

WATER & SEWER EXPANSION AUTHORITY MEETING MINUTES

Wednesday, May 12, 2004

Meeting Time: 2 p.m.

Location: Committee Room A

Members attending:

Jeanell Wilson, Chair
John Craddock, Vice Chair
Harriet Jones
Lawrence Jones
Susan Rudd
Al Sinclair, ex-officio

Chair Jeanell Wilson called the meeting to order. Christian Blalock handed out draft by-laws for the Board to review. The Board discussed items in the by-laws including the duties of the Board secretary and discussion about financial record keeping. The discussion centered around whether the Board Treasurer would be responsible for the actual financial record keeping and reporting. The Executive Director, when selected, along with administrative assistance from the City or JEA will be responsible to prepare and present financial statements to the Board.

Brenda Forbes presented information on the Clifton neighborhood as a potential sewer phase out project. There was discussion about how customers not participating in a project initially would pay for later connections.

John Craddock asked about the community outreach effort and neighborhood recruitment. Steve Diebenow gave an update on meetings with different neighborhood representatives from the Northside and Pine Forest/Larsen areas as initial outreach to communities. Steve Diebenow summarized a three step methodology for the WSEA efforts:

- 1) Community Outreach, Neighborhood & Project Identification and Community Interest (Recruitment)
- 2) Project Term Structuring based on individual neighborhood requirements, costs and percent of committed participation
- 3) Implementation of the actual projects after project commitment and necessary approvals by WSEA Board and/or City Council

Steve Diebenow discussed two projects that City and JEA staff had been working on and that the WSEA Board Members had reviewed on a recent tour. The first was the Arlington YMCA on Fort Caroline Road. The project would include constructing sewer lines and a lift station to serve the YMCA that is currently on septic tank. The YMCA has improvement and expansion plans and would like to phase out the septic tank. The organization may also sell part of its land to a private developer. The recommended terms would be to finance the sewer project for the YMCA for a 20 year period at 6% interest with the YMCA responsible for 100% of the project cost. Harriett Jones made a motion to approve the YMCA project for 20 years at 6% interest upon terms and conditions to be negotiated by the parties. The motion was seconded by Lawrence Jones. There was discussion about requiring a lien or the loan to be called if the YMCA sold the entire property (not the portion to the developer). The motion was amended to include a call provision and the motion was passed by the Board, as amended.

Steve Diebenow talked about the funding from City Council for WSEA projects. Christian Blalock suggested a resolution from the Board to ask the Council to approve the budget appropriation as an item for the next WSEA meeting.

Steve outlined a second project for Country Club Estates, a group that had been seeking sewer infrastructure options for two to three years. The neighborhood contains 29 homes and the majority of residents have expressed an interest in the project. Steve explained the general structure indicating a total project cost, recommended percentage of City/WSEA fund participation, net infrastructure cost to owners, option to finance up to \$5,000 in connection fees and monthly service charges. Mr. Diebenow also explained that there would be some form of notice to property owners and in the public records if the capital costs were financed. Mr. Jones related information about a special assessment project in his neighborhood where there were liens on properties that did not tie into the available sewer system. For WSEA projects, it is anticipated that the notice would provide an option for the capital balance to be paid off at the time of a property sale or that the balance could be carried forward on utility bills to the next property owner. Steve and Nancy Kilgo outlined the numbers for the Country Club Estates project. The estimated project infrastructure cost is \$355,700, with 30% participation by the WSEA (\$106,710). The following itemization was presented:

Per Home Estimate*	
\$355,700/29 homes	\$12,300
WSEA participation (30%)	<u>- 3,700</u>
Net capital charge	\$ 8,600
Avg. connection costs	4,000
Capacity charge	<u>1,025</u>
Total estimate	\$13,625/homeowner

* Assuming 29 participants. Cost per owner will change based on actual participants and final construction cost estimates.

The estimated payments including financing connection costs would be \$97.50 per month for 20 years or \$81.60 per month for 30 years, both at 6% interest. The estimated monthly payments, without financing connection costs, would be \$61.60 per month for 20 years or \$51.60 per month for 30 years, both at 6% interest (all number rounded).

Mr. Craddock made a motion to approve the Country Club Estates project with participation by WSEA at 30% of infrastructure costs at 6% for up to 30 years. The motion was amended to require homeowner agreements and recommended a 30 year term. Susan Rudd seconded. The motion was passed to approve the second project.

In general discussion, Jeanell Wilson asked that updates be provided on parking passes. Harriet Jones asked about Lakeshore as a candidate project area and maps were provided. The Board decided against a second June meeting.

The meeting adjourned by Chair Jeanell Wilson.