

TAYLOR COASTAL WATER & SEWER DISTRICT

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January 24, 2012

MINUTES OF REGULAR COMMISSION MEETING

1. The meeting was held at the District Building at 5:30 PM on Tuesday, January 24, 2012. Present were: COMMISSIONERS: Lee Bennett, Charles Carlton, Billy Ezell, Gennie Malone, Marcia Parker and Glenn Senter. Commissioner Lynn Aibejeris was absent. TCW&SD STAFF: Present were: Diane Carlton and David Morgan. Staff Jim Gooding and Lynette Senter were Absent.
2. Commissioner Gennie Malone opened the meeting with prayer and led in The Pledge Allegiance to the Flag.
3. Chairman Senter welcomed guests Gregory D. Lang of Mittauer & Associates, Inc and Richard Powell of Powell and Jones Certified Public Accountants.
4. Chairman Senter opened the floor for nominations for Board Chairman for the year of 2012. **Commissioner Lee Bennett nominated Commissioner Glenn Senter to serve as the 2012 Chairman. A second was offered by Commissioner Charles Carlton. Commissioner Bennett offered a motion to cease nominations. A second was offered by Commissioner Gennie Malone. Commissioner Glenn Senter was unanimously elected to serve as the 2012 Board Chairman.**

Chairman Senter opened the floor for nominations for Vice-Chairman. **Commissioner Marcia Parker nominated Commissioner Gennie Malone to serve as Vice-Chairman. A second was offered by Commissioner Lee Bennett. Commissioner Charles Carlton made a motion for nominations to cease. A second was offered by Commissioner Lee Bennett. Commissioner Gennie Malone was unanimously elected to serve as the 2012 Vice-Chairman.**

Chairman Senter opened the floor for nominations for Board Secretary for the year of 2012. **Commissioner Lee Bennett nominated Diane Carlton to serve as Board Secretary for the 2012 year. A second was offered by Commissioner Gennie Malone. Commissioner Bennett offered a motion for nominations to cease. Commissioner Gennie Malone offered a second. Diane Carlton was unanimously elected to serve as Board Secretary for the 2012 year. Commissioner Charles Carlton abstained from voting due to his relation to Diane.**
5. Richard Powell of Powell and Jones Certified Public Accountants presented the annual audit to the Board noting that the audit was in accordance with Government Auditing Standards. He reviewed the highlights of the complete audit of the district. The financial statement reflected capital Assets of \$5,452,677 in comparison to 2010 capital assets of \$4,500,986. This was over a one million dollar increase. This is mainly due to the construction of Phase II. The District's statement of net assets for 9/30/2011 is \$4,317,235 compared to \$3,414,581 for 2010. State of Cash Flows for 2011 was \$145,162 compared to 2010 \$102,259. Long term debt balances on September 30, 2011 was \$1,410,845. The Profit Loss Statement revealed operating revenue of \$369,011 about a 10% increase from the prior year. The operating expenses remained almost exactly the same. In summary 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 opinion of the district. An electronic copy of the audit will be sent to the district for posting on the districts web site. Mr. Powell offered to accept questions, there were none. **Commissioner Lee Bennett offered a motion to accept the Annual Audit. Commissioner Gennie Malone offered a second. The motion was unanimously approved.**
6. Chairman Senter asked the board if everyone had received and reviewed the Minutes of the December 13, 2011 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 Gennie Malone to approve the minutes as presented a second was offered by Commissioner Lee Bennett. The minutes were approved unanimously.**

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5. Staff and Committee Reports

- a. Billing Reports – Diane Carlton for Lynette Senter- Assistant Office Manager
December sales were \$29,220.52. The adjustments for the month resulted in credits of \$1,054.81. The majority of adjustments were due to one-time adjustment requests due to water loss consisting of line breaks. We were informed by Deputy Chris Folsom that customer Norma Willard's home at Jug Island was a victim of squatters moving into the home. We are uncertain at this time how much water was used. This will be assessed with this month's readings. There are 11 accounts listed on the past due report. Thomas Theobald owes only 10 cents. Account holder Eddie Kinsey, The Keaton Beach Hot Dog Stand and House and Melvin Bowden are scheduled to be disconnected if not paid current by Friday January 27, 2012. Louise Bland, P & J Enterprises and David Gray have paid current. Richard Carr was granted a payment extension and will be paid current by February 20, 2012. Cindy Ball, Loraine Collins and H. C. Corbitt, III have been disconnected and utility liens have been filed. There were 2 turned off accounts for the month, they were both due to customer request. The commissioners questioned the Districts policy on delinquency. It was of concern that customers are not being turned off according to the District Delinquent Policy. After discussion the Office Staff was instructed to make sure that we are adhering to the Districts Delinquent Policy. Chairman Senter called for a motion to accept the Billing Reports. **A motion was made by Commissioner Lee Bennett to accept the Assistant Office Managers reports as presented. A second was obtained from Commissioner Charles Carlton. The motion was unanimously approved.**

Other Billing Items/Other Issues – Diane Carlton for Lynette Senter
There were no other issues to report for billing.

Financial Reports - Office Manager - M. Diane Carlton

The December 2011 balance sheet was presented to the Commissioners revealing Total Liabilities & Equity for the district in the amount of \$5,820,124.33. The Profit and Loss Budget Performance for December 2011 revealed a net Income of \$7,935.42 which is under the projected budget amount. Our total expenses for the month were \$21,639.75 this was over our anticipated budgeted amount. The overage was due mostly to insurance payments: WWTP Diesel Tank in the amount of \$612.87 and \$187.00 Commissioner Bond for Commissioner Aibejeris. \$2,875.79 was paid out for the Water Plant Upgrades. The Water Department expenses are above budget for the month and the year but should level out. The Wastewater Department expenses were \$263.80 which is well below budget for the month. However the annual budget amount for waste water is over this is due mostly to several large ticket items paid already this year such as insurance and ground water monitoring. The expense breakdown was presented with no other items to note except for the insurance premiums and the Water Plant upgrades. There were no questions or comments from the board. The Chairman called for a motion to accept the Financial Reports. **A motion was made by Commissioner Gennie Malone to approve the Financial Reports as presented. Commissioner Lee Bennett provided a second and the motion was unanimously approved.**

Other Office Manager Items:

- a. The certificate of deposit at Citizens Bank matures on February 16, 2012 which is prior our next board meeting. We can allow the certificate to roll, shop rates at other banks or transfer to our savings. The current rates for certificate of deposits are comparable to the regular savings rate of .75%.
Commissioner Lee Bennett made a motion that we transfer the certificate monies into the savings account. Commissioner Gennie Malone provided a second and the motion was unanimously approved.
- b. We have received an update price quote for installation of Single Grinder Pumps. Total costs are \$7,255.18. This is an increase of \$305.18. Last year's installation cost for labor and materials was \$6,950.00.
- c. We received a statement credit of \$338.80 for cashing in our reward points on our Capital City Visa Account.
- d. The District received a notice from the Army Corp of Engineers providing the web-site information concerning the proposed construction of the Reserve at Sweetwater Estuary/residential/commercial development and golf course. A copy is available to anyone who is interested in obtaining the information.

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- e. Roger Morgan continues to abuse the cell phone provided to him by the district for district business. This month's total charge for personal use is \$64.35 compared to David's use of \$4.97 and Jim's \$13.20. The charges include texting and picture messages. The charge for district business was \$1.06. The board discussed whether or not Roger had been warned. The office manager acknowledged that he had been warned twice. There was concern about how the operators would contact Roger if they needed him and it was resolved that prior to the cell phones being provided that they had been able to make contact. After the discussion **Commissioner Charles Carlton made a motion that the phone be taken away from Roger due to continual abuse of the district's policy pertaining to personal use of the cell phones not authorized except for emergencies. Commissioner Marcia Parker offered a second. Commissioners Carlton, Ezell, Malone and Parker voted for and Commissioner Bennett voted no. The motion passed four to one.**

Water Operations – Jim Gooding

- a. Jim was absent. David Morgan reported that the water department had 2 water line repairs. One was at Ezell Beach and the other at Keaton Beach-Pounce DeLeon and Marina Road.

Wastewater Operations – David Morgan

- b. David reported that Roger was walking along County Road 361 and discovered a sewer leak on January 9, 2012. The repair was scheduled for the 10th and another clamp was replaced. This involved the services of DeYoung Construction Company to assist with the repair. There are no other issues to report for the Wastewater Department.

6. OLD BUSINESS

Update on 2009 Omnibus Legislation, SPAP Funding (\$300,000.)- Diane Carlton

The score sheets for the Engineering Services and Grant Writing/Administration Services was completed and Mittauer and Associates, Inc scored the highest for the engineering services and Fred Fox Enterprises scored the highest for the Grant Writing/Administration Services. Unfortunately we have been notified by Christine Goddard, with USDA-RD that we will not be able to use any of RD loan or grant monies to fund water system improvements as we had anticipated doing.

Greg Lang asked to speak and informed the board that he could not act on behalf of Fred Fox Enterprises but that Mittauer and Associates would like to have 30 days to seek other means for obtaining the matching funds needed to apply for the Special Appropriations Grant. Mr. Lang advised the board that the award would be contingent upon Mittauer and Associates being able to find matching funds. This would be at no risk or cost to the District. **Chairman Glenn Senter passed the gavel to Vice-Chairman Gennie Malone and made a motion that the District award Mittauer and Associates the Engineering Services Contract contingent upon Mr. Lang's proposal of allowing them 30 days to pursue other means of finding matching funds and at a no risk to the District. Commissioner Lee Bennett offered a second and the motion carried unanimously.**

Update on EPA Grant Funding (\$750,000.00)-Diane Carlton

The remaining balance of grant monies is \$292,500.87. I have contacted EPA and advised them of USDA-RD denial of the additional work remaining to be done under Change Order and advised them that the work must be rebid. Conredge Lewis of EPA has advised me that as long as the work is of the same scope that we should be able to use these monies. They will need to be provided all the information for approval just as USDA-RD is. Everything will be forwarded to EPA for review and approval upon receipt from the Engineers.

Update on Phase II Construction- Diane Carlton

On January 17, 2012 Glenn, myself, RD Engineer, USDA- Case Administrator, Christine Goddard, John Horvath, Jones Edmunds, Shelly Smith, Blue Rok and Tony Anderson of Anderson Columbia met to establish a punch list for the original Phase II contract.. The punch list was provided to you in an e-mail

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this morning. There are very few items remaining and it is anticipated this will all be complete no later than March 1.

We have received the Amendment to the Owner Engineering Agreement. This was forwarded to you by e-mail. The proposal from Jones Edmunds totals \$35,541.16. This includes \$16,450.16 approved on 9-28-11 and the bid Services proposal of \$19,091.00. The Chairman would need to sign this amendment and it will be forwarded to USDA-RD for their approval. Jones Edmunds cannot proceed with the bid package until this is approved.

The balance of monies in RD grant funds is \$574,563.62 and RD construction monies \$433,528.00.

Annual Coast of Living Pay Increase for Employees –Diane Carlton

In your board package it was advised to you that the only way you could offer an employee raise was to revise the Annual Budget. The only way I could come up with an increase of income would be to go back and include anticipated income from late charges, adjustments and other fees. The district has never considered these monies as income before. We have always used minimum charges of water and sewer services only. Commissioners Senter and Carlton abstained from discussion and vote since they are related to office staff. Commissioner Bennett stated he could not justify a raise, Commissioner Parker stated it seemed like such a small amount. Commissioner Ezell stated he would like to see the employees given a raise but could not justify amending the budget. Commissioner Malone suggested that the board maybe consider a 2% increase instead of the proposed 3%. **Commissioner Lee Bennett made a motion that at this time no pay increase be given. The motion died for lack of a second. Commissioner Gennie Malone asked that the item be tabled and revisited in 90 days.**

7. NEW BUSINESS

There was not any new business to discuss

8. CLOSING REMARKS – COMMISSIONERS/STAFF – Commissioner Marcia Parker commended the board and staff for their good work and dedication.

9 There being no further business or comments **upon motion by Commissioner Gennie Malone with a second offered by Commissioner Lee Bennett the meeting was adjourned at 7:30 pm.**

**The next regularly scheduled meeting will be held on
Tuesday, March 27, 2012 at 5:30 pm**

Board Actions:

Approve Minutes of December 13, 2011

Approve Directors Report for December 2011

Approve Financial Reports for December 2011

Approve Commissioner Glenn Senter to serve as Board Chairman for 2012

Approve Commissioner Gennie Malone to serve as Board Vice-Chairman for 2012

Approve M. Diane Carlton to serve as Board Secretary for 2012

Approve the Annual Audit presented by Powell and Jones CPA

Approve taking the cell phone from Operator Helper Roger Morgan

Approve awarding Mittauer and Associates the Engineering Services for the SPAP Grant contingent upon a 30 day extension for them to find the matching funds needed to apply for the Grant at no risk or cost to the District.

Action Items:

Determine project(s) for 2009 Omnibus Legislation, SPAP funding (\$300,000) and prepare EPA application

Complete a grant application and submit to USDA-RD for Pre-Development Grant for Water Improvements PER

Pursue a Preliminary Engineering Agreement From Florida Rural Water for Water Improvements.

Obtain information on converting the 110 grinder pumps to the new 220 pumps

Obtain information from other near-by counties that offer sewer services on the fee structure for grinder pump installations.

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Pursue developing a position that would be for an Operator Trainee/Laborer

M. Diane Carlton, Recording Secretary