

GASPARILLA ISLAND WATER ASSOCIATION, Inc.

P.O. Box 310
BOCA GRANDE, FLORIDA 33921-0310
Telephone (941) 964-2423 Fax (941) 964-0625

December 14, 2018

Dear Member,

Enclosed is the Notice of GIWA's Annual Membership Meeting to be held at 5:00 p.m. on Tuesday, January 15, 2019 at the Boca Grande Community Center.

2018 has been another very busy year for your Board and Staff. We have been steadily at work with current and future improvements to both your water and wastewater treatment facilities.

After several years of planning, Phase 1 of our much-needed \$15 million rehabilitation of the Island's water reclamation facility (wastewater treatment plant that reclaims or recycles wastewater into water that can be reused for beneficial purposes such as golf course irrigation) is underway. Our lease with the Gasparilla Inn only allows construction of the new facility between May 1 and November 15; therefore, the project will be completed in phases. The upgraded facility will utilize current state-of-the-art treatment processes producing reclaimed water that will meet current as well as anticipated future regulations.

Construction this year includes the installation of a new generator, clearing and earthwork, and relocating underground electric, and water and sewer lines. This frees the site for the location of two new tanks scheduled for construction next summer.

The existing bridge to the golf course will not handle the loads necessary to construct the new facility. Our engineers and Board have determined the most practical way to solve this problem will be to construct a temporary bridge. The temporary bridge will be installed just north of the existing golf course bridge. It will not allow boat traffic to pass through this area during the months we are under construction. Boaters will still have the option to use the north channel between Boca Grande Isles and the golf course or the south channel out of Boca Grande Marina. The center span will be removed and stored between November 15 and May 1 each year to allow boat traffic to flow unhindered again.

Phase 2 of the project is planned for the summer of 2019. The temporary bridge, and two new concrete tanks and associated mechanical equipment will be constructed. Phase 3 is planned for the summer of 2020 and includes the installation of the new cutting-edge treatment system.

At our 2017 Annual Meeting, the membership approved a series of rate increases designed to ensure GIWA could obtain necessary financing for the wastewater treatment plant project and maintains sound financial conditions by meeting existing and future annual debt service and debt financial covenants. The rate increases will also help us maintain adequate funding for operation and maintenance of the water and wastewater systems, including renewals and replacements, along with maintaining adequate cash reserves. The rate increases approved were 9.5% effected April 1, 2017 and October 1, 2017, and up to 9.5% effective October 1 of 2018, 2019 and 2020.

The first two rate increases were put into effect, and we have seen the expected positive impact on our financial statements. Your Board of Directors carefully reviewed our financial statement to determine if the full 9.5% was necessary in 2018. With rising interest rates and construction costs that will impact our project, it was determined that the full 9.5% was necessary this year. The Board will carefully review our financial statements next summer to determine if 9.5% is required again in 2019 or if a lesser amount will be sufficient to keep GIWA in sound financial condition.

GIWA's water withdrawal permit issued by Southwest Florida Water Management District (SWFWMD) in 2011 includes a requirement that we reduce our daily average water use per person from an average of 176 gallons as follows:

- Reduce to 164 gallons per person by December 31, 2014
- Reduce to 150 gallons per person by December 31, 2019

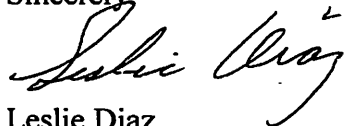
Below includes our daily gross water use, population and our compliance per capita use as reported to SWFWMD:

	2014	2015	2016	2017
Gross Water Use	1,112,000	1,098,000	1,108,000	1,108,000
Functional Population	5,953	6,056	6,096	6,091
Compliance Per Capita	158	159	162	160

As you can see, we need to reduce our per capita usage ten gallons per person over the next fifteen months. We must make every effort to meet the 2019 mandate, or we will see challenges with our permit renewal in 2021. GIWA wants to remind everyone that if landscape sprinklers are turned off when it rains, it will go a long way towards meeting our permit mandate. Water usage on the Island shows that many irrigation systems are not turned off when it rains even during the summer rainy months. The easiest way to accomplish this is to install automatic rain shutoff devices that override irrigation systems when sufficient rain has fallen. Florida law requires a working rain shutoff device for all automatic sprinkler systems. Besides being a requirement, this is simply an effortless way to save not only one of our most precious resources, but also money on your monthly water bill.

In closing the 2018 year, GIWA is on sound financial ground. Your Board and Staff will remain proactive in planning for future maintenance projects and upgrades to the water and wastewater system.

Sincerely,



Leslie Diaz
President

Enclosures

GASPARILLA ISLAND WATER ASSOCIATION, INC.

P.O. Box 310

Boca Grande, Florida 33921

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NOTICE OF ANNUAL MEETING OF MEMBERS OF GASPARILLA ISLAND WATER ASSOCIATION, INC.

Notice is given that the Annual Meeting for the Members of Gasparilla Island Water Association, Inc. (GIWA) will be held on Tuesday, January 15, 2019 commencing at five o'clock p.m. at the **BOCA GRANDE COMMUNITY CENTER**.

The business to be transacted at the annual meeting will include the following:

1. Calling the meeting to order and receiving report from Secretary as to number present in person and by proxy.
2. Reading the Notice of Annual Meeting.
3. Receiving Minutes of the January 16, 2018 Annual Meeting. Reading if desired by members.
4. Hearing President's report on activities of past year.
5. Receiving Treasurer's Report.
6. Conducting Election of Directors. The nominees proposed by the Board of Directors are as follows:
 - Leslie Diaz, current President of GIWA Board of Directors.
 - Jeff Moore, current Vice-President of GIWA Board of Directors.
 - Robert Heilman, current director on GIWA's Board of Directors.


Nominations are permitted from the floor.

7. Considering any other matters that may properly be raised by the membership.

If you will be unable to attend the meeting, a proxy along with a self-addressed stamped envelope is enclosed for your use to authorize the President or any other officer to vote on all matters for you at the meeting.

Copies of the 2018 annual audit, the 2019 budget, and minutes of the January 16, 2018 Annual Meeting are available at the office of the Association.

Thank you for all the continued support you have shown during the past year.


Susan Spurgeon, Secretary
December 14, 2018

PROXY
Gasparilla Island Water Association, Inc.
Annual Membership Meeting
January 15, 2019

The undersigned, a voting member of the Gasparilla Island Water Association, Inc., hereby constitutes and appoints the President and or any other officer of the Gasparilla Island Water Association, Inc., the true and lawful proxy of the undersigned, with full power and authority to cast my vote for the election of Directors, and all other matters, which may properly come before the Annual Meeting of members to be held January 15, 2019, at 5:00 p.m. at the Boca Grande Community Center, Lee County, Florida, and at any adjournment thereof.

This Proxy may be revoked by written notice to the officer referred to above prior to the meeting, or by attendance in person at the meeting.

Signature of member

Please print name

Property Address

Phone number

Date