

TAYLOR COASTAL WATER & SEWER DISTRICT
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MINUTES OF REGULAR COMMISSION MEETING
December 14, 2009

1. The meeting was held at the District Building at 5:30 PM on Monday, December 14, 2009. Present were:
COMMISSIONERS: Lee Bennett, Tommy Mauldin, Marcia Parker, Glenn Senter, Charles Carlton, Leland Carlton and Lynn Aibejeris
TCW&SD STAFF: Jim Gooding, Diane Carlton and Shirley Shinholser
Chairman Bennett called the meeting to order and declared a quorum present.
- 2 The meeting was opened with prayer and the Pledge of Allegiance.
3. Richard Powell of Powell and Jones CPA presented the report for the 2008-2009 Financial Audit performed on November 18, 2009. The basic financial statements present fairly the financial position of the District on September 30, 2009 and the results of its operations and cash flows for the year ended in conformity with accepted accounting principles. The unrestricted net assets increased over the prior year and accumulated depreciation is less than 25%. Although the District greatly reduced its operating expenses, the decline in operating revenue coupled with depreciation result in a decrease in net assets of \$212,498. Cash and cash equivalents at the end of 2009 increased over 2008 with increased reserves for capital improvements.
The long-term debt balance of \$1,251,534 includes: \$384,975 to refinance debt previously owed to USDA-RD by Taylor Coastal Utilities, Inc.; \$652,000 owed to USDA-RD for Phase I Wastewater Construction; and, an outstanding balance of \$214,559 on a Phase II pre-construction interim financing loan with Capital City Bank collateralized by upcoming proceeds from a USDA loan.
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 we consider to be material weaknesses. Our tests of the District's compliance with certain provisions of laws, regulations, and contracts and grant agreements disclosed no instances of noncompliance. Therefore, we issue a clean opinion with no reportable findings during the current year. We appreciate the helpful assistance of District Staff in completing our audit and also the generally high quality of the District's financial records and internal controls. **In consensus, the Board approved the Audit for fiscal year 2008-2009.**
4. There were no other guests present.
5. The Minutes of October 27, 2009 and November 16, 2009 were presented. **Upon motion of Lynn Aibejeris, with a second provided by Tommy Mauldin, the Board unanimously approved the October and November Minutes.**
6. Phase II Update – Shirley Shinholser
Per an email from Ms. Peggy Johns, USDA-RD of Lake City, on December 11, 2009, we can tentatively expect closing instructions in February 2010 provided no further complications surface.
7. Staff and Committee Reports
 - a. Billing Supervisor's Reports – Diane Carlton
October sales were down but the past due accounts are in good standing with less than \$30 beyond 30 days and no accounts over 60 days. There were two disconnects due to non-payment and two disconnects per customer request.
November sales were up slightly. Past due accounts are within the 1-60 day range accruing late fees. We are negotiating with the owner/renter of a Cedar Island property to secure full payment and avoid disconnect. The Davis property is under foreclosure so we will file a lien for the past due charges. The Keaton Beach Hot Dog Stand received a one-time adjustment due to a leak at the house. Other adjustments were routine. We gained a new customer in Sawgrass Bay during November. A new account was opened in December at the Keaton Beach Gas and Grill RV Park.
A motion to approve the Director's Reports for October and November 2009 was presented by Glenn Senter. A second was offered by Tommy Mauldin and the reports were approved unanimously.

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b. Office Manager's Reports – Shirley Shinholser

Anticipating completion of Phase II construction during the middle of this fiscal year, we placed our first payment reserve in Savings during October 2009. Since it appears that Phase II completion will be delayed until the end of this fiscal year, we may not allocate additional reserves. October total income was \$1739 less than our annualized budget; however our expenses were \$5345 under budget resulting in a net income of \$6793. In October, we paid the new DEP annual drinking water license fee of \$1,000 as well as tank maintenance charges for our Cedar Island booster station. Mowing of the properties has ceased for the season. A new autodialer was purchased and installed for the Water Treatment Plant.

November income was only \$264 less than annualized budget. With reduced routine operating expense, we were able to realize a net income of \$9,891.

Following a motion by Lynn Aibejeris, with a second by Marcia Parker, the October and November 2009 Financial Reports were unanimously approved.

c. Water Operational Issues – Jim Gooding

Water operations have continued to go well. We have put in more time in the field performing routine repair on meters and valve boxes.

d. Wastewater Operational Issues

Other than a failed grinder pump that required replacement on Thanksgiving Day, Wastewater operations have remained uneventful.

8. OLD BUSINESS

a. Update on STAG funding (\$300,000)

Congressman Boyd is attempting to attach the request to the Omnibus on December 15th.

b. Update on Capacity Analysis/Water Storage Tank

No further communication has been received from Florida Rural Water concerning the Capacity Analysis.

c. Sewer availability for new home at Sawgrass Bay

The Board cannot consider this item until it is determined if and when funding will be available.

d. Grinder Pump installations in County Right-of-Way

There has been no further discussion regarding this concern.

9. NEW BUSINESS

a. Adopt 2010 Board Meeting Calendar and Holiday Schedule

Since our regularly scheduled meeting for Tuesday, June 22, 2010 will conflict with a County meeting, it was recommended that the District meet on the 3rd Monday (June 21st). As proposed, the November and December meetings will held on the designated Mondays due to holidays. **Upon motion of Charles Carlton, with a second by Lynn Aibejeris, and by unanimous vote, the Board approved the proposed 2010 Board Meeting Calendar as amended as well as the closing of the District Office on holidays recognized by Taylor County.**

10. CLOSING REMARKS – COMMISSIONERS/STAFF

Chairman Bennett remarked that he has been reviewing present and past employee wages. He recommends that the Board review and consider each annual COLA increase versus an automatic application as established by Board action on October 19, 2005. Per the national index, there will be no COLA increase for 2010.

Chairman Bennett reminded the Board that election of officers will take place at the meeting on January 26th. Due to other obligations, he will not be able to serve as an officer during the ensuing year. Chair is a 1-year term and an individual may serve two consecutive terms before being replaced for a minimum of one year. The Board may wish to consider having future officer elections in October of each fiscal year.

11. There being no further discussion, a motion was provided by Glenn Senter to adjourn the meeting. Tommy Mauldin provided a second and the meeting was adjourned.

**The next regularly scheduled meeting will be held on
Tuesday, January 26, 2010 at 5:30.**

Board Actions:

- Approve Financial Audit by Powell and Jones for Fiscal Year 2008-2009
- Approve Minutes of October 27, 2009 and November 16, 2009
- Approve Director's Reports for October and November 2009
- Approve Financial Reports for October and November 2009
- Adopt 2010 Board Meeting Calendar and designated holiday closings

Action Items:

Pursue STAG funding (\$300,000)

Pursue Capacity Analysis and water storage tank recommendation from Florida Rural Water



Shirley Shinholser
Recording Secretary