

# CITY OF GREEN COVE SPRINGS CITY COUNCIL SPECIAL SESSION

321 WALNUT STREET, GREEN COVE SPRINGS, FLORIDA  
TUESDAY, JANUARY 13, 2026 – 6:00 PM



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## MINUTES

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Invocation & Pledge of Allegiance to the Flag – **Mayor Johnson**

Roll Call

**COUNCIL MEMBERS PRESENT:** Mayor Matt Johnson, Vice Mayor Ed Gaw (via Teams), Council Member Glee Glisson, Council Member Cheryl Starnes, Council Member Darren Stutts

**STAFF MEMBERS PRESENT:** L.J. Arnold, III, City Attorney, Mike Null, Interim City Manager, Kimberly Thomas, Executive Assistant

Mayor to call on members of the audience wishing to address the Council on matters not on the Agenda.  
No comments

### COUNCIL BUSINESS

1. City Council review and acceptance of the 2026 Rate Study for Water, Wastewater and Reclaimed Water. **Scott Schultz**

Interim City Manager Mike Null presented an overview of water and wastewater operations and clarified that capacity connection fees are legally restricted to funding system expansion and cannot be used to offset operating expenses.

Water Utilities Director Scott Schultz presented an overview of the City's water, wastewater, and reclaimed water systems.

Council discussed the proposed reclaimed water interconnection with Clay County Utility Authority to serve neighborhoods currently using potable water for irrigation. Discussion of customers converting to reclaimed water, revenues shift between utility funds, and the City must be compensated for pumping, maintenance, and operational costs.

Jason Shepler Chief Engineer for CPH Corporation presented the Utility Rate Study for the Water, Wastewater, and Reclaimed Water Enterprise Funds, reviewing revenues and expenditures on a cash-flow basis with a 2% annual inflation factor and incorporating existing and projected SRF debt obligations and capital projects, including the South Plant consolidation. Proposed rate adjustments are intended to meet the 15% debt service coverage requirement and maintain appropriate fund balances, including a 25% reserve target for the Water Fund. The Wastewater Fund currently maintains a higher reserve balance, while the Reclaimed Water Fund supports irrigation services and includes transfers to assist with wastewater debt service.

Council discussed the projected 12% rate increase for FY26 and the need for future adjustments to sustain operations and build a 25% reserve. Council also recognized that major capital projects are funded as needed, often with grant assistance, rather than through long-term pre-accumulation of funds, and that projections will be refined during the budget process.

**Motion to accept the 2026 Rate Study for Water, Wastewater and Reclaimed Water.**

Motion made by Council Member Stutts, Seconded by Council Member Glisson.

Voting Yea: Mayor Johnson, Vice Mayor Gaw, Council Member Glisson, Council Member Starnes, Council Member Stutts

2. City Council approval of, and authorization for the mayor to execute, Amendment 2 to the City's State Revolving Fund Loan Agreement DW100440 adjusting project cost and lowering the semiannual loan payment. *Scott Schultz*

Water Utilities Director Scott Schultz explained that the item is a housekeeping amendment to an existing SRF loan agreement to finalize the interest rate. The adjustment slightly reduces the semi-annual payment and formally places the loan into full repayment status.

**Motion to approve of and authorize the mayor to execute Amendment 2 to the City's State Revolving Fund Loan Agreement DW100440.**

Motion made by Council Member Starnes, Seconded by Council Member Glisson.

Voting Yea: Mayor Johnson, Vice Mayor Gaw, Council Member Glisson, Council Member Starnes, Council Member Stutts

3. City Council discussion regarding Electric Utility.  
Interim City Manager Mike Null advised that Council will have opportunities at upcoming meetings to ask questions about each utility. While specific meetings will focus on individual utilities, all utilities will remain open for discussion, and Council is encouraged to provide input or request additional information in advance of those meetings.
4. City Council discussion regarding Stormwater Utility.  
City Attorney Arnold reported that legal costs in the pending lawsuit are nearing the \$10,000 authorized amount. A future agenda item will request further funding to ensure adequate legal defense and protect the City from potential financial exposure.  
  
Council discussed the pending stormwater utility lawsuit and the path forward, including the possibility of settlement versus continued litigation. There were differing views regarding additional legal expenditures, fairness of the stormwater assessments, and potential settlement options.  
  
The City Attorney emphasized the importance of adequately defending the City's position to protect public funds, noting that the ordinance is presumed valid but may warrant review or clarification. Council may revisit litigation funding and direction at a future meeting.
5. City Council discussion regarding Solid Waste Department.  
Public Works reported that repairing Truck 701 would cost approximately \$80,000, including engine replacement and additional repairs. RDK indicated the engine may be repairable and offered to evaluate the truck before providing an estimate. The surplus recycling truck has been listed for auction with a \$20,000 reserve, and final results are expected within the next week.

Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:09 p.m.

CITY OF GREEN COVE SPRINGS, FLORIDA

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Daniel M. Johnson, Mayor

Attest:

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Erin West, City Clerk