

TAYLOR COASTAL WATER & SEWER DISTRICT  
18820 BEACH ROAD  
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MINUTES OF REGULAR COMMISSION MEETING  
August 17, 2005

1. The meeting was held at the District Building at 5:00 PM on August 17, 2005. Present were:  
COMMISSIONERS: Floyd Ford, Sandra Hatcher, Glenn Senter, Danny Everett, Jim Moody, & Lonnie Houck.  
TCW&SD STAFF: John Gentry, Sandra Bolton, Jim Gooding, David Morgan, Diane Carlton and Shirley Shinholser. Chairman Ford declared that a quorum was present.
2. Chairman Ford welcomed Diane Carlton, our new part-time office employee. There were no guests present for the meeting.
3. The minutes of our meeting on July 20, 2005 were presented. Motion to approve the minutes was made by Danny Everett and seconded by Sandra Hatcher. Minutes were adopted unanimously.
4. Copies of the Rate Study documents received from RCAP were distributed to the Board for consideration. Glenn Senter will prepare an advertisement for a public hearing to be held on Wednesday, September 21, at which time we will establish the new water rate. All the options presented include the addition of \$1 to our base rate of \$25.00.

5. Staff and Committee Reports

- Sewer Project Update – John Gentry  
The biggest issue we have at this time is the proposed delay for completion of Phase I. At the July construction meeting, we were given a date of November 7, 2005. At a meeting in early August, we were told to anticipate a closing date of December 10, 2005. We have asked for an action plan to bring the project to completion. Liquidated damages of \$500 per day are being considered. John Hammen, President of the Industrial Group of QPS, will meet with us next week to discuss all issues. JEA has indicated that our contingency funds will be greatly impacted by the proposed delay. We are reviewing all claims against these funds since we intended to use them for additional valves and tees in Phase I. We have approximately 34 additional homeowners with septic tanks that are interested in purchasing a GP and going on-line. Over all, we are concerned about the apparent management failure of QPS and JEA resulting in these delays. To date, we've received no documentation for the delays, no written notices, and no minutes from past construction meetings. We know we lost two (2) months due to issues with the plant design.

Our Wastewater Treatment Plant is now on site. Cedar Island GP installations are progressing and we believe the lift stations are now complete. We estimate that the salt water of Hurricane Dennis infiltrated 200+ grinder pumps. QPS insurance will not replace them since it was an "act of God". We are awaiting a report from the manufacturer and confirmation that the 5-year warranty is still intact. We have three grinder pumps that were installed in error by QPS. We have advised the recipients of the proposed cost for reimbursement to our construction funds. One has asked if there is a "payment plan" available. He said he may have to divide it into thirds but he will have it paid before the end of construction. We currently have \$339,672.73 in our Construction Account. We have made three (3) more submittals and are expecting \$11,728.19 from our RD Grant, \$76,803.00 from EPA, and the final \$167,375.00 from OTTED.

- Financial Reports – Sandra Bolton/Shirley Shinholser  
Sandra Bolton reviewed the Directors Report dated 7/30/2005 (total receivables \$11,795.76) and notified the Board of six (6) late accounts (David Crowder who has been turned off since he did not respond to last month's certified letter; Hugh Poppell, Ron Sheaffer, Rex Bratcher, Tommy Neeley, and Cheryl Peloquin). Past due notices will be mailed this week.

Shirley Shinholser reviewed the July Balance Sheet noting that our interest only payment for our Construction Loan with USDA-RD due and payable on September 1, 2005 was paid by RD through our Construction Account on August 5, 2005 since our sewer is not yet revenue producing. Funds have been set aside for the interest only payment of \$7299.25 due and payable on September 1, 2005 for the 2005A Bonds (TCU Loan with USDA-RD). Audits are to be performed after our September 30, 2005 year-end.



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- Management Issues – John Gentry

Again, we are delighted to have Diane Carlton on board as our new part-time office staff. She will be an asset to Taylor Coastal Water & Sewer District with her previous work experience and abilities.

We've recently had a line cut by a customer who failed to call before digging. The approximate expenses to TCW&SD including labor, mileage, and water loss are \$62.84. **A motion was made by Glenn Senter and seconded by Sandra Hatcher that we create a policy statement that "if you cut, you pay" for expenses incurred and bill the customer accordingly. Motion was approved unanimously.** Customers or contractors are required to call before digging. We will prepare a billing for this customer. In an effort to avoid further issues, we will *include notes on future water bills to remind customers to call before digging*. We also need to reconsider our policy for customer change roll-overs to see if we would prefer to read the meter, bill the current customer, and charge a "start-up" fee for the new customer.

- Operational Issues – Jim Gooding

No report.

- Phase II Funding – Floyd Ford

The \$750,000 STAG Grant to be implemented by EPA is the first of two million. Representative Kendrick and Senator Argenziano are coming in early September to review the needs of Taylor County and Mr. Ford is planning to be on the agenda. JEA is working on the feasibility study. We are attempting to maximize all grants since we cannot afford any more indebtedness. Rural Development is promising assistance.

- Reports from standing committees

Budget for 2005-2006 - Glenn Senter

The budget has been submitted to Rural Development. We will amend as directed by them or as needed. We definitely need at least \$200,000 in water revenue in order to meet expenses. Our sewer income is based on the minimum of \$35/month per customer. The actual rates may increase income but sewer revenues are definitely needed at this time to supplement water revenues. **A motion was made by Sandra Hatcher and seconded by Lonnie Houck to adopt the budget as is and amend when sewer is revenue producing and/or as needed. Motion was approved unanimously.**

Future Water Connection charges – Floyd Ford/Glenn Senter

We need a new well and water tower. There are no funds available at this time and we are at our debt ceiling. We are obligated to serve/connect new customers but we are currently using 75%-80% of our current water supply during peak season. We are aware that a new development is already being planned for Cedar Island, East. We recommend establishing a service fee for TCW&SD to be added to closing costs when a property is purchased. Condos will require one service fee per unit. This will be above the current \$1,000 connection fee (membership fee). We can charge a service fee of \$2,000 at closing for installation/maintenance of whatever it takes for us to provide water. Current statutes state that ¼ acre is required for a septic tank and if a sewer line runs down your street, you are obligated to connect. Sewer requires water. **A motion was made by Glenn Senter and seconded by Sandra Hatcher that we establish the \$2,000 service fee in addition to our current parcel fee (membership fee) of \$1,000. The motion was approved unanimously.** Identities for these charges will be considered since we can no longer use "membership fee" or "impact fee". Glenn Senter will *prepare an ad* for the Perry newspaper announcing our Public Hearing in September at which time we will present our new water rates and these new fees.

The Board previously adopted a policy that a portion of each "membership fee" should be set aside for Capital improvements. We need to *establish an appropriate account* and begin setting these funds aside.

6. Old Business

- Update Taylor County contact on installation of Fire Hydrants – John Gentry  
We've been advised that this item is in the budget of TCBCC.

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- Update of proposed District O&M Building – John Gentry  
We obtained the name and number of the “owner” of the QPS facilities and plan to get a quote from them directly. Perhaps Danny Everett can advise us on whether or not it’s a fair price.
- Sludge Hauling – John Gentry  
A letter has been sent to Danny Lundy of the City of Perry. They anticipate charging 2.5 cents per gallon.
- Sign – Glenn Senter  
The application was submitted three weeks ago. It is coming before the technical review committee in two weeks.
- Drop Box – Jim Gooding  
Parts are available. Availability of time is the issue.
- Update on supervised pressure-test of line to WWTP – John Gentry  
It’s in the works.
- Update on court order for installation of GP on Timothy Brooks’ lot – Floyd Ford  
Mike Smith has not responded. A second letter will be sent with a copy to RD.
- Update on reimbursement for line-cuts by QPS – John  
We’ve been told verbally that RD has denied our claim stating that QPS is responsible for repairing line cuts. If we receive a documented denial, we will *appeal with any statutes we can cite*. QPS is not doing quality work and we are not comfortable allowing them to repair our water lines. We will consider this issue and *establish a policy prior to Phase II*.

7. New Business

- Two (2) lots at Cedar Island, Osprey Road advertising four (4) RV lots for rent with only one water supply. John Gentry will review and address the situation.

8. Motion to adjourn was made by Lonnie Houck; seconded by Danny Everett. Meeting was adjourned.

The next meeting is scheduled for Wednesday, September 21, in conjunction with a Public Hearing.

Board Actions:

1. Establish a policy that if a customer or contractor fails to call for line locations and cuts one or more lines they will be billed for all expenses.
2. Adopt the proposed budget for fiscal year 2005-2006 and amend as needed.
3. Establish a \$2000.00 service fee to be added to closing costs on property purchased.

Action Items:

1. Continue discussions with Taylor County on fire hydrants.
2. Pursue written quote from owner of QPS construction trailer.
3. Pursue response from City of Perry regarding Sludge hauling.
4. Obtain permit for TCW&SD sign installation.
5. Pursue GP installation on Timothy Brooks lot
6. Pursue compensation for line-cuts by QPS
7. Insert note on billing to “call before you dig”
8. Reconsider policy for customer account roll-overs
9. Prepare ad and plan for Public Hearing 9/21/05 on water rates and new fees
10. Establish an account for Capital Improvements
11. Establish a policy on line-cuts for Phase II.



John K. Gentry, P.E.  
General Manager