

TAYLOR COASTAL WATER & SEWER DISTRICT

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MINUTES OF REGULAR COMMISSION MEETING

December 13, 2010

1. The meeting was held at the District Building at 5:30 PM on December 13, 2010. Present were:
COMMISSIONERS: Leland Carlton, Charles Carlton, Gennie Malone, Lynn Aibejeris, Marcia Parker and Glenn Senter
TCW&SD STAFF: Jim Gooding, David Morgan, Diane Carlton, Lynette Senter and Shirley Shinholser
Vice-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. Richard Powell of Powell and Jones, CPA presented the 2009-2010 Financial Audit.
The audit was conducted in accordance with auditing standards generally accepted in the USA and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. It is the opinion of Powell and Jones, CPA that the basic financial statements of Taylor Coastal Water & Sewer District (the District) present fairly, in all material respects, the financial position of the District as of September 30, 2010 and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the USA.

Per the Statement of Net Assets for the year ending September 30, 2010, the total net assets decreased by \$190,675 primarily due to Accumulated Depreciation on the Phase I Wastewater system. The District had a net increase in cash and cash equivalents of \$49,984, slightly more than in 2009. At September 30, 2010, \$26,967 had been set aside by the District for the USDA-RD Revenue Bonds Series 2005A and 2005B debt reserve. Long-term debt increased due to interim financing with Capital City Bank collateralized by proceeds from a USDA-RD loan for the Phase II Wastewater expansion. The outstanding balance of long-term debt at September 30, 2010 was \$231,307.

We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses and therefore offer a clean, unqualified opinion with no reportable findings during the current year. The District complied with Section 218.415, Florida Statutes, regarding the investment of public funds and nothing came to our attention that caused us to believe that the District had met any conditions that might result in a financial emergency.

In general consensus, the Board accepted the 2009-2010 Financial Audit as presented.
4. John Horvath and Keith Halbrook of Jones Edmunds were present to comment on Phase II wastewater construction.
5. The Minutes of November 15, 2010 were presented. **A motion was made by Gennie Malone with a second by Lynn Aibejeris to approve the Minutes as read. Minutes were adopted unanimously.**
6. Phase II Update – Shirley Shinholser/Jones Edmunds
(Shirley) – We have received the drafted Preliminary Engineering Report (PER) Addendum No. 4 which addresses the potential wastewater expansion to Sawgrass Bay, Sandpiper and Fish Creek, as well as, the painting of the Wastewater Treatment Plant. Once reviewed and approved by USDA-RD, we will extend the current contract with Anderson Columbia to continue construction as funding allows. Job Progress of current construction as of September 7, 2010 is at 53% with 67 GP installations complete and ready for connection once permitted by FDEP.
(Keith Halbrook/John Horvath) – The crew is currently working on Good Times Drive and the exit of the 3” force main from Dark Island to Hwy 361. As-built drawings are being prepared as we progress and

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submitted to Jones Edmunds for approval. Septic tanks will be abandoned and GPs connected as soon as approval is received from FDEP. In addition to the 67 completed GP installations, we have installed additional wet wells and will soon have electrical connections complete. We anticipate that some customers will be able to come on-line the first of 2011 after certification by E-One and Jones Edmunds. Things are going smoothly with the County regarding Good Times Drive. We will follow the same path endeavoring to maintain the required 18 feet width. Customers are being contacted regarding removal/relocation of trees and shrubs along the right-of-way. Small "Change-Orders" are expected but should not impact the funding allocated for the potential wastewater extensions discussed in the PER addendum. If RD agrees to proceed with the construction, change orders will be issued as funds allow. The addendum also provides for extra equipment, Phase I disconnects and the painting of the WWTP should RD approve. Should RD request a separate bid, the costs as identified in the PER addendum will escalate. If the District Board approves the drafted PER addendum, it will be submitted to RD tomorrow. **A motion was made by Lynn Aibejeris to accept the Phase II PER Addendum Number 4 as presented. Gennie Malone provided a second and the motion was approved unanimously.**

(Diane Carlton) We have requested a quote from Water Resource Technologies for wet wells and lids that can withstand vehicular traffic should they be needed for coastline installations. It may not be feasible to place only one pump in these units so we may need to consider a method for customers to "share" a unit.

7. Staff and Committee Reports

a. Billing Reports/Items – Lynette Senter

November's Total Current Charges are slightly above average at \$27,499. No new accounts were established in November and we issued no disconnects. Past Due Accounts are in good standing. Singletary is now current. Rowell purchased the house of Michael Beach on Ponce DeLeon paying the transfer fee, reconnect fee and collection account. Two rental accounts changed hands. We experienced minimal adjustments for line breaks due to freezing weather in November, but there are others being considered in December that may be greater. **A motion was made by Leland Carlton to accept the Billing Reports as presented. A second was obtained from Charles Carlton and the motion was approved unanimously.**

Debbie Cannon, owner of a rental property on Marina Road, has called and visited our office several times recently regarding her November billing of \$935.80 for 92,700 gallons of water. When an interim reading was taken on 11/30, the usage was 1600 gallons --- normal range for 8 days. Ms. Cannon came to inspect the house for leaks and found none. This account received a one-time adjustment in February 2008 due to a leak. The Cannons have experienced normal usage until now: (July/August @ 14,700; August/September 34,200; September/October 6,600; October/November 92,700). We've expressed to Ms. Cannon that fluctuating, high usage is to be expected with renters. The Cannons have requested an adjustment per Board action. **After due consideration, a motion was presented by Charles Carlton that we adjust the bill by one-half (\$467.90) and request that Ms. Cannon pay a six-months average bill amount of \$121.33 now plus \$50 towards the outstanding balance. The remaining balance can be paid in monthly installments to be included with her future monthly billing. The account should be brought current within six (6) months (by June 20, 2011). Marcia Parker offered a second and the motion passed unanimously.**

b. Financial Reports/Office Manager Items – Diane Carlton

Our total in Checking/Savings as of November 30, 2010 was \$171,938.84 with Liabilities totaling \$1,371,403.87. Total income showed a slight increase over the monthly budget as well as YTD. We met our obligations for USDA-RD Phase I reserves and are expecting reimbursement for Phase II legal costs incurred. Due to Phase II construction costs and installation assistance of six (6) Dekle Beach meters, our OPS expense is well over budget for the month and already at one-half of total budget. We will attempt to recover some of this cost with Phase II reimbursements from RD and will continue to monitor this expense. Salaries and wages were slightly over budget due to increased Operator hours for Phase II construction and adjustments to office staffing. Both the Wastewater and Water Departments are within budget. We received \$600 from BlueRok for rental of office space at the WWTP ending the month of November with a Net Income of \$9,207.40. **A motion was made by Gennie Malone to approve the Financial Reports. Lynn Aibejeris provided a second and the motion was approved unanimously.**

c. Water Operations – Jim Gooding

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Water operations are going well. Keith is doing an excellent job as resident observer of the Phase II construction. We have experienced three (3) small cuts, easily repaired. We are concerned about Good Times Drive and will respond to the needs as they arise. (Vice-Chairman Senter remarked that more cold weather is approaching and all need to be observant of possible line breaks throughout the communities.)

- d. Wastewater Operations – David Morgan
Wastewater operations are routine. We've not noted any change in our product since the receipt of the Taylor County Waste; however, our lab analysis has not yet been reviewed.

8. OLD BUSINESS

- a. Update on Water improvements funding – Diane Carlton
We are continuing to pursue the RD Pre-development grant for the Preliminary Engineering Report (PER). We are requesting loan proposals from banks and preparing an advertisement for a Request for Proposals for an engineering firm. Cheryl King of Southeast Rural Community Assistance Program will assist in the grant application.
- b. Keaton Beach RV Park Schematic
We have received a schematic from Lynn Aibejeris but Mr. Sprayberry has not yet complied. We will give him a reminder call.
- c. Update on 2009 Omnibus Legislation, STAG funding (\$300,000)
Wastewater costs not covered by the Phase II PER Addendum #4 and the PER for proposed water improvements will be reviewed so that an EPA application packet can be prepared. Staff from Rural Community Assistance Program and Florida Rural Water will assist.
- d. Update on Taylor County Waste Disposal, Liquid Runoff
The County waste product is strong and could fluctuate with rain. A second lab analysis of the product should be requested from the County for comparison. The City of Perry was overloaded and their permit would no longer allow receipt of the product. Our permit will allow minimal amounts but tracking of the product and its impact is mandatory. Our sludge accumulation will definitely increase and add to hauling expense. We will obtain more data before we draw up an agreement with the County to receive the product on a regular basis.

9. NEW BUSINESS

- a. Adopt 2011 Board Meeting Calendar and Holiday Schedule
A motion was made by Lynn Aibejeris to accept the 2011 Calendar as presented. Charles Carlton offered a second and the motion was approved.

10. CLOSING REMARKS – COMMISSIONERS/STAFF

Vice-Chairman Senter reminded the Board that election of officers is to take place at the January meeting. Lee Bennett has served two (2) consecutive years and cannot be re-elected as Chair.

Charles Carlton remarked that Keith Halbrook is doing an outstanding job with Phase II construction.

The Board and Staff presented to Shirley Shinholser a painting, a pin and a card in appreciation for her years of service to the District as Office Manager.

11. There being no further business or comments, upon motion by Leland Carlton and a second from Lynn Aibejeris, the meeting was adjourned at 7:17 pm.

**The next regularly scheduled meeting will be held on
Tuesday, January 25, 2011, at 5:30**

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Board Actions:

Accept 2009-2010 Financial Audit by Powell and Jones, CPA
Approve Minutes of November 15, 2010
Approve Addendum #4 to the February 2006 PER for Phase II Centralized Wastewater project
(Further expand the system to use available funds)
Approve Billing reports for November 2010
Approve adjustment and monthly payments for Cannon #128
Approve Financial Reports for November 2010
Adopt 2011 Board Meeting Calendar and Holiday Schedule

Action Items:

Secure funding for Preliminary Engineering Report for water improvements
Obtain sewer schematic for Keaton Beach RV – Sprayberry
Determine project(s) for 2009 Omnibus Legislation, STAG funding (\$300,000)
Conduct further research on Taylor County Waste Disposal, Liquid Run-off
Investigate options for payment of WWTP renovation if not grant funded



Shirley Shinholser, Recording Secretary