

**Meeting Minutes of the  
Preliminary Meeting of WSEA (Water & Sewer Expansion Authority)  
January 22, 2004, 2:00 PM**

Walt Bussells welcomed the group, and provided a summary of the history leading up to WSEA. All persons attending the meeting introduced themselves one by one, giving brief background information. A list of the participants and their contact information is attached.

Mr. Bussells discussed the role of a task force which was created to address issues of pricing infrastructure and to increase hook-up to JEA's water/sewer system. The task force also explored the financial responsibilities of the Authority. This task force resulted in the creation of the Authority. Nancy Kilgo gave the Board Members a copy of the Task Force Report.

Loree French introduced the Office of General Counsel and explained its role and representation of the WSEA. She provided Board Members with a copy of the WSEA Charter and gave a brief overview of the powers and responsibilities of the Board, including such things as establishing water and sewer rates; establishing criteria for selecting projects; entering into contracts; and issuing debt. She also explained briefly the organization of the Authority such as the appointment of a chair, vice chair and secretary, establishing monthly meetings and considering the adoption of procedures and bylaws. Ms. French also gave the Board Members a copy of Section 286.011, Florida Statutes, and explained briefly the applicability of Chapter 286, Florida Statutes (public meetings), Chapter 119, Florida Statutes (public records), and Chapter 112, Florida Statutes (ethics and conflicts of interest). The Office of General Counsel will provide a more detailed overview of these issues at a meeting as determined by the Board Members.

Hamid Zahir introduced himself as the point person for JEA's interaction with the Board. He presented three different proposals for a potential process to use in selecting a neighborhood for water and/or sewer expansion. Mr. Zahir also provided a draft of proposed Authority procedures/policies. There was some discussion regarding these processes and the selection criteria contained within the Task Force Report with the discussion ending that there may need to be a revision to include within the selection criteria the issue of whether the City is already performing or planning to perform road drainage improvements or other construction in that same area. Questions were answered, clarifying that it is the Board Members' duty to select the project sites.

Ed Hall also suggested that the City could forward to the Board the list of neighborhoods that, after review, do not make the list of septic tank system failure agreements under the Septic Tank Super Fund Program. Mr. Hall also indicated that there will be proposed projects with the City, which would create the possibility of the Authority to "piggy-back" on City projects. Mr. Bussells discussed the need to identify an area and then determine if people in the neighborhood are interested in a proposed project. The Authority will then need to determine how to proceed in that neighborhood.

Walt Bussells gave a review of initial financial issues to consider, including some discussion about the possible rate structure for service. With respect to financing, Mr. Bussells indicated that it

will be tailored to each neighborhood and proposed project. The issue of low income neighborhoods was also discussed as a consideration for financing criteria. Most neighborhoods will contribute to the costs of infrastructure in some way. Mr. Bussells also discussed the issue of user fees versus public funding and how to tailor types of financing to a particular neighborhood. Mr. Bussells indicated there will be rate hearings by JEA for the wholesale cost of providing water and sewer service to the Authority, and the Authority will then have to establish the retail rates. The cost of infrastructure will be the basis of the difference in overall cost of providing service to different neighborhoods. He announced to Board Members the Mayor's "stretch" goal of having two or three projects underway, or at least designed and ready to put out for bid, before the end of this fiscal year. He explained the existence of \$3 million in "seed" money provided by the City for the first projects.

Walt Bussells also discussed the potential committee structure of the Authority and invited members to attend the next JEA Board meeting to observe one approach.

The meeting ended with open discussion and questions, and Board Members expressed an interest in having another preliminary meeting while Board Members are being confirmed by City Council.

**Attendance at Preliminary meeting to discuss  
WATER AND SEWER EXPANSION AUTHORITY  
THURSDAY, JANUARY 22, 2004**

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