

TAYLOR COASTAL WATER & SEWER DISTRICT
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MINUTES OF REGULAR COMMISSION MEETING
November 27, 2006

1. The meeting was held at the District Building at 5:30 PM on November 27, 2006. Present were:
COMMISSIONERS: Glenn Senter, Lonnie A. Houck, Travis Beach, Lynn Aibejeris, & Tommy Mauldin
TCW&SD STAFF: John Gentry, Jim Gooding, David Morgan, and Shirley Shinholser.
Chairman Senter called the meeting to order and declared a quorum present.
2. The meeting was opened with prayer and the Pledge of Allegiance.
3. Define role of the District as it relates to provision of Water & Sewer for new developments – John Gentry . As we understand it, the District was created to address poor water quality and pollution at the Taylor County beaches with a goal of connecting all existing residences to a centralized water and wastewater system. Since that time, the Commission has expanded our role to include connecting small developments (10-15 units) because it is not efficient for the developer to hire a planner or engineer to design and construct small water/wastewater systems and then have TCW&SD take ownership and operate and maintain them. As a governmental body, the District can apply for and receive restrictive Federal grants and loans for existing residences but we have neither funding sources nor staff to handle the planning, design, permitting, and construction of utility services for large developments. The District has operated under the assumption that large Developers will hire consultants to permit, design and build the systems required and we will take ownership at completion. However, the Taylor County Board of Commissioners seems to believe that while the District should have no role in control of development, we must provide water and sewer service to all proposed developments as requested. The TCBCC believes that the District is strictly a Utility Services Provider. Each time we've been approached for service by a large developer, we have asked them to discuss their needs with the General Manager. We've also sent letters offering co-location of sewage plants but the Developer must provide the up front funding. At the recent TCBCC meeting, we were asked to provide sewer service for a large development but the District does not have the money or the staff to undertake such large projects. The District believes that since SRWMD has the regulatory authority over well fields of this area, they should be the ones to decide where well fields should be located and if large developments can be served by our water resources. Overall, the Board of TCW&SD has remained neutral on the issue of development despite their personal opinions one way or the other. There is sufficient land for our spray field to be expanded; however, water for large developments may be an issue. We have recently hired The Haskell Company to assist us in obtaining grant funds for our current present needs in water and Phase II wastewater. Developers wishing to be served by the Phase II sewer system and an expanded water system will have to pay a service fee per connection up front if large projects are to move forward successfully. Rex Dunn, General Manager of the Steinhatchee Water and Sewer Association, a utilities provider, is here to share his ideas with you on funding utility projects.

Rex Dunn - Steinhatchee has established a cost per unit (pipe, plant, etc.) of \$6500 to the property line for sewer service and \$1600 per unit for water service. We provide specifications for the internal development construction and the developer funds the internal construction in its entirety. The system then becomes the property of Steinhatchee Water Company who sets and collects the rates, performs the lab tests, etc. Developers prefer to meet the minimum construction requirements but we insist upon quality construction. The developer is required to have a commitment letter to re-plat but they don't want to pay. Steinhatchee develops a contract with a "payment due by" date for the fee to remain the same. The fee may change after that date but the commitment to provide sewer and/or water holds firm. Payments are non-refundable but are transferable to another developer or area that has outside lines in place. The pre-construction costs and costs for a planner, etc, are payable to Steinhatchee Water Company and not refundable.

How should TCW&SD maintain control of the utility services process? To be successful, we will have to hire a development manager and include his/her salary in the developer's cost. The cost per unit for water and wastewater will be somewhat dependent on the size of the project, but should be in the same range as SWA charges. We should have a joint meeting with the TCBCC to discuss our role and a plan of action for hiring additional personnel and to get adequate funding. We should be willing to serve any development that is willing to pay for the costs involved. Our Phase I construction contains Federal restrictions and should remain independent. We can attempt to handle Phase II without Federal funds and restrictions, thus allowing developers to tie in.

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Florida Rural Water has offered to help with future well sites and will work with us in upgrading our well head protection.

Following discussion, it was decided that Chairman Senter will approach TCBCC about a possible joint meeting.

4. Rex Dunn of Steinhatchee Water Works, Danny Collins of Haskell, and Fred Handy of Florida Rural Water Association were present to share in the discussion of the role of the District as it relates to provisions of Water and Sewer for new developments. There were no other guests.
5. The minutes of our meeting on October 24, 2006 were presented. **A motion was made by Travis Beach and seconded by Lonnie Houck to approve the minutes as read. Minutes were adopted unanimously.**
6. Staff and Committee Reports
 - Sewer Project Update – John Gentry
Rural Development has approved the final change order and warranty issues are being addressed. We anticipate making the final payment to Quality “Plus” Services soon and closing Phase I. Rural Development has thrown us a curve by stating that they will not approve any additional engineering costs from Jones Edmunds. These payments will have to come from other sources. Plant operations are good. Due to low flow, we are feeding the seed as needed.
 - Financial Reports
Director’s Report- Shirley Shinholser
Our total income for October was \$21,122.02. We gained three (3) second meters for non-potable water and transferred two (2) account ownerships. There were no new accounts opened. We made a total credit adjustment of \$200.95 for line breaks on two (2) accounts. Our past due list is current except for Ikey Devane (#245) who is experiencing hardship to due to low income and extended illness. He has not been able to make his current payment nor apply anything towards his past due balance. **A motion was made by Travis Beach to consider Ikey Devane for a special need adjustment of his October balance due of \$277.40. Chairman Senter suggested that we also forgive this month’s charges giving Mr. Devane opportunity to secure funds for his January 20, 2007 billing. Commissioner Beach amended his motion to make a special need adjustment of \$366.29 for Mr. Devane and advise him that his next payment will be due in January 2007. A second was obtained from Lynn Aibejeris and the motion was approved unanimously.**

Financial Report- Shirley Shinholser
We are unable to add our interest earned to our current CD as requested in our last meeting. **Per Board authorization, the Secretary will allocate the funds to an existing savings category for future use.** The Accounts Receivable as reported is incorrect due to a keying error. There is actually a total of \$8,442 due for grinder pump installations. Our Profit Loss Budget vs. Actual for October 2206 reflects a shortage of \$4,082.70 but the loss should recoup in more productive months ahead.
 - Management Issues – John Gentry
Our annual DEP inspection for Water was performed by Heather Webber on November 9th. She noted a vacuum breaker is needed on the storage tank and Jim immediately addressed the problem. We have not yet received an official response on our request for a Class C variance although the Jacksonville office has given a positive recommendation.
 - Water Operational Issues – Jim Gooding
We experienced a 6” line cut by Tri-County which created a boil water notice for Cedar Island. We later noted a loss of 20,000 gallons per day and discovered an old meter break at Ezell Beach. Two new VFDs have been installed with the assistance of Florida Rural Water Association and will enable emergency use of our generators for the lift stations and the wells. Our O&M Manual is complete with the final copy being prepared. We have made the required repairs on our 10,000 gallon tank, repainted our booster pumps, and built a sun shade for the unit.

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- Wastewater Operational Issues – David Morgan

I (David) am continuing training with Doyle Frierson each morning and noting the hours which will be considered for my Wastewater license.

- Phase II Funding – Glenn Senter

We are moving forward in our efforts with Haskell to obtain funding.

7. OLD BUSINESS

- Progress report regarding potential rebates to those who failed to qualify for grant funding and were required to purchase a grinder pump – John Gentry

We've experienced a set back with RD's refusal to approve the additional engineering costs of Jones Edmunds during the contract extension. We are developing a list of eligible people and will review our funding for a report at the December meeting.

- Review policy for future individual and small development hook-ups – John Gentry

The drafted policy is acceptable with a few clarifications in REQUIREMENTS. Clarification should be made regarding sewer versus water. The fee should be paid upon notice of sewer availability or upon the discretion of the Board. **A motion was made by Travis Beach to adopt the policy to be amended as instructed. A second was received from Tommy Mauldin and the motion was unanimously approved.**

8. NEW BUSINESS

- Discuss customer liability for Grinder Pump damage – John Gentry

The impellor on one of our grinder pumps was damaged due to the valve being turned off in our valve box by the road. The customer states that neither he nor anyone staying at his house turned the valve off. Since we cannot prove liability we cannot request damage fees. Following discussion, it was decided that all sewer valve handles will be removed to prevent this from becoming a problem.

9. A motion to adjourn was presented by Travis Beach, seconded by Lynn Aibejeris and the meeting was adjourned.

(The next meeting is scheduled for Tuesday, December 19th at 5:30)

Board Actions:

1. Approve Minutes of October 24, 2006
2. Approve special need billing adjustment of \$366.29 for Ikey Devane
3. Authorize Secretary/Office Manager to place Construction Interest earnings in Savings and categorize as needed
4. Adopt a policy for future individual and small development hook-ups

Action Items:

1. Approach the TCBCC to discuss a joint meeting to discuss the role of TCW&SD
2. Review funding and develop a list of eligible customers for potential rebates
3. Remove sewer valve handles to prevent accidental closure of valves

Shirley Shinholser
Secretary