

**Florida Governmental Utility Authority
Board of Directors Meeting Minutes
Thursday, January 21, 2010 - 1:00 p.m.
West Pasco Government Center
Commission Chambers, 7530 Little Road
New Port Richey, FL 34645**

Board Members Present

Lea Ann Thomas, Chair, Polk County
Jim Lavender, Director, Lee County
Robert Knight, Director, Citrus County
Michele Baker, Director, Pasco County
Shane Parker, Director, Hendry County
Chris Rogers, Director, DeSoto County

Staff Present

Robert E Sheets, FGUA Systems Manager, GSG
John Pelham, FGUA General Counsel, Pennington, Moore, Wilkinson, Bell & Dunbar, PA
Heather Encinosa, FGUA Utility Counsel, Nabors, Giblin & Nickerson, PA
Faith Doyle, FGUA Board Clerk, GSG
Tarek Fahmy, FGUA Director of Operations, GSG
Stephen M. Spratt, FGUA Assistant Systems Manager, GSG
Heidi Snyder, FGUA Chief Financial Officer, GSG
Matthew Rihs, FGUA Community Service Representative, GSG
Charles L. Sweat, Vice-President Water Resources, GSG
Kevin Grace, Assistant Director, GSG Contract Services Division

Guests Present

Doug Meurer, Lee County
Gary Deremer, U.S. Water
Mark Henthorne, U.S. Water
Pam Yacobelli, U.S. Water
Craig Dunlap, Dunlap & Associates
Mike Ivrieux, STES
Rich Gardner, STES
Bob Dick, STES
Bob Casey, STES

I - Call to Order

Ms. Lea Ann Thomas called the meeting to order at 1:01 p.m.

II - Invocation

Ms. Lea Ann Thomas offered an invocation.

III - Pledge of Allegiance

Ms. Lea Ann Thomas led those assembled in the pledge of allegiance to the flag.

IV - Public Hearing

PH 1 Public Hearing for the Approval of the FY 2010 Utility System Operating, Debt Service and Capital Budgets for the Future Lindrick Utility System in Pasco County, Florida

Ms. Lea Ann Thomas opened the public hearing at 1:02 p.m. Mr. Stephan Spratt provided a brief overview of the budgets for the future Lindrick Utility System. Ms. Thomas asked if any one present wished to comment on this item. With no one requesting to be heard the public hearing was closed at 1:04 p.m.

PH 1a Approval of Resolution No. 2010-10, FY 2010 Future Lindrick System Operating, Debt Service and Capital Budget

Ms. Michele Baker made a motion to approve Resolution 2010-10. Mr. Robert Knight seconded the motion for discussion. Discussion ensued regarding section two paragraph three of the resolution and the CFO's ability to change line item allocations. Mr. John Pelham provided a clarification. With no further discussion the Chair called for a vote. With all members in favor the motion was unanimously approved.

PH 2 Public Hearing for the Approval of the Final FY 2010 Utility System Operating, and Debt Service Budgets for the Consolidated Utility System

Ms. Lea Ann Thomas opened the public hearing at 1:06 p.m. Mr. Stephan Spratt provided a brief overview of the budgets for the Consolidated Utility System. Ms. Thomas asked if any one present wished to comment on this item. With no one requesting to be heard the public hearing was closed at 1:07 p.m.

PH 2a Approval of Resolution No. 2010-11, FY 2010 Consolidated Systems Operating, and Debt Service and Capital Budget

Ms. Michele Baker made a motion to approve Resolution 2010-11. Mr. Robert Knight seconded the motion. All were in favor and the motion was unanimously approved.

V - Public Comment

No one present wished to address the Board.

VI - Minutes

Approval of the December 17, 2009 Regular Meeting Minutes

Mr. Shane Parker made a motion to approve the December 17, 2009 Regular Meeting Minutes. Mr. Chris Rogers seconded the motion. All were in favor and the motion was unanimously approved.

VII - Consent Agenda

CA 1 Approval of the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with D. Sam Enterprises, LLC. for FGUA Developer Project 05-007 LED, D. Sams Plaza Located in the Lehigh Acres Utility System

Provided for consideration was the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with D. Sam Enterprises, LLC for D. Sam's Plaza located at 4316 Lee Boulevard, Lee County Florida, in the Lehigh Acres Utility System. This project consisted of a 25,127 sq. ft. office/retail building. Construction was completed in May of 2006. The project is one of the projects previously discussed with Board members where it was recently discovered that documentation was missing or insufficient. The water facilities from D. Sam's Plaza connect to the existing 12-inch water main located on the south side of Lee Boulevard and is looped in to connect to the 12-inch water main located on the east side of Gunnery Road. The wastewater facilities connect from a privately owned lift station to the

existing 8-inch force main located on the east side of Gunnery Road. The agreement was signed for the developer by Davoud Samadnejad, who has the authority as the Manager of D. Sam Enterprises, LLC. Staff recommended approval of the FGUA Utility Infrastructure Conveyance and Service Agreement to provide water and wastewater service to D. Sam's Plaza, FGUA Project No. 05-007 LED located in the Lehigh Acres Utility System.

CA 2 Approval of the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Lee Boulevard Office Retail, LLC. for FGUA Developer Project 07-030 LED, Westgate Plaza East Ph 2 Located in the Lehigh Acres Utility System

Provided for consideration was the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Lee Boulevard Office Retail, LLC for Westgate Plaza East Phase 2 located at 5580 8th Street W, Lee County Florida, in the Lehigh Acres Utility System. This project consisted of a 13,588 sq. ft. office/medical office building. Construction was completed in October of 2006. The project is one of the projects previously discussed with Board members where it was recently discovered that documentation was missing or insufficient. The water facilities from Westgate Plaza East Phase 2 connect to the 8-inch water main located on the north side of 8th St. W. The wastewater facilities connect to the 4-inch force main located on the south side of 8th St W. The agreement was signed for the developer by William Ross Hooker, who has the authority as the Managing Member of Lee Boulevard Office Retail, LLC. Staff recommended approval of the FGUA Utility Infrastructure Conveyance and Service Agreement to provide water and wastewater service to Westgate Plaza East Phase 2, FGUA Project No. 07-030 LED located in the Lehigh Acres Utility System.

CA 3 Approval of the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Michael Wayne Management, Inc. for FGUA Developer Project 04-024 LED, P&L Foods Located in the Lehigh Acres Utility System

Provided for consideration was the FGUA Standard Utility Infrastructure Conveyance and Service Agreement with Michael Wayne Management, Inc. for P&L Foods located at 5614 2nd Street W, Lehigh Acres, Lee County Florida, in the Lehigh Acres Utility System. This project consisted of a 40,000 sq. ft warehouse building with 30,000 sq. ft. being used for a service area and 10,000 sq. ft. being used for storage. Construction was completed in December of 2004. The project is one of the projects previously discussed with Board members where it was recently discovered that documentation was missing or insufficient. The water facilities from P&L Foods connect to the 10-inch water main on 2nd Street. The property is currently served by a private septic system. The agreement was signed for the developer by Larry W. Smith, who has the authority as the Director of Michael Wayne Management, Inc. A letter indicating his authority to sign is provided for your information. Staff recommended approval of the FGUA Utility Infrastructure Conveyance and Service Agreement to provide water service to P&L Foods, FGUA Project No. 04-024 LED located in the Lehigh Acres Utility System.

CA 4 Ratification of BC 09-01 Am. No. 1 with Brown and Caldwell, Inc. for the Reallocation of Funds for the Engineering Due Diligence Costs for FGUA Systems Acquisitions

Provided for consideration was Amendment No. 1 to Work Authorization BC 09-01 with Brown and Caldwell for professional services related to the final financial due diligence feasibility studies for utility system asset acquisitions in Pasco County. This work authorization is to reallocate the compensation for each system to provide a more equitable

distribution of the project costs per system. No other changes were made to the work authorization. The original allocation of the compensation allotted the following amounts: First Acquisition \$98,000; Second Acquisition \$52,000; and the Third Acquisition \$75,000; for a total \$225,000. The revised allocation of the compensation is as follows: First Acquisition \$75,000; Second Acquisition \$75,000; and the Third Acquisition \$75,000 for a total of \$225,000. The revised compensation schedule was agreed to by Brown and Caldwell and was utilized in the Consolidated System closing in December. This avoided a circumstance where the smallest system being acquired would have paid the highest fee for the financial feasibility report. Staff recommended ratification of Amendment No. 1 to Work Authorization BC 09-01.

CA 5 Acceptance of Golden Gate Utility Advisory Committee (UAC) Member Resignation

Provided for review and acceptance was a memorandum from Keith Denny, Vice Chair resigning his position as a member of the Golden Gate Utility Advisory Committee. Staff recommended acceptance of the resignation and the approval for staff to solicit applicants to fill the vacant position on the Golden Gate Utility Advisory Committee.

Mr. Shane Parker made a motion to approve the consent agenda items. Mr. Chris Rogers seconded the motion. All were in favor and the motion was unanimously approved.

VIII- Finance and Administration

FA 1 Other Items

There were no finance and administration items to be presented.

IX - Operations

OP 1 Presentation by Severn Trent Environmental Services on the Status of Operations of the Golden Gate and Lehigh Acres Utility Systems

This item was pulled from the agenda at the request of the Chair. The motion made by the Chair was seconded by Mr. Robert Knight. Mr. Knight stated that it was highly unfair to have a presentation by a vendor that was not reviewed by staff prior to its presentation. Mr. Robert Sheets stated that the item would be presented at the February 18, 2010 FGUA Board Meeting.

OP 2 Other Items

There were no other operations items to be considered.

X - Information Items

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

The Status Update on the Florida Governmental Utility Authority (FGUA) Capital Improvement Project (CIP) Program was provided to the Board.

IN 2 Status Update on the Florida Governmental Utility Authority (FGUA) Community Outreach Program

The Status Update on the Florida Governmental Utility Authority (FGUA) Community Outreach Program was provided to the Board.

Ms. Michele Baker stated that the FGUA staff and U.S. Water were quick to respond to the recent cold weather water main breaks and kept County staff well informed of events taking place in the FGUA Pasco Systems.

IN 3 FY2010 Quarterly Financial Reports

The FY2010 Quarterly Financial Reports were provided to the Board. Mr. Robert Knight asked if the Golden Gate System was meeting the capital requirement policy standards. Mr. Stephen Spratt stated that the 90 day capital policy is not being met. However, bond coverage is being met. The inactive account fee receipts are lagging receipt and affecting the first quarter actual numbers. Ms. Thomas asked to be given the detailed history of receipts with the next quarterly reports. Mr. Spratt stated that they would be provided.

IN 4 Report on Work Authorizations Under \$100,000 Approved by System Manager

The report on work authorizations under \$100,000 that were approved by the System Manager was provided to the Board.

IN 5 FGUA News Letter Winter 2010

Michele Baker stated that the County had been contacted by an FGUA customer who believes that having the news letter printed bi-lingual is not necessary. Ms. Baker asked if a cost savings could be realized by not having it printed in Spanish. Discussion ensued on the issue. Mr. Sheet stated that the issue can be addressed at the strategic planning session and he asked staff to research the possible savings of having a separate news letter for the Pasco systems.

XI - System Manager

SM 1 Approval of the Letter of Engagement and Scope of Service for a Detailed Staffing Requirement Analysis of the DeSoto County Utility Department

This item was provided for informational purposes only. No Board action was required.

SM 2 Withdrawal of the Town of Dundee from the Florida Governmental Utility Authority

Provided for consideration was a request to remove the Town of Dundee from membership from the FGUA. Section 3.09(B) of the Amended and Restated Interlocal Agreement establishing the FGUA provides that in the event the Authority does not own, operate, lease, or manage a utility system within the jurisdiction of an Authority Member, the Authority Member may be dismissed by majority vote of all Directors. The last FGUA Board meeting attended by a Dundee representative was July 17, 2008. Since the last appointed representative, Mr. Charles Saddler, left the Town Manager position, the Town has not appointed a replacement. FGUA staff has communicated with the Town staff and was advised to allow time for a new Town Manager to be appointed and assess whether continued membership in the FGUA was desired. There has not been a conveyance by ownership or lease of utility assets by the Town to the FGUA and no utility consulting work has been performed since October 2008. Upon recent contact with the Town staff, they were advised that the Town has

no interest in remaining a member of the FGUA and they would not object to having its membership removed. Removal of the Town member will eliminate a non-participating seat on the Board and properly adjust the quorum requirement for active members. The Town has provided an email to verify their position and agreement to the placing of this item on the agenda. Staff recommended approval of a motion withdrawing the membership of the Town of Dundee from the Florida Governmental Utility Authority in accordance with Section 3.09(B) of the FGUA Interlocal Agreement.

Ms. Michel Baker made a motion to approve the withdrawal of the Town of Dundee from the Florida Governmental Utility Authority. Mr. Jim Lavender seconded the motion. All were in favor and the motion was unanimously approved.

SM 3 Acceptance of Resolution No. 2009-09 Adopted by the City of Polk City's Council Seeking Membership in the FGUA

This item was removed from the agenda for future consideration.

SM 4 Presentation by Staff of the FGUA Communications Plan

Steve Spratt stated that the Florida Governmental Utility Authority (FGUA) Communications Plan is designed as a tool for the FGUA Community Services Representatives (CSR) to help FGUA strengthen the image, visibility and relationship between the FGUA and its member governments. The plan is based on the principle that it is essential to initiate quality communications on a regular basis in order to accomplish these objectives. The plan therefore identifies various communications channels, methods, tools and outreach opportunities for CSRs to optimize the reach, frequency and quality of their dialogue with stakeholders and stakeholder groups. It acknowledges activities currently underway by the FGUA, identifies new avenues of communications, and consolidates them into a reference guide to create additional opportunities for dialogue with stakeholders and the communities-at-large. It also provides a blueprint for communicating emergencies in the event of an unplanned service interruption or water quality threat. The plan does not attempt to address issues that are specific to each service area, such as jurisdictional matters, expansion plans, rates, environmental resource management issues or long-range planning concerns. Rather, it is a general structure within which CSRs can frame their dialogue on these matters within their respective communities. All the FGUA systems are different as are each respective community they serve. Recognizing that, this plan is a guideline. It is designed to identify initiatives and activities that each system can undertake to support and advance communication goals. Given limited resources, systemic challenges and community constraints, the plan will help the FGUA leverage successful communication initiatives.

Mr. Robert Sheets stated that the plan would be reviewed at the upcoming strategic planning session and that the Board's goals and objectives would be incorporated.

SM 5 Approval of a Subordination of Utility Interests by and between the State of Florida Department of Transportation (FDOT) and the Florida Governmental Utility Authority

At the October 15, 2009 meeting the FGUA Board of Directors approved the Standard Utility and Infrastructure Conveyance and Service Agreement with (CSA) with HCGM, LLC and Gardinier Florida Citrus, Inc. (GFC) development to be located within the service territory approved in the Interlocal Agreement with Hendry County dated February 21, 2008 with construction anticipated to begin on or about 2014. As a result of the ongoing planning process for this future development, staff has provided for your review and consideration a Subordination of Utility Interests between FDOT and the FGUA. The document provides for a subordination of utility interests for a right-of-way donation parcel for SR 82 as requested by FDOT. As part of the conditions of a Notice of Intent to Issue for a FDOT driveway permit to benefit the future development which is now part of the FGUA service area and subject to the CSA approved in October 2009, it is a requirement of the developer to donate the

land required for the right-of-way (6665.8 square feet or .15 acres) as illustrated in the sketch provided. FGUA as provider of the utility service in this area is required to provide the Subordination of Utility Interests to FDOT. Staff recommended approval of the Subordination of Utility Interests between FDOT and the FGUA for the future development in the Hendry County FGUA service territory as provided.

Mr. Shane Parker made a motion to approve item SM 5 Approval of a Subordination of Utility Interests by and between the State of Florida Department of Transportation (FDOT) and the Florida Governmental Utility Authority. Mr. Robert Knight seconded the motion. All were in favor and the motion was unanimously approved.

SM 6 Election of FGUA Officers for 2010

Mr. Robert Sheets stated that because of the increase in the number of Directors currently seated on the FGUA Board that it would be prudent to have a second vice chair.

Mr. Robert Knight made a motion to nominate Ms. Lea Ann Thomas as Chair. Mr. Jim Lavender seconded the motion. Ms. Lea Ann Thomas accepted the nomination. A vote was taken and all members were in favor of Ms. Lea Ann Thomas serving a Chair to the FGUA Board of Directors.

Mr. Jim Lavender made a motion to nominate Mr. Robert Knight as first vice-chair and Ms. Michele Baker as second vice-chair. Mr. Knight and Ms. Baker accepted the nominations. The motion was seconded by Mr. Shane Parker. All were in favor and the motion was unanimously approved.

SM 7 Other Items

Mr. Robert Sheets stated that the Board had been provided with handouts of the 2009 Strategic Planning documents included Dr. Mel Juardo's final report to review and use in preparation for the 2010 session planned to be held in conjunction with the March 18, 2010 meeting. The Board gave their consensus that the March 18, 2010 meeting start at 9:00 a.m.

XII - Utility Counsel

UC 1 Approval of FGUA Resolution No. 2010-09 Authorizing the Issuance of Florida Governmental Utility Authority Revenue Bonds (Lindrick Utility System) Series 2010 for the Lindrick Utility System Acquisition, and Authorization for the FGUA Utility Officers to Perform Certain Other Actions Related to Closing for the Acquisition Transaction

Provided for consideration was FGUA Resolution No. 2010-09 authorizing the issuance of Florida Governmental Utility Authority Utility Revenue Bonds (Lindrick Utility System) Series 2010, in one or more series of tax-exempt and taxable bonds (the "Bonds") for the primary purpose of acquiring facilities located in Pasco County, Florida and making capital improvements to such facilities. The Resolution approves the form of Indenture of Trust and Supplemental Indenture of Trust with respect to the Bonds, authorizes the negotiated sale of the Bonds pursuant to a Bond Purchase Agreement with Wachovia Securities upon meeting certain parameters, appoints Wells Fargo, National Association as trustee and paying agent for the Bonds, approves forms of the Official Statement and Continuing Disclosure Agreement related to the Bonds, upon recommendation of the Authority's financial advisor, authorizes the use of municipal bond insurance for the Bonds, and makes certain findings

and provides direction on certain other matters in connection with the issuance of the Bonds and acquisition of the Lindrick Utility System. In addition to the acquisition of the Lindrick Utility System, the Resolution authorizes the officers of the Authority to perform certain other actions required for implementing the initial capital improvements project for the Lindrick Utility System. Mr. Chris Traber of Nabors Giblin, Bond Counsel, gave an overview of the Resolution and noted that the true interest cost cap in Section 5 (A) of the Resolution needs to be increased to 6.5% per annum. Staff recommended that the Board approve Resolution No. 2010-09 authorizing the acquisition of the Lindrick Utility System and authorizing the officers of the Authority to perform other certain actions required for the completion of the Lindrick Utility System acquisition transaction, including the execution and delivery of the financing and acquisition documents.

Ms. Michele Baker made a motion to approve Resolution No. 2010-09 authorizing the acquisition of the Lindrick Utility System and authorizing the officers of the Authority to perform other certain actions required for the completion of the Lindrick Utility System acquisition transaction, including the execution and delivery of the financing and acquisition documents and contingent upon a maximum interest rate of 6.5% using the most prudent financing option. Mr. Robert Knight seconded the motion. All were in favor and the motion was unanimously approved.

UC 2 Authorization for the Chair to Execute the Compensation Agreement, General Terms and Conditions, and Transition Agreement with U.S. Water for the Utility System Operations, Billing and Customer Service of the Systems to be Acquired from Lindrick Service Corporation and Pasco Reserve, Inc. that are Located in Pasco County, Florida

Provided for consideration was the Lindrick Utility System Compensation Agreement between the FGUA and U.S. Water/Wade Trim LLC to provide for the provision of Utility Services to the Lindrick System, effective on the date of acquisition through September 30, 2014. The agreement follows the same basic format utilized for the Aloha and Consolidated Systems and is constructed to be in conformance with the existing General Terms and Conditions Agreement. The Compensation Agreement establishes the initial rate of compensation as follows: Basic Operations and Maintenance Services Fee at an annual rate of \$647,159; Basic Billing and Customer Services Fee at an annual rate of \$204,366. These fees are consistent with the Financial Feasibility Report and are included in the FGUA budget submitted as a companion item on this agenda. The Compensation Agreement also includes a map of the service area (Appendix A), a staffing plan (Appendix C) and a Transition Plan (Appendix D). This transition plan details how U.S. Water/Wade Trim LLC and the FGUA will successfully transition ownership and operation of the Lindrick System, including transition activities, staffing, and a schedule. This plan also provides for the suspension of certain contract provisions during a 9-month transition period (unless another time period is noted therein) to allow U.S. Water/Wade Trim LLC the time to conform systems and procedures to FGUA service delivery standards and expectations. Staff recommended the Board approve the Lindrick System Compensation Agreement with all attached appendices.

Mr. Robert Knight made a motion to authorize the Chair to Execute the Compensation Agreement with U.S. Water for the Utility System Operations, Billing and Customer Service of the Systems to be Acquired from Lindrick Service Corporation and Pasco Reserve, Inc. that are Located in Pasco County, Florida. Ms. Michele Baker seconded the motion. All were in favor and the motion was unanimously approved.

UC 3 Approval of First Amendment to the Bulk Water Agreement with Pasco County, Florida

This item was removed from consideration and will be presented at a future meeting.

UC 4 Approval of the Amended Agreement for Compliance Between the Southwest Florida Water Management District and the Florida Governmental Utility Authority as Owners of the Former Aloha Utilities, Inc. Utility System

Provided for consideration was the Amended Agreement for Compliance between the Southwest Florida Water Management District (SWFWMD) and the Florida Governmental Utility Authority (FGUA) as Owner of the Former Aloha Utilities, Inc. Utility System now known as the FGUA Pasco Utility System serving areas in Pasco County. The agreement provides corrective actions and a Groundwater Withdrawal Compliance Plan that has been agreed to by the SWFWMD once approved by the FGUA Board of Directors the agreement is subject to review and approval by the Pasco County Board of County Commissioners. The agreement is also subject to the Pasco BOCC approving the FGUA's First Amendment to the Bulk Water Agreement with Pasco County that is provided for your consideration under agenda item UC 3. Ms. Baker asked how the utility was doing with regard to the compliance schedule. Mr. Fahmy replied that the FGUA was on schedule. It was recommended that the Board approve the Amended Agreement for Compliance Between the Southwest Florida Water Management District (SWFWMD) and the Florida Governmental Utility Authority (FGUA) as Owners of the Former Aloha Utilities, Inc. Utility System now known as the FGUA Pasco Utility System subject to the Pasco BOCC approving the FGUA's First Amendment to the Bulk Water Agreement with Pasco County.

Mr. Robert Knight made a motion to approve the Amended Agreement for Compliance Between the Southwest Florida Water Management District (SWFWMD) and the Florida Governmental Utility Authority (FGUA) as Owners of the Former Aloha Utilities, Inc. Utility System now known as the FGUA Pasco Utility System subject to the Pasco BOCC approving the FGUA's First Amendment to the Bulk Water Agreement with Pasco County. Ms. Michele Baker seconded the motion. All were in favor and the motion was unanimously approved.

UC 5 Approval of Resolution 2010-12 of the Florida Governmental Utility Authority Directing and Authorizing the First Addendum to the Agreement for Purchase and Sale of Water and Wastewater Assets for the Lindrick Utility System and Authorizing the Chairman to Execute the Same

Provided for consideration was Resolution 2010-12 providing for the First Addendum to the Agreement for Purchase and Sale of Water and Wastewater Assets for the Lindrick Utility System. The Agreement for Purchase and Sale of Water and Wastewater Assets was entered into on December 3, 2010, for FGUA's purchase of the utility facilities owned by Lindrick Service Corporation ("Lindrick") and Pasco Reserve, Inc. ("Pasco Reserve"), (collectively, the Utility Facilities") pursuant to FGUA Resolution No. 2010-01. The Agreement provided a closing and termination date of January 31, 2010. The FGUA has been unable to secure the financing necessary to close on the transaction by January 31, 2010. It is in the best interests of the FGUA to extend the closing date and termination date to February 28, 2010, in order to continue to secure the necessary financing. Staff recommended approval of Resolution 2010-12 of the Florida Governmental Utility Authority Directing and Authorizing the First Addendum to the Agreement for Purchase and Sale of Water and Wastewater Assets for the Lindrick Utility System and Authorizing the Chairman to Execute the First Addendum.

Mr. Robert Knight made a motion approving of Resolution 2010-12 of the Florida Governmental Utility Authority Directing and Authorizing the First Addendum to the Agreement for Purchase and Sale of Water and Wastewater Assets for the Lindrick Utility System and Authorizing the Chairman to Execute the Same. It was noted that the revised agreement extends the closing date from January 31, 2010 until March 15, 2010 not February 28, 2010 as was provided in the agenda item distributed earlier. Ms. Michele Baker seconded the motion. All were in favor and the motion was unanimously approved.

UC 6 Other Items

There were no other utility counsel items to be considered.

XIII - General Counsel

GC 1 Approval of an Amendment to the Management Services Agreement with Government Services Group, Inc. for Management Services Related to the FGUA Lindrick Utility System Located in Pasco County, Florida

Provided consideration was a proposed Amendment to the Amended and Restated Management Services Agreement by and between the Florida Governmental Utility Authority and Government Services Group, Inc. ("Amended and Restated Agreement") to provide for extension of management services to the Lindrick Utility System in Pasco County ("Lindrick System"). The proposed amendment amends Section 2.10 (A) of the Amended and Restated Agreement to add compensation for Basic Services to the Lindrick System. Both a clean and blackline version are provided. The management fee for the Lindrick System for FY 2009/2010 is \$105,000.00 on an annualized basis. The actual fee for the remaining eight (8) months of the fiscal year is \$70,000.00. This amount is the amount that has been used in the financial feasibility review of the acquisition of the Lindrick System. The Amendment provides that it shall be effective as of the date of acquisition of the Lindrick System. The amendment also adjusts the CIP Administration Fee for FY 2010 to recognize the overall reduction in capital improvement projects across all FGUA systems and the resulting reduction in the CIP Administration fee even after addition of the Lindrick System. The reallocation of staffing results in a total fee of \$1,191,451.00. Due to the significant reduction in capital projects in the Lehigh System, it is recommended that the reallocation of CIP Administration resources result in a reduction of the fee attributable to the Lehigh System. As provided in Section 2.10(B) a reallocation of the revised fee has been negotiated with the Manager and is proposed as follows for FY 2010 as follows:

Golden Gate	\$193,522.00
Lehigh	\$521,605.00
Aloha	\$260,295.00
Lindrick	<u>\$216,029.00</u>
Total	<u>\$1,191,451.00</u>

All other provisions of the Amended and Restated Agreement remain in full force and effect.

Staff recommended that the Board approve the Amendment to the Amended and Restated Management Services Agreement by and between Florida Governmental Utility Authority and Government Services Group, Inc. (Lindrick Amendment dated January 21, 2010).

Mr. Robert Knight made a motion to approve the Amendment to the Management Services Agreement with Government Services Group, Inc. for Management Services Related to the FGUA Lindrick Utility System Located in Pasco County, Florida. Mr. Chris Rogers seconded the motion. All were in favor and the motion was unanimously approved.

GC 2 Other items

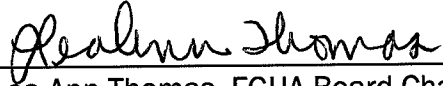
There were no other general counsel items to be presented.

XIV - Board Items

BD 1 Other Items

Michele Baker stated that because her attendance is required at Pasco County Development Review Committee meetings that are schedule every other Thursday she would be unable to attend many of the FGUA meetings unless the date, time or locations were changed. Discussion ensued on alternative schedules. The clerk was requested to work with Ms. Baker and Pasco County staff on revising the FGUA 2010 Board of Directors Schedule. The Board also gave its consensus to have the March 18, 2010 strategic planning session to begin at 9:00 a.m. and to have the regular meeting immediately following its conclusion.

The meeting was adjourned at 1:50 p.m.



Lea Ann Thomas, FGUA Board Chair

Faith Doyle

From: Steve Spratt
Sent: Tuesday, January 12, 2010 3:46 PM
To: Faith Doyle; John Pelham; Robert Sheets
Subject: FW: SM 2 abstract Dundee withdrawal

Fyi.

Steve Spratt
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From: Joe DeLegge [<mailto:jdelegge@gmail.com>]
Sent: Tuesday, January 12, 2010 3:32 PM
To: Steve Spratt
Subject: Re: SM 2 abstract Dundee withdrawal

Steve:

I reviewed the item with the Town Manager and he agrees it reads OK.

Thanks,
Joe

On Tue, Jan 12, 2010 at 12:00 PM, Steve Spratt <SSpratt@govmserv.com> wrote:
Joe-

Good talking with you yesterday. As discussed, attached is the draft Board item to remove the Town membership from the FGUA Board. Let me know if it reads OK to you and if anything needs to be modified. We're trying to get it out in an agenda packet by COB tomorrow. Thanks.
Steve Spratt