

**Florida Governmental Utility Authority
Board of Directors Meeting Minutes
Thursday, March 20, 2008 - 10:00 a.m.
Golden Gate Community Center, Room A&B
4701 Golden Gate Parkway
Naples, FL 34116**

Board Members Present:

Doug Meurer, Acting Chairman, Lee County
Robert Knight, Member, Citrus County
Charles Saddler, Member, Town of Dundee
Wayne O'Neal, Member, Hendry County

Staff Present:

Robert E. Sheets, FGUA System Manager, GSG
Crystie Carey, Utility Counsel, Nabors, Giblin and Nickerson, P.A.
John Pelham, General Counsel, Pennington, Moore, Wilkinson, Bell & Dunbar, P.A.
Tarek Fahmy, FGUA Director of Operations, GSG
Yvette Hartsfield, FGUA Community Services Manager, GSG
Dieudonne Thomas, FGUA Community Services Representative, GSG
Barbara Kerby, FGUA Community Services Representative, GSG
Carol Rogers, FGUA Chief Financial Officer
Faith Doyle, FGUA Clerk to the Board, GSG
Steve Spratt, GSG, Director of the Municipal Services
Charles L. Sweat, GSG, Vice-President for Water Resource Consulting
J. Kevin Grace, GSG, Assistant Director of Municipal Services

Guests Present:

Ron VanMeter, Severn Trent
Scott S. Coovert, Lee County Attorney's Office
David Partienheimer, LCSD
Jere D. Carrick, Mirror Lakes-Majestic Golf Course
Tony Paradiso, Mirror Lakes-Majestic Golf Course
David Grist, Lehigh Resort Club
David Fanjoy, Admiral Lehigh Resort
Mark J. Sunyak, RWA Consulting Inc (Hendry County Consultant)

I - Call to Order

Acting Chairman Doug Meurer called the meeting to order at 10:07 a.m.

II - Invocation

Chairman Meurer offered the invocation.

III - Pledge of Allegiance

Chairman Meurer led the audience in reciting the Pledge of Allegiance to the American flag

IV - Public Comment

Jere Carrick owner of the Majestic Golf Course was present to address the Board and seek a resolution to the problems the local golf courses are having as a result of the increase to the reclaimed water rates. Mr. Carrick provided the Board with a brief history of the issues. Prior to the FGUA's acquisition of the Lehigh Acres System, three customers needed additional reuse water and had worked with FWS and negotiated bulk rates so that the golf courses could operate within a sustainable budget. Shortly after this was

accomplished, and about the same time as the golf courses went on line, the FGUA raised rates from 19 cents to 43 cents per thousand gallons for reuse water. Mr. Carrick stated that the golf courses can't operate with the rates as they are. Mr. Carrick realizes that errors have been made on both sides and that when the new rates passed, the golf course owners were under the impression that the rate increase was only the annual CPI adjustment. He indicated that staff has been very cooperative and has worked with them towards an agreement. Mr. Carrick stated that the 19 cent rate was negotiated as part of the original agreement, if this rate had not been in the agreement with FWS he would not have entered into it. Mr. Carrick is looking for a solution, a way to mitigate or abate the fees incurred, he suggested a 5 or 10 year recovery plan. He would like to continue using the water, but doesn't believe that FGUA could drastically raise the rate per their contract or they wouldn't have signed it. As a result of the subdivision and sale of the property, Admiral Golf Course has cut down from 18 to 9 holes. Mr. Carrick requested the Board appoint a committee to work on this issue. Mr. Carrick thanked the Board for their consideration.

Mr. Tony Paradiso, Mr. Carrick's partner in ownership of the Mirror Lakes Golf Course informed the Board that he would like to clear some of the confusion as to the ownership of the Majestic, Mirror Lakes and Admiral Lehigh Golf Courses, they are three separate entities with different owners. Because of recent sales and subdivision of the original tract some of the documents and billing accounts do not indicate the changes. Mr. Paradiso wanted to clarify that their purpose was to make the Board aware that the reuse rate increase was unreasonable and the mandate to receive 400,000 gallons a day was negotiated at a cost of 19 cents or \$2,280 a month. The current rate of 43 cents results in a monthly bill of \$5,160 a month. The reuse water has become the biggest cost to the golf courses. Mr. Paradiso stated that they are in a tough situation and appreciate getting the water, but it must be at a reasonable cost. He agrees with Mr. Carrick that staff has provided options and support there have been positive discussions with staff, but he would like feedback from the Board on solutions.

Mr. David Grist, who sits on the board of directors of the Lehigh Resort Club, stated that in December of 2007 the Club bought 9 holes of the original Admiral Lehigh golf course. The Club now has two issues to deal with the 19 cent rate for reuse water made it difficult to operate the course, but the 43 cent rate makes it almost impossible. Also, the Club hasn't received a bill since taking over the property in December. The Club's other issue is that upon signing the closing documents they had to take over the reuse water for the entire 18 holes but are only operating 9 holes. Mr. Grist stated that if the agreement could be reduced to 200,000 gallons a day, they could work with it.

Mr. David Fanjoy the general manager of the golf course at Lehigh resort thanked the Board for their time. He agrees with what the owners say about the reuse water contract and that at the 43 cent rate, and having to take a minimum of 400,000 gallons a day makes it impossible to operate the golf course. He reported that their use since August has been an average of 200,000 gallons a day. He stated that the course had changed from 90 total irrigated acres to 40 acres. Mr. Fanjoy requested that the Board review the contract and adjust it to what can reasonably be used. Also, the 43 cent per thousand gallon rate makes a financial hardship on his and all the golf courses in the area. Mr. Fanjoy also requested that the billing account be transferred into the timeshare's name so they can pay the bill.

Chairman Meurer asked if any one else wished to address the Board. With no one else requesting to be heard the public comment period was closed.

Mr. Robert Sheets stated that no decision was being requested of the Board without thorough review of the issues and a briefing memo from the staff. A briefing document will be provided giving the Board the past history and a summary of all recent discussions. Staff will also address any questions that the Board has relating to these issues. Mr. Carrick offered his and the other owners and managers assistance at any point and added that a lack of cooperation with the staff has not been a problem. Mr. Carrick hopes there will be a quick resolution. Mr. Sheets stated that staff would bring back the information at the next meeting. Mr. John Pelham added that there is no question that the FGUA has the right to ask the golf course owners to take the water and that the rates set and the actions taken by the Board to date have been correct. Mr. Sheets stated that at present PRMG is conducting a rate study on reclaimed rates. Chairman Meurer stated that Lee County has experienced the same problem and offered to share their experiences with staff.

Mr. Robert Knight requested that the discussions include the option of on site storage tanks at the plants and the Board be provided with a worst case scenario if the golf courses should go bankrupt. Mr. Tarek Fahmy stated that on site storage would not be needed because the infrastructure is in place to immediately send the reuse water to the golf courses. Mr. Knight questioned the amount of reuse water that is credited on the FGUA's water use permits. Mr. Sheets stated that this would be discussed in the briefing memo.

Mr. Grist stated that reducing the amount from 400,000 to 200,000 gallons a day would benefit the golf courses and that he has approached others who would be interested in using the balance of the water. He believes the others purchasing the land will need reuse water for their irrigation. Mr. Grist has been referring to this concept as an irrigation club and there has been interest expressed in participating.

Mr. Knight questioned if the PRMG study was considering different levels of reuse. Mr. Sheets stated that all options are being considered.

Chairman Meurer concluded that this is not a unique problem and the issue of reuse water cost impact for producers and consumers has been evolving. Reuse water is becoming a valuable resource and concerns about its cost and availability will continue to impact Florida into the future.

VI - Minutes Approval of the February 21, 2007 Regular Board Meeting Minutes

Chairman Meurer asked for a motion to approve the February 21, 2008 meeting minutes. Mr. Robert Knight made a motion to approve the minutes. Mr. Charles Saddler seconded the motion. The motion was unanimously approved.

Chairman Meurer then moved to the agenda items and asked if there were any additions and/or deletions to the agenda.

Mr. Knight requested that item CA 5 Approval of Change Order No. 2 to the Standard Construction Agreement with Inliner American, Inc. (Formerly American Water Services Underground Infrastructure, Inc.) for FGUA Project No. GG001 Rehabilitation of the Wastewater Collection System in the Golden Gate System be pulled for discussion.

Mr. Sheets requested that item SM 3 Approval of the Engagement of Nabors, Giblin and Nickerson (NGN) for Utility Acquisition Due Diligence in Pasco County for the FGUA be pulled for a later meeting.

Chairman Meurer request that item OP10 Lehigh Acres Service Area Expansion Request to Petition Lee County Board of County Commissioners for a Letter of Non-Objection be pulled from the agenda.

Mr. Knight made a motion to approve the changes to the agenda which included pulling item SM3 and OP10 and item CA 5. Chairman Meurer seconded the motion. All were in favor and the motion was unanimously approved.

Mr. Robert Sheets introduced and welcomed board member Wayne O'Neal as the Hendry County director. He stated Hendry County presents new and exciting challenges for the FGUA as they bring utilities to virgin areas of the County in anticipation of future growth.

VII - Consent Agenda

CA 1 Approval of Amendment No. 1 to Work Authorization No. AGM GG014 with ARCADIS US, Inc. for Consulting Engineering Services for FGUA Project No. GG014 Wastewater System Collection and Transmission Improvements in the Golden Gate Utility System.

Provided for consideration was Amendment No. 1 to Work Authorization AGM GG 014 with ARCADIS US, Inc. for the services related to the engineering and surveying necessary to obtain easements for existing

and newly designed force mains in the vicinity of Lift Station No. 18 in the Golden Gate Utility System. The existing force main, located by hand excavation, coursed through landscaped and hardscaped areas. A decision to pursue easements instead of installing the new pipeline adjacent to the existing force main was made to avoid costs associated with open-cutting asphalt roadways. ARCADIS will work with FGUA staff by providing survey services and initial contact with property owners to obtain easements in accordance with the contract between ARCADIS and the FGUA. The professional services include survey services, preparation of easement documents and initial contact with property owners. The not-to-exceed cost for these services is \$7,948. Staff recommended approval.

CA 1a Approval of the Budget Amendment 2008-22 (Transfer) to reallocate funding source for Golden Gate Project GG 014

Provided for consideration was budget amendment 2008-22 providing for the reallocation of funding sources from the contingency account to fund Project GG 014 for Consulting Engineering Services for the Wastewater System Collection and Transmission Improvements in the Golden Gate Utility System. Staff recommended approval of Budget Amendment 2008-22 in the amount of \$2,548 per the budget worksheet.

CA 2 Approval of Change Order No. 1 to the Standard Construction Agreement with TLC Diversified, Inc. for FGUA Project No. LE 022 Sewage Collection System Lift Station Rehabilitation in the Lehigh Utility System

Provided for consideration was Change Order No. 1 requesting a change in the scope of work for FGUA Project No. LE 022 that includes the replacement of the wet well access hatches because there are inferior "homemade" and damaged hatches to be cut out and removed from the concrete wet well top slabs and replaced with new aluminum manufactured hatches installed that will include safety nets. This work will require an additional 30 day time extension to the contracted 180 days bringing the total contract completion time to 210 days. Staff recommended approval of Change Order No. 1 to the construction contract with TLC Diversified, Inc. for LE 022 Sewage Collection System Lift Station Rehabilitation in the Lehigh Utility System for the sum of \$7,778.00 and a time extension of 30 days.

CA 3 Acceptance of the FGUA Standard Utility Infrastructure Conveyance and Service Agreement for the Leonard Transportation Center, FGUA Developer Project No. 06-048 LED, Located in the Lehigh Acres Utility System in Lee County, Florida

Provided for consideration was the Standard Utility Infrastructure Conveyance and Service Agreement for the Leonard Transportation Center, a commercial bus station for the Lee County School District and Florida Governmental Utility Authority (FGUA) Developer Project No. 06-048 LED located in Lee County, Florida. The project is located along the West side of Westgate Boulevard and the South side of Leonard Boulevard. Included in this conveyance to the FGUA, is a water distribution and a wastewater collection system. Staff recommended approval of the Standard Utility Infrastructure Conveyance and Service Agreement for the Leonard Transportation Center Utility Facilities that are located in the Lehigh Acres Utility System, Lee County.

CA 3a Acceptance of the Conveyance Close-out Package for the Leonard Transportation Center, FGUA Project No. 06-048 LED, Located in the Lehigh Acres Utility System in Lee County, Florida

Provided for consideration of acceptance was the conveyance close-out package for the Leonard Transportation Center, a commercial bus station in the Lee County School District and Florida Governmental Utility Authority (FGUA) Developer Project No. 06-048 LED located in Lee County, Florida. The water facilities being conveyed to the FGUA consist of 20 linear feet of 8 inch water mains and associated infrastructure. The wastewater facilities being conveyed to the FGUA consist of 12 linear feet of 4 inch force mains and associated infrastructure. The value of assets being contributed to the FGUA is

approximately \$15,025. Staff recommended acceptance of the conveyance and close-out package for the Leonard Transportation Center Utility Facilities that are located in the Lehigh Acres Utility System, Lee County.

CA 4 Acceptance of the Conveyance Close-out Package for Lee Boulevard Central Commercial Center, FGUA Project No. 07-074 LED, Located in the Lehigh Acres Utility System in Lee County, Florida

This item was pulled from the agenda by staff and will be considered at a later date.

CA 5 Approval of Change Order No. 2 to the Standard Construction Agreement with Inliner American, Inc. (Formerly American Water Services Underground Infrastructure, Inc.) for FGUA Project No. GG001 Rehabilitation of the Wastewater Collection System in the Golden Gate System

This item was pulled for further discussion, please see notes below.

CA 6 Approval of Change Order No. 1 to the Standard Construction Agreement with Consolidated Productions Group, Inc., for FGUA Project No. LE053 D.O.T. Misc. Improvements (Gunnery Road Water Main) in the Lehigh Acres Utility System

Provided for consideration was Change Order No. 1 to the Standard Construction Agreement with Consolidated Productions Group, Inc. for FGUA Project No. LE053 D.O.T. Miscellaneous Improvements (Gunnery Road Water Main) in the Lehigh Acres Utility System. This project was designed with 407 lf of 12" HDPE directionally drilled water main under paved streets. This method of crossing paved streets is no longer acceptable by Lee County. Therefore, this work has been deleted and replaced with 407 lf of 24" casing pipe installed by jack and bore and 12" restrained joint DIP water main carrier pipe installed inside the 24" casing which does meet County requirements. Staff recommended approval of Change Order No. 1 to the Standard Construction Agreement with Consolidated Productions Group, Inc., for D.O.T. Miscellaneous Improvements (Gunnery Road Water Main) LE053 with a cost impact of \$122,914.

Mr. Robert Knight made a motion to reconsider the previous motion approving the changes to the agenda which included pulling item SM3 and OP10 and item CA 5 for discussion. Mr. Charles Saddler seconded the motion. All were in favor and the motion was unanimously approved.

Mr. Robert Knight then made a motion to pull items CA4, SM3, OP10 from consideration and item CA5 for discussion. Mr. Charles Saddler seconded the motion. All were in favor and the motion was unanimously approved.

Mr. Robert Knight then made a motion to approve Consent Agenda items CA1, CA1a, CA2, CA3, CA3a and CA6. Mr. Charles Saddler seconded the motion. All were in favor and the motion was unanimously approved.

Chairman Meurer brought item CA 5 to the floor for discussion. Item CA 5 was Change Order No.2 for the reduction in scope of GG001, Rehabilitation of Wastewater Collection System in the Golden Gate Utility System. This project consists of the identification and correction of inflow and infiltration deficiencies in the wastewater collection system in specific areas within the Golden Gate Utility System. The contract cost for these services was \$132,000.00. At the request of GSG, ARCADIS prepared a technical memorandum on monthly rainfall values versus lift station pump run times for the Golden Gate Utility System. Inliner American was directed to investigate and repair deficiencies. When this work was completed, Inliner American was directed to cease work as this project GG001 was no longer viable. At that time Inliner American had invoiced FGUA the sum of \$11,768.00 for work performed, leaving a balance of \$120,232.00 for services no longer required. This Change Order No. 2 serves to deduct this amount from the Construction Agreement. Staff recommended approval of Change Order No. 2 in the deductive sum amount of \$120,232 for construction services not required for

FGUA Project No. GG001 Rehabilitation of the Wastewater Collection System in the Golden Gate Utility System.

Mr. Robert Knight stated that he could not determine from the explanation provided in the abstract why the I & I project in Golden Gate was considered not viable. He requested that in the future more information be provided to clarify why staff is making certain recommendation. In this instance he could not determine if the project was cancelled because there was not enough I & I to be concerned with or that there was too much to be done. Mr. Fahmy indicated that the I & I had been reduced. With no further discussion, Mr. Knight moved to approve item CA 5. Mr. Saddler seconded the motion. All were in favor and the motion was unanimously approved.

VIII - Finance and Administration

FA 1 Status Update on the FY 2006-07 Audit

Ms. Carol Rogers apologized for the audit not being complete. She explained that work is still being done by the auditors to balance out the capitalized interest for the transition of the Poinciana and Citrus Systems. The audit is expected to be presented at the next meeting.

FA 2 Other Items

There were no other finance and administration items to be considered.

IX - Operations

OP 1 Approval of Work Authorization GSG 08-17 with Government Services Group, Inc. (GSG) for the Disaster Recovery Plan for the Golden Gate Utility System

Mr. Fahmy stated that the FGUA prepared its first Disaster Recovery Plan ("DRP") in 2002 for the Golden Gate Utility System. The work authorization provided is for an update to that plan. Events have occurred that necessitate a yearly update regarding the disaster recovery protocol. These events include the addition and upgrading of the physical assets of the Golden Gate Utility System and the corresponding increased customer service base. The Vulnerability Assessment of the Golden Gate Utility System assets, that identified potential natural and terrorist/vandalism (man-made) disasters, brought about an increased level of awareness of the degree of preparedness required and the changes in current protocol to protect the environment, the FGUA's physical assets and to maintain current levels of quality and uninterrupted service to our customers. This updated DRP will focus not only on the expanded Golden Gate Utility System assets and customer base but also on critical issues that will be explored in detail and a plan prepared in accordance with published guidelines of the Florida Rural Water Association's Security & Emergency Management System as detailed in its Emergency Response Plan. These critical issues include: re-examination of the emergency power generation requirements, security, enhanced fuel and chemical storage facilities, enhanced system control and data acquisition capabilities, new, expanded or upgraded operating facilities, site specific measures, measures to ensure the safe delivery of drinking water and measures to ensure the safe conveyance of wastewater to protect the public and the environment. Staff identified the budget impact to be a not-to-exceed fee of \$30,985 and recommended Approval of Work Authorization GSG 08-17 with Government Services Group, Inc. for a Disaster Recovery Plan for the Golden Gate Utility System.

OP 1a Approval of the Budget Amendment 2008-20 (Transfer) to reallocate funding source for Golden Gate Disaster Recovery Plan Expense to be paid to Government Services Group, Inc.

Provided for consideration was budget amendment 2008-20 providing for the reallocation of funds from the contingency account to fund the Golden Gate Disaster Recovery Plan to be paid to Government Services Group, Inc. for \$28,385. Staff recommended approval of Budget Amendment 2008-20 to increase expenditures by \$28,385 per the budget worksheet.

Mr. Charles Saddler moved to approve items OP1 and OP1a. Mr. Robert Knight seconded the motion for discussion. Mr. Knight requested that at the next meeting a proposal be presented for consideration adding to the scope of both systems to get the necessary FEMA training for a GSG employee so that a full recovery of damages from FEMA can be made. Without the training only 95% of costs are eligible for reimbursement. Mr. Fahmy stated he will investigate the certain certifications required and if any GSG employees have them. With no further discussion Chairman Meurer called for a vote. All were in favor and the motion was unanimously approved.

OP 2 Approval of Work Authorization GSG 08-18 with Government Services Group, Inc. (GSG) for the Disaster Recovery Plan for the Lehigh Acres Utility System

Mr. Fahmy stated that the FGUA prepared its first Disaster Recovery Plan (“DRP”) in 2002 for the Lehigh Acres Utility System. This work authorization is an update to that plan. Events have occurred that necessitate a yearly update regarding the disaster recovery protocol. These events include the addition and upgrading of the physical assets of the Lehigh Acres Utility System and the corresponding increased customer service base. The Vulnerability Assessment of the Lehigh Acres Utility System assets, that identified potential natural and terrorist/vandalism (man-made) disasters, has brought about an increased level of awareness of the degree of preparedness required and the changes in current protocol to protect the environment, the FGUA’s physical assets and to maintain current levels of quality and uninterrupted service to the FGUA’s customers. This updated DRP will focus not only on the expanded Lehigh Acres Utility System assets and customer base but also on the below listed critical issues that will be explored in detail and a plan prepared in accordance with published guidelines of the Florida Rural Water Association’s Security & Management System as detailed in its Emergency Response Plan. These critical issues include: re-examination of the emergency power generation requirements, security, enhanced fuel and chemical storage facilities, enhanced system control and data acquisition capabilities, new, expanded or upgraded operating facilities, site specific measures, measures to ensure the safe delivery of drinking water, measures to ensure the safe conveyance of wastewater to protect the public and the environment. Staff identified the budget impact to be a not-to-exceed a fee of \$63,204. Staff recommended approval of Work Authorization GSG 08-18 with Government Services Group, Inc. for a Disaster Recovery Plan for the Lehigh Acres Utility System.

OP 2a Approval of the Budget Amendment 2008-21 (Transfer) to reallocate funding source for Lehigh Acres Disaster Recovery Plan Expense to be paid to Government Services Group, Inc.

Provided for consideration was Budget Amendment 2008-21 providing for the reallocation of funds from the contingency account to fund the Lehigh Acres Disaster Recovery Plan to be paid to Government Services Group, Inc. for \$56,204. Staff recommended approval of Budget Amendment 2008-21 to increase expenditures by \$56,204 per the budget worksheet.

Mr. Charles Saddler moved to approve items OP2 and OP2a. Mr. Knight seconded the motion. With no further discussion Chairman Meurer called for a vote. All were in favor and the motion was unanimously approved.

OP 3 Approval of Work Authorization GSG 08-19 for the Preparation of Environmental Assessments of the Water and Wastewater Treatment Facilities in the Golden Gate Utility System

Provided for consideration was Work Authorization GSG 08-19 for the preparation of Environmental Assessments of the water and wastewater treatment facilities in the Golden Gate Utility System. The Environmental Assessments will be conducted in compliance with protocols established by the EPA concerning environmental audits. Staff will review the existing compliance status of facilities with respect to state and federal environmental laws, identify any deficiencies and provide recommendations of corrective action to be implemented in a work program. Also provided was a memorandum with additional details of the program from the Director of Operations. Staff recommended approval of Work Authorization

GSG 08-19 for preparation of Environmental Assessments for the water and wastewater treatment facilities in the Golden Gate Utility System in the not-to-exceed sum of \$4,963.

Mr. Charles Saddler moved to approve item OP3 and Mr. Knight seconded for discussion. Mr. Knight asked if Mr. Art Dacre was a new employee of GSG. Mr. Fahmy stated that Mr. Dacre has worked for GSG for approximately 1.5 years. Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved.

OP 4 Approval of Work Authorization GSG 08-20 for the Preparation of Environmental Assessments of the Water and Wastewater Treatment Facilities in the Lehigh Acres Utility System

Provided for consideration was Work Authorization GSG 08-20 for the preparation of Environmental Assessments of the water and wastewater treatment facilities in the Lehigh Acres Utility System. The Environmental Assessments will be conducted in compliance with protocols established by the EPA concerning environmental audits. Staff will review the existing compliance status of facilities with respect to state and federal environmental laws, identify deficiencies and provide recommendations of corrective action to be implemented in a work program. Staff recommended approval of Work Authorization GSG 08-20 for preparation of Environmental Assessments for the water and wastewater treatment facilities in Lehigh System at the not to exceed sum of \$9,959.

Mr. Robert Knight moved to approve item OP4. Mr. Saddler seconded the motion. Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved.

OP 5 Approval of Work Authorization GSG 08-21 with Government Services Group, Inc. (GSG) for the Annual Update to the Integrated Water Resources Management Plan for the FGUA Golden Gate Utility System

Provided for consideration was Work Authorization GSG 08-21 with Government Services Group, Inc. (GSG) for services related to the continued administration of the Integrated Water Resource Management Plan (IWRMP) and program implementation for the current fiscal year. Mr. Fahmy stated that on March 21, 2002 the Florida Governmental Utility Authority (FGUA) Board of Directors approved Work Authorization GSG 02-06 for GSG to develop an IWRMP, and the plan was subsequently submitted to the Board at a Workshop meeting held on October 17, 2002. The implementation of the IWRMP for each of the FGUA Systems was a goal adopted by the Board of Directors and approved on September 18, 2003. The last comprehensive update occurred in FY 2007 and underscored the benefits of the IWRMP. GSG is now requesting continuation of the IWRMP in the Golden Gate Utility System. Through FY 2008, GSG will continue the previously developed IWRMP in order to promote prudent usage of the valuable water resources available to the FGUA, as well as any treatment process by-products associated therewith. The Water Use Permit issued for the Golden Gate service area also requires water conservation measures be performed as a condition of the permit, as will all future new permits and the renewal of existing permits. GSG will conduct the IWRMP in association with consulting engineers, the contract operator, and possibly other professional service providers on an as-needed basis. A memorandum was provided with a detailed description of services. Staff recommended approval of Work Authorization GSG 08-21 for the administration of the Integrated Water Resource Management Plan (IWRMP) and program implementation for the current fiscal year in the Golden Gate Utility System.

Mr. Robert Knight moved to approve item OP5. Mr. Saddler seconded the motion. Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved.

OP 6 Approval of Work Authorization GSG 08-22 with Government Services Group, Inc. (GSG) for the Annual Update to the Integrated Water Resources Management Plan for the FGUA Lehigh Acres Utility System

Provided for consideration was Work Authorization GSG 08-22 with Government Services Group, Inc. (GSG) for services related to the continued administration of the Integrated Water Resource Management Plan (IWRMP) and program implementation for the current fiscal year. The last comprehensive update for the

Lehigh Acres System occurred in FY 2007 and underscored the benefits of the IWRMP. GSG is now requesting continuation of the IWRMP in the Lehigh Acres Utility System. Funds in the amount of \$15,000 have been budgeted in Fiscal Year 2008 FGUA Budget. Through FY 2008, GSG will continue the comprehensive IWRMP developed in FY 2007 in order to promote prudent usage of the valuable water resources available to the FGUA, as well as any treatment process by-products associated therewith. The Water Use Permit issued for the Lehigh Acres service area also requires water conservation measures be performed as a condition of the permit, as will all future new permits and the renewal of existing permits. GSG will conduct the IWRMP in association with consulting engineers, the contract operator, and possibly other professional service providers on an as-needed basis. Staff recommended approval of Work Authorization GSG 08-22 for the administration and deployment of the Integrated Water Resource Management Plan (IWRMP) in the Lehigh Acres Utility System.

Mr. Robert Knight moved to approve item OP6. Mr. Saddler seconded the motion. Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved.

OP 7 Approval of Work Authorization GSG 08-23 with Government Services Group, Inc. (GSG) for the Preparation of a Vulnerability Assessment of the Water Treatment Facilities in the Golden Gate Utility System

Provided for consideration was Work Authorization GSG 08-23 for updating the Vulnerability Assessment of the Water Treatment Facilities in the Golden Gate Utility System. The Vulnerability Assessment will be conducted in compliance with EPA protocols concerning vulnerability audits as outlined in the Strategic Plan for Homeland Security, the Emergency Security Rule, and the Public Health Security and Bioterrorism Preparedness and Response Act. GSG will review the existing compliance status of facilities with respect to state and federal environmental laws identify any deficiencies and provide recommendations of corrective action to be implemented in a work program. A memorandum with additional details of the program was provided by the Director of Operations. Staff recommended approval of Work Authorization GSG 08-23 for preparation of a Vulnerability Assessment for the water facilities in Golden Gate Utility System at the not to exceed sum of \$4,982.

Mr. Charles Saddler moved to approve item OP7 and Mr. Knight seconded for discussion. Mr. Knight stated that the price was very reasonable and asked if revisions are needed after agency review would the FGUA be charged more. Mr. Sheets stated that if additional time was required it would be at GSG's cost. Chairman Meurer asked if all recommendations made in the original VA had been implemented. Mr. Fahmy stated that improvements are being made during the course of the various system upgrades. With no further discussion Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved.

OP 8 Approval of Work Authorization GSG 08-24 with Government Services Group, Inc. (GSG) for the Preparation of a Vulnerability Assessment of the Water Treatment Facilities in the Lehigh Acres Utility System

Provided for consideration was Work Authorization GSG 08-24 for updating the Vulnerability Assessment of the Water Treatment Facilities in the Lehigh Acres Utility System. The Vulnerability Assessment will be conducted in compliance with EPA protocols concerning vulnerability audits as outlined in the Strategic Plan for Homeland Security, the Emergency Security Rule, and the Public Health Security and Bioterrorism Preparedness and Response Act. GSG will review the existing compliance status of facilities with respect to state and federal environmental laws identify any deficiencies and provide recommendations of corrective action to be implemented in a work program. Staff recommended approval of Work Authorization GSG 08-24 for preparation of a Vulnerability Assessment for the water treatment facilities in the Lehigh Utility System at the not-to-exceed sum of \$4,982.

Mr. Robert Knight moved to approve item OP8. Mr. Saddler seconded the motion. Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved.

OP 9 Correction of Scrivener's Error on Work Authorization GSG 08-10 Approved by the Board on February 21, 2008

Mr. Fahmy stated that the original agenda item presented as OP 8 on February 21, 2008 erroneously stated that on October 16, 2007 the Florida Department of Environmental Protection (FDEP) completed a Sanitary Survey Report (SSR) for the FGUA's Lehigh Acres Utility System that required the system to prepare and implement a written Cross Connection Control Plan. The Lehigh System's SSR did not specifically state this requirement. However, the implementation of a written Cross Connection Control Plan for the Lehigh Acres Utility System is required per Florida Administrative Code 62-555-360 entitled Cross Connection Controls for Public Water Systems.

Mr. Robert Knight moved to accept the information provided under item OP9. Mr. Saddler seconded the motion. Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved.

OP 10 Lehigh Acres Service Area Expansion Request to Petition Lee County Board of County Commissioners for a Letter of Non-Objection

This item was pulled from consideration by the Board at this time.

OP 11 Other Items

There were no other operational items to be considered.

X - 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 Florida Governmental Utility Authority (FGUA) Community Outreach Program

The Community Outreach Program monthly status report for the previous month was included for review.

IN 3 Status Update on the Florida Governmental Utility Authority (FGUA) Work Authorization under \$100,000

The Work Authorizations under \$100,000 quarterly status report was included for review.

IN 4 Minutes of the February 20, 2008 FGUA Utility Advisory Committee Meeting

The February 20, 2008 FGUA Utility Advisory Committee Meeting Minutes were included for review.

IN 5 First Quarter FY2008 Financial Reports

The first quarter FY2008 Financial Reports were provided for review.

XI - System Manager

SM 1 Acceptance of Resolution No. 2008-132 Adopted by the Pasco County Board of County Commissioners Seeking Membership in the FGUA

Resolution No. 2008-132 that was adopted by the Pasco County Board of County Commissioners seeking membership in the FGUA was presented. The Resolution appropriately approves and adopts the First Amended and Restated Interlocal Agreement Relating to the Establishment of the Florida Governmental Utility Authority. Additionally, the Resolution approves the form of an Interlocal Agreement between the County and the FGUA authorizing the Authority to act on the County's behalf in the acquisition of certain privately owned utility facilities.

SM 1a Approval of the Water and Wastewater Services Interlocal Agreement with Pasco County and Authorization for the Chair to Execute Same on Behalf of the FGUA.

The Interlocal Agreement relating to the acquisition of private utility systems in Pasco County was presented for consideration and contained provisions consistent with agreements between the FGUA and member governments utilized in the past.

SM 1b Approval of Budget Amendment 2008-23 (Transfer) to Reallocate the Funding Source for Utility Acquisition Engineering and Financial Due Diligence, Acquisition Counsel Services and Program Management

Provided for consideration was Budget Amendment 2008-23 providing for the reallocation of funding sources from the Pasco County Services revenue account to fund Utility Acquisition Engineering and Financial Due Diligence and for Acquisition Counsel Services for the potential acquisition of the Aloha, Mad Hatter, Lindrick, Hudson and Holiday Utility Systems located in Pasco County by the FGUA. The funds for the Pasco County Services revenue account will be forward by Pasco County under authority granted in the Water and Wastewater Services Interlocal Agreement (Section 6) with Pasco County. The Budget Amendment will provide funding for the following Work Authorization GSG 08-25 with Government Services Group, Inc. in the amount of \$24,000; engagement of Nabors, Giblin and Nickerson as Acquisition Counsel in the amount of \$72,000 (Per Mr. Robert Knight's direction, this item was not to include the firm name); Work Authorization MP 08-08 with Malcolm Pirnie, Inc. in the amount of \$87,000; Work Authorization BC 08-01 with Brown and Caldwell in the amount of \$87,100 for a total amount of \$270,100 for Pasco County Acquisition Due Diligence. Staff recommended approval of Budget Amendment 2008-23 in the amount of \$270,100 per the budget worksheet.

Mr. Sheets presented the items noting that the budget amendment includes the funds for acquisition counsel and that although the item was pulled from the agenda these funds should remain in place for when legal counsel selection is finalized. These items are for the newest member, Pasco County, to investigate the potential acquisition of utilities. The County has agreed to provide funds for the first two phases of work because the FGUA does not have a general fund and cannot charge the other member governments for acquisitions in other systems. Mr. Sheets stated that any work beyond these first phases would be at risk and that no subcontractors could come back to the FGUA for reimbursement.

Mr. Robert Knight made a motion approving items SM 1, SM 1a and SM 1b with the modification to SM 1b that the acquisition counsel fee of \$72,000 would remain but that a specific acquisition counsel firm would be named at a future meeting. Mr. Charles Saddler seconded the motion. All were in favor and the motion was unanimously approved.

SM 2 Approval of Work Authorization GSG 08-25 with Government Services Group, Inc. (GSG) for Utility Acquisition Due Diligence in Pasco County for the FGUA

Provided for consideration was Work Authorization GSG 08-25 with Government Services Group, Inc. to provide Phase I and Phase II Program Management services for the following individual utilities: 1) Aloha Utilities, Inc.; 2) Hudson Utilities, Inc.; 3) Lindrick Service Corporation; 4) Mad Hatter Utility, Inc.; and 5) Holiday Utilities Systems which consists of a) Virginia City Utility Company; b) Colonial Manor Utility Company; and c) Dixie Groves Utility Company, all located in Pasco County, Florida. Pursuant to the approved interlocal agreement with Pasco County, these expenditures will be funded by Pasco County with the understanding that the County will be reimbursed from the transaction proceeds. Staff recommended approval of Work Authorization GSG 08-25 with Government Services Group, Inc. in the not-to-exceed amount of \$24,000.00 for Phase I and Phase II Program Management services for individual utilities located in Pasco County for possible acquisition by the FGUA.

Mr. Robert Knight moved to approve item SM 2. Mr. Charles Saddler seconded the motion. Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved.

SM 3 Approval of Engagement of Nabors, Giblin and Nickerson (NGN) for Utility Acquisition Due Diligence in Pasco County for the FGUA

This item was pulled from the agenda.

SM 4 Approval of Work Authorization MP 08-08 with Malcolm Pirnie for Utility Acquisition Due Diligence in Pasco County for the FGUA

Provided for consideration was Work Authorization MP 08-08 with Malcolm Pirnie, Inc. providing engineering due diligence efforts by reviewing existing utility records and conducting limited field inspections to evaluate the condition of the Aloha, Lindrick, Mad Hatter, Hudson, and Holiday Utilities, (to include Virginia City, Colonial Manor, and Dixie Groves Systems) and project future capital improvement needs. This work is being done for the possible acquisition of these systems by the FGUA. Pursuant to the approved interlocal agreement with Pasco County, these expenditures will be funded by Pasco County with the understanding that the County will be reimbursed from the transaction proceeds. Staff recommended approval of Work Authorization MP 08-08 with Malcolm Pirnie, Inc. in the not-to-exceed amount of \$87,000 for engineering due diligence for five utility systems located in Pasco County for possible acquisition by the FGUA.

Mr. Robert Knight moved to approve item SM 4. Mr. Charles Saddler seconded the motion. Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved.

SM 5 Approval of Amendment No. 1 to the Professional Services Agreement for Consulting Professional Engineering Services with Brown and Caldwell for FY 2008

Provided for consideration was Amendment No. 1 to the Professional Services Agreement for Consulting Engineering Services with Brown and Caldwell requesting an adjustment to the hourly rate schedule for FY2008. The Professional Services Agreement with Brown and Caldwell was established in 2004 when the FGUA executed the original agreement and has not been amended to date. Brown and Caldwell is requesting an amendment to their consulting engineering contract to reflect their current rates as indicated in the amendment and request letter, dated March 6, 2008. Staff recommended approval of Amendment No. 1 to the Professional Services Agreement for Consulting/Professional Engineering Services with Brown and Caldwell, dated January 15, 2004, and authorization for the Chair to execute said amendment.

SM 5a Approval of Work Authorization BC 08-01 with Brown and Caldwell for Utility Acquisition Due Diligence in Pasco County for the FGUA

Provided for consideration was Work Authorization BC 08-01 with Brown and Caldwell to provide individual preliminary opinions on the financial condition and estimated preliminary probable debt capacity of eight individual utilities consisting of: 1) Aloha Utilities, Inc.; 2) Hudson Utilities, Inc.; 3) Lindrick Service Corporation; 4) Mad Hatter Utility, Inc.; 5) Holiday Utilities Systems which includes a) Virginia City Utility Company; b) Colonial Manor Utility Company; and c) Dixie Groves Utility Company, all located in Pasco County, Florida. The preliminary qualified opinions will be on a consolidated basis for utilities with more than one service area and provided solely to assist FGUA and Pasco County on the probable current and near term ability of the revenue generation from each utility to address fiscal requirements under local government ownership. All work performed will be pursuant to the terms and conditions in the Professional Services Agreement by and between Brown and Caldwell and the FGUA dated January 15, 2004 as amended. Pursuant to the approved interlocal agreement with Pasco County, these expenditures will be funded by Pasco County with the understanding that the County will be reimbursed from the transaction proceeds. Staff recommended approval of Work Authorization BC 08-01 with Brown and Caldwell in the not-to-exceed amount of \$87,100 for preliminary opinions on the financial condition and estimated preliminary probable debt capacity for eight individual utilities located in Pasco County for possible acquisition by the FGUA.

Mr. Robert Knight moved to approve item SM 5 and SM 5a. Mr. Charles Saddler seconded the motion. Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved.

SM 6 Status of Records Management System Procurement

Mr. Sheets reported that staff had conducted a site visit to the City of Casselberry to see a working Laserfische system. A demonstration of the Laserfische system will be provided to the Board at the April 17, 2008 meeting.

SM 7 Status Update on Providing Additional Contract Operations, Maintenance, Customer Service and Billing for the FGUA

Mr. Sheets stated that he has received updated information from US Water/Wade Trim and that he is reviewing it along with FGUA General Counsel and will provide the Board with recommendations at the April meeting.

SM 8 Approval of Resolution 2008-05 of the Board Of Directors of the Florida Governmental Utility Authority, Relating to the Designation of Additional Signatories on the FGUA Capital City Bank Account; Providing for Severability and an Effective Date

Mr. Sheets informed the Board that due to personnel changes, it is necessary to change the employees authorized to sign checks. The current authorized signatories on the Capital City Bank Account are Robert Sheets, System Manager, Charles Sweat, Director of Operations, and David Miles, Chief Financial Officer. Mr. Sheets requested the approval of Resolution 2008-05 authorizing Tarek Fahmy, Director of Operations and Carol Rogers, Chief Financial Officer and Steve Spratt, System Manager's Designee as signatories on the FGUA checking account. Staff recommended approval of Resolution 2008-05 of the Board Of Directors of the Florida Governmental Utility Authority, Relating to the Designation of an Additional Signatory on the FGUA Capital City Bank Account; Providing for Severability and an Effective Date.

Mr. Robert Knight moved to approve item SM 8. Mr. Charles Saddler seconded the motion. Chairman Meurer asked for a vote. All were in favor and the motion was unanimously approved

SM 9 Other Items

There were no other system manager items to be discussed.

XII - Utility Counsel

UC 1 Other Items

There were no utility counsel items to be discussed.

XIII - General Counsel

GC 1 Discussion of Reclaimed Water Rates

This item was discussed under Public Comment. A briefing memo will be provided to the Board of Directors at the April 17, 2008 meeting.

GC 2 Other items

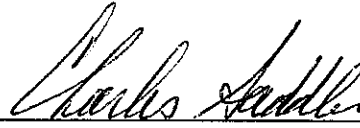
There were no other general counsel items to be discussed.

XIV - Board Items

BD 1 Other Items

Mr. Robert Knight stated that the information he was to forward to all Board members concerning warranty or surety for conveyed infrastructure was erroneously cited as being a requirement of the Citrus County Code. The requirement is part of the Citrus County Land Development Code.

With no additional items to be discussed by the Board, it was adjourned at 11:07 a.m.



Charles Saddler, acting chair