

TAYLOR COASTAL WATER & SEWER DISTRICT
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MINUTES OF REGULAR COMMISSION MEETING
July 21, 2008

1. The meeting was held at the District Building at 5:30 PM on July 21, 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. Our guests (Thomas & Winifred Boatright, Dee Bennett, Danny Collins, Richard Carr, Karen Ezell, and Ed Kelley) were welcomed and invited to discuss any concerns they may have other than rates which are to be discussed in the Public Hearing.

Richard Carr expressed his concern regarding a grinder pump installed in error and later removed from a property jointly owned by him and David Jenkins. Mr. Carr would like to know the current cost of re-installing and activating the grinder pump. **Following further discussion, Commissioner Senter made a motion that a decision be tabled until our August meeting to allow time for review and consideration. A second was received from Tommy Mauldin and the motion passed.**

(PUBLIC HEARING)

The Public Hearing was opened at 5:49 pm to receive public input concerning rate increases for water and wastewater. Chairman Houck advised the guests that the District, a not-for-profit government entity, has not initiated a rate increase in three years and is now experiencing a shortfall. In our attempts to balance the budget for the upcoming year, the Committee recommends a base rate increase of \$2 for water and \$2 for wastewater with appropriate adjustments in conservation rates in addition to implementing cost cutting measures in both categories. Reserves were extremely limited last year in order to keep the rates down but must be increased this year to prepare for aging equipment. As with other utilities, our expenses have increased, while our income has remained level, with fewer new customers gained than anticipated. Income from Phase II wastewater customers will be used to pay the Phase II USDA-RD loan and additional costs created by the expanded system.

Written remarks from Deborah Skelly were shared and guests presented various questions/comments.

Glenn Senter made a motion that the Budget/Rate Study Committee and the Board meet on Monday, July 28, 2008 at 8:00 am to implement cost cutting measures needed to balance the budget. Lee Bennett offered a second and the motion was approved unanimously.

Glenn Senter made a motion that the District approve the committee's recommended rate increase which includes increasing the base water rate from \$26.00 to \$28.00 (+\$2) and the base wastewater rate from \$35.15 to \$37.15 (+\$2). Tommy Mauldin seconded the motion. The motion passed 4-1 with Charles Carlton offering a "nay" stating that, in his opinion, the wastewater increase was not sufficient to meet budget. Chairman Houck did not vote.

In consensus, the Board chose not to consider an automatic annual increase of 3%. A comparison of costs and income will be reviewed next year to determine whether or not further increases are required.

The Public Hearing was closed.

4. Minutes of our June 24, 2008 meeting were presented. **A motion was made by Glenn Senter and seconded by Lynn Aibejeris to approve the Minutes as read. Minutes were adopted unanimously.**

TAYLOR COASTAL WATER & SEWER DISTRICT
MINUTES OF REGULAR COMMISSION MEETING

Page 2 of 3

5. Staff and Committee Reports

- Phase II Collection System/Funding Update – John Gentry/Danny Collins

(Gentry) Per a letter of instruction from USDA-RD on July 11, we have advised Bond Counsel to complete and submit required documents. We will issue a Request for Proposals and obtain Local Counsel with ability to deal with the real estate aspects of Phase II and complete the remaining documents in a timely manner. (Attorney Bill Blue does not deal with real estate.)

(Collins) We have been advised that Congressman Allen Boyd has obtained \$300,000 in construction monies for possible application to Phase III. I spoke with John Horvath of Jones Edmunds Engineering who stated that preliminary costs calculated for the extension of wastewater collection lines to Fish Creek are approximately \$300,000.

(Gentry) We have received a positive response from Dr. Pruitt regarding an easement through his property for the Phase II wastewater collection lines to Dekle Beach. I should be receiving a CAD file soon, which will indicate possible location of the lines. This will be forwarded to John Horvath for consideration.

Jones Edmunds is completing further amendments/specifications to the Phase II Engineering Agreement for submission to USDA-RD.

- Management Issues – John Gentry

We have obtained a lease agreement from the Suwannee River Water Management District for the District Office and wellhead protection property. I will pursue a permit application for a retention swale to bring us into compliance.

Our application for our wastewater permit renewal requires additional reports, which are being prepared by Jones Edmunds.

We are awaiting a cost estimate from DeYoung and Dickey regarding potential wastewater collection lines at Sawgrass Bay.

- Billing Supervisor's Report – Diane Carlton

We show total current charges of \$29,436 for June which is a \$2,342 increase over last month but \$150 less than last year. Our adjustments are elevated due to one time adjustment requests for Hamdan, Lewis, and Sadousky totaling \$767.98. The remaining adjustments are due to non-potable water and data entry errors. The past due accounts are in good shape with two of the four listed now current. We gained one new water and sewer account at Cedar Island.

- Office Manager's Report – Shirley Shinholser

CD funds from Citizen's State Bank were placed into Savings as noted on the June balance sheet until a new CD could be obtained from Premier Bank. This transaction was made in July and will be posted on the July report. The other item of interest on the June balance sheet is the addition of a long-term liability to Belcher/Sawgrass Bay Estates per an agreement signed by TCU, Inc. in 2002 stating that Mr. Belcher is to be paid \$500 of each water connection fee acquired from property owners of lots purchased in the subdivision up to 36 lots. Although, two such connections were made and reimbursement provided to Mr. Belcher prior to transfer of TCU, Inc. assets and liabilities to the District, the liability was not included in the Company's book and therefore not properly transferred to the District. Our Auditor reviewed the agreement and supporting documents and determined the outstanding balance to be \$17,000 (34 @ \$500).

Our net income indicated in the third quarter Budget Performance report is \$2442.19 short of budget. There are no exceptional expense items for June

A motion was made by Lee Bennett to accept the financial reports as read. A second was received from Charles Carlton and the motion passed unanimously.

- Water Operational Issues – Jim Gooding

Operations in our Water Division are going well. Since DEP requires a licensed "C" operator for the District water plant, I plan to attend the Florida Rural Water Association 2008 Annual Technical and Training Conference to be held in Daytona Beach during the month of August prior to sitting for the exam to upgrade my Class D license to Class C. **A motion was made by Glenn Senter to pay Jim's expenses to the conference (estimated at \$560) plus \$35 per diem per day. The motion received a second from Lee Bennett and was approved.**

TAYLOR COASTAL WATER & SEWER DISTRICT
MINUTES OF REGULAR COMMISSION MEETING

Page 3 of 3

- Wastewater Operational Issues – David Morgan

The Wastewater Plant is operating well. We have pulled two grinder pumps that failed due to grease contamination. They will be cleaned and repaired so that a bill can be prepared for the two customers. It was suggested that the District price 5-gallon buckets w/lids that might be offered to customers for grease collection and disposal.

- Budget/Rate Study Committee Report (previously discussed)

6. OLD BUSINESS

- Update on Hot Dog Stand plumbing issues – John Gentry

Attorney Blue has requested a copy of the QPS contract and their letterhead prior to submission of costs to QPS for reimbursement. We may possibly obtain settlement through their bond company or process through Small Claims Court for a minimum cost of \$300. Attorney's fees may or may not be reclaimed.

7. NEW BUSINESS

- FRWA 2008 Annual Technical and Training Conference (previously discussed)

8. There being no further business, a motion to adjourn was made by Tommy Mauldin, seconded by Lee Bennett, and approved. The meeting was adjourned at 6:52 P.M.

**The next regularly scheduled meeting will be held on
Monday, August 25, 2008 at 5:30**

Board Actions:

- Table a decision on Carr's grinder pump installation until the August meeting
 - Approve a meeting of the Budget/Rate Study Committee and the Board on Monday, July 28, at 8 am to implement cost cuts in Water and Wastewater budgets.
 - Approve recommended rate increase (water base rate to \$28.00/wastewater base rate to \$37.15)
 - Agree not to implement an automatic 3% annual rate increase at this time
 - Approve Minutes of June 24, 2008
 - Approve June financial reports
- Approve payment of expenses plus \$35 per diem per day for Jim to attend the FRWA conference in Daytona Beach in August 2008

Action Items:

- Seek Local Counsel to meet Phase II Real Estate needs
- Pursue easement and/or property for Phase II
- Obtain permit for retention swale at District Office
- Price 5 gallon buckets w/lids for grease
- Pursue QPS reimbursement for Hot Dog Stand plumbing issues



Shirley Shinholser
Recording Secretary