

**BOARD OF DIRECTORS MEETING
GREATER LAKE CITY REGIONAL UTILITY AUTHORITY
JANUARY 9, 2007 * CITY HALL**

The Board of Directors for the Greater Lake City Regional Utility Authority, met on January 9, 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

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 – MIKE LEE

1. **MINUTES – BOARD MINUTES OF DECEMBER 12, 2006**
Mr. Lee made a motion to approve the December 12, 2006 minutes as published. Mr. Witt seconded this motion. A roll call vote was taken and the motion was approved unanimously.

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

2. **APPROVAL OF AGENDA**

PUBLIC COMMENTS – NONE

BOARD COMMENTS – Mr. Robertson recognized Mr. Steve Minnis from the Suwannee River Water Management District and Mr. David Kraus, City Manager and two individuals from Jones Edmunds.

OLD BUSINESS

3. **STRATEGIC PLANNING SESSION – JERRY OSTERYOUNG**
Mr. Reynolds mentioned that previously the board approved and budgeted in the FY 07 budget for a strategic planning session. Mr. Reynolds recommends Mr. Jerry Osteryoung from the Florida State School of Business to conduct this planning session with both the City and Utility Board personnel at a cost of approximately \$3,000.
Mr. Lee made a motion to set a date for this joint strategic planning session. Motion was seconded by Mr. Ward. A roll call vote was taken and the motion was approved unanimously.

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

5. **NEW BUSINESS**

A. **JONES EDMUNDS ASSOCIATES – REUSE PRESENTATION & ADOPTION**

Mr. McLellan of JEA gave a presentation and stated that as part of an interlocal agreement between the Suwannee River Water Management District (SRWMD) and the City for a reuse master plan for phase 1 is to provide justification for expenses the City will incur as it moves forward with developing the reuse system and also to obtain a share of SRWMD grant funds. The Wastewater Treatment Plant upgrades would cost \$2.76 million dollars and the distribution system would cost \$1.91 million dollars. Cost share with the SRWMD grant of \$3,000,000 would leave Lake City's matching funds of \$1.67 million dollars. The City is required to have a 25% minimum match for this grant. JEA is also working on a separate plan for developing a reuse feasibility plan for FDEP. The reuse ordinance included in the Board packet must be approved by the City and this Board and due to SRWMD by March 19, 2007. Mr. Reynolds stated that what was needed from the Board this evening for SRWMD was approval on the Phase 1 study. Also, the reclaimed water master plan does need to be delivered to SRWMD by January 15. The reuse ordinance is due to SRWMD by March 19, 2007 and would require two public hearings by City Council on this. **A motion was made by Mr. Witt to approve the Reclaimed Water Master Plan. The motion was seconded by Mr. Ward.** A roll call vote was taken and the motion was approved unanimously.

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

B. **I & I BUDGET AMENDMENT**

Mr. Reynolds stated slip lining the 3000 feet of gravity sewer mains is going to cost \$120,000 and might have a positive impact on our capacity. If we remove the Quail Heights Life Station project in the amount of \$120,000, there will be no budget impact. This item will have to be approved by the City Council at the first quarter budget amendment if approved first by this Board. **A motion was made by Mr. Ward to approve the request for the budget amendment to substitute the Quail Heights Lift Station Project for the slip lining of 3000 feet of gravity sewer mains. The motion was seconded by Mr. Lee.** A roll call vote was taken and the motion was approved unanimously.

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

C. **SALARY OF GENERAL MANAGER**

Mr. Lee made a motion to increase the salary of the General Manager from \$65,000 to \$75,000 effective immediately. The motion was seconded by Mr. Ward. A roll call vote was taken and the motion was approved unanimously.

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

6. **REPORT OF THE GENERAL MANAGER**

A. **COMMUNITY BUDGET ISSUE REQUEST (CBIR)**

Mr. Reynolds stated a copy of this document has been delivered to the delegation and dropped off in Tallahassee and has been entered into the system for the Senate and House and we have support of the full delegation. Previously, Senator Oelrich was not able to be reached. Since the CBIR submittal, he has contacted my office and I will be meeting with him. He would also like to be on the CBIR document. We are asking for \$5,000,000 for Phase 1, which is \$10,000,000. Mr. Lee stated that the Ichetucknee Springs is not just local, but has statewide impact. Mr. Reynolds is requesting to have a League of Cities dinner here to do our Wastewater Presentation on our project and to ask the other Cities to do a proclamation to identify and recognize the Ichetucknee Springs Basin as an issue that needs to be addressed to deliver to the Legislature during their Springs day. Mr. Reynolds said that his ultimate goal with the project is to get some state or national recognition for Lake City. Mr. Robertson inquired if we should pursue having the Northeast Florida League of Cities meet in Lake City. Mr. Robertson said he will follow up with the "Save Our Suwannee" group. Mr. Ward mentioned that the City usually attends the League of cities legislation Action Day. Mr. Ward said that the city Council, and City Manager and General manager go over and try to make appointments on a different day other than the Legislation Action Day, and he feels it would have a lot more of an impact on them. Mr. Reynolds said he would check on this.

B. **LENVIL DICKS WATER SYSTEMS/SRF REIMBURSEMENT**

Mr. Reynolds said that recently Mr. Dicks made an offer for the city to purchase his water system for \$1.5 million dollars. Mr. Reynolds said that the City would gain 1200 "water only" customers which would, ultimately, generate about \$500,000 revenue annually for the City. Mr. Dicks is asking 5.25% interest. Mr. Reynolds said we have other options for payment. Mr. Reynolds has been reviewing the State Revolving Loan fund in relation to the water plant construction project. The City elected to pay certain aspects of this project in cash. Total expenditures we are seeking reimbursement for is just under \$10 million dollars. We also have \$13 million dollars that the state says can be accessed. Mr. Reynolds says he thinks we should request \$2.5 million of these funds at an interest rate of 2.7%. Mr. Reynolds asked the Board if they would commission both he and Mr. Sheldon to update the rate study. And then utilize those funds to acquire the Dicks System. Mr. Reynolds stated the projected \$500,000 revenue was figured at the new surcharge rate of 25%. **Mr. Lee made a motion to authorize Mr. Reynolds, General Manager, Ms. Tyre, Finance Director and Mr. Sheldon, City Engineer to proceed with a rate study to determine the financial impact of the \$2.5 million dollar reimbursement on the SRF. The motion was seconded by Mr. Witt.** A roll call vote was taken and the motion passed unanimously.

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

Discussion ensued about informing Mr. Dicks of the City's intent to purchase his water system. Mr. Darby said that the Board could make a decision to purchase or not to purchase and make an offer to pay cash (if feasible), then let Dicks know we will purchase and issue bonds to him or pay cash and then move forward with accepting conditions.

Mr. Robertson stated there may be 3 options before the board on what we do financially. Mr. Robertson said the rate study is separate from the commitment to actually purchase the system. Mr. Darby stated that the purchase of the Dicks System would have to go before City Council with a recommendation for purchase from the Utility Board. Mr. Darby stated that if we were to pay cash for the system, it would be a great savings for the City. Mr. Robertson inquired about the time schedule to let Tallahassee know about the additional monies on the SRF. Mr. Reynolds stated we are waiting for some answers. Mr. Reynolds

stated we have several different options. He and Mr. Sheldon will include the 1200 additional customers at the current rate, the new rate (including the \$2.5 million). He will come back with different options so the council can make a knowledgeable decision. **Mr. Ward made a motion that we recommend to City Council at the January 16, 2007 meeting that we authorize the purchase of the Dicks Water system as outlined in his proposal dated January 2, 2007. Mr. Robertson seconded the motion. A roll call vote was taken and the motion passed unanimously.**

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

Mr. Lee inquired what the upgrades to the Dicks system might cost. Mr. Sheldon stated anywhere from \$50,000 to \$200,000.

C. WASTEWATER ENGINEERING RFQ UPDATE

Mr. Reynolds stated per direction at the last board Meeting he proceeded with the Request for Qualifications for Engineering Services for the Wastewater Upgrades for the St. Margaret Plant as well as the Kicklighter Road facility. Committee has met and 2 firms have been selected, Tetra Tech HAI and Jones Edmunds. These 2 firms will both be interviewed on Friday, January 19, 2007.

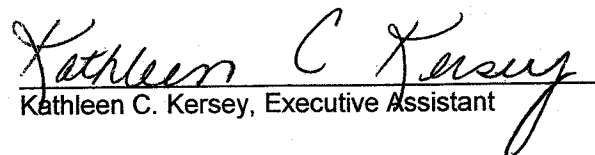
7. OTHER ITEMS PRESENTED BEFORE THE BOARD

Mr. Robertson inquired if there were any other items to come before the Board. Mr. Witt read a letter from the Town of Ft. White thanking Richard Lee and his crew, for the assistance they gave to Ft. White on December 29, 2006 when they had a broken water main.

Mr. Reynolds recognized Bud Moody. Mr. Moody was a first responder when we had a tornado a few weeks ago when he assisted a family.

Mr. Robertson will get with Mr. Kraus and Mr. Reynolds sometime before the Council Agenda is prepared for the January 16 meeting. Mr. Robertson is going to request that a separate section of the Consent Agenda be devoted to those issues that the utility authority deals with. Tonight we would have Item 8. A., Item 9. A., B., C., D., E., Items 10. A., B., C., Item 11. A., B. These items would all go on the Council Consent Agenda as a separate heading under the Utility Authority.

8. There being no further business, the meeting adjourned at 7:04 p.m.


Kathleen C. Kersey, Executive Assistant