

TAYLOR COASTAL WATER & SEWER DISTRICT
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MINUTES OF REGULAR COMMISSION MEETING
September 21, 2005

1. The meeting was held at the District Building at 5:00 PM on September 21, 2005. Present were:
COMMISSIONERS: Floyd Ford, Sandra Hatcher, Glenn Senter, Danny Everett, Travis Beach, & Lonnie Houck.
TCW&SD STAFF: John Gentry, Jim Gooding, David Morgan, Diane Carlton and Shirley Shinholser.
Chairman Ford declared that a quorum was present.
2. Chairman Ford welcomed our guests:
Howie & Pam Woods, Lynn Aibejeris, Fritz Grady (JEA), Jerry Cawthon, Bishop Clark, Debbie Casey, Bill Blue (Attorney)
3. The minutes of our meeting on August 17, 2005 were presented. Due to questions regarding *Section #5 - Future Water Connection Charges*, a motion was made by Sandra Hatcher and seconded by Glenn Senter to approve the minutes as read with the intent to revisit this item for clarification at the end of the Public Hearing. Minutes were adopted unanimously with the exception of revisiting this item.
4. Fritz Grady of JEA presented a report of the general status of the construction of our Phase I Centralized Wastewater System with a summary of the contract time and costs and a critical path schedule for completion. As of September 9, liquidation damages can be assessed due to delay. TCW&SD can choose to 1) exercise this option or 2) work with QPS now and assess liquidation damages, if needed, at a later date. The prior completion date of August 2005 was extended due to Hurricane Dennis. TCW&SD has the option of rejecting CO #4 and proceed with liquidated damages OR wait until after December 18th. We are working for a committed schedule from QPS due to the loss of revenue and increased administrative costs incurred by delays. **A motion was made by Travis Beach to proceed with CO#4, allowing the December 18th extension, but stress that "this is it" and liquidation damages will begin after that date. The motion was seconded by Lonnie Houck and approved unanimously.** As it appears now, Keaton Beach should come on line during the first of October with Ezell Beach and Cedar Island following.
5. Bishop Clark and Debbie Casey approached the Board with a proposed development of 20 single-family homes on Lindsey Island. They propose to begin selling the lots in 3 months with some needing to come on-line for water by summer 2006. For expediency, they are installing a self-contained private sewer system but will connect to TCW&SD sewer as soon as they are allowed. They are willing to pay a service fee of \$2,000 per lot plus the \$1,000 user fee for water. Although we are close to our permitted limits for water production now, our demand has decreased over the past two years due to conservation efforts. A proposed development in Cedar Island East is now in the works and the fees generated should cover a new well, which will supply an additional 250 customers. We have approximately 100 water customers who have paid their user fee but have not come on line as of this date. We will have to accommodate new customers on a "first come, first served" basis until we reach our capacity. **A motion was made by Sandra Hatcher and seconded by Travis Beach to prepare a letter stating that TCW&SD will supply water for the lots to be developed by Bishop Clark and Debbie Casey on Lindsey Island.** Approved unanimously.

Howie Woods presented his concerns to the Board regarding the payment for the Grinder Pump installed on his property in error. He is not due a free installation since he was not a water user on March 20, 2002. The government funding agencies selected the user date of 3/20/02 and JEA used the information on those reading worksheets to develop the drawings attempting to populate with additional tees where possible. The Woods' lot was granted a tee under the grant program, but they must pay for the Grinder Pump. **A motion was made by Sandra Hatcher and seconded by Glenn Senter that, since the payment for the Grinder Pump is an unexpected expense to the Woods and a hardship to their budget, we allow a payment plan with full payment due by February 2006.** Approved unanimously.

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6. **The announced Public Hearing now begins at 6:06 pm.**

Review of Proposed New Water Rates/Fees

After consideration and discussion, **a motion was made by Sandra Hatcher and seconded by Danny Everett that the Board adopt Scenario "D" as proposed by Florida Rural Community Assistance Project, Inc. for our rate schedule for water.** Approved unanimously. A statement will be placed on the next billing to advise customers of the adoption of the new rate structure. There were no comments from the guest(s) present.

Revisit of Minutes of August 17, 2005, Section #5 - Future Water Connection Charges

Glenn Senter addressed the Board for clarification. Any newly created lots will be assessed a \$2,000 service fee in addition to the \$1,000 user fee for water. Sewer infrastructure will be included in the rates/fees yet to be determined. When a parcel subdivides, the owner must pay \$2,000 for each new lot. These costs will be passed on to the buyer at time of closing. TCW&SD needs to have the County notify us when a parcel is divided. A letter to the Taylor County Planning Department should be prepared addressing our decision.

There are no changes to the Minutes of August 17, 2005, Section #5 – Future Water Connection Charges.

(Public Hearing Adjourned.)

7. **Staff and Committee Reports**

- **Sewer Project Update – John Gentry**
The construction of the transfer pump stations is near completion and the pressure tests of the system are soon to be made. The WWTP is also near completion and should be tested and started up soon. We have asked that JEA increase the retention of funding from 5% to 10% to cover any outstanding liens QPS may have prior to sign-off at the end of construction. Since our last meeting, we have received \$167,375 from OTTED to be applied to Grinder Pump expense; \$11,728.19 from RD Grant monies to pay JEA invoice 213660 for July 2005; and \$76,803 from our latest EPA submittal. We have transferred \$4,125 from our EPA funds to cover GM and OM administrative costs for August 2005 leaving a balance of \$579,725.73 in our Construction fund.
- **Financial Reports – Diane Carlton/Shirley Shinholser**
Diane Carlton reviewed the Directors Report dated 8/31/2005 (total receivables \$9,704.11). Past due notices were mailed and several accounts have been paid. **The Board established a policy that certified letters should be mailed to all customers who are 90-days past due. A local customer shall have 3 days from receipt of letter to pay the account in full to avoid a turn-off. An out-of-town customer must pay within 7 days.**

Shirley Shinholser reviewed the August balance sheet noting that monies in the Membership Checking Account will be redistributed per Board precedents of 4/2003 and 1/2004. 50% of the monies will be applied to our Loan at Citizen's Bank; 25% will be placed in Savings, Capital Improvement Funds; and the remaining funds, excluding a minimal amount, will be placed in Savings, Cash Reserve to be used on an "as needed" basis by TCW&SD per Board approval. Future water user fees will be distributed per the same guidelines. TCW&SD paid our required Interest Only Payment to RD on September 1, 2005 from our Operating Account.
- **Management Issues – John Gentry**
(Will be discussed as new business.)
- **Operational Issues – Jim Gooding**
We are still experiencing line cuts by QPS. We have had one line cut by a customer who has been invoiced for the charges.
- **Phase II Funding – Floyd Ford**
We appeared before the State delegation and presented our charts, recommending Scenario 1 requesting \$1,000,000 from the Florida Legislature. Phase II opinion of probable cost is a total of \$2,332,603 versus the 1.9 million originally estimated and does NOT include Fish Creek. Challenges were issued by some present regarding the funding from government agencies versus the State Revolving Fund and we plan to address them this week.

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- Dealing with individual customer issues – Floyd Ford
When approached by an existing/potential customer regarding water and/or sewer questions/issues, all Board members and Staff are to direct the individual to John Gentry and instruct them to come to the Board meetings to address their concerns before the entire Board.
- Reports from standing committees
(none)
- Post Office Box – Floyd Ford
Since the bulk of our mail is now coming to our street address, we will close P.O. Box 73 and request a refund of any remaining rental funds.

8. Old Business

- Update Taylor County contact on installation of Fire Hydrants – John Gentry
We are awaiting word from TCBCC.
- Update of proposed District O&M Building – John Gentry
Our \$25,000 grant allocation is not enough to purchase a 1500 sq. ft. building. The purchase price of the QPS trailer is still too high at \$27,750. We can lease this building for \$302 per month with a one-time transfer fee of \$200. Liability and loss coverage can be obtained for \$35 per month or we can seek coverage through our current insurance carrier. We may need to review/adjust tie downs for the office trailer. QPS may sell their storage facilities to us and we need to consider extending the fence to enclose all units for security purposes. We can investigate the cost of buying the fence and hiring an installer versus allowing QPS to do the work. We are reviewing the specifications required for use as a lab but believe them to be sufficient. If the \$25,000 allocation is not used for a building, it can be shifted to other cost items. **There was no motion made but the Board agreed unanimously to pursue this approach.**
- Sign – Glenn Senter
The permit was denied. We have filed an appeal and will appear before the BCC on October 13, 2005.
- Drop Box – Jim Gooding
The box is built. We need verification that the best over-all location is in the door. Verified.
- Update on supervised pressure-test of line to WWTP – John Gentry
QPS will retest the line. Bill Gunter will call Jim Gooding to witness the test.
- Update on court order for installation of GP on Timothy Brooks' lot – Floyd Ford
Floyd Ford spoke with Mike Smith personally. Mike will proceed with the court order. Mr. Ford will contact him again if nothing is received within two weeks.

9. New Business

- Hiring of WWTP Operator – John Gentry
An Article of Agreement between Mack Odom and TCW&SD was reviewed noting that the last paragraph needs amending regarding documentation of insurance to protect TCW&SD. **A motion was made by Travis Beach and seconded by Sandra Hatcher to accept the agreement and whatever modifications deemed necessary.** Approved unanimously.
- Request for water and sewer service to Keaton Beach Marina redevelopment – John Gentry
TCW&SD has been asked to provide a letter stating that water and sewer service will be available to support the commercial redevelopment of the Marina and adding a Condo-Tel. The Board asked John Gentry to write a letter stating that water is not a problem but sewer availability will be based on the specific type of development planned and the impact it will have on the currently installed system. Copies of our restrictions imposed by Rural Development should be included without interpretation.

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- Foundation tie-down for District Building – John Gentry
Frank Russell has been contacted regarding the appropriate tie-downs needed and a cost estimate. We are seeking a firm quote from Russell and from a second supplier, if possible.
- Approval of new sign for WTP – Glenn Senter
A drawing and estimate of \$120 has been obtained from Ryan's Custom Truck Accessories Plus for a new sign to be placed on the exterior wall of our WTP office. **A motion was made by Travis Beach to purchase the needed sign. A second was given by Sandra Hatcher and approved unanimously.**
- Floyd Ford advised the Board that he would be leaving his office as Chairman of the Board of TCW&SD at the end of Phase I. He anticipates departure in January 2006. Recommendations to TCBCB should be considered.
- Sandra Hatcher informed the Board that she is planning to resign and move at the end of her term on May 3, 2006.

10. Motion to adjourn was made by Travis Beach; second by Sandra Hatcher. Meeting adjourned.

(The next meeting is scheduled for Wednesday, October 19th, at 5:00.)

- Board Actions:
1. Approve CO#4 allowing December 18th extension with liquidation damages to begin after that date
 2. Approve supply of water to proposed development on Lindsey Island
 3. Approve payment plan (now through February 2006) for Howie Woods' grinder pump
 4. Adopt Scenario "D" as our new water rate structure
 5. Establish a policy that 90-day delinquent accounts receive a certified letter requesting payment in full. Locals have 3 days to comply and out-of-town customers have 7 days to comply before water is turned off.
 6. Accept Article of Agreement, with modification for provision of insurance, with Mack Odom as WWTP Operator.
 7. Approve the purchase of a new sign for our Water Treatment Office.

- Action Items:
1. Pursue installation of fire hydrants.
 2. Pursue lease of QPS building and all modifications needed.
 3. Pursue court order for installation of GP on Timothy Brooks' lot.
 4. Send letter regarding redevelopment of Keaton Beach Marina.
 5. Pursue tie-downs for District Building.
 6. Consider Board member recommendations.

John K. Gentry, P.E.
General Manager