

TAYLOR COASTAL WATER & SEWER DISTRICT  
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MINUTES OF REGULAR COMMISSION MEETING  
June 24, 2008

1. The meeting was held at the District Building at 5:30 PM on June 24, 2008. Present were:  
COMMISSIONERS: Lonnie A. Houck, Jr., Glenn Senter, Lynn Aibejeris, Charles Carlton, Tommy Mauldin and Lee Bennett  
TCW&SD STAFF: John Gentry, Jim Gooding, David Morgan, Shirley Shinholser and Diane Carlton  
Chairman Houck called the meeting to order and declared a quorum present.
2. The meeting was opened with prayer and the Pledge of Allegiance.
3. There were no guests present.
4. Minutes of our May 27, 2008 meeting were presented. **A motion was made by Lee Bennett and seconded by Charles Carlton to approve the Minutes as read. Minutes were adopted unanimously.**
5. Staff and Committee Reports
  - Phase II Collection System/Funding Update – John Gentry  
The District has met its requirements to date for the Phase II funding. Our next step will be to seek a bank to handle the RD loan. Bids will be solicited and RD will select and approve the participant. Jones Edmunds has submitted their agreement amendments to USDA-RD for consideration and approval. Delta Land Surveying has been contacted by Jones Edmunds and is ready to begin the survey work as soon as RD gives the approval to proceed. Trey Howard, an attorney of Dr. Pruitt, says that an easement agreement to run the collection lines across Pruitt property to Dekle Beach may be possible if the route can be altered a bit as it enters Dekle Beach. This would eliminate the requirement of a lift station and reduce the amount of pipe needed thus reducing the cost. This option will be explored further.
  - Management Issues – John Gentry  
We currently have sixty-three (63) accounts which have never been activated. Fifty-seven (57) of these accounts were absorbed from TCU, Inc. when the District took ownership on July 3, 2003 – five years ago. Thirty-three (33) of these customers signed an agreement with and paid a “membership fee” to TCU, Inc. in the amount of \$250.00 for a future water meter installation; twenty-four (24) paid \$500.00 to TCU, Inc. for a future installation. On April 16, 2007, TCU, Inc. voted to increase the “membership fee” to \$1,000 effective July 1, 2003. Per District Rules and Regulations, the \$1,000 “membership fee” was reclassified as a “water connection fee” meant to cover a portion of the expense to install, upgrade and maintain a water service connection. It was determined in March 2008 that an initial, routine meter installation costs \$360.00. Installation costs vary due to line taps, parts required, labor intensity, etc. and do not include required upgrades and maintenance. In summary, the District has generated no water income from these fifty-seven (57) accounts in the 5-10 years since the fees were paid to TCU, Inc. Furthermore, more than 50% of these customers did not pay enough to cover the current costs of a basic installation. **A motion was made by Glenn Senter that the District resolve to honor the original signature (ownership) on the TCU, Inc. agreements by applying the payment of \$250 or \$500 to the actual determined cost of the initial installation at time of connection. Any amount of deposit above the cost of this initial installation will not be refunded to the customer but held by the District to cover the costs of required upgrades and maintenance. In the event that the property experiences a change in ownership since the TCU, Inc. agreement was signed, the new owner (customer) will receive a credit of \$250 or \$500 which will be applied to the water connection fee (currently \$1,000) at time of connection. A second was received from Lee Bennett. The resolution passed with approval by Commissioners Senter, Bennett, Aibejeris and Mauldin. Commissioner Carlton abstained. Chairman Houck did not vote since there was no tie.**  
We have received a letter from Debbie Casey of The Preserve at Lindsey Island stating that, due to delayed permitting and various other hindrances to infrastructure financing, they do not yet have the required water service fee of \$2,000 per newly created lot. Once financing is secured, this fee (\$40,000) will be one of the first infrastructure charges paid. The District was to generate a letter acknowledging receipt of the fee and assurance of water provision prior to the County issuing permits. However, the County proceeded to issue the permits without the letter which was not given since the fee was never paid. At this time, we have capacity to supply water to this development and the water service fee is not required

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to produce water, so the District can afford to wait a little longer for payment. **In consensus, the Board agreed that the District will not insist that the water service fee per newly created lot (\$40,000) be paid immediately; however, no water connection will be made to any lot in the development until the determined charge of \$40,000 is paid in full.**

A drawing regarding the provision of sewer to Sawgrass Bay has been drafted and submitted to DeYoung and Dickey. We should have a cost estimate at our July meeting.

Our Wastewater permit renewal application prepared by Jones Edmunds Engineering has been reviewed and signed and will be sent immediately to DEP to assure arrival before June 30, 2008. Through the efforts of Jones Edmunds, our renewal fee was reduced from \$1,000 to \$100.

- Billing Supervisor's Report – Diane Carlton

May sales increased slightly as indicated by Total Current Charges. There are two (2) accounts reported as thirty (30) days past due but both accounts are now current. We gained two (2) new accounts -- one water-only (dormant) and one water/wastewater (activated). Our May adjustments total \$135.03 and consist primarily of non-potable credits which are off-set by connection and transfer fees.

- Office Manager's Report – Shirley Shinholser

The May Balance Sheet shows no significant changes. However, our Certificate of Deposit (CD) at Citizen's State Bank in the amount of \$18,839.49 matured on June 17<sup>th</sup> and we need to redirect those funds before June 27<sup>th</sup>. A spreadsheet has been provided indicating current rates at various banking institutions. **In consensus, the Board agreed unanimously to place the funds into our Savings Account until a CD can be secured from Premier Bank in Tallahassee for the promotional 7 months with an interest rate of 3.26 and APY of 3.31 unless they offer a better rate. The CD term shall not exceed one year.**

Per the Profit & Loss, we generated a net ordinary income of \$1532.50 with an interest income of \$933.25 (CD earnings). The Expense Breakdown reveals the final payment to Gulf Coast Utility Services for Contract Operator Services. Miscellaneous Expense entails a charge of \$60 paid on behalf of the County for the boat ramp back-flow preventor inspection which will be reimbursed. We show elevated Office Expense due to toner purchases and new checks and envelopes. The cost of \$2500 for the Hot Dog Stand sewer correction/completion is shown in Repair/Maintenance, Sewer. We purchased two duplex control panel boards and two check valve assemblies for our sewer replacement parts. **A motion was made by Glenn Senter to accept the financial reports as read. A second was received from Lee Bennett and the motion passed unanimously.**

- Water Operational Issues – Jim Gooding

Our water treatment plant expansion is proceeding. The contractor should be pouring the cap on the walls this week. Our new underground electrical with proper disconnects is being completed. Additional work will be performed on the plumbing and minor details as we await funding for the roof.

- Wastewater Operational Issues – David Morgan

We have elevated our two (2) outside storage units at the plant and plan to clean and paint them shortly in our efforts to extend the life of the units somewhat until a covering can be built.

- Budget/Rate Study Committee Report

The Committee met on June 16, 2008 to define income and anticipated costs for 2008-2009. Based on our findings, the District will experience an annual budget deficit of \$139,014 if we leave the current rate structure as is and meet our anticipated costs, debt service, and reserves. Therefore, we plan to meet again on July 14, 2008 after having time to study all the reports provided by our Office Manager, Shirley Shinholser, and Joan Douglas of Southeast Rural Community Assistance Program. We will investigate costs to determine possible budget cuts and consider rate increases for water and for wastewater. A public hearing is required before rates can be modified. **Glenn Senter made a motion that we advertise and hold a Public Hearing at our regularly scheduled meeting on Monday, July 21, 2008, at 5:45 P.M. , or as soon thereafter as possible, to receive public input concerning rate increases for Water and for Wastewater. Recommendations from the Committee will be provided to all Board members prior to the July 21<sup>st</sup> meeting so that an informed decision can be made after the Public Hearing. We received a second from Lee Bennett and the motion passed with one (1) "oppose" from Commissioner Carlton.**

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6. OLD BUSINESS

- Update on Hot Dog Stand plumbing issues – John Gentry  
Modifications have been made to assure that the restaurant and the house are properly connected to the duplex grinder station. Attempts will be made to obtain reimbursement from QPS for the costs once we receive direction from our attorney. The District will be conscientious about seeking reimbursement without creating additional expense. Options will be discussed at the July meeting.
- Update on Sessoms grinder pump electrical connection  
The Sessoms hired an electrician to install a new meter box can and the grinder pump is now properly connected and functioning well.

7. NEW BUSINESS

- Change of meeting date  
**A motion was made by Tommy Mauldin and a second received from Lynn Aibejeris that our November 2008 meeting be changed from Tuesday the 25<sup>th</sup> to Tuesday the 18<sup>th</sup> due to the Thanksgiving holidays. Motion approved unanimously.**

8. There being no further business, the meeting was adjourned at 6:37 P.M.

**The next regularly scheduled meeting will be held on  
Monday, July 21, 2008 at 5:30  
with a Public Hearing to be held at 5:45 or shortly thereafter.**

Board Actions:

- Approve Minutes of May 27, 2008
- Adopt a resolution relative to inactive accounts regarding application of “membership fees” paid to TCU, Inc.
- Affirm that no water connection will be made to any lot in The Preserve at Lindsey Island until the full amount of \$40,000 is received for the water service fee of \$2,000 each for the twenty (20) newly created lots.
- Approve placement of matured CD funds into Savings until a new CD can be secured from Premier Bank in Tallahassee
- Approve financial reports for May 2008
- Approve advertisement and holding of Public Hearing on Monday, July 21, 2008 at 5:45 P.M. or as soon thereafter as possible, to receive public input concerning rate increases for Water and for wastewater.

Action Items:

- Secure CD from Premier Bank of Tallahassee
- Pursue reimbursement from QPS for Hot Dog Stand for corrections made to the grinder pump connections of the restaurant and the house
- Notify Lindsey Island of Board action regarding water provision
- Advertise Public Hearing for July 21, 2008
- Advertise change of date for the November meeting



Shirley Shinholser  
Recording Secretary