

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 2010-2011 financial audit. Mr. Powell stated 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, 2011. He then reviewed highlights of the audit as follows: At the end of the year net assets were \$4,317,235, compared to \$3,414,581 in 2010, an increase of \$902,654 primarily due to the receiving of capital grants. Capital assets on September 30, 2011 were \$5,452,677 compared to \$4,500,986 on September 30, 2010. The districts total net assets for 2011 was \$4,317,235 compared to \$3,414,581 for 2010. Cash flow for 2011 was \$145,162 compared to \$102,259 for 2010. Operating revenue was \$369,011 which was about a 10% increase from the prior year and operating expenses remained almost exactly the same as the previous year. The long term debt balances on September 30, 2011 was \$1,410,845. 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 unqualified opinion which is a good reflection on the district. He advised that 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. **The board thanked Mr. Powell and in general consensus the board accepted the 2010-2011 Financial Audit as presented.**
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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7. 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 for water loss consisting of line breaks. Deputy Chris Folsom informed us that Norma Willard’s home at Jug Island was a victim of squatters living in the house for approximately 2 weeks. We are uncertain at this time how much water was used but will adjust the account accordingly after this month’s readings are received. There are 11 accounts listed on the past due report. Thomas Theobald owes only 10 cents. Eddie Kinsey, The Keaton Beach Hot Dog Stands Restaurant and house account 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. Commissioner Charles Carlton and Commissioner Lee Bennett questioned office staff in regard to the districts delinquent policy for non-payment. The concern was that office staff was not turning the accounts off in a timely manner. After discussion the office staff was instructed to make sure that we are adhering to the districts Delinquent Policy. There was no other discussion and 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 net income of \$7,935.42 which is under the projected budget amount. Our total expenses for the month were \$21,639.75 which was over the budgeted amount. The overage was due mostly to insurance payments for the WWTP Diesel Tank in the amount of \$612.87 and \$187.00 for Commissioner Lynn Aibejeris bond. Water Plant upgrades in the amount of \$2,875.79 was also paid this month. This puts the Water Department expenses above budget for the month and the year. The Wastewater Department expenses were \$263.80 which is well below budget. However the annual budget amount for waste water is over and 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 to the next board meeting. You can allow the certificate to roll into the current term and rate for a one-year certificate of deposit, shop rate 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 updated price quote for installation of Single Grinder Pumps from DeYoung Construction Company. Effective immediately single grinder pump installation cost is now \$7,255.18. This is an increase of \$305.18. This includes a 3% increase from Water Resources Technologies for the parts. Office Staff is working on obtaining other estimates for this service. However we have not been able to get anyone else to show an interest in bidding.
- c. We received a statement credit of \$338.80 for cashing in our reward points on our Capital City Visa Account.

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- 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.
- 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 only \$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 phone. Commissioner Marcia Parker offered a second. Commissioners Carlton, Ezell, Malone and Parker voted for and Commissioner Bennett voted against. The motion passed four to one.**
- f. Commissioners Lynn Aibejeris, Lee Bennett, Charles Carlton and Billy Ezell terms will expire on May 3, 2012. The district will advertise the positions in March and request appointment from the Taylor County Commissioner in April.

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 on Pounce De Leon and Marina Road.

Wastewater Operations – David Morgan

- a. David reported that Roger Morgan was walking along County Road 361 and discovered a sewer leak on January 9, 2012. The repair was scheduled for the January 10. The repair involved replacing another clamp. DeYoung Construction Company was contacted to assist with the repair. He advised the board that he and Jim would be attending a seminar in Lake City, Florida on February 8. He reported there were no other issues with the Waste Water Area.

8. 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 for the matching funds needed to apply for the grant. The reason for denial is that Rd loan or grant monies cannot be used 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 of obtaining the matching funds needed to apply for the Special Appropriations Grant. Mr. Lang advised the board that the award could be contingent upon Mittauer and Associates being able to find matching funds. Mittauer and Associates will offer this 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 or cost to the District. Commissioner Lee Bennett offered a second and the motion carried unanimously. Chairman Senter asked the office manager to contact Fred Fox Enterprises and advise them that the District would award the Grant Writing/Administration Services to them contingent upon matching funds being found for the grant.**

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

The remaining balance of grant monies is \$292,500.87. EPA has been advised of the USDA-RD denial of the Change Order for the additional 13 connections. They are award that we must re-bid this additional work. Conredge Lewis the EPA adviser has stated that as long as the work is of the same scope we should be able to use the remaining monies. We will need to provide them with all the information for approval

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just as we will have to with USDA-RD. Everything will be forwarded to EPA and USDA-RD for review and approval once we receive it from Jones Edmunds Engineering.

Update on Phase II Construction- Diane Carlton

On January 17, 2012 Chairman Glenn Senter, Steve Morris, USDA-RD State Engineer and USDA-RD Case Administrator, Christine Goddard, John Horvath with Jones Edmunds, Shelly Smith with Blue Rok, Tony Anderson of Anderson Columbia and I met to establish a punch list for the original Phase II contract to be completed. A copy of the punch list was provided to you in an e-mail this morning. There are very few items remaining and it is anticipated the work will all be complete no later than March 1. Then we will close out the original construction contract.

We received the Amendment to the Owner Engineering Agreement from Jones Edmunds. The amendment includes total cost of \$35,541.16. This includes services already performed in the amount of \$16,450.16 and \$19,091.00 for the bid service proposal. Chairman Senter will be signing this as soon as we receive the hard copies from Jones Edmunds and they will be forwarded to USDA-RD requesting their review and approval. Jones Edmunds will not proceed with any work on the bid package until we receive USDA-RD approval. 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 you could consider an employee raise only if you were to revise the Annual Budget and include more income. The only way I could see coming up with more monies so that a salary increase could occur is to include anticipated income from late charges, adjustments and other fees. The district has never considered these monies as a part of the budgeted income before. We have always used minimum charges of water and sewer services only. Commissioner Bennett stated he could not justify a raise based on that. Commissioner Parker stated it seemed like such a small amount to come up with and asked if last year's income from these fees were enough for the proposed 3% pay increase. 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 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. Commissioner Charles Carlton and Chairman Glenn Senter abstained from voting or participating in the conversation due to their relationship to Office Manager Diane Carlton and Assistant Office Manager Lynette Senter.**

9. NEW BUSINESS

There was not any new business to discuss

10. CLOSING REMARKS – COMMISSIONERS/STAFF – Commissioner Marcia Parker commended the board and staff for providing good work and dedication to the district.

11. 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, February 28, 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 to allow them to search and find the matching funds needed to apply for the Grant at no risk or cost to the District.

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Action Items:

Contact Fred Fox Enterprises in regard to acceptance of Grant/Writing Administrative Services contingent upon them accepting a 30 day extension to search for matching funds for the district and at no cost or risk to the district.

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

Obtain cost estimate information from other contractors in regard to single grinder pump installations

Present another review for consideration for an employee pay increase at the April 2012 meeting.

Develop a position for Water Operator Trainee/Laborer in view of having a qualified staff member to move into the Water Operator position upon Jim Gooding's retirement.

M. Diane Carlton, Recording Secretary