

MINUTES
CLAY COUNTY UTILITY AUTHORITY
April 6, 2021

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

Vice-Chairman Davis called the meeting to order at 2:00 P.M.

Item No. 2 – Invocation/Pledge of Allegiance

Mrs. Gardella offered the Invocation and led those in attendance in the Pledge of Allegiance.

Item No. 3– Roll Call

Roll Call was taken with 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, Assistant Chief Financial Officer Karen Osborne, Chief Engineer Paul Steinbrecher, Chief Human Resources Officer Kimberly Richardson, Public & Legislative Relations Liaison Celeste Goldberg, Design Manager Kevin Ledbetter, Construction & Inspection Services Manager Warrick Sams, Construction & Inspection Services Coordinator Chis Nazworth, Real Property Coordinator Lynn Valentin, 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, March 16, 2021

After discussion, Mr. Starnieri moved, seconded by Mr. Hodges, and carried 5-0, to approve the minutes of the Board of Supervisors Regular Meeting, held on March 16, 2021.

Item No. 5 – Approval of Consent Agenda

a. Approval of Financial and Operational Activities

After discussion, Mrs. Gardella moved, seconded by Mr. Roark, carried 5-0, to approve the Financial and Operational Activities, as follows;

- 1) Approval of Payment of Warrants
Warrants totaling \$2,147,374.55
 - 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

After discussion, Mr. Hodges moved, seconded by Mrs. Gardella, and carried 5-0, to approve Developer Agreements, Warranty Deeds & Easements, as follows;

- 1) Developer Agreement KU20/21-27 - Water & Wastewater Service to 1679 Shady River Court (Drees Homes of Florida, Inc.) - 1 ERC water, 1 ERC AWS, 1 ERC wastewater, 1 ERC environmental impact - \$4,785.21
- 2) Developer Agreement KU20/21-28 - Water & Wastewater Service to 1661 Shady River Court (Drees Homes of Florida, Inc.) - 1 ERC water, 1 ERC AWS, 1 ERC wastewater, 1 ERC environmental impact - \$4,785.21
- 3) Developer Agreement KU20/21-29 - The Silo Shoppes @ Heritage Farms – 2219 County Road No. 220, Building 3, Unit 307 - Settlement Agreement #36 for the Fresh Spot Lounge (Minh Pham & NGA Thi Pham) – 0.76~ ERC's water, 0.76~ ERC's AWS, 0.78~ ERC's wastewater, 0.78~ ERC's reuse, 0.76~ ERC's debt service - \$3,739.33
- 4) Grant of Easement – Private Roads in Wilford Preserve Units 2A & 2B (Wilford Preserve Community Development District)
- 5) Temporary Construction Easement – Offsite Utility Extensions from Cross Creek Subdivision to CR 315 (Peters Creek Investments, L.L.P.)
- 6) Quit Claim Deed – Lift Station Site at Cameron Oaks Phase 3 Subdivision (Kindlewood, LLC)
- 7) Quit Claim Deed – Lift Station Site at Cross Creek Unit 2A Subdivision (D.R. Horton, Inc. - Jacksonville)

Item No. 6 – Customer Account Adjustments - None

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

Item No. 8 – Executive Director's Business

a. February Financial Package

Mr. Wesselman presented the Financial Statements for February and reported that operating income is \$1,485,402 over budget due to an unfavorable revenue and favorable expense variance. Operating revenue is \$593,301 under budget and operating expenses are \$2,078,703 under budget. CCUA has gained 500 active water accounts and 483 active sewer accounts for the fiscal year 2020/2021. After discussion, Mr. Hodges moved, seconded by Mr. Stameri, and carried 5-0, to accept the Financial Statements for February 2021, as presented.

b. Consideration of proposed Supplemental Agreement No. 5 with Constantine Engineering, Inc., for Tank Inspections and Reports

Ms. Shoemaker presented for consideration proposed Supplemental Agreement No. 5 with Constantine Engineering, Inc., for Tank Inspections and Reports. In accordance with Florida Department of Environmental Protection (FDEP) requirements, storage facilities in contact with raw, partially treated, or finished drinking water shall be inspected for structural and coating integrity at least once every five (5) years by personnel under the responsible charge of a licensed professional engineer. Clay County Utility Authority (CCUA) does not have the in-house experts or equipment to perform the required inspections. Staff determined that seven (7) of the utility's water tanks are due for inspection this year. Staff coordinated

with Constantine Engineering, Inc., a consultant engaged through one of CCUA's current continuing service contracts, to request the attached fee proposal to provide the services needed to perform the inspections and reports. In addition, the fee includes the required cleaning for the three (3) ground storage tanks. Staff determined the proposed not to exceed fee of \$41,395.60 to be reasonable for the seven (7) tanks and consistent with previous Supplemental Agreements. After discussion Mrs. Gardella moved, seconded by Mr. Starnieri, and carried 5-0, to approve Supplemental Agreement No. 5 in the amount of \$41,395.60, as presented by Ms. Shoemaker.

c. Consideration of Interlocal Agreement between Clay County and the Clay County Utility Authority regarding the Road Work and Utility Work for the Improvement of Aquarius Concourse

Mr. Johnston presented for consideration a proposed Interlocal Agreement between Clay County and the Clay County Utility Authority regarding the Road Work and Utility Work for the Improvement of Aquarius Concourse. Clay County (County) intends to install underdrain and upgrade existing stormwater infrastructure along Aquarius Concourse in Orange Park. The County will install underdrain along both sides of the road from the southern intersection at Blairmore Blvd. to the cul-de-sac at the northern end of the road. CCUA operates and maintains a substantial amount of older utility infrastructure in the right-of-way within the County's project area. CCUA must relocate a significant amount of the existing water main for the County's project. To minimize the overall disruption to the neighborhood, reduce the overall timeframe of the stormwater and utility work, and reduce the overall project costs, CCUA and the County have negotiated an agreement to work together as one construction project. The County and CCUA are conducting their own engineering design for their respective infrastructure improvements. The County will perform all of the construction work using their drain line continuing service contractor (i.e. both the necessary utility relocations for CCUA and the stormwater improvements for the County). Both CCUA and the County agreed that an Interlocal Agreement between the two parties would be the appropriate mechanism to conduct the work. The attorneys for both the County and CCUA were involved in the drafting the agreement. Subsequently, the Board of County Commissioners for Clay County approved the agreement on March 23, 2021. Staff is now presenting the same negotiated agreement to the CCUA Board of Supervisors for consideration. The Interlocal Agreement provides a framework to coordinate construction for the utility relocations using the County's contractor and delegates responsibilities for each respective party. Both CCUA and County staff have reviewed the requirements and language contained within the Agreement, both CCUA and County staff consider this joint construction project to be in the best interests of both the County's residents and CCUA ratepayers to collaborate in this way on this project. Staff budgeted \$900,000 for the project. No budget amount is necessary for the Agreement. However, all utility work will be paid up front for the final CCUA work required. There is \$145,631.80 encumbered for the design, leaving \$754,368.20 for construction activities. After discussion, Mr. Hodges moved, seconded by Mr. Roark, and carried 5-0, to approve execution of the Interlocal Agreement as presented by Mr. Johnston.

d. Consideration of Interlocal Agreement between Clay County and the Clay County Utility Authority regarding the Road Work and Utility Relocation Work for the Improvement of County Road 218

Mr. Johnston presented for consideration a proposed Interlocal Agreement between Clay County and the Clay County Utility Authority regarding the Road Work and Utility Relocation Work for the Improvement of County Road 218. Clay County (County) intends to improve CR 218 from roughly Cosmos Avenue to Pine Tree Lane. The Clay County Utility Authority (CCUA) operates and maintains utility infrastructure in easements and the right-of-way within the County's project area. Depending upon the final design from the County's design-build firm, CCUA's existing utility infrastructure may need to be relocated. The County will engage a design-build firm for the roadway improvements and utility relocations. Because of the speed of coordination, design, and construction in a design-build project, CCUA and the County negotiated an agreement to work together as one project. The County will be responsible for procurement of the design-build firm as well as Construction Engineering Inspection (CEI) services. CCUA will be responsible for reviews of the design and some construction inspections to be performed by staff to ensure consistency with CCUA standards and specifications. Both CCUA and the County agreed that an Interlocal Agreement

between the two parties would be the appropriate mechanism to conduct the work. The attorneys for both the County and CCUA were involved in the drafting the agreement. Subsequently, the Board of County Commissioners for Clay County approved the agreement on March 23, 2021. Staff is now presenting the same negotiated agreement to the CCUA Board of Supervisors for consideration. Staff budgeted \$1,000,000 for the project in the Capital Improvement Plan (CIP). Given many uncertainties in not knowing the future Design-Build Firm's final design, staff estimated in a conceptual opinion of probable construction cost between \$400,000 and \$500,000. After discussion, Mr. Starneri moved, seconded by Mr. Hodges, and carried 5-0, to approve execution of the Interlocal Agreement as presented by Mr. Johnston.

- e. Consideration of CCUA's proposed easement acquisition at 3214 Amy's Court from Elmer G. Kauffman, Jr. and Bonnie L. Kauffman for access in conjunction with construction of a new ground water storage tank at CCUA's Meadow Lake Water Treatment Facility

Real Property Coordinator Lynn Valentin presented for consideration a proposed easement acquisition at 3214 Amy's Court from Elmer G. Kauffman, Jr. and Bonnie L. Kauffman for access in conjunction with construction of a new ground water storage tank at CCUA's Meadow Lake Water Treatment Facility. Staff proposes to purchase a 10-foot wide easement from Mr. and Mrs. Kauffman, across their property at 3214 Amy's Court. The easement will provide access for construction and future maintenance of a new ground storage water tank at CCUA's Meadow Lake Water Treatment Facility. The project is identified in CCUA's Five Year Capital Projects Plan adopted by the Board of Supervisors. Mr. and Mrs. Kauffman have executed the agreement to grant the easement to CCUA in exchange for a payment of \$1,251.25 (1001 square feet x \$1.25 per square foot). Staff requests approval of the Grant of Easement and Easement Agreement, and authorization to proceed with closing the easement, in accordance with the terms as detailed. After discussion, Mr. Starneri moved, seconded by Mr. Roark, and carried, 5-0, to approve the easement acquisition, as presented by Mrs. Valentin.

- f. Consideration of CCUA's proposed easement acquisition from Peters Creek Investments, L.L.P. for water, wastewater, and reclaimed water main extensions from Cross Creek subdivision to CR 315

Mrs. Valentin presented for consideration a proposed easement acquisition from Peters Creek Investments, L.L.P. for water, wastewater, and reclaimed water main extensions from the Cross Creek subdivision to CR 315.

Staff proposes to purchase a 30 foot wide easement from Peters Creek, to accommodate the extension of water, wastewater, and reclaimed water mains from Cross Creek subdivision to CR315. Peter's Creek has executed the agreement to grant the easement to CCUA in exchange for a payment of \$211,919.40 (121,096.80 square feet x \$1.75 per square foot). Staff requests approval of the Grant of Easement and Easement Agreement, and authorization to proceed with closing the easement, in accordance with the terms as detailed. After discussion, Mr. Hodges moved, seconded by Mr. Starneri, and carried, 5-0, to approve the easement acquisition, as presented by Mrs. Valentin.

- g. Families First Coronavirus Response Act

Chief Human Resource Officer Kim Richardson presented a request to continue the benefits available under the existing FFRCA and enact the new American Rescue Plan Act's paid time off benefit effective April 1, 2021. After discussion, Mrs. Gardella moved, seconded by Mr. Starneri, and carried 7-0, to enact and extend the benefits through September 30, 2021, as requested by Ms. Richardson.

- h. Public Workshop Affordable Workforce Housing in Clay County recommendation

The Clay County Utility Authority (CCUA) was approached by public stakeholders interested in the development of options to support affordable workforce housing within Clay County. CCUA staff held a public workshop on January 25, 2021, at 9:30a.m., to hear the issues, concerns, and ideas that public

stakeholders have raised about CCUA's policies, procedures, rates, and fees as they relate to affordable housing projects. Since the public workshop, CCUA staff has investigated the issue to provide recommendations that comply with CCUA's enabling legislation (Chapter 94-491, Laws of Florida, Special Acts of 1994) while encouraging affordable workforce housing within the County. Staff recommends that the Board of Supervisors consider and decide upon the options below in encouraging the development of affordable workforce housing.

1. Modify the Service Availability Policy Section 28.B .to include Applicants which are for-profit corporations, providing affordable workforce housing as defined by Florida Statutes (F.S.) Chapter 420.5095(3).
2. Modify the Service Availability Policy Section 28 to finance the capacity fees and connection charges of workforce housing projects at either CCUA's weighted average cost of capital or equal to the United States Department of Housing and Urban Development (HUD) interest rate for the project.
3. Modify the Service Availability Policy Section 35 to defer capacity fees and connection charges of workforce housing projects consistent with how we handles single family residential projects.
4. Formally approach the St. Johns River Water Management District (SJRWMD) about the use of master meters for workforce housing projects.
5. Modify the Service Availability Policy and supporting documents such as the Water Conservation Plan to allow master metering on projects designated as workforce housing.
6. Modify the Rate Resolution and Service Availability Policy to prohibit master metered developments without submetering from participating in CCUA's Leak Credit Program

After discussion, the Board took the following actions on the bullet points above; Mrs. Gardella moved, seconded by Mr. Roark, and carried 5-0, to approve Item (1); Mr. Hodges moved, seconded by Mr. Roark and carried 5-0, to approve Item (2); Mr. Roark moved, seconded by Mrs. Gardella, and carried 5-0, to approve Item (3); Mr. Hodges, moved, seconded by Mr. Roark, and carried 5-0, to reject Items (4), (5) and (6).

i. Other - None

Item No. 9 – Legal Business

a. Other - None

Item No. 10 – Old Business/New Business

Chairman Kloss resigned from the Board of Supervisors effective April 5, 2021. After discussion, Mr. Roark moved, seconded by Mr. Hodges, and carried 5-0, to elect Vice-Chairman Davis to serve as Chairman until a successor is chosen at the first meeting in October. After additional discussion, Mr. Hodges moved, seconded by Mr. Starneri, and carried 5-0, to elect Mr. Roark to serve as Vice-Chairman for the same term.

Mr. Wesselman requested the CCUA check signature block be updated with another Board member to replace Mr. Kloss. The Board WITHOUT OBJECTION selected Mr. Roark to join Mr. Starneri on the check signature block. Mr. Wesselman will update CCUA's banking records as required.

Item No. 11 – Public Comment - None

Item No. 12 – Supervisor Comments

Mr. Hodges thanked Mr. Johnston and staff, and congratulated Vice-Chairman Davis on being elected Chairman. Mr. Starneri echoed Mr. Hodges comments and said he was looking forward to working with the new Chairman. Mrs. Gardella congratulated Chairman Davis and Vice-Chairman Roark and thanked staff for their efforts.

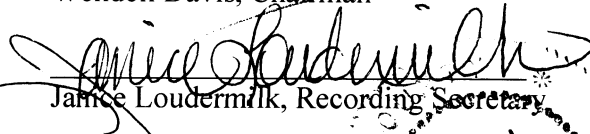
Vice-Chairman Roark offered his congratulations to Chairman Davis and requested everyone move back to the dais for future meetings. The Board WITHOUT OBJECTION agreed with his request. Chairman Davis thanked everyone for electing him to serve as Chairman.

Item No. 14 – Adjournment

Chairman Davis adjourned the meeting at 2:57 P.M.



Wendell Davis, Chairman



Janice Loudermilk, Recording Secretary

