

TAYLOR COASTAL UTILITIES, INC.

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MINUTES OF REGULAR BOARD MEETING

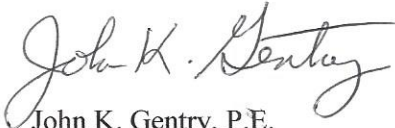
January 21, 2004

1. The meeting was held at Blue Creek Baptist Church at 7:00 PM January 21, 2004. Present were: Travis Beach, Floyd Ford, Jim Moody, Danny Everett, Sandra Hatcher, Directors; Sandra Bolton, Jim Gooding, David Morgan, Bob Meissner, John Gentry, Staff; Judy Ferguson and Glen Sentner, Visitors. A quorum was declared.
2. The minutes of the meeting of December 17, 2003 were approved as submitted. Motion by Ford, Second by Everett, unanimous.
3. Floyd Ford, Sandra Hatcher and Danny Everett interviewed the three persons selected from the applicants for the General Manager position. John Gentry was recommended as the new General Manager, motion by Ford, second by Moody, unanimous. A letter will be prepared for Travis Beaches' signature thanking all applicants who applied for the position.
4. Ledgers are included in all Board Member packages. Member should review the general ledger as time allows. Bob Meissner asked that all copies of the CPA audit book be returned to Sandra for filing.
5. Sandra Bolton reported that the new rates were helping with cash on hand for the Utility.
6. Floyd Ford requested that financial reports for the Utility be available at the Annual Meeting for inspection by interested parties. Sandra Bolton to make copies for the meeting.
7. Jim Gooding reported that water production is currently running about 30,000 gallons per day. Funding sources for a new well were discussed. Might be funded out of rural development funds. Bob Meissner recommended that the Feasibility Study be completed and the results given to JEA for inclusion in the funding they are arranging. Everett made a motion to fund the FS by increasing current line-of-credit. Floyd Ford modified the motion to require that 50% of new member fees go to pay back the loan for the FS. Second by Sandra Hatcher, unanimous. Proposals for the FS were received in November 2003 and work on it will now begin. Jim Gooding went on the report that some more water meters are now being replaced with more accurate ones.
8. This item was discussed in detail during the Water & Sewer District Meeting.
9. It was again requested that copies of the CPA Audit be returned.
10. The next meeting will be held after the Annual Meeting. The meeting was adjourned. Motion by Ford, second by Jim Moody, unanimous.

TAYLOR COASTAL UTILITIES, INC.
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January 21, 2004

Page 2

A handwritten signature in cursive script, reading "John K. Gentry".

John K. Gentry, P.E.
General Manager

File: TCU Meeting Minutes