if they decide to take the other alternative and terminate the contract, there will be some minor costs involved in the termination of the contract.

Mr. Sheets made one more point, even if the Notice to Proceed had been given tomorrow, they could not begin until DEP issued the permit. He said another item that was not mentioned previously, is that during the sixty (60) day window, DEP will need to be kept informed during this process, because the DEP is under the impression that the FGUA is moving forward to solve this issue with the deep injection well project. Therefore, the DEP needed to be advised at each step in this process.

Chairman Thomas asked at what point this cost benefit analysis will provide an answer as to what direction to follow. Mr. Miles responded that it would be pointed out from a financial standpoint what is the most cost effective approach. He said they may find it to be very close, and then it becomes a decision made on grounds other than the financial side. He said that staff believed eighteen (18) months ago, if they had added \$3 million onto the alternative that was selected, it would have been very close, so it is thought when it is reviewed again they will find that the two (2) principle alternatives are very close to each other financially. Mr. Mike Johnson asked if looking at the long term analysis, will the long term operational cost be reviewed. Mr. Miles stated yes, it would be included in the total analysis process.

Chairman Thomas asked for a motion to approve SM 1 Financial Analysis of Options for the Golden Gate Utilities and Approval of Work Authorization GSG 07-31 with Government Services Group, Inc. A motion was made by Mr. Jim Lavender. The motion was seconded by Mr. Thomas

Dick. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

Chairman Thomas said since Mr. Miles had no other items to come before the Board, she moved to Operations.

VIII - Operations

- OP 1** Approval of Work Authorization GSG 07-34 with Government Services Group, Inc. for General Inspection Services for Golden Gate Wastewater Treatment Plant Grit Removal, FGUA Project No. GG 047 serving the Golden Gate Utility System
- OP 1a** Approval of the Budget Amendment 2007-25 to FGUA Project No. GG 047, Wastewater Treatment Plant Grit Removal in the Golden Gate Utility System

Mr. Tarek Fahmy stated staff was recommending approval of OP 1 and OP 1a which is Work Authorization GSG 07-34 for twenty (20) hours of inspection services for the Golden Gate Wastewater Treatment Plant Grit Removal, as well as the approval of Budget Amendment 2007-25 to FGUA Project No. GG 047 in the amount of \$85,000. Mr. Fahmy said this particular work authorization provides for the inspection services for planned grit removal at the Golden Gate Wastewater Treatment Plant. He said currently, it is not working at the desired capacity and to provide the Board with some history the grit removal in Golden Gate is required to keep it working at designed maximum capacity. He said this project for the grit removal will include labor and materials necessary to remove the projected 200 to 250 yards of grit accumulation from the Wastewater Treatment Plant and the anticipated date of completion is sixty (60) days from the Notice to Proceed. He said the amount of this project is \$2,200.00 and the available balance amount would be \$82,800.00. He said that staff was recommending approval of OP 1 and OP 1a.

Chairman Thomas asked for clarification of the total cost of the project. Mr. Fahmy stated that this project was \$2,200.00. Mr. Miles added that there was really two (2) parts, to this project. He stated that the underlying larger project of the two (2) was for \$63,314.55 which is a work authorization with Severn Trent, which the System Manager could approve. However, the inspections for this work requires approval by the Board since it is with GSG, and then the budget amendment that was attached was needed to fund both work authorizations, that was the reason these documents were attached to this agenda item.

Chairman Thomas asked for a motion to approve OP 1 and OP 1a. A motion was made by Mr. Thomas Dick. The motion was seconded by Mr. Jim Lavender. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

- OP 2** Approval of Bid Award to Youngquist Brothers, Inc. and Authorization for the Chair to Execute the Standard Construction Agreement with the Low Bidder for the Class I Deep Injection Well System for FGUA Project No. LE 020 in the Lehigh Utility System
- OP 2a** Approval of Work Authorization GSG 07-32 with Government Services Group, Inc. for General Inspection Services for the Deep Injection Well, FGUA Project No. LE 020 in the Lehigh Acres Utility System
- OP 2b** Approval of the Budget Amendment 2007-26 to FGUA Project No. LE 020,

Wastewater Treatment Facility Backup Disposal in the Lehigh Acres Utility System

Mr. Tarek Fahmy stated that OP 2, OP 2a and OP 2b is for the approval of the bid award to Youngquist Brothers, Inc. and authorization for the Chair to execute the standard construction agreement with the low bidder for the Class I Deep Injection Well in the Lehigh Acres Utility System. He said OP 2a is for the approval of Work Authorization GSG 07-32 and OP 2b is the approval of the budget amendment. Mr. Fahmy said he would be reviewing each one separately. OP 2 is the deep injection well which includes the construction of new Class I Deep Injection Well similar to what is at the Golden Gate Utility System. He said this well is approximately 3,650 feet deep and approximately three-quarters of a mile down and staff had attempted to secure contractors from outside of the State of Florida. Mr. Fahmy stated that staff had contacted contractors from California, Arizona, and Texas and said they were not successful in procuring a lot of contractors who might be interested in this particular project. Unfortunately, there was only one bidder on the job, Youngquist Brothers, Inc. which again was similar to the Golden Gate project. He said the single bid was for \$6,144,295.50 and the time of completion is one (1) year or 365 days pending the Notice to Proceed. Mr. Fahmy said OP 2a was for the approval of Work Authorization GSG 07-32 for the inspection services in the estimated amount of 2,080 hours for this project. He said once the operation started the inspection services would be 24/7. Once the drilling begins the drill does not stop until the completion of the project; so the inspection hours were higher due to the continuous time devoted around the clock. He said also OP 2b was the approval of the Budget Amendment 2007-26 to FGUA Project No. LE 020 for the Wastewater Treatment Facility Backup Disposal.

Chairman Thomas asked for a motion to approve OP 2, OP 2a and OP 2b. A motion was made by Mr. Jim Lavender. Chairman Thomas asked if there was any discussion.

Mr. Thomas Dick asked if the FGUA had the DEP permit for this. He also asked if they were presently in the area. Mr. Fahmy said no the permit had not been issued and to address the other part of his question, the contractor was in Golden Gate and their equipment was at this location. However, once they have the Notice to Proceed then they are ready to mobilize. Mr. Dick confirmed this was a single bid for a \$6 million job. Mr. Jim Lavender asked if staff knew what drove the other two (2) prospective bidders from bidding. Mr. Fahmy stated that they had attempted to get interest from other contractors from out of state. Mr. Lavender asked for clarification if they were all out of state and that was why they did not bid. Mr. Fahmy said perhaps Mr. Sweat could respond better to the question, but he believed that many could not be successful traveling a long distance. Mr. Charles Sweat said they had trouble with maintaining interest with traveling such a distance for one project, and he said as the Board was aware Youngquist Brothers, Inc. is the deep well driller in Florida, there is no one else; they are the expert in this area. He said there were a couple of contractors that showed up at the Golden Gate bid opening, but they were not qualified to do the work, and as it turned out did not bid on the project. Mr. Sweat said Golden Gate was also a single bid. He said this project was also little less than Golden Gate by \$.5 million and the project is a little larger, which answers the question from before have we seen prices coming down. Mr. Sweat stated that Mr. Fahmy went out of his way to attempt to find somebody, even out of state, that would have an interest to come into Florida to be competitive, but there was just not enough of a project for anyone to travel that far for a project this size. Mr. Lavender responded that Lee County's deep wells are all done by Youngquist Brothers, Inc. and, as such could not quarrel with the comments, and said he would like to see the well get drilled for capacity issues as soon as possible. Mr. Sweat also stated there is a Consent Order issue that was not addressed in this abstract, but it is critical in getting the project completed. Mr. Lavender remarked that having one

bid did not bother him either, it being so critical, and having seen the bids come in for Lee County, this bid is in the ballpark. Mr. Sweat agreed with Mr. Lavender it is critical that the project be completed. Mr. Fahmy also mentioned that they had actually looked at two (2) other options, when staff considered piggybacking off of the County or piggybacking off of Golden Gate, but ultimately staff agreed they would get better numbers if it was opened for bid, and stated he believed they did get better numbers on this bid.

Chairman Thomas asked for a second to the motion, it was seconded by Mr. Thomas Dick. Chairman Thomas asked if there were further questions, there being none and all being in favor the motion was unanimously approved.

- OP 3** Approval of Bid Award to Southland Painting Corporation and Authorization for the Chair to Execute the Standard Construction Agreement with the Low Bidder for the Combined Bid for the Painting of Water Treatment Plants for FGUA Project Nos. GG 042, LE 001, LE 062 and PO 021 within the FGUA Utility Systems
- OP 3a** Approval of Work Authorizations GSG 07-24, GSG 07-25, GSG 07-26 and GSG 07-33 with Government Services Group, Inc. for General Inspection Services for the Painting of Water Treatment Plants for FGUA Project Nos. GG 042, LE 001, LE 062 and PO 021 within the Golden Gate, Lehigh Acres and Poinciana Utility Systems
- OP 3b** Approval of the Budget Amendment 2007-27 to FGUA Project No. LE 001, Painting of Tanks and Buildings at Water Treatment Plant in the Lehigh Acres Utility System

Mr. Tarek Fahmy stated OP 3 was the bid award to Southland Painting Corporation and authorization for the Chair to execute the standard construction agreement with the low bidder for FGUA Project Nos. GG 042, LE 001, LE 062 and PO 021. Mr. Fahmy said these projects include painting and maintenance of some of the water treatment facilities that include an elevated storage tank in Golden Gate, Lehigh Acres and Poinciana systems. He said the projects had been combined in an effort to get the best cost effective bid and consistency in the work product. He stated the low bid was submitted by Southland Painting Corporation in the combined amount of \$414,700.00 and would take 180 days for completion. Mr. Fahmy said staff did provide a contract for each project for accounting purposes and had provided a breakdown for each system. Mr. Fahmy stated staff was recommending approval of OP 3, OP 3a and OP 3b.

Chairman Thomas asked for a motion to approve OP 3, OP 3a and OP 3b. A motion was made by Mr. Mike Johnson. The motion was seconded by Mr. Jim Lavender. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

- OP 4** Approval of Work Authorizations GSG 07-22 and GSG 07-27 with Government Services Group, Inc. for General Inspection Services for the Security Improvements for FGUA Project Nos. GG 024 and PO 041 within the Golden Gate and Poinciana Utility Systems

Mr. Tarek Fahmy said OP 4 was the approval of Work Authorizations GSG 07-22 and GSG 07-27 for the Security Improvements of FGUA Project Nos. GG 024 and PO 041. He said after a study of systems improvements, it was decided that there was a need for a fence and cage around the wells. He said some of the wells are remotely located and some are within the plant. He stated he

was contacted by Poinciana to discuss further with the contractor the work that was actually completed and since it was under the \$100,000 it was approved by the System Manager. On these three (3) bids they were over \$100,000 but will be completed by the same contractor, and now had requested to make modifications of the design to meet the Toho requirements. He then stated separate contracts were issued for each system and the breakdown of costs had been provided. Mr. Fahmy said the Notice to Proceed was issued on March 12, 2007 and the scheduled completion date is 100 days, and the approximate completion date is June 19, 2007. He said staff was recommending approval of OP 4.

Chairman Thomas asked for a motion to approve OP 4. A motion was made by Mr. Mike Johnson. The motion was seconded by Mr. Jim Lavender. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

- OP 5** Approval of Change Order No. 2 to the Standard Construction Agreement with Mitchell & Stark Construction Company to Construct a 16-inch Force Main in the Lehigh Acres Wastewater Treatment Plant and Connect it to Homestead Road Force Main, FGUA Project No. LE 028, in the Lehigh Acres Utility System
- OP 5a** Approval of Work Authorization GSG 07-16 with Government Services Group, Inc. (GSG) for General Inspection Services Associated with the Construction of the Interconnect for Homestead Road Force Main at the Wastewater Treatment Plant, FGUA Project No. LE 028 in the Lehigh Acres Utility System

Mr. Tarek Fahmy stated staff was recommending approval of OP 5 and OP 5a on Change Order No. 2 to the standard construction agreement with Mitchell & Stark Construction Company to construct a 16-inch force main to the Lehigh Acres Wastewater Treatment Plant with connection to the Homestead Road Force Main, FGUA Project No. LE 028. Mr. Fahmy stated the base contract included two (2) phases to construct approximately 23,700 linear feet of force main to the Wastewater Treatment Plant. The net change order amount in this recommendation was in the amount of \$49,810.00 and the change order would not result in additional contract time so the completion date was still August 15, 2007. Mr. Fahmy said staff was recommending approval of OP 5 and OP 5a, Work Authorization GSG 07-16, for the general inspection services related to the change for a total amount of \$4,012.00.

Chairman Thomas asked for a motion to approve OP 5 and OP 5a. A motion was made by Mr. Thomas Dick and seconded by Mr. Jim Lavender. Chairman Thomas asked if there were any questions, there being none and all being in favor the motion was unanimously approved.

OP 6 FGUA Communication Plan

Mr. Tarek Fahmy stated that OP 6 would be presented by Ms. Yvette Hartsfield. Ms. Hartsfield stated OP 6 was the FGUA Communication Plan and had been designed as a tool for the FGUA Community Service Representatives (CSRs) to strengthen the image, visibility, and relationship between the FGUA and its member districts. Ms. Hartsfield stated the Plan identifies communication channels, methods, tools and outreach opportunities. It also provides the CSRs the knowledge for the activities currently underway for the FGUA. Ms. Hartsfield stated there are three (3) current activities which include communicating with local municipalities, chambers, HOAs and local builders. Ms. Hartsfield said these activities were being accomplished by the CSRs and it was also contained in the agenda packet each month. She said the Plan also provides a blueprint for communicating emergencies dealing with storms, line breaks, water outages, water shortages and

also the CIP plan. In this way getting the community involved, making sure the UAC Board is familiar with the various facilities that are being put in place and also making them aware of the future budgets. Ms. Hartsfield pointed out that the Plan does not provide specific districts with jurisdictional matters, these matters are explained by the CSRs within the communities at large. She said the Plan was also designed to identify initiatives and activities that each system can undertake to support and advance communication given the limited resources, systematic challenges and communication strategies and strengths that each community should have. Ms. Hartsfield stated if there are any other issues or concerns the CSRs are there to communicate with the public. She mentioned that they went through this process approximately one and a half (1-1/2) years ago and all of the processes mentioned that are being currently performed are provided to the Board members in the Communication Plan. Ms. Hartsfield stated they also provide forms and various emails that can be sent out to the various communities and customers advising them of the various things that are happening. She said they also have on the website the various items, to assure that everyone is on the same page in regards to press releases and those types of items. Ms. Hartsfield concluded by saying that the Communication Plan addresses issues and concerns that the CSR deals with daily and asked the Board for approval of OP 6, the FGUA Communication Plan.

Chairman Thomas asked Ms. Hartsfield if she had seen a change since she had started with the FGUA. Ms. Hartsfield responded yes, she felt that the UAC Board, in particular Mr. Hemingway and the Board members had done an excellent job in providing them the information that they need. She also stated that the community leaders were also being provided excellent information, which meant the FGUA was headed in the right direction, and also a lot of people were targeted. She said, "Now they are coming to us instead of going to the entire staff in making sure they get their answers."

Chairman Thomas responded by saying that it appeared they [residents] were getting more satisfaction. Ms. Hartsfield stated absolutely. Chairman Thomas thanked Ms. Hartsfield for the report and the job that is being done.

Mr. Robert Sheets added that this Plan is a static document, it is the second Plan presented to the Board. He said the staff really wanted to encourage the Board to read through the Plan, because the intent was to reflect the objectives of the Board, the staff, areas where there was concern and he believed when the Board reads through the Plan they will be impressed. He said it was a very thorough conscientious strategic approach as to how a utility get its message out. He said many communities do this type of thing as an ad hoc or reactive form, so he stated they were very fortunate to have this Plan.

Chairman Thomas stated that was the reason for asking Ms. Hartsfield if she could tell a difference in the attitudes and the comments, because she knew she could tell the difference from the limited contact that she has with the communities.

Mr. Sheets stated this was one of those goals that ultimately is never achieved, but we continue to strive to get closer. He said there never seems to be any problem with getting the bad news out, and the challenge for any local government is to make the community aware all of the things that are accomplished that do happen correctly, and this is an excellent way to get the good word out. He said that staff was very proud of this Plan and appreciate the Board's continued support.

Chairman Thomas asked for a motion to approve OP 6 FGUA Communication Plan. A motion was made by Mr. Thomas Dick. The motion was seconded by Mr. Jim 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 Mr. Fahmy to discuss the next agenda item.

- OP 7** Status Update on Work Authorization ST 07-52 with Severn Trent Environmental Services for the Installation of Two 6-by 8-inch Master Water Meters Serving the Golden Gate Utility System Heritage Apartment Complex
- OP 7a** Approval of Inspection Services for Work Authorization GSG 07-30 Associated with the Installation of Two Master Water Meters Serving the Heritage Apartment Complex in the Golden Gate Utility System
- OP 7b** Approval of the Budget Amendment 2007-24 to FGUA Project No. GG 046, Heritage Apartments Master Meters Installation in the Golden Gate Utility System

Mr. Tarek Fahmy stated that OP 7, OP 7a and OP 7b is related to the Heritage Apartment Complex in the Golden Gate Utility System for the installation of two 6-by 8-inch master water meters. He said at the last Board meeting there was information provided to the Board relative to the Heritage Apartments and as a follow-up, he wanted to provide a brief background. He said the Heritage Apartment Complex is comprised of twenty (20) buildings containing sixteen (16) units that were individually metered, and the remote meter is located on each of the twenty (20) buildings. He said the problem with this was the FGUA can not read the meters, since the FGUA has not been granted access to read the meters. This has created a situation where customers have failed to pay, and it has reached an amount of thirty-five (35%) percent not being collected by the FGUA. He said this was shared with the Board at last month's Board meeting, and is now being brought back today with a plan to install master meters to the complex which would be performed by Severn Trent (ST). Mr. Fahmy said the installation of two 6-by 8-inch master meters would be installed within the right-of-way, adjacent to the complex and these meters will provide all service to the twenty (20) buildings that are within this property. He said this approval will allow the System Manager to sign the Work Authorization ST 07-52 with ST to install the master meters. He said the amount for this project is \$76,041.47 and staff recommends approval of OP 7, OP 7a and OP 7b.

Chairman Thomas stated she wanted to clarify this again that staff can not go on the property to read the meters, so where was the master meter going to go? Mr. Fahmy responded that it would be on the right-of-way. Chairman Thomas stated no her real question was that she wanted to know where the bills were going. Mr. Thomas Dick responded it would go to the owner. Chairman Thomas asked what makes us think that the customer is going to pay when he does get the bill. Mr. Charles Sweat responded the difference now is that the FGUA will have access to the water and can shut off service. He said this could however create legal action. Chairman Thomas responded this is what she suspected, that this would take them into legal action. Mr. John Pelham stated it has been anticipated.

Mr. Robert Sheets stated he wanted to assure the Board and the public there is a logical series of steps that are being undertaken. He said before it gets to the point where any service would be terminated there will be considerable communication and discussion, not just with this Board, but with Collier County, the Collier County Utility staff, the Collier County Commissioners, the land owner, and the residents, because this is an issue that can have an impact. Mr. Sheets stated this

has become the only method they have, otherwise the rest of Collier County's customers are subsidizing these customers and staff believes it is a large amount of dollars for a system this size not to address. He said the steps will be taken in a very measured and thoughtful manner.

Chairman Thomas asked if the land owner was going to be charged for the installation cost of \$76,041.47. Mr. Pelham stated that staff will look at that. Chairman Thomas responded that they look into that [the reimbursement of the costs] real closely. Mr. Pelham responded that will be one of the things they will be looking into.

Ms. Hartsfield stated they also have planned on April 3, 2007 a community meeting to advise and discuss with the customers the myriad of steps that the FGUA will be undertaking in regards to the billing. Chairman Thomas asked how the residents were going to be contacted. Ms. Hartsfield responded that staff has the addresses to the apartments and there will also be a public notice and press release in the local newspapers so the residents are aware of the meeting so they can come out and ask the various questions with regards to what is happening at the apartment complex.

Mr. Thomas Dick asked if there were steps that the FGUA could take to prevent this from happening in another instance. He said it appeared that the owner of this building, instead of having master meters, just went in and put in individual meters in the apartments. Mr. Robert Sheets replied that fortunately this is a single incident. This has never been experienced before it is unique in how this situation occurred.

Chairman Thomas asked how long had this been going on. Mr. Charles Sweat replied it had been ongoing for four (4) years. He said he could provide the Board a quick history. He said the plans were originally approved for twenty (20) individual master meters. Mr. Dick said that was one per building. Mr. Sweat responded yes, and when he became involved in this, he had commented that it would have been great to have individual meters, because it would have been a great conservation tool, and have each individual pay their own water bill. The owner said they could not do that, they did not have the funds. Mr. Sweat said that was fine, because it had already been approved for the 20 meters, so he had no problem with this and they would move forward. He said that Mr. Miles and he happened to be in the area to attend a Golden Gate Board meeting some months later after that conversation, so they decided to go by the Heritage Apartments and inspect the facilities. Mr. Sweat said a day or two before he had received a telephone call from the manager stating that they found the money and had installed individual meters for the apartments. Mr. Sweat had asked how they were able to do this and the response was they had changed all the plumbing. Mr. Sweat said it did not seem logical to him, so that's why he decided to drop by the apartments to view what had occurred. He said the manager was there and he and Mr. Miles were invited into an apartment, taken into the kitchen area where the manager opened a closet for them to see. Next to the hot water meter set the water meter. Mr. Sweat said this was not what he had meant, he said he wanted them individually metered and what was now in place was not an approved meter. It would have never have been approved if the owner had asked him, and it was not an accurate meter. So Mr. Sweat stated he told the manager that they could not read the meters. Mr. Sweat said he had tried not to burden the owner with the cost to change everything, so he asked for remote read-outs. So they were able to get remote read-outs, but with the residents having control over pulling the tube off of the meter, the meters did not provide an accurate read. So, he said over the last four (4) years, Ms. Encinosa and he have been notifying the owner about doing something differently and the owner has not cooperated with the FGUA, so now this is the only alternative. Mr. Sweat said the FGUA can not go on private property, the owner did not

complete his developer agreements, did not provide the FGUA easements, and then the only answer is to put the big meters in the right-of-way and then go from there.

Mr. Mike Johnson asked if this would include a condemnation, because you are eliminating sanitary facilities to a residential community, if the water is turned off. Mr. Pelham stated they are working with Collier County and have already had some initial discussions and he believed that Mr. Miles had met with them regarding this and the regulatory authority. He said it certainly could potentially be a bad situation.

Chairman Thomas asked for a motion to approve OP 7, OP 7a and OP 7b. A motion was made by Mr. Thomas Dick. The motion was seconded by Mr. Jim 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 Operation Items to be brought before the Board, there being none, she moved to the Information Items.

OP 8 Other Items

Chairman Thomas said these are the items that are presented every month with the exception of IN 3 and asked if this agenda item needed to be discussed.

IX - Information Items

- IN 1** Status Update on the Florida Governmental Utility Authority (FGUA) Capital Improvement Project (CIP) Program
- IN 2** Status Update on the Integrated Water Resource Management Plan
- IN 3** Status Update on Utility Services for the Town of Dundee

Mr. Robert Sheets stated that it is staff's goal to bring back to the Board in April an interlocal agreement between the FGUA and the Town of Dundee for the services and membership with the FGUA. He said this will be different, in that the FGUA would not own the assets, but will be operating, maintaining and overseeing the City staff.

IN 4 Other Items

Chairman Thomas asked if there was any further discussion on the Information Items, there being none, she moved to the System Manager.

X - System Manager

- SM 1** Financial Analysis of Options for the Golden Gate Utilities and Approval of Work Authorization GSG 07-31 with Government Services Group, Inc.

(See SM 1 under FA 2 for discussion)

Mr. Robert Sheets said he had one other item to bring before the Board that he had received correspondence regarding the Strategic Planning Retreat, and due to the travel schedules and other items, it was now scheduled to take place on the day of the Board meeting on April 19th. He said the Board meeting will take place at 10:00 a.m. so the Strategic Planning Retreat will actually

start immediately after the Board meeting in Bartow, in Room 413. Mr. Sheets stated in this way no one should have to have a night away, it will be completed in plenty of time for everyone to return back home the same day. He said it will be an interesting planning retreat, knowing they have a lot of things in flux, but he said he believed it was important to give the Board the time to sit in a workshop environment.

Chairman Thomas clarified that this was the regularly scheduled Board meeting in April. Mr. Sheets stated that was correct.

Mr. Sheets also brought to the Board's attention a revised draft of the FGUA Board of Directors Meeting Schedule. He asked the Board to please review, that no action was needed to be taken, but if there was anything that creates a problem, then it could be adjusted at the next Board meeting.

Chairman Thomas asked why the meetings were now at 1:00 p.m. Mr. Charles Sweat responded because of the distance to drive. Mr. Sheets replied it was requested. Mr. Sweat stated it had been changed to 1:00 p.m. at the request of Mr. Brian Wheeler because of the driving distance to get there at 10:00 a.m.

Chairman Thomas asked if there were any other SM agenda items to bring before the Board, there being none she moved to Utility Counsel.

SM 2 Other Items

Chairman Thomas asked if there were items to be brought before the Board under Utility Counsel.

XI - Utility Counsel
UC 1 Other Items

Ms. Heather Encinosa stated she had nothing to bring before the Board.

Chairman Thomas asked if there were any items to be brought before the Board under General Counsel.

XII - General Counsel
GC 1 Other Items

Mr. John Pelham stated he had passed out to the Board members and staff a walk-on item GC 1 which was the Acceptance of a Bellalago-Phase 4K conveyance package for the Poinciana Utility System. He said if the Board had any questions specific to the development, perhaps Mr. Sweat could address them. He said this was an item that Avatar Properties, Inc. (API) had brought to staff's attention approximately ten (10) days ago since they were looking to get their clearance from the Department of Environmental Protection (DEP), and before Mr. Sweat could sign it, the conveyance package needed to be completed and walked-on for Board approval today. He said staff was asking the Board to accept the conveyance package and authorize recording of the Bill of Sale and the Utility Easement for this wastewater infrastructure. Mr. Sweat remarked that this is a standard conveyance package, with the exception that it was wastewater only, and in the service area of O&S for the water system.

Chairman Thomas asked for a motion to approve GC 1 to accept the conveyance and authorize the recording. A motion was made by Mr. Thomas Dick. The motion was seconded by Mr. Jim Lavender. 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 Board Items.

XIII - Board Items
BD 1 Other Items

Chairman Thomas said there being no further business to bring before the Board, she adjourned the meeting at 2:15 p.m.

APPROVED BY:



Lea Ann Thomas, Chairman