

MINUTES
CLAY COUNTY UTILITY AUTHORITY
December 1, 2020

The Board of Supervisors of the Clay County Utility Authority (CCUA) met in Regular Session in the Board meeting room at the Administrative Office of the Clay County Utility Authority, 3176 Old Jennings Road, Middleburg, Florida, on the above-stated date.

Item No. 1 – Call to Order

Chairman Kloss called the meeting to order at 2:00 P.M.

Item No. 2 – Invocation/Pledge of Allegiance

Mr. Hodges offered the Invocation and led those in attendance in the Pledge of Allegiance.

Item No. 3– Roll Call

Roll Call was taken with Chairman Kloss, Vice-Chairman Davis, Mrs. Gardella, Mr. Hodges, Mr. Roark, and Mr. Starnieri in attendance.

Also present at the meeting were Executive Director Jeremy Johnston, Chief Operations Officer Teri Shoemaker, Chief Financial Officer Jeff Wesselman, Public & Legislative Relations Liaison Celeste Goldberg, Service Availability Manager David Rawlins, Inventory Manager Josh Towns, Administrative Assistant Operations Alicia Baker, Administrative Assistant Engineering Lori Stewart, and Grady H. Williams, Jr., legal counsel to the CCUA.

Item No. 4 – Approval of Minutes

a. Board of Supervisors Regular Meeting, November 17, 2020

After discussion, Vice-Chairman Davis moved, seconded by Mr. Starnieri, and carried 6-0, to approve the minutes of the Board of Supervisors Regular Meeting, November 17, 2020.

Item No. 5– Approval of Consent Agenda

a. Approval of Financial and Operational Activities

After discussion, Mrs. Gardella moved, seconded by Mr. Roark, carried 6-0, to approve the Financial and Operational Activities and Developer Agreements, Warranty Deeds & Easements, as follows;

- 1) Approval of Payment of Warrants
Warrants totaling \$1,027,288.19
 - a. Schedule of payments to Sole Sources
 - b. Schedule of Emergency Repairs/Purchases - None
 - c. Schedule of items initiated under Emergency Contract - None
 - d. Schedule of payments from the Emergency Account
 - e. Schedule of claims paid under the Sewage Backup Response Policy - None
 - f. Detailed Descriptive Warrant Report
- 2) Request for Asset Disposal Authorization - None
- 3) Request for Sole Source Designation - None

b. Approval of Capital Budget Activities - None

c. Approval of Developer Agreements, Warranty Deeds & Easements

- 1) Developer Agreement CU20/21-01 - Water Service to 165 Old Jennings Road (Leonard Morey, III & Amy Morey) - 1 ERC water, 1 ERC AWS, 1 ERC debt service - \$3,240.24
- 2) Developer Agreement MU20/21-01 - Cross Creek Subdivision - Phase 2 - consisting of 100 Lots (D.R. Horton, Inc. – Jacksonville) - 100 ERC's water, 100 ERC's AWS, 100 ERC's wastewater, 100 ERC's reclaimed, 100 ERC's debt service - \$443,565.50 (\$421,509.00 deferred)
- 3) Developer Agreement SS20/21-03 - Oakleaf Commons, Phase One @ Oakleaf Plantation – 1075 Oakleaf Plantation Parkway - Settlement Agreement #14 for Clarity Eye Center, Suite 300 (Regency Realty Group, Inc.) – 0.78~ ERC's water, 0.78~ ERC's AWS, 0.78~ ERC's wastewater, 0.78~ ERC's debt service - \$3,434.19

Item No. 6 – Customer Account Adjustments - None

Item No. 7 – Business discussed at Committee Meetings - None

Item No. 8 – Executive Director's Business

a. September 2020 Financial Package

Mr. Wesselman presented the Financial Statements for September and reported that operating income is \$5,560,794 over budget due to a favorable revenue and favorable expense variance. Operating revenue is \$3,213,448 over budget and operating expenses are \$2,347,346 under budget. CCUA has gained 1,256 active water accounts and 1,205 active sewer accounts for the fiscal year 2019/2020. After discussion, Vice-Chairman Davis moved, seconded by Mr. Roark, and carried 6-0, to accept the Financial Statements for September 2020, as presented by Mr. Wesselman.

b. Review and Recommendation regarding Project 2020/2021-RFP-A4 – Fleet Management Services

Mr. Wesselman informed the Board as a part of the 2020/2021 Fiscal Year Budget, staff evaluated CCUA's fleet of vehicles and considered the possibility of leasing instead of purchasing vehicles. To facilitate the evaluation of leasing vehicles, staff publicly advertised a Request for Proposals (RFP) from businesses in the fleet management field. Project 2020/2021-RFP-A4 – Fleet Management Services was advertised in the Florida Times Union, Demand Star, and on CCUA's website on October 4, 2020. At the November 6, 2020, bid opening, one bid was received from Enterprise Fleet Management, Inc. (Enterprise) Staff analyzed Enterprise's RFP submittal and has summarized and reviewed the costs. Staff then computed the Net Present Value (NPV) of the five-year costs of the vehicle leases per the proposed contract. To make an informed decision, staff computed the costs to purchase and maintain the vehicles including the NPV for comparison purposes with Enterprise's RFP submission. The analysis netted a \$205,556 NPV savings to CCUA when purchasing the vehicles. Staff requested the Board reject the proposal from Enterprise for Project No. 20/21-A4 - Fleet Management Services and approve of the minutes of the bid opening held on November 6, 2020. After discussion, Mrs. Gardella moved, seconded by Vice-Chairman Davis, and carried 6-0, to approve the bid opening minutes and in the best interest of CCUA, reject the proposal from Enterprise for Project 2020/2021-RFP-A4 – Fleet Management Services, as presented by Mr. Wesselman.

c. Request to purchase fleet vehicles

Mr. Wesselman reported based on the rejection of the response submitted under RFP No. 20/21-A4, staff recommends purchasing fleet vehicles for operations. CCUA did not purchase any vehicles last fiscal year. Staff considers the need to move forward with purchasing fleet vehicles of high importance due to the vehicles that are at the end of their life cycle. He requested the Board's authorization to proceed with the purchase of vehicles listed in the agenda package. Staff budgeted for new vehicles in Fiscal Year 2020-2021 as leases in operating expenses. However, staff typically budgets for fleet vehicles as Department Capital items. CCUA's Department Capital budget currently has \$517,547.23 in contingency funds that have accumulated from prior years. In addition, an additional \$250,000 was budgeted in Departmental Capital contingency this Fiscal Year. Staff proposes using all the previous years accumulated contingency and \$184,952.77 of this year's Departmental Capital contingency for a total of \$702,500. This recommended action will leave \$65,047.23 in Departmental Capital contingency funding. After discussion Mr. Starnieri moved, seconded by Mr. Hodges, and carried 6-0, to authorize staff to purchase fleet vehicles as presented.

d. Request to hire staff for maintenance of fleet vehicles and other mechanical equipment

Mr. Wesselman informed the Board staff completed an evaluation of CCUA's spending on maintenance of the fleet vehicles as part of the Fleet Management Services Request for Proposals evaluation. The evaluation showed potential opportunities to improve operational efficiency, reduce staff down time, and reduce expenses. To accomplish these objectives, staff requested the addition of an Asset Maintenance Specialist and a Maintenance Helper. Comparing the current costs of CCUA's fleet vehicle maintenance, \$112,452, versus the proposed costs of the proposed two fleet vehicle maintenance positions, \$111,134, nets a benefit of \$1,318. In addition to the reduction in expenses, we will be able to improve operational efficiency and reduce staff down time by redirecting staff to useful tasks in the maintenance yard while their assigned vehicles are maintained. Staff also anticipates additional benefits in the use of the two proposed maintenance positions completing additional maintenance tasks that are currently only completed annually. The two proposed maintenance positions will create opportunities for our field operations staff to spend more time in the field on their respective repair and rehabilitation tasks. Staff requested the Board's approval to hire an Asset Maintenance Specialist and Maintenance Helper. These two new positions will increase the employee count from 172 to 174 in Fiscal Year 2020/2021. Staff also requested authorization to adjust the current fiscal year budget by moving budgeted funds from fleet repair and maintenance to wages hourly to cover the costs of the new employees. After discussion, Mr. Hodges moved, seconded by Vice-Chairman Davis, and carried 6-0, to approve hiring the positions and adjustment of the budget, as requested by Mr. Wesselman.

e. Request for approval to sell scrap water meters for recycling

Mr. Johnston requested approval to sell the Authority's scrap water meters to Trademark Metals Recycling for recycling at the quoted price of \$1.54 per pound. After discussion, Mr. Starnieri moved, seconded by Mr. Hodges, and carried 6-0, to approve the sale of scrap water meters for recycling, as presented by Mr. Johnston.

f. COVID-19 Update

Mr. Johnston provided a brief update on CCUA's continuing response to the COVID-19 pandemic. This report was for the Board's information only; no action was requested or required.

g. Invitation to attend the CCUA 2020 Holiday Luncheon on December 18, 2020

Mr. Johnston informed the Board CCUA's Holiday Luncheon will be held in the Maintenance Building on Friday, December 18, 2020 from 11:00 A.M. until 1:30 P.M. Board members can RSVP to Mrs. Goldberg once they have an opportunity to check their calendars.

h. Other - None

Item No. 9 – Legal Business

a. Other

Mr. Williams informed the Board that he just completed his twenty-sixth audit response letter for the Authority. The Authority currently has two pending construction law matters and one in the demand stage against the contractor working for the school board who created a sinkhole at the Town Center roundabout. There are two auto negligence cases where the Authority has defense through the insurance company. One of those cases is set for pre-trial in November 2021. The other has submitted a proposal, but no trial has been set. The Authority has two Hurricane Irma alleged reported sewer backups being defending and one EEOC matter. These were all identified in the report to the auditor.

Item No. 10 – Old Business/New Business

Item No. 11 – Public Comment

Item No. 12 – Supervisor Comments

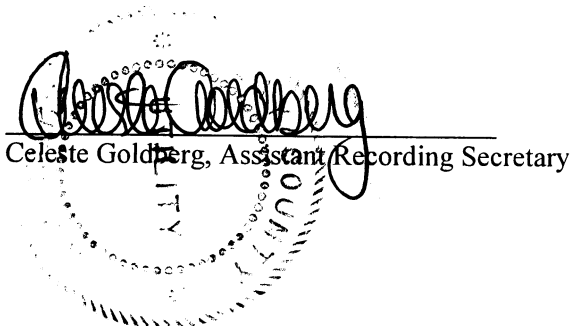
Mr. Hodges thanked the management team for transparency and the deep dive on fleet maintenance. Vice-Chairman Davis echoed the comments made by Mr. Hodges and appreciated the financial report and the background support and discussions on the vehicle maintenance. Mr. Starnieri gave kudos to Mr. Wesselman and his team for diving into the numbers for financials and the fleet study. Mrs. Gardella welcomed Josh Towns to his new role with the Authority. Mr. Roark thanked the team for the KPIs and looks forward to seeing those improve. He also extended his appreciation for the hard work on the fleet maintenance study.

Item No. 13 – Adjournment

Chairman Kloss adjourned the meeting at 3:34 P.M.



Walter Kloss, Chairman



Celeste Goldberg, Assistant Recording Secretary