

**Meeting Minutes of the
Second Preliminary Meeting of WSEA (Water & Sewer Expansion Authority)
February 10, 2004, 1:00 PM**

Nancy Kilgo welcomed the group, and reported that Walt Bussells would not be able to attend the meeting and Steve Diebenow may stop in briefly. She introduced Jim Dickenson, Chief Operating Officer of JEA and told the Board that Nancy Kilgo, Jim Dickenson, Greg Perrine, John Pine and Hamid Zahir will be the primary points of contact at JEA for the WSEA. All persons attending the meeting introduced themselves one by one. A list of the participants is attached. Nineteen were in attendance.

Ryan Burke announced that he will be resigning from the Board because he is moving to Dallas, Texas. Mayor Peyton will appoint a new board member. Mr. Burke will continue to serve on the board through the month of March in order to maintain a quorum until all the board members are appointed.

Cal Ray talked about the Water and Sewer Infrastructure Task Force Report ("Task Force Report"). He explained that Duval County does not have a mandatory hookup requirement. The City has set aside three million dollars as seed money, however, if all unserved citizens hooked up it would cost in excess of \$2.8 billion. It has been suggested that if 60% of a neighborhood agrees to hookup, they would receive a special reduced assessment. The City would have to pay up front, but eventually revenue generated would pay for the debt. WSEA will be responsible to look for additional financial funding sources, grants, different solutions and different neighborhoods to participate.

Helen Kehrt briefly discussed rate structure, referring to Infrastructure Task Force Rate Comparisons from the Task Force Report for water service and sewer service. Customers would be charged different rates based on percentage of neighborhood participation.

Nancy Kilgo explained that the WSEA Board has the discretion to decide a fair formula to bill participants. Because the City has given seed money, the first participants will be receiving some assistance. When later participants join, the fees generated would replenish the initial seed money.

There was general discussion about whether Duval County should require a special assessment so that everyone would have to contribute to assessments for water but not for sewer. Lawrence Jones told about his experience when his neighborhood converted to city water/sewer about 15 years ago. Harriet Jones asked why Duval County does not require water/sewer hookup. Nancy Kilgo explained that City Council would have to pass that requirement. She also stated that the State requires hookup once a septic tank fails or an owner sells a house.

Ryan Burke expressed concern that, although 90% of a neighborhood may say they want to contribute, the number of participants may dwindle to a much smaller number if presented with a voluntary choice to participate in a WSEA project. The reason being that most people do not want

to pay extra amounts when they feel that they are paying for their neighbors. A decrease in participants could increase the individual cost of hookup by thousands of dollars.

Nancy Kilgo suggested that the WSEA may want to require contractual obligations with participants before connections begin.

John Pine asked Ryan Burke whether he had done research on the increase of property values for homes with water/sewer hookup. Mr. Burke stated that there does not seem to be a significant increase in property value, probably not enough to offset the cost.

Ed Hall and Greg Perrine gave a report on the Matrix for Prioritizing New Sewers to Areas of Duval County Currently on Septic Tanks and Drain Fields (page 18 of Task Force Report). Mr. Hall discussed rating factors for neighborhoods and reasons for water/sewer hookup including reducing pollution and density of population.

There was general discussion about how to determine points, who will assign points, and JEA and WSEA roles in determining priorities. Nancy Kilgo explained that WSEA will make final rankings but priority may be based on participation. Hamid Zahir added that geographic location may also have a large impact on priority.

Nancy Kilgo said that, although there is interest in water/sewer expansion throughout the City, there are groups in certain geographic areas who are interested at this time. These include the areas of Northwest Jacksonville, Ortega, Arlington, Mandarin and Ribault Scenic Drive areas. The groups make up a good geographic variety.

Harriet Jones suggested charging an extra fee or tax, to all Duval County residents or considering a bond plan to go ahead and make water/sewer hookup city-wide. Discussion ensued about the amounts that would have to be charged and that most likely this would not be an alternative.

Nancy Kilgo stated that the remaining nominated board members should be confirmed and the WSEA should be able to have an organizational meeting and elect officers within approximately six weeks.

Christian Blalock discussed some items for the members to consider such as appointing certain required officers, ethics/public records/sunshine training and other organizational matters.

The Board Members expressed an interest in having another preliminary meeting tentatively scheduled for March 10, 2004, at 3:00 p.m.

**Attendance at Second Preliminary meeting to discuss
WATER AND SEWER EXPANSION AUTHORITY
TUESDAY, FEBRUARY 10, 2004**

1	Billy, Kyle	
2	Blalock, Christian	(Did not sign in)
3	Burke, Ryan	
4	Craddock, John R.	
5	Dickenson, Jim	
6	Hall, Ed	
7	Jones, Harriet	
8	Jones, Lawrence V.	
9	Kehrt, Helen	
0	Kilgo, Nancy	
11	Owens, Gregory	
12	Perrine, Greg	
13	Pine, John	
14	Ray, Cal	
15	Rudd, Susan L.	(Did not sign in)
16	Sinclair, Alford	Interested citizen
17	Tison, Joy	(Did not sign in)
18	Wilson, Jeanell	
19	Zahir, Hamid	