

TAYLOR COASTAL WATER & SEWER DISTRICT  
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MINUTES OF REGULAR COMMISSION MEETING  
April 20, 2005

1. The meeting was held at the District Building at 5:00 PM on April 20, 2005. Present were Commissioners: Floyd Ford, Sandra Hatcher, Glen Senter, Lonnie Houck, and Danny Everett. TCW&SD Staff: Sandra Bolton, Jim Gooding, David Morgan, Shirley Shinholser and John Gentry. Chairman Ford declared that a quorum was present.

2. Guests present for this meeting were: Melvin & Marsha Parker, Doyle Padgett, and Rob Flanders representing Gary Williams, IDC.

Melvin & Marsha Parker desire to split an existing lot and request a 2<sup>nd</sup> grinder pump. Board advised the Parkers of the existing rules and regulations established by RD and EPA for the project. Under the letter of conditions for the project, only existing lots platted before July 2003 may tie into Phase I, therefore, a lot platted at this time will not be able to connect. The Parkers were advised to contact Congressman Boyd and/or the local health department regarding the restrictions.

Mr. Doyle Padgett expressed his concerns about not receiving a stub-out on lot #52 at Ezell Beach. He has paid a membership fee but is not an established water customer. Mr. Padgett will be added to the list of those wishing to receive a stub out and to purchase a grinder pump. The Board will decide in late July if sufficient funds are available to fund additional stub outs. Mr. Padgett will have to pay for the grinder station.

3. The minutes of the March 16, 2005 meeting were presented. Motion to approve the minutes was made by Glenn Senter; seconded by Lonnie Houck and approved unanimously.
4. Guest, Rob Flanders, representing Gary Williams of IDC, inquired about the availability and costs of water supply for the proposed development of forty-two (42) Town Houses on Dr. Hamden's property. He was advised by the Board that our current water usage fluctuates during the year and our current supply of water available is maximized during those peak times. Supplying 42 taps for the proposed Town Houses would require a new well at a minimum cost of \$75,000 plus the cost of the water supply piping for the project. To date, TCW&SD has received no feed-back regarding grants/donations available for funding a new well or elevated storage tank for the area. The Board also advised Mr. Flanders that a User Service Agreement and Impact fees are yet to be determined for Commercial entities if we are permitted to support them on our sewer system. Should we obtain a new well for additional water supply, our current list of customers who have already paid membership fees in the hopes of connecting would have first priority over any proposed development. Mr. Flanders was asked to report to us any thoughts that IDC may have regarding "up front" funds for taps and connection expenses as well as any impact fees that may be determined. Mr. Flanders was further advised by the Board to check with the Department of Environmental Regulations in Jacksonville for further advice regarding sewer service for this proposed development. Should an engineering study be required to study costs of supplying water to this proposed development, IDC will be expected to pay the costs incurred.
5. James D.A. Holley & Co., P.A. submitted a bid for financial services. However, since there was only one submission, the Board opted to mail out copies of our ad to other CPA firms in an effort to secure more bids and plan to review all submittals at our meeting on May 18, 2005. Motion by Lonnie Houck; second by Sandra Hatcher. Unanimous.

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6. Staff and Committee Reports

- Sewer Project Update – John Gentry  
QPS has used 56% of its time with 162 days remaining. We have received invoices to date for approximately 23.3 % of project cost with greater payments anticipated as the grinder pumps are received and installed. Partial Payment Estimate #7 now in process with USDA-RD will deplete the allocated DEP funds and require payment of approximately \$66,000 from our EPA or loan funds. The spreadsheet indicates monies requested, received and disbursed per Grant fund. The Cash Account Register for our Construction account gives a detailed report of all income and expenditures leaving a current balance of \$208,764.
- Financial Reports – Sandra Bolton/Shirley Shinholser  
Sandra Bolton reviewed the Directors Report dated 3/31/05 (total receivables \$9,790.50 with four additional memberships). One “turn-off” is scheduled with two more anticipated if payment is not received next month.

Shirley Shinholser reviewed the balance sheets and income statements for both TCU and TCW&SD during the month of March 2005 noting that all accounts have not yet been reconciled with the CPA concerning the merging of the accounts. Bank accounts (3 checking and 2 CDs) and loan balances for TCW&SD are true and correct per records obtained. We will continue to work on reconciling all accounts and updating our budget report.

- Management Issues – John Gentry  
An estimated cost of \$5,000 for material and labor is expected to change the 2” pipe to a 3” pipe in an effort to correct the low pressure reported on Cedar Island. We will need to consider this additional expense once Construction is complete and remaining funds are considered for distribution.
- Operational Issues – Jim Gooding  
We’ve experienced (28) line cuts and (5) boil water incidents with the Construction crew. They are continuing to cut our pipes with their directional boring as well so costs will continue to rise. An effort should be made to seek recompense for material and labor of approximately \$15,000 and we should consider including a penalty for these damages in the contract for Phase II.

We are still working with Utility Service engineers regarding a contract on our Booster Station.

- Reports from standing committees (none)

7. Old Business

- Report from Budget Committee  
Glenn Senter will form and chair a committee to prepare next year’s budget so that it can be considered in our current Rate Study.
- Update on Phase II funding- The \$15,000 pre-planning grant request from RD requires that TCW&SD pay 25% (\$3750) up front. These monies CANNOT come from the Construction Account but may be paid via Operational funds, Membership/Impact fees, or our loan at Capital City Bank. A motion was made by Sandra Hatcher to commit to pay the \$3750 and take the funds from a selected account as available at time due. Second by Danny Everett. Unanimous.

We will check with Joan Douglas to see if Southeast RCAP can offer any suggestions for obtaining funds for Phase II.

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- Update on KB Townhouses Water & Sewer Hook-up  
Glenn Senter advised the Board that the KB Townhouses are on schedule. The Grinder Pump is to be installed mid-May. They have obtained permission for 14 units to be set up on "holding tanks" to be monitored daily until sewer hook-up is available due to anxious tenants desiring to move in.
- Update Taylor County contact on installation of Fire Hydrants  
Ken Dudley did not take this issue before the Taylor County Board of Commissioners as expected. John Gentry will call Mr. Dudley and try to spur this action forward.
- Update of proposed District O&M Building  
Jim Gooding advised the Board that only one bid has been received. A Live Oak vendor has submitted \$42,000 which is considerably higher than our \$30,000 estimated budget for a metal, insulated shell, 1500 sq. ft. Other bids are being requested.
- Request for proposals of firms to provide legal services  
A request for proposals will be sent out in a few days. Mike Smith will continue to serve through the loan closing in June 2005.
- Employee Benefits inquiry  
Floyd Ford is still working with Buddy Humphries on this issue.
- Status of TCW&SD sign  
Glenn Senter advised the Board that the previously selected vendor has been fired. A new vendor is currently working on the sign and should be finished in two weeks.

8. New Business

- Approval of Audit as of June 30, 2004 per Waters CPA Group, P.A.  
Motion by Sandra Hatcher to accept Audit as read. Seconded by Lonnie Houck. Unanimous.
- Tri-County Electric quote on electric service for the new waste water collection and sewer treatment facilities.  
Floyd Ford advised the Board that he had confirmed that the prices dated 2003 are still valid. Payments would start approximately September 2005. Option I is to pay \$38,116 up-front with Construction funds and establish a minimum monthly bill of \$315 for a period of 12 months. Option II is to establish a minimum bill of \$545.25 per month for a period of 60 months. After deliberation, a motion was made by Sandra Hatcher and seconded by Lonnie Houck to accept Option I. The motion passed with a vote of 3 in favor (Hatcher, Houck, Ford) and 2 against (Senter, Everett).
- Use of District Facilities  
Board agreed that the District office complex will NOT be available for personal or commercial use during working hours Monday-Friday, 8:00 – 5:00. Those desiring to use the facilities must schedule use through the District office to avoid conflicting meetings.
- Board Training  
Southeast RCAP will conduct a free, 1.5 hour long, local board training workshop immediately following our meeting on May 18, 2005. All Board members and Staff are encouraged to attend. Board members and staff can order sandwiches to be brought in for dinner.
- Rate Study  
A rate study is currently being conducted by Southeast RCAP. The new rate for water and sewer is estimated to be between \$55 and \$65. Results of the rate study are expected to be presented to the Board at the June meeting.

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The next meeting is scheduled for Wednesday, May 18<sup>th</sup>, at 5 o'clock. Packages may be picked up by Board members on Monday evening or Tuesday. Some documents can be E-mailed if desired.

Directors were advised to complete the Financial Disclosure form provided and submit it as directed.

9. Motion to adjourn was made by Sandra Hatcher; second by Danny Everett. Meeting adjourned.

Board Actions:

1. Approved mail-out RFP on financial support services.
2. Approved payment of \$3750 (25% of Pre-planning grant from RD)
3. Approved Audit as of June 30, 2004, Waters & Company CPA, P.A.
4. Approved Option I for Tri-County electric service.

Action Items:

1. Continue discussions with Taylor County on funding fire hydrants.
2. Continue soliciting bids on O&M building
3. Prepare RFP for legal support services.
4. Continue inquiry on Employee Benefits

John K. Gentry, P.E.  
General Manager