

TAYLOR COASTAL WATER & SEWER DISTRICT
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MINUTES OF REGULAR COMMISSION MEETING
April 19, 2006

1. The meeting was held at the District Building at 5:00 PM on April 19, 2006. Present were:
COMMISSIONERS: Glenn Senter, Sandra Hatcher, Danny Everett, Lynn Aibejeris, Lonnie A. Houck
TCW&SD STAFF: Jim Gooding, David Morgan, Diane Carlton and Shirley Shinholser.
Chairman Senter called the meeting to order and declared that a quorum was present.
2. Chairman Senter welcomed our guest, Richard Powell of Powell & Jones CPA, who proceeded to present and discuss our two (2) audits: Audit #1, Fiscal year June 2005 – June 2006 as historically done and Audit #2, a three-month audit encompassing July 2006 – September 2006 to bring us into compliance as a District with a year-end of September 30. There were four (4) findings reported on Audit #1, primarily due to undocumented General Journal entries by the previous CPA and some undocumented files. All four (4) findings were addressed and corrected as of the period ending September 2006. Our procedure now looks good and the QuickBooks program that became operative July 1, 2006 should provide excellent records. There were no questions from the Board.

Since our agreement with Powell and Jones CPA was for one (1) year only, Mr. Powell proceeded to submit a proposal of \$6,350 for the next audit with \$85/hour CPA charges and \$70/hour associate charges, as needed. If hired, he would like to perform an “on premises” audit during a week of December 2006. **A motion was made by Lonnie A. Houck to hire Powell and Jones CPA firm for our next audit. A second was received from Sandra Hatcher and the motion passed unanimously.**
3. The minutes of our meeting on March 15, 2006 were presented. **A motion was made by Sandra Hatcher and seconded by Danny Everett to approve the minutes as read. Minutes were adopted unanimously.**

(Due to another appointment of Commissioner Aibejeris, the Agenda items were addressed sporadically.)

4. Staff and Committee Reports
 - Sewer Project Update
A letter was sent to QPS on April 7, 2006 pertaining to final completion and liquidated damages. The declared final completion date is March 31, 2006 with \$500 per day being assessed thereafter. If QPS fails to respond and/or complete all contract obligations within a time period yet to be determined, then TCW&SD will address the hiring of another contractor to complete these items and the amount will be deducted from the QPS contract.

Our Construction account is still looking good with \$489,828 on hand and another \$196,893 yet to be requested from RD and EPA. Considering the anticipated contract closing costs, we should have a little more than \$100,000 to purchase a metal building with a concrete foundation for our WW office/lab, spare parts for our wastewater collection system, and other miscellaneous items.

Regarding our other contract with QPS, eight (8) of the thirteen (13) additional units have been activated with the remaining units near completion. We’ve asked Roger Murphy of QPS to consider adding another three (3) units to the contract for Cliff Burns but we have no commitment as of today.
 - Financial Reports – Diane Carlton/Shirley Shinholser
Director’s Report – As expected, our sales are up. We’ve also gained two (2) new members. Several adjustments were made due primarily to data input errors. Our “Past Dues” are in excellent shape with most accounts paid to zero as of today. Only two remain (Gibson & Sheaffer) with a total outstanding of \$279.60.

Financial Report – Following review of the Balance sheet, **the Board agreed to apply “interest earned” on the Savings account to our Citizen’s Bank loan that is due and payable 6/17/06.** Prior to due date, we will apply the previously approved 50% of our Membership funds and further address any balance due.

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- Management Issues – John Gentry

No report due to the absence of Mr. Gentry.

- Operational Issues – Jim Gooding

We have repaired a major leak on our 3” line on Osprey in Cedar Island. The in-line backflows are being addressed and we are working on the completion of our Emergency Response Plan and Consumer Confidence Report. Our latest DEP samples were okay and we are updating data sheets for homes built since 1983 that may have copper pipes for our required copper and lead sampling. We’ve obtained fresh copies of our water line maps and plan to update them as we can. We have approximately 50-75 isolation valves that are currently being inspected and our bi-annual service to our generator has been performed in preparation for any required emergency use.

- Phase II Funding – John Gentry

JEA is resubmitting the Environmental Assessment and Preliminary Engineering Report and adding/updating information as requested by Mary Gavin of USDA-RD. Our office is also gathering other documentation for submittal along with copies of our current audits.

5. OLD BUSINESS

- District O&M Building and Equipment:

We have obtained quotes on the concrete foundation and a metal building; however, Rural Development has asked that we not proceed until the QPS contract has been closed and paid in full so that they will have a true picture of funds available.

- Bylaws – Glenn Senter

As a District, we are governed by the Taylor County Ordinance that created us, thus, by-laws are not required. We will prepare a suggested amendment for the TCBCB addressing the procedure of dealing with delinquent commissioners and ask that they address the issue.

- Connection of Existing Septic Tanks to System – John Gentry

A motion was made by Sandra Hatcher that we adhere to the mandatory connection date of December 12, 2006 and advise customers that failure to connect might result in water disconnect. The motion was seconded by Lonnie A. Houck and approved unanimously.

- Second Meter for Water Service Only

Several customers are still interested in obtaining a second meter for water usage without applied sewer charges. Must they show a need? Will allowance jeopardize our water conservation program? What fee should we charge? Will it be an “outside” line connection only? How will we enforce the use? Will more desire this connection when word gets out? Should we differentiate between commercial and residential users? The issue died due to lack of Board action.

6. NEW BUSINESS

- Resolution to grant designated persons access to Safety Deposit Box

A motion to allow John Gentry, Shirley Shinholser, or Diane Carlton to access our Safety Deposit Box at Citizen’s Bank was made by Sandra Hatcher. A second was received from Lonnie A. Houck and the motion was approved unanimously.

- Expiring terms of Commissioners (Hatcher, Senter, Moody - 5/3/06)

Board agreed to recommend to TCBCB that Tommy Mauldin be considered to fill the seat of Sandra Hatcher who is leaving our area and can no longer serve. Glenn Senter wishes to be re-appointed. We will attempt to contact absentee Commissioner Jim Moody for his preference then submit a notice to Buddy Humphries in an attempt to be placed on the May 1 agenda.

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- Discuss planned development off Sand Dollar Road at Oakridge Estates

An estimated 20-80 unit development with Septic Tanks is proposed that may pose possible contamination to our water supply. In an effort to protect our water source, we will draft a letter to the TCBCC requesting that an Environmental system is approved before approval of land development. We will try to get this item on the May 1 agenda.

- Book Sharing

After discussion, we decided to advise Taylor Coastal Community Association that we would prefer not to have a Book Sharing Club housed at the District building.

- Schooling for David Morgan

David needs to attend Wastewater training for his Class C license at an approximate cost of \$250 plus books. It is believed that the next available school will be held in Lake City, August 21 through November 27, on Monday-Thursday from 3:30 until 6:30. Chairman Senter will check to see if the course may be available on line and advise the Board in the May meeting.

A motion to adjourn was made by Lonnie A. Houck. A second was received from Sandra Hatcher and the meeting was adjourned.

(The next meeting is scheduled for Wednesday, May 17, 2006 at 5:00.)

Board Actions:

1. Approve hiring of Powell & Jones CPA for audit period October 1, 2005 through September 30, 2006
2. Approve Minutes from March 15, 2006
3. Agreed to apply Savings Interest Earnings to Citizen's Bank loan
4. Approve adherence to a "must-connect" date of December 12, 2006 for existing septic tanks with a notice that water **may** be disconnected if they do not comply
5. Approved new resolution for access to Safety Deposit Box
6. Approved recommendation of Tommy Mauldin as Commissioner Nominee

Action Items:

1. Seek amendment to Taylor County Ordinance 2000-10 to address delinquency of TCW&SD Commissioners
2. Submit a notice to Buddy Humphries regarding (3) expiring terms of TCW&SD Commissioners
3. Request Environmental system for proposed development off Sand Dollar Road

John K. Gentry, P.E.
General Manager