

TAYLOR COASTAL WATER & SEWER DISTRICT
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MINUTES OF REGULAR COMMISSION MEETING
January 18, 2006

1. The meeting was held at the District Building at 5:00 PM on January 18, 2006. Present were:
COMMISSIONERS: Glenn Senter, Travis Beach, Jim Moody, Danny Everett, Lynn Aibejeris,
and Lonnie A. Houck.
TCW&SD STAFF: John Gentry, Jim Gooding, David Morgan, Diane Carlton, and Shirley Shinholser.
Chairman Senter declared that a quorum was present.
2. Chairman Senter, along with the Board and Staff, welcomed our new Commissioner, Lynn Aibejeris.
3. The minutes of our meeting on December 21, 2005 and our Special Meeting Minutes from January 9, 2006 were presented. **A motion was made by Travis Beach and seconded by Lonnie A. Houck to approve the minutes as read. Minutes were adopted unanimously.**

Chairman Senter addressed a continuing concern, previously discussed at our Special Meeting on January 9, regarding the provision of service to a few people who have "fallen through the cracks" on being provided with sewer service under the Phase I Grant program. His suggestion to the Board is that we allow those 1-2 people to approach the Board and state their case. After reviewing each case individually, the Board will make a decision on whether or not to connect them to the Phase I sewer system. The floor was opened for general discussion. It was suggested that isolated cases can be allowed to connect because capacity will be available due to the time factor involved in the additional 181 platted lots coming on board. Everyone who is connected will be required to pay for the installation. Large developments will be required to pay for system upgrades required for their units plus the added capacity required for existing residences in their area that do not currently have sewer service. An example of this policy is the Pruitt development which would be required to provide sewer for the Dekle Beach area. Under this approach, Federal or local funding might not be needed for Phase II. Under our existing Federal restrictions, newly created lots cannot tie in but all lots with existing septic tanks within 200' of our service area must connect. In an effort to resolve this conflict in requirements and to avoid new septic tank installations that will create the same situation we are currently correcting, we need to allow these lots to connect as long as we have capacity to handle their wastewater on days with maximum flow. We must also strive to obtain the proper infrastructure to accommodate growth and be sure that Taylor County Board of County Commissioners is willing to support our efforts with finances as well as legal support as needed. Considering all the tax revenue from our Beaches, we should be able to receive financial assistance from the County for infrastructure and improvements to our WWTP. Our General Manager, John Gentry, stated that he agreed in principle with not allowing new septic tanks, but that the Board should take action on each case individually as he cannot take unilateral action to connect lots not eligible under current restrictions. **In consensus, the Board agreed unanimously that each case scenario will require a review by the TCW&SD Board of Commissioners and a separate Board action per case.**

4. Staff and Committee Reports
 - Sewer Project Update – John Gentry
We've received the latest update from Fritz via Email today addressing the outstanding contractor obligations for the Phase I contract. In addition to items listed, we will make sure that satisfaction of all liens is addressed before closing. Most complaints have been settled and we are now a functional, operational WWTP. (D.L. White (#435) may still have an active septic tank.) We will pass this on to Fritz for investigation and be sure it is added to the punch list. We will also obtain septic tank abandonment forms from QPS which may identify other additional septic tanks and/or gray water issues. This can be added to the Punch List as well.

Our financial summary indicates that everything is going well. We currently have \$531,420.83 in our Wastewater Construction account with an additional \$64,855.69 pending from USDA-RD and today's submittal to EPA for \$35,681. We have approximately \$121,000 yet to claim from EPA and about \$96,000 remaining in RD funds. Our latest calculations indicate about \$40,000-\$60,000 is left in the Contingency so our funding is okay. We've discovered an additional 12 grinder pumps that were installed in error since the customers were not water users on March 20, 2002. I've contacted JEA and we plan to send each of them a letter offering the unit at contract price reminding them that all septic tanks built prior to July 2003 must be

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decommissioned. If they choose not to purchase the unit now, the unit will be removed and the customer will be required to purchase the grinder pump at the new price at time of purchase, which is expected to increase. The septic tank cannot be replaced once it is abandoned since the Phase I system is now activated.

We will activate a second contract for installation of grinder pumps to others of the 181 now desiring to connect and we will send letters to those with septic tanks installed after July 2003 advising them that they have six months to connect. The six month's period is based on notice being given on sewer availability at public meetings held in 2004 and 2005.

- Financial Reports – Diane Carlton/Shirley Shinholser

Our water usage is down but we show increased revenue due to the sewer connections. Of our \$3,819.16 that was past due on 12/31/05, \$2,042.56 has been paid to date. Letters have been sent stating that the water will be cut off if the balance due is not received by January 26th.

Our Operating Checking has improved so that we will be able to transfer \$4,639 to Savings for our RD liability. A review of our water inventory has revealed a \$10,000 value versus the past recorded amount of \$2,000. This will be reflected in future reports after our audit is complete. We purchased lab equipment and small tools in January 2006 which will be reflected in future assets.

(The floor was opened to guests, Sandy Manning and George Stamos for questions/comments.)

Sandy reported that Jim Starling had remarked to her that his home is still emptying into his septic.

Sandy also stated that her utility bill was excessive again this month due to a couple of leaks recently discovered and repaired. An adjustment was made last month relating to what was believed to be line-cut issues. She asked for a second adjustment assuring the Board that the leaks were repaired. After due consideration, the **Board agreed to adjust the sewer charges per average water usage over the previous six months.** If QPS can/will take ownership of the leak, we may adjust the water also. The Starling issue will be referred to JEA.

- Management Issues – John Gentry

A Sanitary Survey must be done for our Water System every two years. This year it was done by a new DEP employee who was “picky” and addressed several concerns. We have corrected the minor items and a written response has been prepared. The 2003 Survey report recommended that Jim Gooding obtain a Class “C” Operator’s license and now DEP says he must do so. We’ve asked them to explain the change of requirement. Jim may need to go to school to upgrade his license but, either way, we expect everything to be resolved shortly.

- Operational Issues – Jim Gooding

We’ve installed (2) new meters (Pattie & Parker) and we’ve worked with DeYoung and Dickey in replacing (2) faulty valves at Cedar Island. We are still experiencing low pressure in our lines on Kingfisher. We anticipate a cost of \$4,000-\$5,000 to install a 200’ to 300’ of 4” line that will serve about 20 people. This should be completed, if funding is available, by the spring of this year.

- Phase II – Glenn Senter

The County has approved a new development for Cedar Island East near Blue Creek (Holy Mackerel) which will generate \$240,000-\$300,000 as the \$2,000 per lot service fees are collected within the next six months. We can consider using these monies to supplement Phase II and for the improvements on Kingfisher.

5. OLD BUSINESS

- District O&M Building and Equipment:

The paperwork on our lease of the building currently used by QPS is in process. We plan to negotiate for improvements of the tie downs. We will own the storage shelters at the end of construction.

- Sign:

The County has said “No” to the placement of our sign on the right-of-way. Jim and David will clear a corner of our property for the installation.

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6. NEW BUSINESS

- Review re-connect fee for water and establish re-connect fee for sewer
Following discussion, **Travis Beach presented a motion to retain the \$100 water re-connect charge and establish a \$200 re-connect fee for sewer. Furthermore, we should charge \$25/hour extra if the system has to be purged due to disconnection and/or the power to the unit is turned off as recommended. The motion was seconded by Jim Moody and approved unanimously.**
- Policy for connecting active septic tanks constructed since July 2003
A motion was made by Travis Beach, seconded by Jim Moody, and unanimously approved to send letters to all parties advising them that they must connect within six (6) months and that, although we cannot finance the charges, we will accept monthly pre-payments.
- Policy for delinquent Commissioners
Copies of the By-Laws of Taylor Coastal Utilities, Inc. and the Taylor County Airport Advisory Committee will be reviewed and a set of By-Laws for TCW&SD established that will address this issue.
- Approval of Glenn Senter as an authorized signature at Citizen's Bank
A motion was made by Travis Beach, seconded by Danny Everett, and approved unanimously to authorize Glenn Senter to sign on our Operating Checking and our Wastewater Construction Checking accounts.
- Utility service to those refusing to connect
Board will consider our disconnecting water service and requesting that Tri-County turn off power to all qualified customers who refuse to connect to sewer.

A motion to adjourn was made; a second was received and the meeting adjourned.

(The next meeting is scheduled for Wednesday, February 15, 2006 at 5:00.)

- Board Actions:
1. Approve Minutes from December 21, 2005 and January 9, 2006.
 2. Agreement to review each individual case requesting GP connection and address per Board action
 3. Authorized an adjustment to Keaton Beach Motel for sewer charges due to water leaks
 4. Approve continuation of the \$100 re-connect fee for water and establishment of a \$200 re-connect fee for sewer with a \$25 per hour charge for turning power to unit off/on and purging the system as needed.
 5. Approve notification by mail to those with septic tanks constructed since July 2003 that they must connect within six (6) months and TCW&SD cannot finance.

- Action Items:
1. Pursue lease of QPS building and all modifications needed.
 2. Establish a policy for delinquent Commissioners
 3. Establish policy for those qualified who refuse to connect to sewer