

**BOARD OF DIRECTORS MEETING  
GREATER LAKE CITY REGIONAL UTILITY AUTHORITY  
FEBRUARY 13, 2007 \* CITY HALL**

The Board of Directors for the Greater Lake City Regional Utility Authority, met on February 13, 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.
2. Chairman Robertson requested Kathleen Kersey to do the roll call.

**BOARD OF DIRECTORS PRESENT:**

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

George Ward, Vice Chairman, Absent

**PLEDGE OF ALLEGIANCE**

**INVOCATION – JOHN ROBERTSON**

1. **MINUTES – BOARD MINUTES OF JANUARY 9, 2007**  
**Mr. Lee made a motion to approve the January 9, 2007 minutes as published. Mr. Jefferson seconded this motion.** A roll call vote was taken and the motion was approved unanimously.

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

2. **APPROVAL OF AGENDA**  
Mr. Reynolds requested the Quail Heights Presentation which was left off the agenda, be placed at the beginning of the meeting. **Mr. Witt made a motion to approve the agenda as amended and Mr. Lee seconded the motion.** A voice vote was taken and the motion passed unanimously.

**PUBLIC COMMENTS – NONE**

3. **NEW BUSINESS**

- A. **QUAIL HEIGHTS PRESENTATION – RORY CAUSSEAU**

Mr. Causseaux stated that Amenity Developers Group will be purchasing and developing this project which abuts Route 247 on the north and I-75 on the west. All of the proposed development is outside of the City limits except for a portion in the northeast corner. For Phase 1, they are requesting to construct 208 condominium units outside City limits and connect to the City sewer which would require 62,400 gallons of water. Phase 2 would be the townhouse units. Phase 3 would be the single-family detached homes and Phase 4 would be the balance of the condominiums. This should take about four years to complete. There are 570 units total in the whole project which would require 171,000 GPD. At this time, they are requesting capacity for Phase 1 only. Mr. Causseaux stated the second part of their request is to construct a wastewater treatment plant on the property which would serve the townhouses and the single-family detached homes. They would built the wastewater treatment plant to the City specifications and then convey ownership of the plant to the City. Phase 4, will be constructed in about four years if the

City expansion is complete. If not the case, the timing of Phase 4 will have to be adjusted or Phase 4 will have to be connected to the wastewater treatment plant if the City's new system is delayed. There will be about 180 acres of open space and this open space can be used for reclaimed water which would require Quail Heights to replace the existing irrigation wells with reclaimed water from the new City plant. Mr. Causseaux stated the developer would agree to voluntary annexation for as much of the property that could be annexed. Also, they would agree to install natural gas in 208 units in Phase 1 and Phase 4. A developer's agreement would have to be prepared. Mr. Robertson inquired what part of the construction is in the City limits and a time frame for start of construction of Phase 1. Mr. Causseaux stated that it would be a total of 224 units and site plan approval of the 208 units located in the County would be four to six months and construction would start right after this. Mr. Robertson stated that he had no problem waiving the policy for the 62,400 GPD with certain ironclad stipulations which would be set forth in a developer's agreement. 1. Annexation. 2. Natural gas will be piped in for every building constructed. Residential units and condos will be mandatory gas hot water heaters and gas heat. Natural gas streetlights are also mandatory. Also included in the developer's agreement is an ironclad provision that reuse water is a part of this agreement. Per Mr. Reynolds, grant funds are available with landscape requirements for reclaimed water. Mr. Lee inquired if mandatory natural gas hook up would be allowed on resale lots. Mr. Darby stated this could be incorporated into the developer's agreement. **Mr. Lee made a motion to waive the allocation policy and grant the capacity of 62,400 GPD subject to details to be specified and agreed upon in the developer's agreement and the advantage to the City would be the reuse of additional customers with the package plant. Mr. Witt seconded the motion.** A roll call vote was taken and the motion passed unanimously.

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

Mr. Darby inquired if a boundary line survey was available yet and will the survey indicate the land that is within the City and delineate the different areas that will be developed in certain phases. He was informed this would occur.

## PUBLIC COMMENTS – NONE

## OLD BUSINESS

### 1. LENVIL DICKS WATER SYSTEM/SRF REIMBURSEMENT (RATE STUDY UPDATE)

Mr. Reynolds stated that at the last meeting the Board had agreed to purchase the Lenvil Dicks water system for \$1.5 million dollars. The terms of the agreement were at 5.25% interest for 20 years. Mr. Reynolds requested consideration of rolling up the \$2.5 million dollars into the state revolving loan at 1.7% interest for 20 years and Mr. Reynolds would look into the rate impact for taking on those debts in relation to the rates that were presented to the Board by RCAP. This has been completed and based on the revenue projections of the Lenvil Dicks water system of approximately \$500,000 per year, the debt for principal and interest would be \$284,200 and there would be additional monies left over for operational expenses at the water treatment facilities. Mr. Reynolds stated there would be no increase in the rates based on the acquisition of those 1200 customers. Mr. Reynolds asked that we be allowed to include with the state revolving loan, the \$2.5 million dollars that we previously paid out of cash, to free up some cash. Mr. Reynolds said he would like to wait until the close out of the new plant which would be the deadline to submit any kind of invoices because interest is capitalized any time we draw down on that. It takes about three weeks to be reimbursed. **Mr. Witt made a motion to allow the Finance Department to include with the State Revolving Loan, \$2.5 million dollars in expenditures that was previously paid out of the cash reserves and to apply for that reimbursement at the latest date possible as determined by Mr. Reynolds. Mr. Lee seconded the motion.** A roll call vote was taken and the motion passed unanimously.

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

2. **WASTEWATER ENGINEERING RFP SECTION RECOMMENDATION**

Mr. Reynolds stated we are attempting to solidify an engineering firm for the upgrade at the St. Margaret's Street Plant along with the construction and engineering of the new facility. The selection committee met and reviewed the proposals and the two firms selected were Tetra Tech who is currently building our new water treatment facility and Jones Edmunds who has been working on our wastewater project. Mr. Reynolds stated that we would like to split the project. The upgrade to the St. Margaret's Plant to be awarded to Jones Edmunds and the new facility would be awarded to Tetra Tech. Mr. Reynolds stated we would request moving forward with negotiations with both these firms. **Mr. Lee made a motion for staff to proceed with negotiations to award the upgrade to the St. Margaret's Plant to Jones Edmunds and to award the new facility to Tetra Tech. Mr. Jefferson seconded the motion.** A roll call vote was taken and the motion passed unanimously.

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

3. **ELLISVILLE WATER EXPANSION (LETTER FROM COUNTY MANAGER)**

Mr. Reynolds stated that Mr. Williams, County Manager, sent a letter regarding his term of the wholesale rate to the Ellisville area for water. There are eight questions the County Manager is asking:

1. Who pays for the construction costs?
2. Who is responsible for and maintains the customer base?
3. Will the County be a wholesale customer of the City?
4. Who collects and retains the connection/system fee?
5. What is the proposed water and wastewater rate, who collects and who retains?
6. Who owns the system and who pays for operations and maintenance of the same?
7. What is the size of the customer base along the route?
8. What is the potential customer base along the route?

Mr. Reynolds recommends that rather than sending correspondence back and forth and since he believes the County Commission would like to move forward with this project as soon as possible, that the subcommittee be reconvened with Mr. Reynolds, Mr. Ward, Mr. Williams and Mr. Weaver to address these issues and as soon as possible to go into a memorandum of understanding between the two entities, so this project can get moving as quickly as possible for them. Also, we have to do a rate study, as transmitted by Mr. Williams, wherein the County is willing to pay for this rate study. **Mr. Lee made a motion that the subcommittee reconvene to address these issues. Mr. Jefferson seconded the motion.** A roll call vote was taken and the motion passed unanimously. Mr. Robertson requested that minutes be taken of the meeting. Mr. Robertson also requested that the word "wholesale" as seen in number 3. above, be changed to intergovernmental rate. Mr. Robertson also stated that he would not support any intergovernmental rate outside the City limits for less than our current City customers pay for it. Mr. Reynolds stated that from the rate studies and revenue reports, it is the wastewater that is subsidizing water and not the other way around as people are led to believe. Mr. Robertson stated that part of the agreement should include wording that the other party would agree to never sell rates to their potential customers at our rate plus the 25%. Whatever that surcharge is the other party cannot go below that.

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

4. **CONSENT AGENDA**

**A motion was made by Mr. Witt to approve the consent agenda. The motion was seconded by Mr. Jefferson.** A roll call vote was taken and the motion was approved unanimously.

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

5. **NEW BUSINESS**

A. **REQUEST FOR PURCHASE (RFP) – 12,150 FEET OF 20" DUCTILE PIPE AND CATHODIC PROTECTION WRAP**

Mr. Robertson questioned when the new 20" line will be connected to the plant so we can connect the water. Mr. Reynolds stated we will be able to fully pump in June but we will be completed in May. **Mr. Robertson made a motion to purchase the 12,150 feet of 20" ductile pipe and the cathodic protection wrap. This motion was seconded by Mr. Lee.**

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

B. **RING POWER WATER LINE EXTENSION**

Mr. Reynolds stated Mr. Hill would like water at his facility and to provide fire protection to his facility. Also, to extend a water line to the whole business with Phase 2. Mr. Hill has agreed to pay for a 6" line which will provide water to his facility plus the tap and impact charges for a total of \$25,170. Mr. Reynolds is recommending that the City upgrade that 6" pipe to an 8" pipe for future expansion and fire protection to the whole business park, which would cost the City approximately \$4000. This 8" pipe could be done in-house after the 20" and the Turner Road project which is budgeted. Mr. Reynolds stated that there would be no installation cost because we were going to do this in-house. Mr. Lee questioned that if this line were to be extended solely for the fire protection capability, then we should negotiate with the County to pay for it since it would be solely for the County residents' benefit. Mr. Robertson inquired if the fire hydrants in the unincorporated areas, when the water is used for putting out a fire, are we going to charge for the use of our hydrants? Mr. Reynolds stated that we do not charge for the water use or the fire hydrants. Mr. Reynolds said he is proposing that we charge a fee for the fire hydrant. Mr. Darby stated that we can charge anyone for using our water and that there is probably some equipment that would measure the amount of water used. **Mr. Lee made a motion to connect Ring Power to the system for \$25,170 and to authorize the city expenditure of \$4000 to upgrade the line. The motion was seconded by Mr. Jefferson.**

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

6. **REPORT OF THE GENERAL MANAGER**

A. **QUARTERLY BUDGET REPORT**

Mr. Reynolds stated that at this time, revenues are exceeding expenditures and if the Board was in concurrence, he would do quarterly reports rather than monthly reports. Mr. Robertson said he had no problem with a quarterly report. If there was an item that he wanted to apprise the Board about, he could put into their packets.

B. **SPRINGS PROTECTION BILL**

Mr. Reynolds provided each Board member with a copy of the Ichetucknee Springs bill, drafted by Jim Stevenson. Mr. Dale Williams, County Manager, loaned us a map which shows the Springs protection area. In the proposed bill, the blue area would stop any wastewater disposal. Also, septic tanks with nitrogen removing tanks which cost \$15,000 each plus annualized maintenance costs would be allowed, but anything other than that would not be allowed. If the bill goes through as written, we would not be able to go forward with our plant. Mr. Reynolds has been attending the committee meetings and Senator Argenziano has asked him to sit on the committee and help draft language to go into the bill along with the DEP, DCA and other regulatory agencies. Mr. Reynolds said one of the things we're advocating is something we are already doing which is looking at advanced waste treatment and disposal and funds to go along with it. We are currently obtaining funds from the District. Mr. Lee questioned if our plant would treat the water to a better quality than rainwater or septic tanks. Mr. Reynolds said we can reduce the nitrates down to 3 milligrams per liter. One of the things the bill does not address is water conservation.

And the ground water levels of the Ichetucknee are falling. Mr. Reynolds stated that there were no agriculture numbers in the bill. Mr. Reynolds stated the Department of Agriculture is also part of the committee and they are working with the farmers to help reduce the nitrogen amounts in the basin.

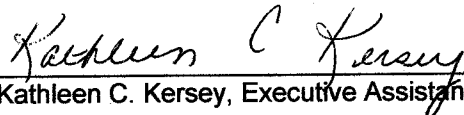
C. **BOARD/COUNCIL STRATEGIC PLANNING SESSION**

Mr. Reynolds stated the Strategic Planning Session is now scheduled for Friday, March 16. Also, if possible, try to complete the SWOT (Strengths, Weaknesses, Opportunities, Threats) before this date.

Mr. Robertson stated that items to be placed on the City Council Consent Agenda for February 19, 2007 are:

- Quail Heights Development Project
- Lenvil Dicks Water System/SRF Reimbursement
- Wastewater Engineering RFP Section Recommendation
- Henry A. Sheldon January Invoice – \$9,881.60
- Tetra Tech Invoice – \$12,618.42
- JEA Reuse System Master Plan Development Invoice – \$8,070.
- Wedeco Invoice for Ozone System – \$287,419.00
- A.C. Shultes Emergency Repair Invoice – \$5,884.00
- RFP – 12,150 Feet of 20" Ductile Pipe & Cathodic Protection Wrap
- Ring Power Water Line Extension

There being no further business, the meeting adjourned at 7:20 p.m.

  
Kathleen C. Kersey, Executive Assistant