

DECEMBER 6, 2016 - SPECIAL JOINT MEETING

The Board of County Commissioners, Walton County, Florida, held a Special Joint Meeting with the City Council of DeFuniak Springs and the City Council of Freeport, on Tuesday, December 6, 2016 at 4:00 p.m. at the Walton County Courthouse in DeFuniak Springs, Florida. The purpose of the meeting was to discuss water and sewer installation, maintenance, and use on Highway 331 from DeFuniak Springs to the Clyde Wells Bridge.

The following Board members were present: Commissioner Cecilia Jones, Chairwoman; Commissioner W. N. (Bill) Chapman, Vice-Chairman; Commissioner Sara Comander; Commissioner Melanie Nipper, and Commissioner Tony Anderson. Mr. Larry Jones, County Administrator, and Attorney Mark Davis, County Attorney, were also present.

The following Council members from the City of DeFuniak Springs were present: Mayor Bob Campbell and Council members Henry Ennis, Sr.; Mac Carpenter; Janie Griffith; and Ron Kelly. Attorney Clay Adkinson, City Attorney, was also present.

The following Council members from the City of Freeport were present: Mayor Russ Barley and Council Members Janice McLean; Eddie Farris; Jennifer Laird; and Kasey Cuchens. Attorney Clayton Adkinson, City Attorney, was also present.

Mr. Cliff Knauer, Engineer, and Mr. Billy Williams, Local RESTORE Coordinator, were also present.

Chairwoman Jones called the meeting to order.

Mr. Larry Jones thanked everyone for being present. He stated the county wants to facilitate a mechanism to make Walton County better as a whole. The goal is come to an understanding of what is good for all and to work collectively to find a solution for everyone. Appropriate infrastructure is needed for the U.S. Highway 331 Corridor. He stated the county

wants to leave today with the ability to go to the legislature to ensure them all three entities are in agreement.

Mr. Billy Williams addressed the board and council members regarding opportunities and challenges available to the county and cities. He stated this opportunity is a matter of timing to present information during the upcoming legislative session. The number one focus is to have a strategy/ The legislature favors what has been presented up to this point. The goal is to show legislature that Walton County and the cities have a plan and can work together politically, technically, and for the long-term. The RESTORE ACT and BP money has created the need for long-term planning. Mr. Williams stated the goal is to arm the commissioners and city council to play a part and defend the plan. Timing is of the essence and there is a short time-frame to prepare. A community budget issue request will be completed and submitted. Mr. Williams stated that Representative Brad Drake needs the information to present to legislature on day one of the legislative session. He reminded the Boards of the \$2 billion settlement with Attorney Pam Bondi and the Attorney General's Office which was to be paid over 15 years. The first payment is expected in July in the amount of \$400 million and 75% is to be expended within the eight disproportioned counties from Wakulla to Escambia Counties. The Walton County Board of County Commissioners voted earlier that the wastewater expansion on U.S. Highway 331 is their number one priority. He stated Mr. Cliff Knauer will describe the technical plan and cost scenarios, which are preliminary. Mr. Williams said they would continue meeting individually with members of the various boards. He hopes all three boards will come to a general consensus in the end. Each governing body will need to decide what to do next and if they want to pursue the funding.

Mr. Cliff Knauer, Dewberry Preble-Rish, spoke about the great opportunity to get utilities installed on U.S. Highway 331. He spoke about what areas could currently be developed and what areas would have to wait until future utilities are constructed.

Mr. Knauer stated there are two systems involved, the City of Freeport's system and the City of DeFuniak Springs' system. The City of Freeport only has water and sewer. The city currently has a treatment plant that handles approximately 600,000 gallons per day at maximum capacity. They currently operate at 50% capacity. Before moving forward they would need to build a new plant or expand the existing plant. Currently, from the Choctawhatchee Bay north to C.R. 3280 there is minimal sewer capacity due to small lines. There is also minimal sewer collections from C.R. 3280 to Highway 20. Freeport's water system has a great amount of water available with great wells and great capacity, but they don't have an abundant distribution system on U.S. Highway 331 for any large facility. There are water and sewer lines north of Highway 20 up to the post office, but limited after that point up to the DeFuniak Springs franchise area.

Mr. Knauer stated that DeFuniak Springs serves the new fire station on south U.S. Highway 331. The hospital is served with water and sewer, but the lines from the hospital to KFC are small. Installing water and sewer from the Choctawhatchee Bay to the DeFuniak Springs sewer plant would cost approximately \$27 million for complete buildout for commercial construction over the next 10-20 years.

Mr. Knauer showed maps of the service areas for both Freeport and DeFuniak Springs. He stated the City of Freeport has been working diligently to complete their Capital Improvement Project List (CIP) and installing utilities on U.S. Highway 331 is their top ranked project. The City of DeFuniak Springs has also worked on similar exercises. In addition, the

county has recently ranked water and sewer on U.S. Highway 331 as their number two project. All three entities recognize its importance. The City of Freeport is currently the only city of economic concern, which is a benefit in obtaining grant money. Adding water and sewer along U.S. Highway 331 from S.R. 20 south to the bay is a \$10 million project. He broke the project into five segments along U.S. Highway 331 from S.R. 20 to the bay. Phase I is from the Choctawhatchee Bay to Jolly Bay Road. Land use, flood maps, environmental issues, and all existing utilities were reviewed for each segment of the project. For each segment he showed the existing utilities and proposed improvements. Segment II is from Jolly Bay Road to C.R. 3280. The majority of sewer goes down C.R. 3280 and up Old Jolly Bay Road where there is a large force main. Continuing north in Segment II from C.R. 3280 utility lines are minimal. Continuing up to LaGrange Road is the same with more commercial property. Segment III has more utilities, but they are small lines consisting of a 4" force main and 6" water lines. Size of the current lines would never accommodate any significant development. Segment IV extends to Riverwalk Subdivision and has an easement through it, across Four Mile Creek to a master lift station at Hammock Bay, and to the city's plant. There are limited wetlands in this area and potential for commercial development, however existing utilities are minimal. Segment V is from Riverwalk to S.R. 20, which is where Publix is now located. There is limited capacity for additional development that can take place in this segment without significant improvements taking place first. One challenge for the City of Freeport is offsite improvements. The existing force main under Four Mile Creek is not far from capacity. The City of Freeport's first step would be to make improvements from U.S. Highway 331 all the way to their plant. Phase I improvements would include a new force main to the plant, lift station at U.S. Highway 331, and a new directional bore under Four Mile Creek. Phase I is a \$6 million project. Additional phases could

proceed easily after that. The offsite improvements are approximately \$6 million. From S.R. 20 north to the franchise area is approximately \$9 million. Currently the City of Freeport needs a 1.2 million gallon per day plant which could be upgraded later to 2 million gallons. The estimated plant cost is \$12 million. Plant upgrades and Phase I improvements are needed to service U.S. Highway 331. There are currently constraints with the existing wastewater treatment plant being nearby wetlands and a flood plain. However, they could fit an additional 1.2 million gallon per day plant. Funding for a new plant could come through the State Revolving Fund (SRF) from DEP or USDA or other means. The City is in a great position for both of those programs. Through the SRF, they would be eligible for approximately 60-70% of the cost of the project. Mr. Knauer stated there is land available adjacent to the existing facility. The City of Freeport has submitted a grant through the State Revolving Fund Program for developing the project and should know more in early 2017. They were also approved for a \$50,000 grant from the Water Management District. The overall estimate for Freeport and DeFuniak Springs is \$27 million, which would provide water and sewer from the DeFuniak Springs plant to the north edge of the Choctawhatchee Bay, in addition to \$12 million for the City of Freeport's new plant. Mr. Knauer stated full build-out would be \$40 million.

Mr. Knauer stressed the need for off-site improvements due to the need for capacity to the plant before adding the remaining lines on U.S. Highway 331. He commented on the great opportunity to obtain funding.

Mr. Williams spoke about this being a massive undertaking. He has spoken with the Florida Legislature for what is allowed under statute. There are both public and private opportunities. The structure is becoming clear and he stressed the need to work together.

Attorney Clay Adkinson also stressed the need for all three entities to work together due to the size of the project. He spoke about the mechanisms to make it happen stating there are 31 different options to form partnerships. He also stated he has spoken with C.F.O. Atwater's Office and they referred him to the Development of Economic Opportunity. Once they know the three entities are in agreement on a common goal they will hold workshops to help determine the best mechanism for reaching the goal. Attorney Adkinson stated if everyone is in agreement then preparation needs to be made now in order for the lobbyists to begin doing their job getting Walton County in the funding cycle. He said we need to be ready on January 1, 2017. Attorney Adkinson stated there are various mechanisms that could be used and presented information covering interlocal agreements and special districts. It could be a hybrid board that functions as one or both, or public-private partnerships. If money is obtained it will need to be decided if the entity created from the partnership between the cities and county will be something to receive the money and allocate it back for the buildout or if there will be an operational entity that will collect the money and operate a concurrent system. He stated he would like for each city and the county to adopt an interlocal agreement stating all three governmental entities agree that water and sewer from the Choctawhatchee Bay to the City of DeFuniak Springs on U.S. Highway 331 is a paramount goal for this county and the single most important item for the delegation to consider. Money is being prioritized for entities that come together on regional or larger projects. Attorney Adkinson stated he and Attorney Mark Davis would work on an interlocal agreement to present to each board. He stated that public/private partnerships or utility providers would need to be considered. Attorney Adkinson asked for each entity to voice their opinion and thoughts and if they would like to proceed.

Mayor Campbell asked for clarification of the interlocal agreement and the timeframe for preparing it. Attorney Adkinson stated he would like to present an agreement expressing the three entities are in agreement and incorporate a mission statement to include water and sewer from the Choctawhatchee Bay to the City of DeFuniak Springs Plant. There is a need for it and it has been declared a paramount interest. Language would also be included outlining the goal to create an entity through F.S. 163 or through another lawful means to carry out the goals. Mayor Campbell asked about the timing and addressing possible changes. Attorney Adkinson suggested drafting the agreement for each entity to review and/or approve at their next board meetings. If everyone is in agreement it could be in effect next week. He fears waiting too long and Walton County cannot afford to delay this opportunity; Legislature will not expend the money by piece mill.

Councilwoman Cuchens questioned if this interlocal agreement would prevent the City of Freeport from moving forward in looking for funding sources for their offsite projects or if it would solely be a unified task in seeking funding. Attorney Adkinson stated the agreement would not preclude any one entity from continuing to seek funding. Each city can continue working on their CIP. Any work completed would lessen the overall project.

Commissioner Nipper asked if there would be any penalties for grants that have been applied for, future grants, or grants already accepted, and would any money have to be reimbursed. Mr. Williams stated these are new link points and does not feel this would bind the county since there has been no funding for the U.S. Highway 331 corridor. What Mr. Knauer outlined on the Phase I upgrade will need to be reviewed. He felt that this should not prevent anyone from continuing their search for funding and would possibly strengthen the process. The money being targeted is not taxpayer money. Mr. Williams stated they are looking at various

sources of funding to limit what impacts would be to the citizens. The interlocal agreement will provide unity and the ability to continue working with staff.

Attorney Davis stated the interlocal agreement would include a common goal and would also include that all of the entities will commit to providing administrative, legal, and engineering resources. There will be internal matters that will need to be taken care of as well.

Mr. Williams stated they are also talking about the investment community and economic partners. They have also been communicating with local businesses. He stated that specific strategies have been developed to demonstrate location of potential business sites to the Legislature. He spoke about the Rural Area of Economic Opportunity (RAEO) and building an economic profile along U.S. Highway 331.

Commissioner Anderson asked when we would hear if we get the money. Mr. Williams stated it would be at the end of the legislative session. The new speaker wants to see elected representatives there. The panhandle delegation likes what has been presented to them thus far. The focus will be on the \$300 million request and will be addressed in this session which begins March 1 and lasts 60 days. Mr. Williams stated he met with the Senate Appropriations Chair, senate delegation and house chair in the panhandle. Senator Gainer, Senator Broxton, and Senator Munford are all supportive. They have also met with people in the academic arena.

Chairwoman Jones questioned if there are things that can be done simultaneously and when the state would come in to discuss options. Mr. Williams stated the interlocal agreement needed to be done at the next meeting and some type of structure needs to be decided on. Then DEO and Mr. Atwater would provide the support structures to go through. Most urgent is to be prepared to present the necessary information on day one of the legislative session.

Commissioner Chapman voiced his support of the U.S. Highway 331 corridor project and stated it would be nice if the legislature were to provide the funding. He stated there are no guarantees and encouraged the cities to continue looking for other available funding options. Progress needs to continue and we cannot wait until a decision is made. Mr. Williams agreed and stated the process demands attention. All three entities need to work together.

Councilwoman Cuchens stated Freeport is actively pursuing funding for their projects. They recognize a new wastewater treatment plant is critical for Freeport. She asked for Mr. Knauer to explain the timeframe for a new treatment plant. Mr. Knauer stated if the money were available now, they would be looking at two years: a year of permitting and design and one year of construction.

Councilwoman McLean said she and Mr. Knauer have been a part of the meetings the City of Freeport has had with Rural Development, which appear positive, but she felt that each city needs to keep working individually to ensure they can obtain funding. They will continue to seek funding.

Councilman Kelley stated the City of DeFuniak Springs is also pursuing grant funding due to the monumental tasks that need accomplished. He said if there is a silver lining to the oil spill tragedy, it is that there is an opportunity that is not taxpayer generated. It will require long-term thinking that will cross a number of boards. He said "a lot can be accomplished if you don't care who gets the credit". If the groundwork can be laid for the growth and development both commercial and industrial, for the population, it will produce great things for the community for years to come. He stated he is completely in favor of moving forward and the city will continue working to secure grants.

Councilman Carpenter agreed with Mr. Kelley and stated this is a great opportunity and time to put individual community interests aside and begin thinking about one Walton County. He commented on the need to do what is right for the entire county. This may be the single most important thing they have to do for the county in their lifetime. It is time to leverage the opportunity and come together as a county. He feels they are on the right track and supports these efforts.

Councilman Henry Ennis agreed and spoke in support of the interlocal agreement.

Councilman Eddie Farris stated this opportunity is great for the cities and county and would like to work together for the citizens of the county. He voiced appreciation to the individuals who have been working on the matter.

Mr. Knauer commented on the environmental benefits of the project which would replace over 600 septic tanks on the bay with public sewer. Mr. Williams stated they have advanced some strategies to help with the sewer aspect, but it will need approval by the Governor. He stated they will keep all parties informed as time progresses. Mr. Williams encouraged each board member to talk to Representative Drake and Senator Gainer. This project is about a one Walton concept and a clear path to potential success. He thanked everyone involved and complimented staff for their hard work.

Chairwoman Jones stated they are on the verge of something great in Walton County and feels confident. She thanked everyone for their work.

There being no further discussion the meeting adjourned at 5:13 p.m.

Approved: Cecilia A. Jones
Cecilia A. Jones, Chairman

Attest: 
Alex Alford, Clerk of Court and County Comptroller

FREEPORT CITY COUNCIL



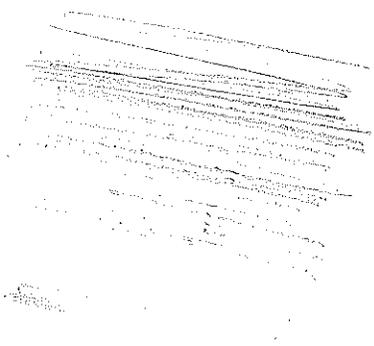
Mayor Russ Barley

Council President

ATTEST:



City Clerk



Robert "Bob" Campbell, Mayor

ATTEST:

Loretta A. Laird, City Clerk