

TAYLOR COASTAL WATER & SEWER DISTRICT
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MINUTES OF REGULAR COMMISSION MEETING
October 19, 2005

1. The meeting was held at the District Building at 5:00 PM on October 19, 2005. Present were:
COMMISSIONERS: Floyd Ford, 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 guest, Jerry Cawthon.
3. The minutes of our meeting on September 21, 2005 were presented. A motion was made by Danny Everett and seconded by Travis Beach to approve as read. Approved unanimously.
4. Staff and Committee Reports
 - Sewer Project Update – John Gentry
The monthly status report #12 covering the month of August 2005 was reviewed noting that the retainage has been increased from 5% to 10% due to unsatisfactory progress of the project and possible construction liens against QPS. We are meeting on a two-week basis now due to various construction issues. Liquidated damages will occur if QPS fails to meet the extended deadline of December 18, 2005. We anticipate Keaton Beach going on-line in mid to late November. The pumping station is near completion and the septic issue has been resolved. We have submitted for approval PPE#12 to which we will apply the balance of our OTTED funds (\$34,791.23). We have a submittal for \$26,674 EPA funds pending receipt. To date, we have \$443,254.96 in our Construction Funds Account.

QPS receives 80% of the contract amount with JEA receiving the other 20%. JEA has been submitting monthly invoices at approximately \$11,728 and now tell us that they are “short-changed”. They propose billing at \$17,000 per month for the next 4-6 months beyond the current contract completion date of 9/10/05. Contingency funds are being depleted by these additional costs. We will negotiate with JEA and discuss the proposed liquidated damages against QPS.

JEA will verify that QPS vendors have been paid in full and give notice of such to TCW&SD before the final payment is made to QPS and the contract closed.
 - Financial Reports – Diane Carlton/Shirley Shinholser
Diane Carlton reviewed the Directors Report dated 9/30/2005 (total receivables \$10,090.62). Past due notices were mailed last month and several accounts have been paid. We have sent a certified letter to Hugh Poppell and will turn his water off if he does not pay. We will send a letter to Mrs. Crowder at the address Glenn Senter will provide in an attempt to obtain payment on that past due amount of \$330.51. Historically, Bowden and Buckhalter have paid “lump sum” amounts and failed to notice that their credits have been exhausted. We will contact them again.

Shirley Shinholser reviewed the September balance sheet noting that monies in the Membership Checking Account have been redistributed per Board precedents of 4/2003 and 1/2004. Fifty percent (50%) of the monies have been applied to our Loan at Citizen’s Bank (remaining balance of \$9,983.74 due 6/17/05); 25% has been placed in Savings, Capital Improvement Funds; and the remaining funds, excluding a minimal amount of \$89.30, have been placed in Savings, Cash Reserve to be used on an “as needed” basis by TCW&SD per Board approval. Our 25% Pre-Planning Grant for Phase 2 expense of \$4,675 will be paid with funds in Savings, Cash Reserve as previously approved. Our September 2005 Profit/Loss indicates a loss of \$7,639.01 which includes our FMHA Interest expense paid to RD on September 1. Actually, our monthly loss was \$292.01. An expense breakdown is provided.

Since Water Rate Scenario “D” adopted 9/21/05 could not be implemented into our RVS system due to so many increment breakdowns, we asked RCAP to create Scenario “F” with adaptations to accommodate our billing system. Rates from Scenario “F” correspond with rates from Scenario “D” for 385 of our 414 customers. The remaining rates increase slightly due to increment changes increased from 3,000 gallons to 6,000 gallons. Overall, Scenario “D” generates \$186,415.20 and Scenario “F” generates \$187,064.40, an increase of \$649.20. **A motion was made by Travis Beach to adopt**

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Scenario “F” as a replacement for previously adopted Scenario “D”. A second was received from Glenn Senter and the motion was approved unanimously.

- Management Issues – John Gentry

A letter has been prepared and sent to Annette Wright of the Taylor County Planning and Zoning Board regarding our proposed \$2,000 service fee. We have asked that this information be included in the packet given to developers noting that water is available for a fee which must be paid before the application can be considered complete. We will send a second letter defining lots versus units and fees required for potential redevelopments that may require extra water service beyond what is already established per lot.

We have prepared a list of those desiring Grinder Pumps outside the grant program. We have requested an updated QPS estimate so that we can prepare letters to these customers and request pre-payment for the GP installations. Once the payment is received, we will issue a request for the installation. All septic tanks in the coastal zone are to be decommissioned and customers must connect if sewer/water service is within 200’ of their property. In the future, TCW&SD will solicit bids and sub-contract the installations and TCW&SD will provide all grinder pumps – not the customers. The cost of future connections is yet to be determined.

Sandra Bolton has submitted her resignation as Billing Supervisor of TCW&SD effective 9/30/05. A December party will be discussed at the November meeting and plans will be made to recognize Sandra’s faithful service of 10+ years.

Will we continue to have Annual Meetings since we are no longer incorporated? Board will revisit this issue in November.

- Operational Issues – Jim Gooding

Jim Gooding presented a prepared hand-out to be given to all contractors regarding the minimum specifications required by TCW&SD for pipe and meter installations and proposed that the Board adopt it as a standard. **A motion was made by Travis Beach and seconded by Lonnie Houck to adopt the document as a minimum requirement standard. Approved unanimously.**

The required DEP samples have been submitted and we are working on the Emergency Response Plan that is due by December 2005. The new sign for the WTP is in place and looks great. We inventoried our stock in September 2005 and are working to develop more formal records.

- Phase II Funding – Floyd Ford

We sent a letter to Representative Kendrick regarding the State Revolving Funds and why we chose to seek government grants instead. No response has been received yet. JEA over 50% complete with the Preliminary Engineering Report (PER) and the field work is complete for the Environmental Assessment (EA). We should receive the documents for review within 2-3 weeks. The CBIR is in process and will be completed soon so that we can send it to the State Legislature.

5. Old Business

- Update Taylor County contact on installation of Fire Hydrants – John Gentry

This was in the approved budget of TCBCC but we have not been advised of any action. I will contact Kenneth Dudley again.

- Update of proposed District O&M Building – John Gentry

The paperwork for the lease of the building currently being used by QPS is in process. TCW&SD will take ownership when QPS vacates. The fence, storage containers, etc. offered by QPS contained a 15% overhead and \$6,700 seems too high for used equipment with some known leaks. If we can save any funds here, we can use them elsewhere. We might look at renting a storage trailer. Limerock has been brought in at an approximate value of \$2,000.

- Sign – Glenn Senter

I attended the Technical Review meeting and will be put on the agenda for the Building and Planning meeting on December 3, 2005. If denied again, I will approach TCBCC.

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- Update on court order for installation of GP on Timothy Brooks' lot – Floyd Ford
A court order has been issued and we are waiting for Mr. Brooks' reply.
- Hiring of WWTP Operator – John Gentry
Mac Odom has been release due to conflicts regarding insurance coverage and consistent misunderstandings about the work requested/desired. We have approached Danny Lundy, recently retired from the City of Perry, but he is not really interested although he is willing to help out in an emergency. I'm speaking with William Conrad from Tallahassee about an operator. John Ola with US Water Services is being asked to provide a proposal on operation and emergency services for the Plant and/or Grinder Pumps.
- Foundation tie-down for District Building – John Gentry
Jim and I have inspected the District Building and determined it to be of better construction and more secure than first thought. We feel that we can bolster the nailing and add some ground anchors (perhaps double what we have) all around. Danny Everett will prepare a quote on some 5' anchors and feels that a concrete surround will not be needed.
- Recommendations for Commissioners
Board was reminded to give this careful attention so that recommendations can be made to TCBCC in a timely manner. Recommendations are to be presented at the November meeting.

6. New Business

- Cost of living increases for employees – Floyd Ford
Floyd Ford issued a proposal that TCW&SD commit to a 5% wage increase for John Gentry, Jim Gooding, and David Morgan to be effective with wages received on or after January 1, 2006 since they have not had a pay raise for 2-3 years. He further proposes that TCW&SD commit to raising the wages of the other employees effective January 1, 2006 per the National index and establish a policy to give a cost of living raise per the National index each year thereafter to all employees. **Travis Beach set the proposal to a motion; seconded by Danny Everett and approved unanimously.**
- Discussion of proposed Sewer Rate – Floyd Ford
Scenarios 1 and 2 as prepared by RCAP were presented to the Board for review. We will have a Public Hearing at our next meeting on November 16, 2005 to establish the new rate.
- David advised the Board that he did not pass his Class C Sewer Operator test and will have to retest in February 2006.

7. Motion to adjourn was made by Travis Beach; second by Danny Everett. Meeting adjourned.

(The next meeting is scheduled for Wednesday, November 16th, at 5:00.)

- Board Actions:
1. Adopt Scenario "F" as the new water rate structure.
 2. Adopt a Minimum Requirement Standard for Pipe and Meter Installations.
 3. Approve a 5% wage increase for John Gentry, Jim Gooding, and David Morgan and a cost of living raise per the National index for the other employees to be effective with wages on or after January 1, 2006.
 4. Establish a policy that employees receive a cost of living raise per the National index each year.

- Action Items:
1. Pursue installation of fire hydrants.
 2. Pursue lease of QPS building and all modifications needed.
 3. Pursue tie-downs for District Building.
 4. Consider Board member recommendations.

John K. Gentry, P.E.
General Manager