

**BOARD OF DIRECTORS MEETING
GREATER LAKE CITY REGIONAL UTILITY
APRIL 17, 2007 * CITY HALL**

The Board of Directors for the Greater Lake City Regional Utility, met on April 17, 2007, at 6:00 P.M. in the Council Chambers on the second floor of City Hall located at 205 North Marion Avenue, Lake City, Florida.

ROLL CALL AND CALL TO ORDER

1. Chairman Robertson called the meeting to order at 6:00 P.M. and indicated all Board Members were present.

BOARD OF DIRECTORS PRESENT:

John Robertson, Chairman of the Board
George Ward, Vice Chairman
Eugene Jefferson, Director
Mike Lee, Director
Stephen Witt, Director

PLEDGE OF ALLEGIANCE

INVOCATION – EUGENE JEFFERSON

1. **MINUTES – BOARD MINUTES OF FEBRUARY 13, 2007**
Mr. Lee made a motion to approve the February 13, 2007 minutes as published. Mr. Jefferson seconded this motion. The motion carried unanimously on a voice vote.

2. **APPROVAL OF AGENDA**

Mr. Robertson added one item at Mr. Reynolds request, 10. D. Award of bid for 20" and 30" Pipe, Accessories & Fusing to Ferguson Waterworks. **Mr. Witt made a motion to approve the agenda as amended and Mr. Jefferson seconded the motion.** A roll call vote was taken and the motion passed unanimously.

Stephen Witt	-	Aye
Eugene Jefferson	-	Aye
George Ward	-	Aye
Mike Lee	-	Aye
John Robertson	-	Aye

PUBLIC COMMENTS – NONE

3. A. **STEW LILKER PRESENTATION**

Mr. Lilker read a letter from the County's consultant which said his proposal for the Gateway Regional Utility Authority was an excellent document. His report stated the following: Payment by the Authority for the Lake City Regional Utility and the Ft. White Utility. Lake City and Ft. White would be paid the appraised value of the respective utilities. Mr. Lilker read a letter he received from the County Manager, Mr. Dale Williams. Mr. Robertson informed him that this would become a part of the minutes. Mr. Williams outlined his thoughts, via email, on a proposed Gateway Regional Utility Authority. Mr. Williams stated he will ask the County Board to support the major points of the GRUA proposal and is requesting the Utility Board to do the same. When first proposed to our City Council in 1998, there was no support from the County for a joint regional concept. In 2006, the City, by Ordinance, created the Greater Lake City Regional Utility Authority, establishing the framework for a regional utility. Then, as now, the City is the sole provider of utilities (water and wastewater) in the City and in parts of the unincorporated area. All water and wastewater infrastructure located in the unincorporated area (except privately owned water utilities) has been paid for by the City. Mr. Robertson stated he could see no reason to expend funds to

create a third party utility. He stated we should work together for the common good of both governments to produce a final product within the existing framework. Mr. Robertson stated a consideration associated with a third party utility is the cost of purchasing and compensating the City for the value of its existing utilities and the financial impact of this purchase for a third party utility. All current bonds, issued to the City of Lake City would need to be recalled and reissued in the name of a third party utility with revenues from existing customers pledged for repayment of the new bond debt. Interest rates would be higher than current rates. This would not generate any revenue for operation, maintenance, expansion and enhancement of any of the existing system nor, the acquisition of the Ft. White system which would be an additional debt for a third party utility. Mr. Robertson stated he had concerns about Mr. Lilker's proposal of a seven-member board of directors, three from Columbia County, three from Lake City and one from the Town of Ft. White. Mr. Robertson stated this would place the City at a disadvantage because control of the third party utility board would be vested in the County because Ft. White is more closely allied with the County. Mr. Robertson said he does not support the City totally divesting itself of current City utilities. Mr. Robertson stated the Board remains committed and dedicated to attempting to find the common ground that will result in a true regional utility. Mr. Robertson then inquired why there was so much emphasis in creating a third party utility rather than working together within the existing framework, and modifying what we have to make it acceptable to the County. Mr. Lilker stated he went to Ft. White and they didn't indicate that they were interested in being part of a regional utility. Mr. Ward stated that we need to move forward and make this a true regional utility, whether under the City's regional utility or the document the County has produced. Mr. Lee commented that he has a concern if the City builds a \$25-\$30 million dollar plant, and then the City has to pay this expense alone, rates will have to go up. Mr. Lee also said that if there were two utilities, he doesn't think he would want to move forward with building a \$25 million dollar plant, because if we aren't guaranteed a customer base, this would be risky. After some discussion, Mr. Robertson concurred with Mr. Lee that he is in favor of building the plant at 3 million gallons capacity. Mr. Lee stated that perhaps another Joint City/County Meeting could be planned. Mr. Robertson stated that we should continue with the Subcommittee Meetings. Mr. Robertson directed Mr. Reynolds to work with Mr. Williams to get another Utility Subcommittee Meeting scheduled to specifically discuss the creation of a third party utility and any other items that may be necessary. Mr. Ward stated that after this meeting, a joint City/County meeting could be scheduled after each entity met with their respective boards. Mr. Jefferson said that he would like to go on record as supporting the concept of one regional utility. Mr. Ward stated that at the last joint City/County meeting both Boards were able to vote and he would like to see this at the next joint meeting as well.

4. **OLD BUSINESS**

A. **Approval of Strategic Planning and Marketing Position Description**

Mr. Reynolds stated this position has been approved and budgeted for mid-year. Mr. Reynolds has prepared a position description and, with Board approval, will start advertising for this position. **Mr. Lee made a motion to approve the Strategic Planning & Marketing Position description as written. Mr. Ward seconded the motion.** A roll call vote was taken and the motion passed unanimously.

Mike Lee	-	Aye
George Ward	-	Aye
John Robertson	-	Aye
Stephen Witt	-	Aye
Eugene Jefferson	-	Aye

5. **CONSENT AGENDA**

Mr. Witt made a motion to approve the consent agenda. Chairman Robertson seconded the motion. A roll call vote was taken and the motion passed unanimously.

Stephen Witt	-	Aye
John Robertson	-	Aye
George Ward	-	Aye
Mike Lee	-	Aye
Eugene Jefferson	-	Aye

6. **NEW BUSINESS**

A. **PACKAGE TREATMENT PLANT ACCEPTANCE POLICY PRESENTATION**

Mr. Reynolds stated that the current capacity balance at the Wastewater Treatment Facility is almost used up. Mr. Reynolds stated that we are trying to come up with a policy to offer some different options for developers. We would like board approval to move forward to meet with the County to make sure that we are all working together. Mr. Robertson questioned if we were going to develop standards for the package plant or will the County develop these standards and present them to the City? Mr. Reynolds stated the County has not presented any standards to us at this time. Mr. Henry Sheldon gave a presentation on our service goals and policies and briefly described the City's plan for each goal and answered the Board's questions. **Mr. Ward made a motion to adopt and approve the wastewater service goals and policies as presented. Mr. Jefferson seconded the motion.** A roll call vote was taken and the motion passed unanimously.

George Ward	-	Aye
Eugene Jefferson	-	Aye
Mike Lee	-	Aye
John Robertson	-	Aye
Stephen Witt	-	Aye

B. **TARGET LINE EXTENSION**

Mr. Reynolds gave a presentation on increasing the water pressure to help fight fires at the Target Distribution Center which had previously been approved for their fire suppression pressures. By increasing the pressure we will also be able to help fight fires north of the Target Distribution Center. We would like to extend the 12" water main 1,000 feet at a cost of approximately \$26,000. **Mr. Witt made a motion to extend the Target line extension 1,000 feet. Mr. Jefferson seconded the motion.** A roll call vote was taken and the motion passed unanimously.

Stephen Witt	-	Aye
Eugene Jefferson	-	Aye
George Ward	-	Aye
Mike Lee	-	Aye
John Robertson	-	Aye

C. **TAP FEE WAIVER REQUEST**

- Habitat for Humanity
- Lake Shore Hospital Authority

Mr. Reynolds stated that Habitat for Humanity is requesting waiving tap fees on four properties. **Mr. Ward made a recommendation that we waive the tap fees on all four properties in the total amount of \$2380. for the Habitat for Humanity. Mr. Lee seconded the motion.** A roll call vote was taken and the motion passed unanimously.

George Ward	-	Aye
Mike Lee	-	Aye
John Robertson	-	Aye
Stephen Witt	-	Aye
Eugene Jefferson	-	Aye

Mr. Reynolds said that the Lake Shore Hospital Authority was requesting a donation and that the City could waive their tap charges of \$6,911. **Mr. Lee made a motion to waive the tap fee in the amount of \$6,911. for the Lake Shore Hospital Authority. Mr. Jefferson seconded the motion.** A roll call vote was taken and the motion passed unanimously. Mr. Lee made a comment that we should discuss the Hospital's plans for the future. At some point when that property is developed, we might possibly recover some of this \$6,911 from property that the Hospital may lease.

Mike Lee	-	Aye
Eugene Jefferson	-	Aye
George Ward	-	Aye
John Robertson	-	Aye

D. AWARD OF BID ITB-011-2007 FOR 20" AND 30" PIPE, ACCESSORIES & FUSING

Mr. Reynolds stated this pipe is needed to complete the 20" line extension out to the plant. He stated the 30" is to go to the Phillips property. This is being done with bond money. **Mr. Lee made a motion to award the bid to the lowest bidder, Ferguson Waterworks in the amount of \$311,347.04. Mr. Ward seconded the motion.** Chairman Robertson stated this item would be put on the Special Meeting Agenda for April 25, 2007.

7. REPORT OF THE GENERAL MANAGER

A. WASTEWATER PROJECT UPDATE

Mr. Reynolds reported that he was going to contact our Legislative Delegation regarding the CBIR request. Mr. Reynolds distributed a letter from the Governor's Office regarding the Enterprise, Florida, Rural Infrastructure Grant Fund, stating that we have been awarded \$207,950. Mr. Reynolds said we are eligible to receive up to \$25 million dollars in pre-construction funds from FDEP State Revolving Fund for the upgrade to the new wastewater treatment facility. Mr. Reynolds said the USDA Rural Services Loan & Grant Program application is almost complete. The final step is the JEA engineering contract which we are currently working on. Mr. Reynolds said we are working with Florida Forever Land Acquisition Program. Currently, the City of Lake City has \$6.6 million dollars available to us through this program. Out of 180 acres we are looking at, 130 acres are fundable. This grant request will be between \$3 and \$4 million dollars because the State will only award based on the assessed fair market value of the property. Mr. Reynolds stated we had applied for our State Tribal Assistance Grant (STAG) for \$5 million dollars. Mr. Reynolds has already met with the Federal Delegation but money is very tight on the Federal level.

B. INTERGOVERNMENTAL RATE STUDY UPDATE

Mr. Reynolds stated that we had sent out an RFQ for an Intergovernmental Rate Study. Mr. Reynolds stated that we received just one response to our request. Mr. Reynolds said we may be required to rebid again. Mr. Darby will review our purchasing ordinance to see if we need to rebid. Mr. Reynolds also wanted to apprise the County Manager because they would be paying for it. The County Manager is out of the office this week.

C. FY 08 BUDGET CALENDAR – WORKSHOPS/WORK PLAN

Mr. Reynolds stated he has informed the Utility Directors to start the budget process. Mr. Reynolds would like the Board to consider the City Council Budget Workshops. Mr. Reynolds suggested the week of July 9 through July 13.

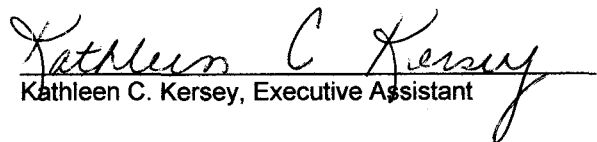
Mr. Robertson stated the items to be placed on the Special Meeting of the Utility Board for April 25, 2007 and if approved, to be placed on City Council Special Meeting Consent Agenda immediately following the Special Meeting on April 25, 2007:

- Award of Bid ITB-011-2007 20", 30" Pipe, Accessories & Fusing
- Award of Bid ITB-012-2007 fire Hydrants, Pipe, Pipe fittings & Accessories
- Award of Bid ITB-013-2007 Pipe Line Installation by Directional Drill
- Liquid Oxygen System (LOX)

Items to be placed on the City Council Consent Agenda for May 7, 2007 are:

- Emergency Repair Item – Radio Communications Equipment - \$6,165.
- Tetra Tech Invoice #50070576 A - \$17,765.26
- Emergency Repair Item – Drive Thru - \$7,957.29
- Emergency Repair Item – Refrigerator at Water Treatment Plant - \$1,745.63
- Target Line Extension - \$26,030.
- Tap Fee Waiver request
 - A. Habitat For Humanity - \$2,380.
 - B. Lake Shore Hospital Authority - \$6,911.

8. There being no further business, the meeting adjourned at 7: 55 p.m.


 Kathleen C. Kersey, Executive Assistant