

TAYLOR COASTAL WATER & SEWER DISTRICT  
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MINUTES OF REGULAR COMMISSION MEETING  
October 24, 2006

1. The meeting was held at the District Building at 5:30 PM on October 24, 2006. Present were:  
COMMISSIONERS: Glenn Senter, Lonnie A. Houck, Jim Moody, & Tommy Mauldin  
TCW&SD STAFF: John Gentry, Jim Gooding, David Morgan, Diane Carlton, 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. Guests were welcomed and the floor was opened for questions/comments. Guests included:  
George Stamos, H.C. Murphy, Rick Causey, Pam & Howie Woods, Meg Fleming, Jim Zurbrick, and Lynette Senter.  
*(Due to the late arrival of Attorney Bill Blue, guests elected to hold questions/comments until later.)*
4. Chairman Senter advised the Board that a letter of resignation has been received from Commissioner Danny Everett. *Recommendations for his replacement should be forwarded to the Taylor County Board of Commissioners.*
5. The minutes of our meeting on September 26, 2006 were presented. **A motion was made by Tommy Mauldin and seconded by Jim Moody to approve the minutes as read. Minutes were adopted unanimously.**
6. Staff and Committee Reports
  - Sewer Project Update – John Gentry  
We are awaiting Rural Development's approval of the final change order and the final pay request. They are currently discussing issues with Jones Edmunds before processing the paper work. We have received releases from all vendors who submitted a Notice to Owner regarding our Phase I construction with Quality Plus Services, Inc. so we are ready to issue the final payment as soon as allowed. We are preparing a Spare Parts list and plan to place orders in early November. Warranty issues are being addressed by Quality Plus Services. A new chlorine pump has been ordered and will soon be received and installed. The prep work is being done for our new Wastewater Office/Shop building so that we can proceed on construction as soon as Rural Development issues the release of funds. All other required/needed items for Phase I are being sought with plans to purchase subject to available funds. We are experiencing low flow at the WWTP creating the need to feed corn to our bugs. The time element in getting waste from house to lift station to WWTP is a factor.
  - Financial Reports  
*Diane Carlton – Director's Report*  
As common for this time of year, our sales are down. The Past Dues are in good standing. Bratcher will receive a letter via certified mail if his account is not made current by the end of October. DeVane is making monthly payments on his past due in addition to current billing and should be balanced by the end of January 2007. Wells is close to reconciliation. The September adjustments were due to water loss and non-potable adjustments.  
  
*Shirley Shinholser-Financial Report*  
We have accumulated \$1001.18 in interest earnings on our Construction Wastewater and Savings accounts. **A motion was made by Jim Moody, seconded by Lonnie A. Houck, and approved to apply the earnings to our CD if permitted.** As cash flow allows, we are depositing \$5,355 into our savings monthly in anticipation of the Rural Development payments due September 1, 2007. Our recent RD interest payment of \$45,758.75 is noted on the Profit & Loss report as a September 2006 expense. A review of our YTD Profit Loss Budget vs. Actual reveals that our actual income/expense for this fiscal year was extremely close to that anticipated in last year's Budget as prepared by Chairman Senter.
  - Management Issues – John Gentry  
(We will be addressing issues upon the arrival of Attorney Bill Blue.)

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- Water Operational Issues – Jim Gooding

We have performed our annual Booster Station inspection as required by DEP and we've purchased and installed, with the assistance of Florida Rural Water Association, two (2) variable frequency devices (VFDs) that will enable us to use our 8" well/pump in emergency situations and will also allow us to activate our two (2) lift stations during a power failure.

- Wastewater Operational Issues – David Morgan

A new chlorine pump has been ordered under warranty and will be installed upon arrival. The plant is operating well in spite of low flow. I (David) am meeting with Doyle daily for training.

- Phase II Funding – Glenn Senter

(To be discussed under new business.)

7. OLD BUSINESS

None.

8. NEW BUSINESS

- Review proposals for a Program Development Team offering Grants Writing, Administration, and Planning for Phase II Wastewater and our proposed Water expansion; approve the successful team; and, approve and sign a contract – John Gentry

We are seeking approximately 2.4 million for Phase II and are looking at alternate funding such as the State revolving loan fund. With the assistance of the Haskell/Meridian Team that met with us last month, we have recently issued a request and are being considered for a pre-development State loan. We have received three (3) proposals in response to our recent ad for Grants writing: The Haskell Company; Meridian Planning, Inc.; and, Guardian Community Resource Management, Inc. Members of the review committee unanimously recommend The Haskell Company to represent TCW&SD in our search for Phase II funding. Proposed future developments may be able to reserve capacity by providing up front financing to be included in Phase II. We anticipate that it will be 2 – 3 years before sewer service is available for the Phase II coverage area. **A motion was made by Glenn Senter to accept the Committee's recommendation and sign an agreement with The Haskell Company to provide Grants Writing services, Administration, and/or Planning services for our Phase II project with the understanding that payment for the services will be paid by grants monies obtained. A second was received from Tommy Mauldin and the motion was approved.**

- Board Meeting Dates for November and December 2006

Our November meeting will be held on the 28<sup>th</sup> as scheduled although the TCBCC has scheduled a meeting for that same evening. Due to the Christmas holidays, we will hold our December meeting on the 19<sup>th</sup>.

9. The floor was opened for questions/comments from our guests.

- Jim Zurbrick of Steinhatchee: Mr. Zurbrick addressed a concern that he did not receive a future stub-out under the Grants program for his lot at Cedar Island which met the qualifications. He was advised by Glenn and John that we discovered some time ago that a stub-out for his lot was installed in front of someone else's lot (two on one lot) and a longer line could be run to connect any future grinder pump installation.
- Meg Fleming, Water Board Director of Steinhatchee: Ms. Fleming shared with the Board that Steinhatchee Waterworks is also working with The Haskell Company and they will be glad to share an opinion of their experience. Perhaps a workshop could be scheduled to compare notes on funding, development connections, well drillers, etc. **The Office Manager will contact the Steinhatchee Water Association Manager, Rex Dunne, to discuss a workshop.**

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{A ten (10) minute recess was called to await the arrival of Attorney Bill Blue.}

- Howie Woods: Mr. Woods once again addressed concerns that he did not receive a free grinder pump under the Grant program and had been asked to submit a deposit of \$5,000 by October 31, 2006 to pay for a grinder pump or have his water disconnected on November 1, 2006. He feels that he should at least be allowed to use his septic tank until it fails or receive some kind of recompense from TCW&SD (perhaps from remaining Grant monies) for being required to fund a grinder pump as well as a new septic tank. Had he known that he would be required to pay for a grinder pump installation, he would have used the old existing septic tank until installation of the grinder pump. His interpretation of our Ordinance is that we can install a unit on his lot and seek compensation, but he finds nothing that tells him we can turn his water off. Commissioner Senter and our General Manager, John Gentry, addressed Mr. Woods's remarks by reminding him that the date of March 2002 was decided by Rural Development and other funding agencies who allotted funds based upon water users as of that date as pollution sources eligible for grant funds. The contract with QPS was let to install that quantity of grinder pumps for the monies available. As a non-profit entity with high debt, we cannot finance additional units for those who did not receive a grinder pump based on the rules set by USRDA. To be fair and avoid legal action, if we offer any discount to one customer, we must offer it to all who fall into the same category. In order to prohibit contamination from septic tanks that fail to connect, our chosen avenue is to cut off the water supply. Although your lot has a wet well and electrical box that was installed by the Contractor and not removed by TCW&SD when the grinder pump was removed last year per your request, you will be required to pay full installation costs as others have been required to do.
- Hal Murphy: Mr. Murphy addressed his concern that his water was to be disconnected on November 1, 2006 if he failed to pay \$4,876 (Grant contract price) by October 31, 2006 for a grinder pump installation upon his lot in Cedar Island. Although the construction crew told him he would not have to pay for the unit, Mr. Murphy later learned that this installation was not a Grant funded installation since he was not a water user in March 2002. He did not request that the unit be removed and has consistently paid his monthly charges of \$30-\$90 (amounts that exceed what he had expected) although he has not made any payments towards the unit itself. He had a brand new septic tank that was abandoned by QPS when they installed his grinder pump and Kathleen Gerard of DEP in Jacksonville has told him that new septic systems could be excluded from connection until they failed. Jim Dean of Rural Development has told him that new, state certified septic tanks that were destroyed might be an eligible expense for grand funding. Mr. Murphy further stated that he is in favor of the sewer project and will pay for the unit, but would appreciate any assistance allowed.

Attorney Bill Blue remarked that the Board can do whatever it desires. Setting a precedent is the issue.

**A motion was made by Lonnie A. Houck that we rescind the water disconnects scheduled for November 1, 2006 for both Mr. Woods and Mr. Murphy until the Board can explore possible funds available to recompense all customers who have fallen into this area where their grinder pump was not funded and review the situation at our November meeting. A second was received from Jim Moody and the motion was unanimously approved.**

10. Attorney Bill Blue to discuss items of concern:

- Action regarding future individual and small development sewer hook-ups:  
There is apparently some disagreement within Rural Development that led to the Letter of Conditions received by TCW&SD. The 1978 Clean Water Act might offer some relief to potential customers if we make them go through the hoops by providing paperwork showing that permits for septic tanks and/or small package sewer plants are available for their property. TCW&SD needs to create a policy whereby the Customer would be required to demonstrate that they could obtain a permit for a septic system, and then we could "force" them to connect to our facility providing we had capacity versus allowing septic tanks and packaged sewer plants that are subject to failure and the creation of more pollution to replace that currently abated. **The Board requested that a policy be drafted by the Secretary for review at the November meeting.**

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- The response of TCW&SD to the TCBCC Development Agreement with Secret Promises Ltd.:  
After reviewing the material presented, Mr. Blue drafted and presented to the Board a letter addressed to Chairman Daryll Gunter of the TCBCC. Although there may be some questions about the requirement to make the agreement public prior to the meeting OR to give sufficient notice other than posting on an internet site, the District feels that the development agreement is a nullity where the Magnolia Bay CCD and sewage treatment facilities are concerned. Florida Statutes 153.62 (5) (2006), 153.86, 153.62 (8), and 153.62 (9) delegates certain powers to the currently existing TCW&SD. The District is concerned about the perception that may be drawn by the developer and the public due to the wording of the agreement and the failure to address the authority of the TCW&SD. Furthermore, creating a district within a district can cut grant funding to zero and TCW&SD is currently actively involved in securing grant funding for Phase II of our new centralized wastewater system.  
**The Board approved unanimously to complete and send the letter.**

- Our case against Timothy Brooks:  
A private process server has been unable to locate Timothy Brooks. He is apparently not at his home in Michigan or is coming and going at such odd hours that he cannot be contacted. We can address the documents to "current occupant", staple them to the door, and see if they disappear. A "skip trace" can be obtained for \$70-\$75 since he is known to own property in other states in addition to Florida and Michigan. Attorney Blue will keep us informed of future results.

There being no further business to discuss, the meeting was adjourned.

**(The next meeting is scheduled for Tuesday, November 28, 2006 at 5:30)**

Board Actions:

1. Approve Minutes of September 26, 2006
2. Approve application of current interest earnings to CD if permitted
3. Approve The Haskell Company to provide Grants Writing services, Administration and/or Planning services for our Phase II project
4. Approve rescission of November 1, 2006 water disconnects for Howie Woods and Hal Murphy
5. Approve letter to TCBCC concerning their Development Agreement with Secret Promises Ltd.

Action Items:

1. Consider recommendations to submit to TCBCC for Commissioner vacancy
2. Set up a workshop with Steinhatchee Water Association
3. Explore funds available to offer financial assistance to Phase I Customers who did not qualify for Grant funding of a grinder pump installation
4. Draft a policy regarding future individual and small development sewer hook-ups

Shirley Shinholser  
Secretary