

TAYLOR COASTAL WATER & SEWER DISTRICT

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MINUTES OF REGULAR COMMISSION MEETING

May 19, 2022

1. The meeting was held at the District Building at 6:00 PM on May 19, 2022. Present were Commissioners Mike Hunter, Randy Hathcock, Gayle Lundy, Michael Lynn, and Board Attorney J.D. Durant. TCWSD Staff present were Kristi Hathcock and Lynette Senter.

The meeting was called to order at 6:00 p.m.

2. Vice Chairman Hathcock led in prayer and the pledge of allegiance to the flag.
3. There were six guests, Richard Weinbrecht, Roger Weste, Patricia Pyka, Willi Huxford, John Price, Henry Lundy, and Glenn Senter.

There were no non-agendaed items.

4. Update on the Water Improvements Project – Mr. Ricardo Jimenez called into the meeting and explained that they are still working with DEP to finalize paperwork and one that is received, we will have a complete package to provide to SRF for the next funding cycle.
5. Approval of minutes from the April 21, 2022, Board Meeting. Chairman Hunter asked that the minutes from November 2021 and December 2021 be revised to include the comments regarding bonuses for employees, prior to approval of the April 2022 minutes. Ms. Senter will review the recordings from November and December, add the additional details, amend the minutes, and present those at the June Board Meeting.

6. Staff and Committee Reports

- a. **Directors Report – Kristi Hathcock** – Ms. Hathcock reported the Water and Sewer sales for the month of April 2022 totaled \$69,830.99, \$8,949.67 above the budgeted estimate of \$60,881.32. There were three past due customers, no turned off accounts, and two changes in membership. There were twenty-three adjustments totaling \$388.08. Chairman Hunter asked for an explanation regarding the various adjustments. Ms. Senter explained that there were adjustments for late fees, property transfers and second meter usage. Chairman Hunter asked if 1099's were provided to the customers who received adjustments and Ms. Senter said no. Vice Chairman Hathcock asked what the second meter adjustment was, and Ms. Senter explained that customers paid \$300.00 for a second meter to be installed and the water used out this meter was for non-potable purposes only such as landscaping, boat washing, etc... The water used out of this meter is paid for by the customer, but they received a credit on the sewer charges as the water did not go through the grinder pump.
- b. **Water Audits – Kristi Hathcock** - Ms. Hathcock reported the water audit for April 2022 showed an estimated water loss of 16.14%. The field staff repaired a damaged valve on Spoonbill and a leak in the main line on Palmetto Road. Vice Chairman Hathcock asked if

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we could get a three-month history of the water audit at our next meeting. Vice Chairman Hathcock then asked about the Neighborhood Meters and Ms. Senter explained that this would be the third month that they were being read on a regular basis and this 90-day period would give a good guide as to where our water loss was occurring. After last month's readings, the majority of our loss was occurring along Keaton Beach Drive. The Staff have already replaced two leaking valves along Keaton Beach Drive and are working towards fixing more. Vice Chairman Hathcock asked Ms. Senter to provide a three-month water audit report and a 90-day Neighborhood Meter report to the Board at the next meeting.

- c. **Financial Reports – Lynette Senter**– Ms. Senter reported the sales including new memberships for the month of April 2022 were \$69,830.99, \$8,949.67 above our budgeted amount of \$60,881.33. Exception expenses included a \$777.00 credit for Customer Repairs, \$589.01 for Gas/Oil/Diesel reflecting the increase in fuel costs, \$31,404.28 payment for the Interest owed to USDA to close our loan, \$20,000 increase in Personnel Expenses due to the employee bonuses, \$1,148.00 for our semi-annual postage purchase, \$11,822.96 for the lift station pump rebuild, \$2,595.00 for sludge hauling, and a credit of \$100,000.00 for the reimbursement received from the Neighborhood Meter Project. We received \$47.43 in interest income. Total Net Income for April was -\$75,735.06. Chairman Hunter asked if we could update the Budget to move monies to account for some of the cost increases. Ms. Senter said she would prepare these for the next meeting.
- d. **Other District Manager Items – Lynette Senter**
- (1) **Damage To Water Truck** – We received an estimate of \$5,494.43 to repair the damage to the water truck. We have a \$1,000.00 deductible, and the insurance company authorized us to have the truck repaired and will reimburse us minus the deductible. Vice Chairman Hathcock asked if more than one estimate was received and Ms. Senter indicated that Mr. Bennett tried to get a second one but was unable, and the Insurance Company only required one. Vice Chairman Hathcock asked if we had had any other accidents, and Ms. Senter confirmed that this was the first. **Commissioner Lynn made a motion to have the truck repaired and pay the \$1,000.00 deductible. Commissioner Lundy offered a second. Chairman Hunter asked for further discussion. By unanimous vote, the motion was approved.**
 - (2) **Well Pipe Repairs/Welding** – Repairs to our well piping system at our primary well have been completed at a cost of \$1,374.62.
 - (3) **Employee Bonuses** – Ms. Senter thanked the Board on behalf of the employees for the bonuses.
 - (4) **Employee Reviews** – Ms. Senter received her reviews from three board members and they are included in the package for review.
 - (5) **Lift Station Pump Age** – At last month's meeting Ms. Senter explained that a 10-horsepower pump from the lift station near the Blue Creek Baptist Church had been found in storage and was sent to Smith Electric Motor for a quote to rebuild/repair it. We have received a quote of \$5,750.10 for the rebuild. The cost for a new pump is

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approximately \$12,500. This pump would become the backup pump for that lift station. Vice Chairman Hathcock asked why the pump was in storage and unaccounted for. Ms. Senter explained that when the pump quit and was replaced, this pump was put into storage and never sent for any estimates. We now have a much better inventory system in place as Ms. Hathcock has taken over the management of this and continues to improve it. The Commissioners asked about the warranty and how the pump would be used. Ms. Senter explained that it has a 12-month warranty but that as a backup pump, this warranty would most likely be expired by the time the pump was needed or used. The consensus of the Commissioners was to go ahead with the rebuild for future use.

- (6) **Board Compensation** – Ms. Senter told the Board that during this most recent application process for new board members, she was questioned several times regarding compensation. As this has been discussed at previous Board meetings, Ms. Senter asked that if the Board was still interested in pursuing this, she would like to work with Mr. Durant to determine if the Board can be offered compensation. The Board discussed this and the form of compensation that might take. A suggestion was to receive a minimum monthly bill credit. A member of the audience questioned if receiving a credit on the bill would encourage attendance and Vice Chairman Hathcock said that if attendance at the meeting was required before receiving credit, it should motivate good attendance. Mr. Durant said he would like time to review the request and determine how to move forward and would work with Ms. Senter and bring it back to the Board next month.

7. New Business

- a. **Discussion With Board Applicants** – Chairman Hunter explained that on May 17, 2022, the Taylor County Commissioners voted to reduce the size of the District Board from seven (7) members to five (5) so there is now one (1) open position. Three of the four applicants for the Board's open position attended the meeting, Ms. Senter explained that the fourth applicant was unable to attend as she was being inducted into the Educator's Hall of Fame. Chairman Hunter asked if any of the applicant's had questions or comments. The applicants asked about the date and time of the meetings and Ms. Senter explained that they are the third Thursday of the month at 6:00 P.M. Chairman Hunter discussed with the applicant's how long they had lived in the District, or owned property in the District. Vice Chairman Hathcock thanked all of the applicants for coming to the meeting. The candidates spoke about their interest in the community and past service on other boards. Chairman Hunter asked Ms. Senter about the procedure for the Board appointments. Ms. Senter explained that the Board can make a recommendation to the Taylor County Commissioners regarding the appointment to the Board, but that the County Commissioners will make the final decision. Chairman Hunter asked the Commissioners to let Ms. Senter know if they wanted to make a recommendation.
- b. **Future Development Policy** – Ms. Senter explained that it would be beneficial if the District had a Future Development Policy. This policy can be brief, covering just the necessary items such as flow, number of units, usage, etc. and allow the District to be able to answer if we

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can supply the necessary water and sewer services. The County approves the development, but we supply the infrastructure and need to make sure the service is installed in accordance with District regulations. Gayle and Henry Lundy have approached the District regarding service to their new RV Park. The staff would like to use their process as a test case to determine the information that will need to be provided by each developer. With normal residential service requests, we allow up to four hookups into one grinder pump. Mr. & Ms. Lundy are requesting service for up to twelve campers at this time, with more to be added in the future. If Mr. and Ms. Lundy were held to the four hookups per pump under the current residential regulations, they would be required to purchase three grinder stations. However, it would be in the District's and the Lundy's best interests to explore other options such as a Duplex unit which has the potential to support 20-24 units. The cost for this Duplex would be less than purchasing three individual stations. Ms. Senter has reached out to WASCON to get a quote for this as well as delivery schedule. Mr. Bennett has stated that one dedicated District Water meter would be sufficient at this time – separate from the Lundy's personal water meter. Ms. Senter added that if Impact Fees are approved, they would also become a part of this policy. Vice Chairman Hathcock indicated that he wasn't sure about the necessity of Impact Fees and would discuss it during Old Business. **Chairman Hunter handed the gavel to Commissioner Lundy and Vice Chairman Hathcock made a motion to approve service to the proposed 12 Units at Sweetwater Creek Paradise Campground. Commissioner Lynn offered a second. Commissioner Lundy asked for further discussion. By unanimous vote, the motion was approved.**

8. **Old Business**

- a. **Impact Fee Study** – A draft Impact Fee Study was given to the Board at the April meeting. As we do not yet have a full Board, Ms. Senter recommended that this stay on the agenda for the next few meetings and the Board be given time to study it further. Chairman Hunter indicated that he was concerned about Impact Fees becoming a tax of sorts on future development. Vice Chairman Hathcock agreed and asked for more time to look at the numbers. A member of the audience expressed concern and explained that they should not be excessive as it could hinder development. There was some discussion about the possibility of allowing a payment system for Impact Fees like Tri County Electric but decided to postpone that discussion for a future meeting.
- b. **Neighborhood Meter Project Update** – We are still awaiting delivery of the two lids to be reinstalled. The projected delivery date is approximately 4 weeks.
- c. **County Ordinance 2005-3, Change Regarding Number of Board Members** – This was discussed under item 7a.

9. **Closing Remarks Commissioners/Staff** – There were none.

10. **Motion to Adjourn**

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Chairman Hunter requested a Motion to Adjourn. Vice Chairman Hathcock made a motion to adjourn the meeting. Commissioner Lundy offered a second. The meeting adjourned at 6:53 PM.

Board Actions:

1. The Board approved payment of the \$1,000.00 deductible to have the water truck repaired.
2. The Board approved 12 Units of the Sweetwater Creek Paradise Campground.

A handwritten signature in blue ink, reading "Lynette Taylor Senter". The signature is written in a cursive style with a large initial "L".

BY: Lynette Taylor Senter, Board Secretary
Taylor Coastal Water and Sewer District