

Utility Board
February 27, 2006
Milton, Florida

The Santa Rosa County Utility Board met on the above date with the following members present: Vice-Chairman Jimmy Kimbrough, L. L. "Bubba" Drinkard, Mark Glasgow, Michael Handler, and Tim Bryant. Also present were the County Administrator (Hunter Walker) and County Engineer (Roger Blaylock). Vice-Chairman Kimbrough called the meeting to order at 5:00 p.m.

Drinkard moved approval of the minutes from the February 23, 2004, August 23, 2004, and August 22, 2005 meetings; Handler seconded, and the vote carried unanimously (5-0).

Selection of Chair/Vice-Chair

Drinkard nominated Glasgow as Chairman; Handler seconded, and the vote carried unanimously (5-0).

Glasgow nominated Handler as Vice-Chairman; Drinkard seconded, and the vote carried unanimously (5-0).

Review of Sundial Utilities, Inc. Rate Request

Walker introduced Angela Jones with Locklin & Jones, P.A. and Bernard Roll, owner of Sundial Utilities. He said Sundial Utilities is one of the three privately owned utility firms that the Utility Board has rate recommendation responsibilities for. Walker said the board members have received a copy of the letter from Jones regarding Sundial Utilities request (Attachment in File).

Jones said Sundial Utilities is a sewer company established in 1997 to serve about 145 customers. She said almost ten years later, they now have 460 customers and rising costs. Jones said in the nine years Sundial Utilities has been in operation they have never been before the Utility Board to request any kind of rate increase. She said she can provide the board with percentages regarding increases in lab fees, insurance, chemicals, utilities, and labor costs. Jones said Sundial Utilities is requesting a 29% flat sewer fee increase and a 21% tap fee increase. She discussed expenses incurred by Hurricane Ivan and costs associated with a lift station upgrade. Jones said this year the utility company must add new perc ponds with a cost of \$75,000.00 just for the pipelines. She discussed future plans for a new ½ million gallon plant which will cost about \$6 million. Jones said Sundial Utilities has operated in the red for the past few years as its costs have exceeded the revenues. She discussed the new subdivisions going in within this franchise area and distributed a spreadsheet of Sundial Utilities' budget (Attachment in File). The board asked Roll several questions regarding Sundial Utilities' franchise area, budget, and future expansion.

Walker said this is the first rate increase for Sundial Utilities, and their customer base has tripled. Roll discussed rumors of a new large subdivision and said he must start expansion in the near future. He said he will be able to provide sewer service to an additional 2000 homes with the expansion.

Drinkard moved approval of Sundial Utilities rate increases; Handler seconded, and the vote carried unanimously (5-0).

Walker said he will place this item on the agenda as a recommendation to go before the Board of County Commissioners next week.

Walker said he will begin scheduling the annual reports from all of the county utility companies starting with the largest companies and finishing with the smaller companies.

The next scheduled meeting of the Utility Board is Monday, March 27, 2006 at 5:00 p.m.

There being no further business to come before the Utility Board at this time, the meeting adjourned at 5:25 p.m.