

SEPTEMBER 22, 2003 – WORKSHOP

The Board of County Commissioners, Walton County, Florida, held a Workshop on Monday, September 22, 2003 at 3:00 p.m. at the South Walton Courthouse Annex.

The following Board members were present: Larry Jones, Chair, Tim Pauls, Vice-Chair, Commissioner Lane Rees, Commissioner Kenneth Pridgen, and Commissioner Ro Cuchens. Mr. Michael Underwood, County Administrator, and Attorney Gary Vorbeck, Director of Legal Services, were also present.

Commissioner Pauls led with prayer followed by the pledge of allegiance to the American Flag. Chairman Jones called the meeting to order.

Mr. Dewey Wilson, President and General Manager of Florida Community Services, appeared before the Board to present the Master Plan along with the Preliminary Rate Study for Regional Utilities. He advised that they are not requesting any rate increases for utilities. However, some of the impact fees will be adjusted for development tap on fees.

Mr. Phillip Jones and Chris Forehand, Preble-Rish, stated that they have completed a Master Plan Study for Regional Utilities. Mr. Jones reviewed the plan giving an overview of the existing conditions. He also spoke about the background of Regional Utilities and their growth rate.

Mr. Forehand spoke about Regional Utilities potable water system. He also spoke about the historical growth; water and wastewater requirements; and the water supply, storage & distribution. He presented a chart showing the five-year demand outlook with a 15 percent annual growth rate. It was recommended that Regional Utilities install two

new production wells at Owl's Head, which has a projected cost of \$18 million spread out over five years.

Mr. Jones spoke about the upgrades that are needed. The total project costs for wastewater is \$26,469,000.00 and is in addition to the \$18 million.

Mr. Mark Galvin, First Southwest Company, presented a financial review of Regional Utilities. He gave a historical overview and explained about the existing debt, covenants and debt service coverage and further explained the future goal and financing needs.

Mr. Wilson introduced Mr. Henry Thomas and Mr. Tony Harrison, Public Resources Management Group, Inc., who presented the Water and Wastewater Rate Study. Mr. Thomas spoke about the financial forecast, customer growth projections, and revenue requirements. He encouraged the commissioners to review the rates again in about two years.

Chairman Jones opened the floor for public comments. Mr. Alan Fircarra asked about funding issues and various ways to pay for the services. He also asked about the possibility of removing septic systems.

Mr. John Barnheart commented on the rate structure and asked Regional Utilities to reconsider the 6,000 minimum gallon usage. He felt that the minimum is set too high. Mr. Thomas responded to Mr. Barnheart's concerns and stated that the minimum usage rate is needed to provide balance due to seasonal usage.

Mr. Wilson requested that the Board adopt the rate study as presented.

Motion by Commissioner Rees, second by Commissioner Pauls to adopt the Rate Study and the proposed Water and Wastewater fees. Ayes 5, Nays 0. Rees Aye, Pridgen Aye, Jones Aye, Cuchens Aye, Pauls Aye.

There being no further business, the meeting was adjourned at 4:40 p.m.

APPROVED: _____
Larry D. Jones, Chairman

ATTEST: _____
Martha Ingle, Clerk of Court