

TAYLOR COASTAL WATER & SEWER DISTRICT

18820 BEACH ROAD
PERRY, FLORIDA 32348
Phone/Fax: (850) 578-3043

www.tcwsd.org

MINUTES OF REGULAR COMMISSION MEETING

December 10, 2012

1. The meeting was held at the District Building at 5:30 PM on December 10, 2012 present were:
COMMISSIONERS: Lee Bennett, Charles Carlton, Billy Ezell, Gennie Malone, Glenn Senter and Cornell Silveira. .
TCW&SD STAFF: Diane Carlton, Jim Gooding, David Morgan and Lynette Senter. Ronald Bennett was absent. Chairman Senter called the meeting to order and declared a quorum present.
2. The meeting was opened with prayer and the Pledge of Allegiance to the Flag led by Commissioner Gennie Malone.
3. There were no guests present.
 - a. Chairman Senter welcomed Richard Powell of Powell and Jones Certified Public Accountants. Mr. Powell was in attendance to give formal delivery and an overview of the 10/1/2011-09/30/2012 fiscal year audit. He explained that the audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards. In their opinion, the basic financial statements referred to present fairly in all material respects the financial position of the District as of September 30, 2012.
He reviewed highlights of the audit as follows: At the end of the year total assets were \$5,881,007.00 in comparison to the previous year audit this was about a \$100,000.00 increase. Current liquid assets were \$412,822.00 which also had an increase of approximately \$75,000.00. Total liabilities were \$1,453,550.00 compared to the prior year of \$1,475,659.00. This resulted in total net assets at the end of the fiscal year in the amount of \$4,427,457.00 compared to \$4,317,235.00 for the previous year. In reference to liquidity the industry likes to see a three to one ratio. The district's ratio is ten to one which means you are very liquid. In summary, the district operated within its determined budget and met all obligations to required reserves and liabilities. The district did not experience a financial emergency nor did we identify any deficiencies in internal control over financial reporting that would be considered to be a material weakness. Under accounting principles you had a very good year. Under government auditing standards there are no findings during the prior or current year. The financial statements of the district show a clean unqualified opinion which is a good reflection on the district. The only disclosure we are required to inform you of is that since you don't have a certified accountant as an employee that we prepared your financial statements for you and this is not unusual or cause for concern. He advised that an electronic copy of the audit would be provided to the district office for posting on the districts web site. He thanked the commissioners for the opportunity to perform the audit and asked if there were any questions. Chairman Senter requested that the district receive a report showing the districts last five years of cash flow. Mr. Powell replied that he would get this to the district office. There were no other questions. Chairman Senter asked for a motion to accept the audit as presented. **Commissioner Lee Bennett offered a motion to accept the 2011-2012 audit as presented. A second was offered by Commissioner Lynn Aibejeris. The Chairman called for discussion. There was none. The motion was unanimously approved.**
4. Chairman Senter asked the commissioners if everyone had received and reviewed the minutes of the November 19, 2012 board meeting that was sent electronically. All commissioners acknowledged they had received and reviewed the minutes. The chairman called for a motion to accept the minutes. **A motion was made by Commissioner Lynn Aibejeris to accept the minutes with Commissioner Gennie Malone offering a second. Chairman Senter called for discussion. There was none. The minutes were approved unanimously.**
- 5.

Staff and Committee Reports

A. Billing Reports: Assistant Office Manager- Lynette Senter- Water and Sewer Sales for the month of November 2012 were \$31,309.04. We served 452 accounts and pumped 1,048,500 gallons of water. There were five accounts past due over 30 days in the amount of \$147.89. We had no new service requests. Total adjustments for the month were \$632.43. This included \$113.75 for returned checks, \$10.00 in returned check fees, (\$6.52) late fee adjustments, (\$184.80) non-potable water, \$200.00 renter transfer fees, \$50.00 disconnect fees, \$450.00 Reconnect Fees. There were no questions from the Commissioners. Chairman Senter asked for a motion to accept the Billing Reports as presented. **A motion was made by Commissioner Lee Bennett to**

TAYLOR COASTAL WATER & SEWER DISTRICT
MINUTES OF REGULAR COMMISSION MEETING

Page 2 of 4

accept the Billing Reports as presented. Commissioner Lynn Aibejeris offered a second. Chairman Senter called for discussion. There was none. The motion was approved unanimously.

B. Other Assistant Office Manager Items - Lynette Senter- Nothing was reported

C. Financial Reports: Office Manager - Diane Carlton- Total Sales for the month were \$331309.04. Total expenses for the month were \$26,528.14. This resulted in a Net Ordinary Income of \$4,780.90. The expense breakdown was presented with notation given to the repair/maintenance, sewer expense of \$2,732.41 for the replacement and wiring of the MLR pump at the sewer plant which put the sewer expenses for the month over budget. There were no questions from the Commissioners. Chairman Senter asked for a motion to accept the Financial Reports as presented. **A motion was made by Commissioner Lee Bennett to accept the Financial Reports. Commissioner Lynn Aibejeris provided a second. Chairman Senter asked for discussion. There was none. The motion was approved unanimously.**

D. Other Office Manager Items: Diane Carlton

(1) Based on Policy #2010-0 It is time for the board to consider an annual cost of living pay increase for your employees. The policy states you will base this on the annual Social Security cost of living adjustment which is 1.7%. I do not recommend an increase be granted or considered for anyone except Ronald Bennett since all other employees just received an increase in October 2012 in the amount of 3.6%. Ronald will be employed with us for 90 days at the end of December and most companies consider pay increases at the end of a 90 day probation period. I suggest you consider this since it is the board's intent that he will replace the current water operator when he leaves the company for retirement and according to Jim he is doing a good job. After discussion Chairman Senter passed the gavel to Vice-Chairman Gennie Malone and made a motion to give Ronald Bennett a pay increase of \$.15 based on the cost of living increase published by Social Security. The motion died for lack of a second. After more discussion **Chairman Senter made a motion that Ronald Bennett receive a pay increase of \$1.00 per hour effective January 1, 2013, this increase will create a \$10.00 per hour pay rate. Commissioner Lynn Aibejeris offered a second. Vice-Chairman Malone asked for further discussion. There was none. The motion was approved unanimously.**

(2) The standard mileage rate is going up effective January 1, 2012 from \$.555 to \$.556. You should make a decision to adopt the increase or stay at the rate you are now for travel reimbursement. **Commissioner Gennie Malone made a motion that the district adopt the standard mileage rate increase for the year of 2013. Commissioner Cornell Silvera offered a second. Chairman Senter asked for discussion. There was none. The motion was approved unanimously.**

(3) We have received notice that the sewer plant permit will expire on December 11, 2013. The application for renewal requires an engineering certification. It is due into DEP by May of 2013. I have solicited cost estimates from several engineering firms including Jones Edmunds since they handled the permitting initially. To date I have only Jones Edmunds proposal. It is \$10,500.00. I will be presenting all estimates at the next board meeting for your review and choice of who will perform this required service. I have also spoken to USDA-RD and asked if funds from the Phase II, Part 2 construction project could be used for this expense since it is sewer related. I expect an answer soon. If we do not receive approval from USDA-RD for funding this expense then the board will need to approve how we will fund this project at our next board meeting. Since we were unaware of this expense and it was not included in this year's budget. We must remember that in next year's budget and from here on out that this expense will occur every 5 years and also that the retention pond permit will occur every 2 years.

(4) The district advertised for attorney services since Bill Blue can no longer represent us since he was elected County Judge. We did not receive any responses.

The commissioners discussed whether the district needed to retain an attorney. It was resolved that the office manager speak with the county and see if or when we need an attorney that we be able to use Conrad Bishop since he is the county's attorney. The office manager will report back to the board at the next board meeting.

(5) Next month we will be electing officers. Please think about who you would like to nominate to serve as Chairman, Vice-Chairman and Secretary. Please make sure you can attend the meeting.

Chairman Senter asked that all commissioners make sure that the office has all information including cell phone numbers for each commissioner. He requested each commissioner contact the office staff and make sure that all contact information is current.

Water Operations - Jim Gooding- Jim reported the progress of several projects in the water department. He advised that quite a bit of work has been done in the Well Head Protection Area. No Trespassing and No Hunting signs have been placed all along the property boundaries. The materials for the generator cover have been purchased but the work has not been done. The Generator fuel tank spill pan project is complete. Other

TAYLOR COASTAL WATER & SEWER DISTRICT
MINUTES OF REGULAR COMMISSION MEETING

Page 3 of 4

projects such as the Laboratory counter, cabinets and sink, the air/heat unit and meter replacement project is on hold until a decision is made about funding.

Waste Water Operations – David Morgan- David advised he did not have anything to report. Chairman Senter asked how the maintenance program was going. David responded that a Florida Rural Water representative would be meeting with him in January to help him set up a Maintenance Program.

6. OLD BUSINESS

A. Update on SPA Grant (\$300,000.00) (Water/Sewer Improvements Funding) – Diane Carlton- No progress has been made

B. Update on EPA Grant Funding (\$750,000.00) Diane Carlton - The fund balance is \$269,521.86.

As USDA-RD approves and as all parties sign the required documents they will be forwarded to EPA for their review and approval also. These funds will be used for construction only. The funds are expected to be exhausted since the bid award for the construction is \$384,777.658.

C. Update on Phase II Construction – Diane Carlton –The balance of USDA-RD funds are \$275,228.69 in the construction fund and \$490,880.44 in the grant fund account. We signed the notice of award letter on December 4, 2012 and forwarded back to Jones Edmunds. They will forward it to Anderson Columbia for a signature. Afterward everything will be forwarded to USDA-RD for approval and then a date will be set for a pre-Construction meeting and the notice to proceed date should be agreed upon. We are being informed by USDA-RD in all correspondence that any monies left over after construction is complete will be de-obligated. They have requested that we make a list of inventory items that we would like to purchase with the remaining funds. David, Lynette and I are working on the list.

7. NEW BUSINESS

a. Jim Gooding- Capital Improvement Projects Request- The board had discussion about Meter replacement and water loss. After discussion Chairman Senter appointed Commissioner Lee Bennett and Commissioner Cornell Silvera to meet with Jim and Diane and do research so that they can make a recommendation to the board as to whether the District should go forward with this request at the February 2013 board meeting. The board had discussion concerning g the request for laboratory cabinets, counter and sink. Jim did not have a bid proposal for this request or for the heat and cooling unit. Chairman Senter requested that he obtain bids so that these projects could be considered also.

b. Diane Carlton – The 2013 Board Meeting and Holiday Closing Calendar was presented to the Commissioners for review and approval. The Chairman called for a motion to accept the calendar as presented. **Commissioner Gennie Malone offered a motion to accept the calendar as presented. Commissioner Lynn Aibejeris offered a second. The Chairman asked for discussion. There was none. The motion was unanimously approved**

8. CLOSING REMARKS – COMMISSIONERS/STAFF

Chairman Senter thanked everyone for attending and for all the work that they do for the district. There were no other comments.

9. MOTION TO ADJOURN

Commissioner Charles Carlton made a motion to adjourn. Commissioner Lee Bennett offered a second. The motion was unanimously approved. The meeting was adjourned at 6:50 p.m.

The next regularly scheduled meeting will be held on Tuesday January 22, 2013 at 5:30 p.m.

Board Actions:

Approve minutes of November 19, 2012 board meeting

Approve Directors Report for November 2012

Approve Financial Reports for November 2012

Approval of the 2011-2012 Annual Financial Audit as presented by Richard Powell of Powell and Jones CPA

Approve an hourly pay increase for Ronald Bennett-Water Operator Trainee effective January 1, 2013

Approve increasing the mileage reimbursement rate to be equal to the government standard mileage rate of \$.565 cents per mile effective January 1, 2013.

TAYLOR COASTAL WATER & SEWER DISTRICT
MINUTES OF REGULAR COMMISSION MEETING

Page 4 of 4

Action Items:

Consider a District Policy to enforce the mandatory hook-up to sewer if RV customers are within 200 feet of our existing sewer lines as described in the District Ordinance.

Continue to explore ways to make sewer connection more affordable for customers that are not covered for Hook-up under grant funding

Office staff is to review and suggest any revisions to the Rules and Regulations of the Water and Sewer District

Set up a Preventive Maintenance Schedule and Plan for the Waste Water Department

Once Electronic Financial Audit is received, place on the District Web Site

Obtain copy of the Districts cash flow for the previous 5 years as per Chairman Senter's request

Contact Jack Brown, County Administrator in reference to legal counsel for the District, (the possibility of using Conrad Bishop as the District's attorney)

Commissioner Lee Bennett, Commissioner Cornell Silveira, Jim Gooding and Diane Carlton will research the Water Improvements Project Requests and report back to the board with recommendations at the February 2013 meeting.

By: M. Diane Carlton, Recording Secretary
Taylor Coastal Water and Sewer District
