

TAYLOR COASTAL WATER & SEWER DISTRICT

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MINUTES OF REGULAR COMMISSION MEETING

June 24, 2014

1. The meeting was held at the District Building at 3.00 PM on June 24, 2014 present were:
 - a. COMMISSIONERS: Lynn Aibejeris, Shawna Beach, Jim Poppell, Gennie Malone and Troy Thompson. Commissioner Steven Brown was absent.
 - b. TCW&SD STAFF: Ronald Bennett, Diane Carlton and Lynette Senter.

Chairman Aibejeris called the meeting to order and declared a quorum present.

2. The meeting was opened with prayer and the Pledge of Allegiance to the Flag led by Commissioner Beach.
3. Chairman Aibejeris welcomed Ricky Crews from Southeast Rural Community Assistance Project, Inc. He was in attendance to present his findings from a rate study he had performed at the commissioner's request due to the expenses that are occurring especially in the sewer area. Southeast Rural Community Assistance Project is a federally funded non-profit organization that provides assistance to municipalities free of charge across the United States. The main areas of concern were income, expenses and maintenance. He reported that at this time the drinking water facility had an overage but that the Sewer facility is operating with a deficiency. He made the following suggestions to help correct the noted deficiency: (1) Implement an increase in the wastewater rates using existing tier or modified tier. The existing tier would require an increase of \$2.50 in the base rate and \$2.50 increase in cost per thousand over the 4000 gallons included in the base (2) A new modified tier would leave the base rate at \$37.15 and would lower the cost per thousand to \$3.75, but all accounts would have to pay the \$3.75 per thousand eliminating the 4000 gallons included with the base under the current rate structure (3) Placing into ordinance an automatic annual 2.5% increase for both facilities to help offset the rising operational costs of these facilities and to ensure the self sustainability of both facilities in the future. By adding the automatic annual increase each facility would receive a cost of living raise without having to hold special meetings. This ordinance would spare the customers from having to pay a large increase if the facilities were only given an increase every few years as needed. (4) Correct customer billing. Per ordinance customers should be billed per thousand gallons not per 100 gallon over each thousand as indicated in the billing chart. If a customer uses 3,300 gallons the charge should be the base charge of \$28.00 + \$1.75= \$29.75 not \$28.53 as indicated on your billing chart. From a legal stand point billing by the thousand gallons will cover any inaccuracies in the usage reading abilities of the meter because the customer is receiving a thousand gallons of free usage for the money (5) With the replacement cost of a grinder pump being \$1,200.00 with a life span of 8 years (96 months) the replacement fee would be \$12.50 per month per connection. The income collected to replace falling grinder pumps would be \$5,225.00 per month or \$62,700 per year based on 418 pumps. Mr. Crews gave an opportunity for questions. Commissioner Thompson asked when the district should implement the changes. Mr. Crew's response was that the billing error on the software should be corrected as soon as possible. The other recommendations cannot be implemented until you notify your customers that you are proposing rate increases and have a public hearing. I would post a statement on the next 2 billing notices that you will have a public hearing in regard to proposed rate increases stating the date and time of the hearing.

Mr. Crews then asked the commissioners if they would like to proceed with the scheduled commissioner board training. By consensus the commissioners asked that this be postponed until all commissioners are present. Chairman Aibejeris thanked him for attending and providing the information.

4. Chairman Aibejeris asked if everyone had electronically received and reviewed the minutes of the May 27, 2014 board meeting. All Commissioners acknowledged they had. The Chairman called for a motion to accept the minutes as presented. **Commissioner Malone made a motion to accept the minutes as presented. Commissioner Beach offered a second. Chairman Aibejeris called for discussion. There was none. The motion was unanimously approved.**
5. Staff and Committee Reports
 - a. Water Operations – Ronald Bennett. Ronald reported all is going smooth with the water department with the exception of losing Keith who was assisting with the sampling. He reported he has had to rearrange David's schedule to assist with this now. He and David did the meter reading in 2 ½ days and it went smooth. Ronald requested that he would like to go ahead and address employee benefits for all of our employees. He stated he felt that something needed to be done so that employees would have an incentive to stay employed with the District. He told the commissioners that he could not keep good employees because the district offers no benefits and we only offer part time work with the schedule being

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only ½ day per week to equal 20 hours a week. He mentioned that when he hired another employee that he would probably place them on a 3 day per week schedule at eight hours per day. He requested that the commissioners please consider checking into the possibility of the district offering health, life and dental insurance. He requested that the board appoint someone to research the possibility of the district participating in the county's insurance plans. Commissioner Beach offered to speak with county staff to see if this would be possible and what the cost would be if we were allowed to participate. Commissioner Poppell asked if Ronald could go on line and apply for insurance under the Obama Care program so that cost comparison could be used. This will be discussed again as soon as the information is compiled.

- b. Waste Water Operations – Ronald Bennett – Ronald reported that a few issues have occurred within the sewer department. He advised that the clarifier had to have work performed due to a clog. He reported that the fire extinguishers at the plant need to be serviced and that the one at the water plant would also need to be included. The board by consensus asked that he get quotes on this.
 - c. Directors Report – Lynette Senter. Water and Sewer Sales for the month of May 2014 were \$32,214.64. We have a total of 455 accounts. There were 1,388,000 gallons of water pumped, 1,210,800 gallons sold and 72,075 gallons used for flushing lines. This gives a water loss of 105,125 gallons and a loss ratio of 7.57%. There were two new service connections for the month. We did not have any 31 to 60 day past due accounts. We did not have any turn-offs for the month. The total adjustments for the month were \$443.52. The adjustments included (\$.001) for data input error, (\$13.04) Late fee adjustments, (\$18.45) Non-Potable Water Adjustment, \$100.00 Transfer fee, \$150.00 Disconnect fee and \$225.00 Reconnect fee. An opportunity for questions was given. There were none. **A motion was made by Commissioner Thompson to accept the Billing Report as presented. Commissioner Malone offered a second. Chairman Aibejeris called for discussion. There was none. The motion was unanimously approved.**
 - d. Other Assistant Office Manager Items-Lynette Senter- Lynette advised the commissioners that she felt that she would not be able to accomplish correcting the software in regard to the per gallon charge error in time for the June billing notices. By consensus the board agreed that if she could not correct in the June billing that it would be acceptable as so as the correction was made in time for the July billing.
 - e. Financial Reports: Office Manager – Diane Carlton - Total sales for the month of May 2014 were \$32,214.64 which was \$2,378.89 over the anticipated budget amount of \$31,835.75. Total expenses for the month were \$23,977.44 which excludes the \$30,562.93 Grinder Pump repair invoice since monies for this expense was taken from the reserve account. Therefore the expenses for the month were less than anticipated by \$2,611.73. Total net income for the month was \$10,440.42 which included \$203.22 in monies received from a customer for the relocation of his water meter. The exception expense items paid this month included educational expenses in the amount of \$220.78 for Ronald Bennett to attend an educational conference in Panama City, Florida. The May 31, 2014 balance sheet was provided to the commissioners. There were no questions from the Commissioners. Chairman Aibejeris asked for a motion to accept the Financial Reports as presented. **A motion was made by Commissioner Malone to accept the Financial Reports. Commissioner Beach offered a second. Chairman Aibejeris asked for discussion. There was none. The motion was unanimously approved.**
 - f. Other Office Manager Items (1) We have received notice from the Florida Retirement System of a .42% rate increase for the employer portion of contribution. We will be paying 7.37% of the employee's gross income monthly. (2) We still have not received any news from Jim Gooding's request for a review of his re-employment denial. (3) Everyone was reminded that it is time to begin to work on budget for next fiscal year and inventory for year end.
6. OLD BUSINESS
- a. Update on Mandatory Sewer Connection for Water Only Accounts in the Coastal High Hazard Area – Diane Carlton– There were 13 refund checks issued in the amount of \$779.77 due to the reduction in material cost as a result of ordering in bulk. We expect to disconnect 3 accounts that have not complied with the mandatory connect request; they are Stacy Holton, Brian Clukie and Jimmy Metts. Mr. Metts is the property at Ezell Beach that has a right of way dispute with Taylor County. He has yet to furnish documentation to us from Taylor County that placing a grinder pump on his property will not encroach on the county road right of way. He has also refused to accept the \$5,500.00 refund check issued in May. The check was mailed to him certified mail and he refused delivery. I spoke with him by phone; he advised that his attorney told him to refuse the refund of his deposit to install the grinder pump.
 - b. Update on EPA Grant Funding- (\$750,000.00) Diane Carlton – We still have not received an approval on the extension request for the draw period to be extended to 12/31/2014. However we did receive an acknowledgement that they had received our request. I am working on putting together quote packages for your review and approval to submit. The balance of funds remaining is \$131,301.63. The anticipated matching funds needed from us are approximately \$59,085.73.
 - c. Update on Taylor County Restore Act Project Proposal -Troy Thompson - Troy reported that as far as he knows we are still in the running he has not heard any different.
 - d. Amended Rules and Regulations for review and approval-Diane Carlton/Lynette Senter The amended rules were presented by Lynette for approval. The board made recommendations that clarification to section II and III by adding

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that water only service is only sold to properties that are outside of the costal high hazard area and to commercial accounts that use irrigation only and the ice house that produces ice only. The revised rate chart should also be corrected to 1000 gallon increments instead of 100 gallon and made a part of the rules and regulations.

7. NEW BUSINESS

- a. Office Security – Diane Carlton-Diane requested that the board authorize the use of \$800.00 to \$1,000.00 to have a buzzer placed on the entrance door due to recent happenings in the office that caused her to feel unsafe. She advised that Ronald Bennett had confirmed that he could install the system. It would allow office staff to monitor who comes into the office. **Commissioner Thompson made a motion that the monies are taken out of the capital improvements reserve account to pay for the expenses and that the staff have this done as soon as possible. Commissioner Malone offered a second. Chairman Aibejeris asked for discussion. There was none. The motion was unanimously approved.**
- b. Employee Benefits-Ron Bennett and Diane Carlton – This item was discussed under Water update-Ron Bennett
- c. One-time Adjustment policy review - A change in the adjustment policy was presented to the board for review and approval by Office Staff. The change request was to make the policy clear that the adjustment would only be for water loss due to unexpected events that result in large amount of water loss and to remove the requirement that a customer must be present at the board meeting to present their case if they have an additional loss. **Commissioner Poppell made a motion that the policy changes be approved as presented. Commissioner Beach offered a second. Chairman Aibejeris asked for discussion. There was none. The motion passed unanimously.**
- d. Discuss Taylor County Board of County Commissioners and Taylor Coastal Water & Sewer District's ordinances in reference to RV permits issued by Taylor County it was brought to the commissioner's attention that a land owner was issued a power pole permit for a RV unit. The building and planning department stated that the land-owner did not want water or sewer services. A copy of the ordinances was provided to the commissioners via e-mail. After discussion the board by consensus requested that a letter be drafted to County Building and Planning, Danny Grinder to address the issue and clarify the issue.

8. CLOSING REMARKS – COMMISSIONERS/STAFF – Chairman Aibejeris thanked the staff and commissioners for the Get Well Card she received. There were no other comments.

9. MOTION TO ADJOURN

- a. **Commissioner Malone made a motion to adjourn. Commissioner Thompson offered a second. The motion was unanimously approved.** The meeting was adjourned at 5:30 p.m.
- b. The next regularly scheduled meeting will be held on Tuesday, July 22, 2014 at 3:00 p.m.

Board Actions:

- a. Approve Minutes from May 27, 2014 meeting
- b. Approve Directors Report for May 2014
- c. Approve Financial Reports for May 2014
- d. Approve a motion to take monies from capital improvement reserve fund to fund installation of a buzzer-lock door entry controlled by office staff. Field staff will install. Cost estimated to be \$600.00 to \$800.00 dollars.
- e. Approve amended wording of the One-Time Adjustment Policy with an effective date of June 24, 2014.

Actions Items:

- a. Continue to explore ways to make sewer connections more affordable
- b. Ron Bennett is to present to the board the components of a daily, monthly, quarterly and semi-annual or annual preventative maintenance program.
- c. Office staff to provide balance sheets to the Board on a quarterly basis
- d. Office staff and maintenance staff to create maintenance files for all Water and WW equipment
- e. Office staff to work on a policy statement for the District on how proposals, purchasing, purchase orders, bid process and inventories are to be handled.
- f. Contact our CPA and any other professional that can give us an opinion on what to do concerning increasing revenues to cover grinder pump repair expenses and replacements and other wastewater expenses that are continuing to increase this will be ongoing.
- g. Revise the Districts Rules and Regulations in an effort to make them clear to the customers and the district staff and commissioners.
- h. Commissioner Beach is to approach county staff for information concerning if the District is eligible to participate in Taylor Counties benefits such as insurance and the cost if applicable.
- i. Ronald Bennett is to gather cost of insurance under the Obama Care Program

By: M. Diane Carlton, Recording Secretary
Taylor Coastal Water and Sewer District