

**Pace Water System
Regular Meeting
December 13, 2011**

The Pace Water System Board of Directors met on the above date with the following members present: President Paul Hinson, Sondra Thompson, William Carney, Theresa James, Randy Grant, and Marvin Fowler. Manager Ted Dotson, Engineer Damon Boutwell, and Attorney Daniel Saba were also present. President Hinson called the meeting to order at 7:00 p.m. Attorney Saba offered the invocation and those present joined in the pledge of allegiance to the flag.

Minutes: Thompson moved approval of the minutes of the meeting of November 8th, James seconded, and the motion carried unanimously.

Financial Statements: Grant moved approval of the financial statements for November, James seconded, and the motion carried unanimously.

Engineer's Report: Engineer Boutwell provided copies of the project status sheet in the agenda packets. Boutwell said staff had been working on different in-house projects. Boutwell provided a copy of a breakdown summary reflecting the costs of the work on Avalon at the entrance to Timberlake; those costs are to be reimbursed by FDOT. Boutwell advised that the costs were provided to DOT, and Pace is waiting for the signed agreement to be returned.

Attorney's Report: Attorney Saba reported that he had been involved in no major legal issues. Saba said he would report later in the meeting on what is required to amend the Bylaws and Articles of Incorporation.

Policy for Licensure, Raise vs. Bonus: Boutwell recalled that the Board had directed staff to readdress the issue and bring back a recommendation. Boutwell said the management team met and recommend going with a \$.50 per hour raise rather than a bonus. Carney commended management for coming up with the best possible recommendation. Carney asked what would happen if the raise puts an employee above his/her range. Boutwell said it would be like anything else, he would max out at that, and anything above the salary would be a bonus. Boutwell said most of the employees that this policy would apply to are not maxed out, and if they are not operators, they would go to the operator pay range; it's just changing pay grades, which gives the opportunity for more advancement. Thompson noted that David Carr had been asked at a prior meeting if he would be prepared to give return his bonus. Boutwell said Judy ran the numbers, and the bonus could be easily withdrawn from the Christmas bonus or sick leave payout. **Carney moved to adopt the policy change as recommended, Fowler seconded, and the motion carried unanimously.**

Hinson initiated discussion with regard to a policy for bill stuffer advertisements. Boutwell said more businesses are asking about doing bill stuffers. Boutwell said along with establishing a policy, a price should be established. Boutwell said the figure of

\$1500 had been discussed. **Fowler moved not to allow businesses to stuff ads in the bills.** Grant noted that it would cut Pace's cost for billing down by \$1500. Thompson added that it would offset Pace's costs. Boutwell said a one page stuffer could be included without increasing postage, and there is no charge to put the additional stuffer in the bill. James asked about customers who pay on line. Boutwell said those customers would receive the stuffers by attachments to their e-mails. Boutwell advised that the proposed policy limits the businesses to one sheet and one insert per billing period. Thompson said she had previously been opposed to allowing stuffers in the bills because of the possibility of unfairness, but Pace has allowed it for the Press Gazette, Sam's, and a carpet cleaner. Thompson said the Board would approve the ads on a case by case basis. Boutwell said a policy was needed so that everyone would be getting the same treatment. Fowler asked why Pace should not do its billing in-house. Boutwell said the mailing company has a better bulk rate because of the volume they have. Boutwell noted that including the ads would reduce Pace's billing by 25%. **Motion died for lack of a second.** Discussion continued. **James moved to accept the proposed policy with the requirement that the Board approve each stuffer on a case by case basis, Thompson seconded.** Hinson said there should be a requirement that any business allowed to insert the stuffers must have a current SR County business tax receipt (occupational license). **Motion carried 4 – 1, with Fowler opposing.**

Pay Requests: James moved to approve the pay requests as follows: Locklin & Saba in the amount of \$1,438.00; Southern Elite Construction in the amount of \$6,378.30; Griner Drilling in the amount of \$71,550.00, and SMK Pipe Contractors in the amount of \$1,093.50; Carney seconded and the motion carried unanimously.

Investment Summary: Thompson moved approval of the investment summary, James seconded, and the motion carried unanimously.

2012 Operating Budget: Thompson moved approval of the proposed 2012 Operating Budget, James seconded, and the motion carried unanimously.

2012 Capital Budget: James moved approval of the proposed 2012 Capital Budget, Carney seconded, and the motion carried unanimously.

Christmas Bonuses: A list was provided with recommendations for employee Christmas bonuses. Thompson moved approval, James seconded, and the motion carried unanimously.

Non-Insured Employees Bonus: Hinson explained that it is recommended that the employees that do not receive Pace's health insurance be given a stipend in light of the savings to Pace for the benefits. Hinson advised that the bonus was given last year. James moved to grant Carolyn Foster and Steve Eggart \$2,500, and Judy Farrell \$1,250 (for half year at full time), Grant seconded. Thompson asked if Pace would be giving the stipend each year. Hinson said he thought it would be a good thing to do as long as Pace could afford, it. **Motion carried unanimously.**

Boutwell presented the Pinckard Door Company ad for board approval for to go out with the PWS bills. Thompson asked if Pinckard would be charged \$1500, or if there would be an exchange for service. Boutwell and Dotson said Pinckard had rendered good service to Pace over a period of time. Fowler said he thought Pace should stick to the rate. Hinson said he thought bartering muddies the water. Boutwell said Pace was not in need of a service. Thompson said if Pace does not need the service at this time, the rate should be charged. **Thompson moved to accept the ad at a cost of \$1,500.00 for inclusion in the Pace bills, Carney seconded, and the motion carried unanimously.**

The Board had previously discussed establishing a stipend for board members. Grant provided information relating to compensation received by ECUA's board members. Discussion ensued. Saba said he had been tasked with finding out about necessary changes to Pace's governing documents to allow compensation to board members. Saba said he had been under the impression that the change would be made to the by-laws, but learned that the Articles of Incorporation would have to be changed. **(Correction by Saba was made later in the meeting.)** Saba advised that the Articles are changed by bringing the change to the Board by a majority vote of the members, and then after a majority vote of the members, the Board would make a decision by majority vote on whether to change the Articles. Saba said to change the by-laws, the Board has to pass a resolution, which is advertised and mailed out, and is to be voted on by a majority of the members who attend the annual meeting. Saba noted that changes to the Articles are more stringent. Grant discussed conducting the vote through the bills. Saba said that would be similar to signing a petition by a majority of the members, and he thought that might qualify as a majority vote. Grant said that would be the only way to obtain a majority vote of members, they would not all come in to vote. Fowler said a vote should be conducted by secret ballot. Saba said he agreed that a vote should be by secret ballot, and if a member came forward and said the vote was not proper, there could be a legal issue. Saba said he would research how other systems have voted. Saba said changing the Articles would not be an easy process. Saba said he would research how to come up with a majority vote because he would not want to go through the difficult process, and have one member challenge the validity of the vote. Saba said everything should be done right.

Hinson asked if any board members were opposed to having board members receive a stipend. Carney and Hinson expressed opposition. Carney said he thought a stipend would be self-serving and the reason the board members serve on the board is not for a financial gain, but to provide a community service. Carney said Pace could end up with a slippery slope that it could not back up on. Carney said providing medical or health benefits, in lieu of a stipend, was also discussed. Carney said that was also a slippery slope, and he did not agree with it. Carney said he thought the matter should be closed and not be addressed further. Hinson said he respected other Board members' opinions, but he firmly opposed the stipend. Grant said he had brought the suggestion forward because he thought there would be difficulty getting quality candidates to run in the future. Thompson said ECUA's board does not do anything more than Pace does—perhaps not as much. Thompson said the amount of compensation being discussed was nowhere near what the ECUA board members make. Grant said the ECUA board

members make \$38,000 to \$40,000, plus benefits; the suggestion for Pace had been \$7,500. Hinson said he wanted a board member to serve PWS out of a desire to serve the community. Hinson said if money convinces a candidate to run, he was not sure he would want him/her as a board member. Hinson said he did not intend for his comments to be personal. Discussion continued. Hinson said he thought it would be highly unlikely to get a majority of the membership to vote in favor of a stipend. **Grant moved to have Attorney Saba move forward to determine what would have to be done to change the Articles or Bylaws, Thompson seconded, and the motion carried 4-1, with Carney opposing.** Saba said he understood that he would provide a memo on how to change the Articles of Incorporation and how to conduct a proper vote. Discussion continued. Saba said he was not sure what procedure was used to reduce the number of board members from 9 to 6, and he would check on that. Copies of the Articles were made by Dotson. **Saba corrected the information he earlier provided.** Saba said a page was out of order. Saba advised that the Articles had been changed in 1992 to allow them to be amended the same way the bylaws are amended; i.e., through resolution of the Board, a mail-out, and a vote by a quorum. Saba advised that a change can be done to the Articles at an annual meeting in the same manner as the bylaws. Saba referred the Board members to page 4. Saba said there would still need to be a resolution, it has to be mailed out, and published in the newspaper 10 days prior to the meeting, then a majority vote of the members who attend the meeting if there is a quorum. Saba said the publication in the newspaper has to be 10 days prior, and to avoid any legal issues, the mailing should probably be 10 days prior as well. Damon said if the mail-out is done with the monthly bills, it will have to go out in the January bills at the end of December. Saba said if the Board wants to adopt a resolution, it should do so before proceeding with mailing and publication. Saba said the Board would just be adopting a change in the Articles saying that the Board can get paid a salary or compensation. **Grant moved that Article XI of the Articles of Incorporation be amended to allow the Board of Directors to receive a salary, and that a resolution be published and mailed according to the rules, Fowler seconded, and the motion carried 4-1, with Carney opposing.** President Hinson said if he could vote, he would vote in opposition to the motion.

Manager's Report: Damon advised that 136 customers had signed up for e-billing, and he anticipated many more would do so. Damon said each e-bill saves Pace \$.35 per bill.

Public Forum: Employee Eggart expressed appreciation for the bonus. Another employee expressed appreciation for the Christmas bonuses.

Meeting adjourned.

President

ATTEST:

Secretary

**Pace Property Finance Authority
Regular Meeting
December 13, 2011**

The Pace Property Finance Authority met on the above date with the following members present: President Paul Hinson, Sondra Thompson, William Carney, Theresa James, Randy Grant, and Marvin Fowler. Manager Ted Dotson, Engineer Damon Boutwell, and Attorney Daniel Saba were also present. President Hinson called the meeting to order at 7:00 p.m. Attorney Saba offered the invocation and those present joined in the pledge of allegiance to the flag.

Minutes: James moved approval of the minutes of the meeting of November 8th, Thompson seconded, and the motion carried unanimously.

Financial Statements: Grant moved approval of the November financial statements, James seconded, and the motion carried unanimously.

Engineer's Report: Engineer Boutwell provided copies of the project status sheet in the agenda packets. Boutwell reported that copies of both draft permits had been received from Sterling Fibers for reuse disposal. Boutwell said Pace might be able to get between 1½ to 2 MGD of effluent disposal at Sterling. Boutwell said as long as nothing arises in the publication period, permits should be in by January and February. Boutwell said work would then focus on getting the effluent to Sterling and out of the wetlands. Hinson noted that there was an allocation for that in the capital budget. It was noted that Stonebrook did not appear to be taking any effluent.

Boutwell provided a copy of a breakdown summary reflecting the costs of the work on Avalon at the entrance to Timberlake; those costs are to be reimbursed by FDOT. Boutwell advised that the costs were provided to DOT, and Pace is waiting for the signed agreement to be returned.

Investment Summary: James moved approval, Thompson seconded, and the motion carried unanimously

Meeting adjourned.

President

ATTEST:

Secretary

**Janice Mason
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Milton, Florida 32570
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**January 2, 2012
PWS110811.MIN**

**Mr. Ted Dotson
General Manager
Pace Water System**

RE: Minutes for Regular Meetings of December 13, 2011

01/02	Professional Services - Minutes	\$275.00
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THANK YOU.

Janice