

**SEACOAST UTILITY AUTHORITY
REGULAR MEETING
&
PUBLIC WORKSHOP**

August 26, 2009
Seacoast Utility Authority Board Room
MINUTES

CALL TO ORDER: 3:00 PM

PLEDGE OF ALLEGIANCE

ROLL CALL:

PRESENT: Don Noel, Chair
Maria V. Davis, Vice Chair
Ron Ferris, Member
Joseph Lo Bello, Member
Robert Weisman, President Pro-Tem

ALSO PRESENT: Nat Nason, General Counsel
Rim Bishop, Executive Director
Mary Ann Stiles, Authority Clerk
Jessica Moore, Authority Deputy Clerk

OPEN PUBLIC HEARING

RESOLUTION NO. 6-2009, ADOPTING THE ANNUAL OPERATING AND CAPITAL BUDGETS FOR THE FISCAL YEAR OCTOBER 1, 2009 TO SEPTEMBER 30, 2010 INCLUDING DEBT SERVICE FOR SEACOAST UTILITY AUTHORITY; AUTHORIZING LINE ITEM BUDGET TRANSFERS BETWEEN DEPARTMENTS; AND PROVIDING FOR AN EFFECTIVE DATE;

Chair Don Noel opened the Public Hearing. There were no comments from the public. Chair Noel then closed the Public Hearing.

CLOSE PUBLIC HEARING

MOTION

Board Members Weisman/Lo Bello moved to approve Resolution No. 6-2009 – Adopting The Annual Operating And Capital Budgets For The Fiscal Year October 1, 2009 To September 30, 2010 Including Debt Service For Seacoast Utility Authority; Authorizing Line Item Budget Transfers Between Departments; And Providing For An Effective Date;

Board member Ron Ferris led a discussion and wanted to make sure the direction of Board was followed from the last meeting. Executive Director Rim Bishop stated Board Members received a

revised budget that did not change the bottom line but reinserted benefits that the Board corrected last month. No further questions or discussions.

The motion carried unanimously.

*****THE FOLLOWING ITEMS WERE PLACED ON THE CONSENT AGENDA*****

APPROVAL OF MINUTES FOR MEETING OF JULY 22, 2009

Move to approve the minutes for meeting of July 22, 2009.

APPROVAL OF INVOICES

Move to approve invoices as follows: Howard C. Osterman, Inc. in the amount of \$630.00; Nason, Yeager, Gerson, White & Lioce in the amounts of \$10,154.75; \$4,112.50; \$1,698.50; \$320.00; and \$86.00; and AECOM Engineering in the amounts of \$1,652.64; \$5,000.00; \$15,641.00; \$11,750.00; \$3,420.00; \$414.00; \$5,190.00; \$2,266.00; \$644.76; and \$10,752.24; for a total of \$73,732.39

UNIFORM/LAUNDRY SERVICES

Move to approve Uniform/Laundry Services contract to Unifirst Corp., who is the lowest responsive bidder and whose bid will best serve the public interest in the amount of \$14,148.16 per year or \$272.08 per week, as recommended by staff.

MOTION

Board Members Weisman/Davis moved to adopt the Consent Agenda.

The motion carried unanimously.

*******END OF CONSENT AGENDA*******

RESOLUTION NO. 8-2009, SEACOAST UTILITY AUTHORITY SERIES 2009 BOND ISSUE

MOTION

Board Members Weisman/Davis moved to approve Resolution No. 8-2009, Seacoast Utility Authority Series 2009 Bond Issue, as recommended by staff.

The motion carried unanimously.

BILLING SUPPLIES

MOTION

Board Members Lo Bello/Davis moved to award bid for purchase of Utility Billing Supplies to Printing Corp. of the Americas, the lowest responsive bidder and whose bid will best serve the public interest in the amount of \$24,759.50, as recommended by staff.

President Pro-Tem Bob Weisman asked where Printing Corp of the Americas is located. Director of Administrative Services, Andrea Holmes, stated they are located in Pompano Beach, Florida. No further questions.

The motion carried unanimously.

LAWN MAINTENANCE SERVICES

MOTION

Board Members Weisman/Lo Bello moved to approve Lawn Maintenance Services contract to Vila and Sons, who is the lowest responsive bidder and whose bid will best serve the public interest, in the amount of \$83,520.00 per year or \$6,960.00 per month.

Chair Don Noel asked whether the bid came in under budget. Executive Director Rim Bishop stated that the bid did come in under budget-considerably less than the current cost. Board Member Joe Lo Bello stated that lawn maintenance is a very competitive market right now. No further discussion.

The motion carried unanimously.

HOOD ROAD WELL #1 AND RICHARD ROAD WELL #4 REPLACEMENT

MOTION

Board Members Weisman/Davis moved to award bid for the Hood Road Well #1 and Richard Road Well #4 Replacement to Southeast Drilling Services, Inc., the lowest responsive bidder and whose bid will best serve the public interest in the amount of \$489,575.00, as recommended by staff.

The motion carried unanimously.

OTHER BUSINESS

COMMENTS FROM BOARD MEMBERS

President Pro-Tem Bob Weisman wanted to wish Authority Clerk Mary Ann Stiles well and stated she has done a fine job.

Board Member Joe Lo Bello agreed with Bob Weisman and also stated that staff did a great job on the budget and that it was very easy to read.

Vice Chair Maria Davis stated how welcome she felt when she first came noting Mary Ann's warm smile when she first started serving on the Board. She very much appreciated that and her only regret is that she and Mary Ann did not get a chance to work together longer, Ms. Davis wished Mary Ann well. Vice Chair Davis also welcomed Jessica Moore as Deputy Clerk.

Don Noel echoed sentiments and wished Mary Ann well and welcomed Jessica Moore. Chair Noel also stated that Seacoast Utility Authority did a great job on the budget.

ENGINEERING REPORT

Engineer's Report included in Board package. Mr. Scott Eckler with AECOM, Inc. was present for questions. None were asked at this time.

STAFF REPORT MONTHLY REPORTS

Executive Director Rim Bishop stated that the monthly reports are in the Board package.

MARY ANN STILES RESIGNATION

Executive Director Rim Bishop officially informed the Board that Authority Clerk Mary Ann Stiles has resigned from Seacoast as of September 18, 2009. Mr. Bishop stated that Seacoast Utility Authority will miss her terribly; especially her consistently excellent work for the Board. Rim Bishop stated she has been working with him every day for the last 22 ½ years and it has been nothing but a pleasure and a privilege. Mr. Bishop further stated that he appreciated everything she has done for the staff. Mr. Bishop stated that she has been far more than a co-worker; she but has been a good friend to everyone for a long, long time. This means a lot to him and the entire Seacoast staff.

SFWMD PROPOSED YEAR ROUND IRRIGATION RULE

Executive Director, Rim Bishop, asked for Attorney Nat Nason to report on these items. Attorney Nason stated there are a couple different items to discuss. The first item is the year round irrigation rule, which looks like it is solidifying into a rule that will allow three (3) days per week irrigation at least for a period of time. He does not expect the rule to obtain any provisions that will ratchet that down in the future. However, along with this rule, the SFWMD will implement a work plan that has been negotiated among the utilities, environmental interests and the Nursery Growers Association. Attorney Nason stated that over a five (5) year period of time, if the plan precedes its current form, the SFWMD will commission additional studies out of the University of Florida and determine what the specific irrigation needs of a typical south Florida landscaping is. SFWMD will also be looking into operational difficulties that utilities might have with a reduction from three (3) day per week irrigation to two (2) days per week irrigation. He further stated there are several additional issues which will also be focused on, such as public education as to why three (3) days per week is not necessarily required for irrigation. They think science will show that on some periods of the year, three (3) and up to four (4) days per week is necessary to keep lawns green in South Florida. However, in other times of the year, as little as one (1) day per week is necessary. There will be also a big push to educate

the public on utilization of moisture sensors and other conservation measures. If the program works, Seacoast could theoretically expect its ability to irrigate to be three (3) days per week for each customer which translates into six (6) days of utility operation. If these goals are met, Seacoast would see the per capita consumption of its customers go down if these goals are indeed met. Attorney Nason stated that this is the direction SFWMD seems to be going. Attorney Nason further stated that three (3) day per week irrigation would not harm Seacoast on the ability to raise revenue, but ultimately if the water is not utilized, it would be something Seacoast would need to be aware of.

SFWMD WATER USE PERMIT

Attorney Nat Nason stated that he attended a meeting at the SFWMD concerning Seacoast's outstanding permit application. There has been a change in Florida Statute in the last legislative session that provided for the SFWMD Executive Director to have the ability to issue all permits and only an outright denial of a permit would go to the SFWMD Board. The SFWMD Board Members were also precluded from dealing with the SFWMD Director or lobbying the SFWMD Executive Director about the content nature of the permit. Pursuant to this change that went into affect, the new system has been implemented in the SFWMD and Carol Wehle, the Executive Director of SFWMD, will need an initial meeting to indicate how things are expected to proceed. Seacoast's permit was slotted in a section of the agenda that dealt with a number of permits that had indicated no response from applicants. Seacoast was in that grouping because staff had specifically asked us not to respond to a request for additional information. Attorney Nason stated that he clarified this information with the Executive Director of SFWMD and that it was appropriate that the fact be brought out in that meeting. Also, Attorney Nason asked SFWMD Executive Director Carol Wehle what Seacoast can do to move its permit forward. Attorney Nason stated that Ms. Wehle invited him to schedule a meeting with her and her staff. On the way out of this meeting, one of the SFWMD Deputy Directors had a discussion with Attorney Nason about the Seacoast permit and Attorney Nason got the sense that the SFWMD was ready to negotiate about what might be an appropriate permit to issue to Seacoast. The three areas that came up specifically were future harm; which indicated that without having Seacoast make a cut at the Hood Road Wellfield and with some minor pumping scenario amendments to our existing permit, they could likely take off the table any potential future harm, which was previously alleged to have totaled 32 functional units, a potential \$3.2 million exposure. There is still a dispute with regarding historical harm with Briger. They continue to be at the 1.2 million dollar level for mitigation credits. Seacoast continue to be at 2.5 credits or maximum \$250,000.00, but there was an indication during this discussion that SFWMD was ready to talk about doing something less than their total claimed 12 functional units, recognizing there are two sides to every issue. Attorney Nason stated that this is a discussion that he feels he and SFWMD will be able to have in the near future and determine whether or not there are some reasonable grounds for compromise.

BENT TREE

Attorney Nason stated that at one point Seacoast made an offer to Bent Tree stating that it would provide Bent Tree with reclaimed water, but they have to pay for the cost of the reclaimed water that Seacoast is delivering to Bent Tree's pond in order to buffer the affects of the Hood Road Wellfield draw down. Bent Tree came back and said they do not want reclaimed water in their lake. Seacoast Utility Authority advised SFWMD of this decision on Bent Tree's part and

SFWMD told Seacoast that if Seacoast offered not to charge them for the reclaimed water it was delivering; that SFWMD believes it would be a perfectly fine way for Seacoast to mitigate any potential harm. If Bent Tree does not want it, that is their business, but then Seacoast would have done what it needed to do simply by making the offer. If and when the reclaimed water pipe comes Bent Tree's way, Seacoast may have to deal the issue of reclaimed water in the pond by not charging for the resource requirement. Attorney Nason feels he will be able to get around the Bond Covenants and no free service by saying it is a permit condition, if it is indeed made a condition of the permit

Attorney Nason told the Board that this is the most substantive discussion Seacoast has had with the SFWMD since October or December of 2008. Attorney Nason feels that Seacoast is moving forward. Attorney Nason also clarified that he told SFWMD that if it comes down to the point that we can't agree with SFWMD, then SFWMD would have to issue a permit that it believes is appropriate from their side. If Seacoast does not agree with the draft permit, it would take further action. Attorney Nason stated he would like to avoid that, but that is the end solution.

Board Member Joe Lo Bello stated he definitely supports this approach. All Board Members were pleased with the discussion thus far.

President Pro-Tem Bob Weisman stated that he would be cautious about any open ended goals when dealing with SFWMD. Attorney Nason agreed.

COMMENTS FROM THE PUBLIC

None

ADJOURNMENT

There being no further business to come before the Authority, Chair Don Noel adjourned the meeting at approximately 3:17 PM.

APPROVAL:

DON NOEL, CHAIR

MARIA V. DAVIS, VICE CHAIR

ROBERT WEISMAN, PRESIDENT PRO-TEM

RON FERRIS, MEMBER

JOSEPH LO BELLO, MEMBER

ATTEST:

JESSICA MOORE, DEPUTY AUTHORITY CLERK