

**SOUTH SANTA ROSA UTILITY SYSTEM
BOARD OF DIRECTORS MEETING
AUGUST 14, 2006**

1. **CALL TO ORDER**

The 73rd regular meeting of the South Santa Rosa Utility System Board of Directors was called to order at 7:00 p.m, at Gulf Breeze City Hall.

2. **ROLL CALL:**

The following Board members were present at the start of the meeting: Tom Naile, Otto Prochaska, , Robert Sauer and Belie Williams. Absent were Dr. Richard Snyder, John Berti, Rick Outzen and Mayor Lane Gilchrist.

3. **APPROVAL OF MINUTES:**

A motion was made by Belie Williams made a motion to approve the minutes as written. The motion was seconded by Tom Naile. Vote for approval was unanimous.

4. **REPORTS**

a. **BUDGET AND FINANCIAL**

Bill Bruning from OSullivan Creel gave the financial reports.

b. **OPERATIONS REPORT**

Vernon Prather gave the Operations Report stating that operations were normal for June and July. The WWTP flow in June was 1.269 MGD and July was 1.293 MGD. Golf Course irrigation including the east course well during this time was 1.141 MGD in June and 1.109 MGD in July. We operated the supplemental wells regularly in order to maintain the level in the #1 effluent pond.

Sewer customer base from June 2005 to April 2006 has seen an increase of 4.0% and July 2005 to 2006 saw an increase of 3.4%. Sewer revenue for June 2005 was \$164,242/5350 (\$30.70/customer) and in June 2006 \$183,663/5563 (\$33.02/customer). In July 2005 sewer revenue was \$157,941/5352 (\$29.51/customer) in July 2006 it was \$191,535/5533 (\$34.62/customer).

Customer base for water from June 2005 to June 2006 has increased 1.0%, from July 2005 to July 2006 it increased by 0.4%. Water revenue in June 2005 was \$107,777/4173 (\$25.83 per customer) and June 2006 was \$114,311/4217 (\$27.11 per customer). Revenue in July 2005 was \$101,639/4173(\$24.36 per customer) and July 2006 was \$116,949/4189(\$27.92 per customer).

c. **FIRE HYDRANT UPGRADES**

Thomas Lambert gave the report on status of Fire Hydrant Upgrades. Phase II has started and staff is pleased with the work so far. It appears that the project should be completed before the scheduled date of December 14, 2006.

A revised shortfall calculation was provided and it appears that the extension of the \$2.00 charge for 29 months will be adequate to cover the shortfall.

F. FAIRPOINT WATER REPORT - VERBAL REPORT

Buz Eddy gave a verbal report on FRUS.

F. ENGINEERING AND PERMITTING

Engineering and Permitting report was given by Rick Delp, Baskerville Donovan.

5. OLD BUSINESS

A. MIDWAY ELEVATED TANK

Thomas stated that there still had been no response from Midway. He also stated that he had not contacted the County as of yet for assistance, but would attend to it.

B. RATE INCREASE

_____ Vernon gave the report on the proposed rate increase. A motion was made by Belie Williams to approve the increase. It was seconded by Otto Prochaska and vote for approval was 4-0.

C. BUDGET APPROVAL

Vernon presented the budget for approval. After some discussion a motion was made by Tom Naile to approve the budget as submitted. The motion was seconded by Otto Prochaska and vote for approve was 3-1 with Belie Williams voting no.

6. NEW BUSINESS

A. GONDOLIER WATER MAIN EXTENSION

Thomas Lambert recommended to the Board that the water main on Gondolier be upgraded from a 4" main to a 6" main and a fire hydrant, gate valve and a reduced be installed by Brown Construction for a cost not to exceed \$7,674.38. The project would be funded from funds allocated for

water plant equipment that was not used.

A motion was made by Otto Prochaska to approve staffs recommendation. It was seconded by Tom Naile and vote for approval was 4-0.

B. TWO LIFT STATION REHABILITATIONS

Vernon Prather recommended that the lift station #1 at Polynesian Isle and lift station #7 at Whisper Bay be revamped by Utility Service Company for a total cost of \$174,378.40.

A motion was made by Belie Williams to approve the recommendation. It was seconded by Tom Naile and vote for approval was 4-0.

C. HIGHWAY 98 RECLAIMED MAIN EXTENSION

Thomas Lambert recommended to the Board that the previously approved design and bidding of an extension of 3400 feet of the reclaimed water main from Bergren Road to near the end of our franchise be awarded to 814 Sand, Inc. for a cost of \$198,581.26.

Belie Williams made a motion to accept staff's recommendation. It was seconded by Otto Prochaska and vote for approval was 4-0

D. OFFICES FOR DEPARTMENT OF PUBLIC SERVICES

Thomas Lambert recommended that the project be awarded to Cornerstone Construction for a cost of \$88,079.00

A motion was made by Belie Williams to approve staff's recommendation. It was seconded by Otto Prochaska and vote was unanimous.

E. SURPLUS EQUIPMENT VACTOR SEWER TRUCK

Vernon Prather recommended to the Board that the Vactor Sewer Truck be declared surplus equipment and be advertised for sealed bids.

A motion was made by Otto Prochaska to declare the vac truck as surplus. It was seconded by Tom Naile. Vote for approval was 4-0.

F. ERS 2 FENCE REPAIR

Thomas Lambert recommended to the Board that A-1 Hurricane Fence be given the project of repair of 883 feet of privacy fence at the ERS 2 Spray Field for the price of \$9,930.

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A motion was made by Belie Williams to approve the project. It was seconded by Otto Prochaska and vote for approval was unanimous.

7. **PUBLIC FORUM**

8. **SETTING OF NEXT MEETING - October 9, 2006**

10. **ADJOURNMENT at 8:35 p.m.**