

**MINUTES OF MEETING
ST. JOHNS COUNTY SPECIAL MEETING OF THE
BOARD OF COUNTY COMMISSIONERS
ST. JOHNS COUNTY, FLORIDA
DECEMBER 8, 2004
(6:00 P.M.)**

Proceedings of a special meeting/workshop of the St. Johns County Board of County Commissioners, held at Rawlings Elementary School, 610 A1A North, Ponte Vedra Beach, Florida, 32082.

Present were: Bruce Maguire, Chairman, District 4
 Ben Rich, District 3
 Karen Stern, District 2
 Cyndi Stevenson, District 1
 Ben W. Adams Jr., County Administrator
 Daniel Bosanko, County Attorney
 Lenora Newsome, Deputy Clerk

Also present: Michael Hunt, Deputy County Attorney; John Schwab, Special
 Projects Manager

(12/08/04 - 1 - 6:13 p.m.)
Called to Order

Maguire called the meeting to order.

(12/08/04 - 1 - 6:14 p.m.)
Roll Call

Maguire stated that all Commissioners were present with the exception of Bryant.

(12/08/04 - 1 - 6:14 p.m.)
Additions/Deletions to Agenda

There were no additions nor deletions to the Agenda.

(12/08/04 - 1 - 6:14 p.m.)
Approval of Workshop Meeting Agenda

Motion by Stern, seconded by Rich, carried 4/0 with Bryant absent, to approve the agenda as presented.

(12/08/04 - 1 - 6:15 p.m.)
WORKSHOP TO DISCUSS THE POSSIBLE ACQUISITION OF THE ST. JOHNS SERVICE COMPANY - A UTILITY PROVIDING WASTE WATER & WATER SERVICES LOCATED IN THE NORTHEAST PORTION OF ST. JOHNS COUNTY

Maguire explained the basic format of the meeting.

(6:16 p.m.)
Introduction by Ben W. Adams, Jr., County Administrator

Adams introduced Daniel Bosanko, County Attorney; Michael Hunt, Assistant County Attorney, John Schwab, Special Projects Manager; Marc Walch, PBS&J, SJC Consultant;

Jean Mango, Bond Counsel for St. Johns County; and St. Johns County Utility leadership.

(6:17 p.m.)

Recap of the Process by John Schwab, Special Project Manager.

Maguire stated that the meeting was for discussion only.

Schwab reviewed the St. Johns County potential acquisition of the St. Johns Service Company. (Exhibit A)

Schwab spoke on, why consider this acquisition, background information on the acquisition process, and the sale offer being a lease purchase.

(6:21 p.m.) Marc Welch, Special Engineer with PBS&J, gave an explanation of the PBS&J range of values and methods used. He stated that there was a great deal of land to consider and that it would be in the County's best interest to acquire the land. He spoke on the discrepancy in the Hartman Report.

(6:35 p.m.)

Detailed Explanation of the Proposed Rates - Marc Walch/Johns Schwab

Walch gave a detailed explanation of the proposed rates.

Frank Kenton, St. Johns County, spoke on what their conservative rates had done for their utility customers.

(6:38 p.m.) Adams stated that the negotiated price was \$39,500,000.

(6:39 p.m.) Schwab spoke on the customer profile, projected rate impacts, and St. Johns County's potential acquisition of St. Johns Service Company's Financial Feasibility Summary.

(6:42 p.m.)

Description of Financing Options - Jean Mangu

Mangu spoke on what to do in case the County decided to purchase the utility, revenue to cover the debt, terms in existing bond documents, alternate financing options being available, and the county having an existing covenant.

Stevenson asked about being under the existing bond. Mangu responded.

(6:51 p.m.)

Brief Explanation of the Issue on the Board's Inability to regulate another Governmental Body purchasing the Utility - County Attorney's Office

Bosanko spoke on what control the county would have, if the utility was bought by another governmental entity. He explained the 25 percent surcharge aspect of the rate structure.

(6:53 p.m.)

Statement by the Seller - Seller's Representative

Mark Lawson, Bryant Miller & Olive, made a few comments regarding developing an approach on term and price. He spoke on Home Rule, and when one considered

buying a utility there was a policy they would have to go through. He stated that this was a legislative process not a judicial one. He asked the commission not to draw a final conclusion, just have Staff bring this issue to the Board on the December 15th BCC Agenda.

(7:01 p.m.)

Questions & Answers by the Board

There were none.

(7:02 p.m.)

Question & Statements by the Public

Pam Kessler, 1136 Salt Creek Drive, spoke on looking for land to support their Ponte Vedra Athletic Program.

(7:04 p.m.) Richard Thomas, 4322 Palmetto Street, spoke on there being only two reasons to consider this project; 1.) acquisition of this utility would improve service to their customers, and 2.) such a move would be more economical to the citizens of the County and the users of the utility. He spoke in opposition of this acquisition.

(7:05 p.m.) Mary Kohnke, 29 South Roscoe Blvd., spoke in opposition of the acquisition.

(7:10 p.m.) Ray Miolla, 100 Lamplighter Lane, spoke in opposition of the acquisition.

(7:16 p.m.) Pete Donnelly, 6561 Commodore Drive, spoke in opposition of the acquisition.

(7:20 p.m.) Mike Twomey, P.O. Box 256, Tallahassee, spoke on a few points raised by Staff and Utility Advisors. The purchase must be in the "public interest." He spoke on considering Section 125.3401, the bonding cost, looking at alternatives to the purchase, the total equity and debt, the return on the investment, and the expenses not being reasonable. The bottom line was that the customer paid for the difference. He also spoke on the Hartman evaluation ranging \$18-\$23 million, PBS&J valuation, land use, and rate issue, alternatives, and benefits versus detriments. (Exhibit C)

(7:42 p.m.) Robert Huhta, 204 Greencrest Drive, Ponte Vedra, spoke in opposition of the acquisition.

(7:56 p.m.) David Garwood, 1159 Salt Marsh Circle, spoke in favor of the acquisition.

(7:57 p.m.) Jim Browning, 148 River Marsh Drive, read by Stern, stated that he was in favor of the acquisition.

(7:58 p.m.) Frederick Owen, 91 San Juan Drive, Ponte Vedra Beach, spoke in opposition of the acquisition.

(7:59 p.m.) Dan MacDonald, 24501 Deer Trace Drive, spoke in opposition of the acquisition.

(8:01 p.m.) Walter Rohrer, 2315 Clubview Court, spoke in opposition of the acquisition.

(8:04 p.m.) Jon Cummins, 2439 Lorraine Court, spoke in favor of the acquisition.

(8:06 p.m.) Brian Smith, 736 Fair Oaks Lane, spoke in favor of the acquisition.

(8:08 p.m.) Victor Martinelli, 24 Carriage Lane, Ponte Vedra, spoke in opposition of the acquisition.

(8:09 p.m.) Robert Carter, Jr., 64 Fishermans Cove, Ponte Vedra, spoke in opposition of the acquisition.

(8:13 p.m.) Robin Wilson, 2007 Palmetto Point Drive, spoke in favor of the acquisition.

(8:14 p.m.) Harold Pruner, 1513 Birkdale Lane, spoke in opposition of the acquisition.

(8:17 p.m.) Roger Van Ghent, 4005 Moultrie Foreside Blvd., spoke in opposition of the acquisition

(8:20 p.m.) Tina McGough, 120 South Bend Drive, spoke in opposition of the acquisition.

(8:23 p.m.) James Mason, 632 Miramar Lane, Ponte Vedra, spoke in opposition of the acquisition.

(8:25 p.m.) Mary Daniel, 131 South End Street, spoke in favor of the acquisition.

(8:27 p.m.) Daniel Brown, 897 Blackberry Lane, spoke in favor of the acquisition.

(8:29 p.m.) Mervin Denny, 5 Loggerhead Lane, spoke in favor of the acquisition.

(8:30 p.m.) Jim McCarthy, 296 Deer Run Drive, Ponte Vedra Beach, spoke on moving forward.

(8:33 p.m.) Sid Ansbacher, 780 N Ponce Blvd., representative for St. Johns Service, spoke in favor of the acquisition.

(8:40 p.m.) Mark Miles, 8004 Acorn Ridge Road, spoke in favor of the acquisition.

(8:43 p.m.) Frederick Owen, spoke in opposition of the acquisition.

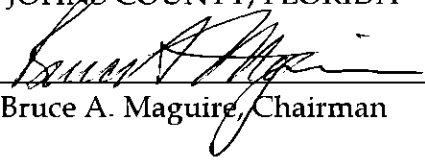
(8:45 p.m.) Stevenson left the meeting.

Maguire mentioned again that they were here to listen to the public.

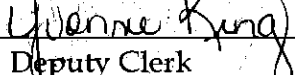
With there being no further business to come before the Board, the meeting adjourned at 8:47 p.m.

Approved January 12, 2005

BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: 
Bruce A. Maguire, Chairman

ATTEST: CHERYL STRICKLAND, CLERK

By: 
Deputy Clerk