

**CEDAR KEY WATER & SEWER DISTRICT  
P.O. BOX 309 / 510 THIRD STREET  
CEDAR KEY, FL 32625**

**Minutes of Regular Meeting  
Board of Commissioners  
August 13, 2018**

Board Members Present: Joe Hand, Stephen Rosenthal, Leslie Sturmer, Dottie Haldeman, Chris Reynolds.

Others Present: John McPherson.

1. Meeting called to order at 5:00 p.m., by Stephen Rosenthal, Chair.
2. Pledge and Prayer.
3. Adoption of Agenda. **Motion** by Dottie Haldeman to adopt agenda as presented. **Second** by Joe Hand. Passed by a vote of 5-0.
4. Public Input. Public input was requested but none was provided.
5. Approval of Minutes. **Motion** by Dottie Haldeman to accept the minutes of the July 9, 2018, meeting as presented. **Second** by Chris Reynolds. Passed by a vote of 5-0.
6. Financial Reports. Budget, Balance Sheet, Checkbook Activity, Past Due Accounts, and Employee Leave reports were presented for review. **Motion** by Dottie Haldeman to accept the financial reports as submitted. **Second** by Joe Hand. Passed by a vote of 5-0.
7. Bill Adjustment. The Board reviewed a request by Michael Norden for an adjustment from \$407.12 to \$236.42 resulting from a broken exterior pipe. **Motion** by Dottie Haldeman to approve the adjustment as meeting the requirements of District Regulations. **Second** by Leslie Sturmer. Passed by a vote of 5-0.
8. Resolution 2018-07:

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE CEDAR KEY WATER AND SEWER DISTRICT; AMENDING THE NUMBER OF HOURS IN COMPENSATION THAT IS RECEIVED FOR ON-CALL TIME; AND ESTABLISHING AN EFFECTIVE DATE.

The General Manager read the resolution by short title and explained that this resulted from a request by the Superintendent to increase the time for on-call compensation from 2.5 hours for 16 hours of on-call time, to 3.0 hours per 16 hours of on-call time. He noted that this compensation level had not changed for a long time and that this was a reasonable increase. **Motion** by Chris Reynolds to adopt Resolution 2018-07 as presented, with language added that the new rate is to take effect on October 1, 2018. **Second** by Joe Hand. Passed by a vote of 5-0.

9. General Manager Report.

a. *Water Plant Issues.* The GM reported the following;

- (1) Disinfectant Byproducts: Samples for this quarter were taken on August 7, 2018.
- (2) TwinOxide: He and Tim Norman had an onsite visit at the water plant with Lance Littrell with Gimley Horn Engineers. Mr. Littrell was the engineer on the tests conducted at Wedgefield and Magnolia resulting in successful switches to chlorine dioxide (TwinOxide). The goal is to re-start the TwinOxide test, but this time have TwinOxide do not much more than supply the chemicals, with all parts of the test handled by Lance, Tim, and District staff. After the meeting Mr. Littrell submitted a proposal to work jointly with Tim on re-starting the TwinOxide test, with the proposed fees for Mr. Littrell being \$73,000 for a six to nine-month test. The GM reported that there would be additional substantial costs for Tim Norman's work and the TwinOxide chemicals, and that he is going to explore the possibility of getting this funded out of the 2016 Legislative appropriation. The Board agreed that this is the direction to take.

b. *Wastewater Bridge Lines Directional Drills.* The GM reported that the Suwannee River Water Management District has ranked the District's RIVER proposal number 4 for this year with staff recommending funding. This is for \$90,000 which is approximately half the projected cost of the three-bridge directional drill project, with the other half proposed to come from RESTORE funds which are still on track for funding in the Fall. The GM stated that he would attend the SRWMD meeting on August 14 in Live Oak.

c. *Water Tower.* The GM reported that he had informed Utility Service Group that the osprey nest appears to be inactive at this time and therefore USG should schedule completion of the painting job and replacement of the burned-out lights ASAP, and that he has been promised that the crew will arrive during the week of August 12.

d. *General Manager Position.* The GM reported that Mike Donohoe decided that due to housing costs in Cedar Key he would have to withdraw his application for the general manager position. He stated that since this option for filling the position of general manager is now not available, he would withdraw his intent to terminate his contract as of October 1. The GM suggested that the Board take no action on this for now and wait to see what develops over the coming year. The Board agreed.

e. *Accounting and Auditor Services.* The GM reported as follows:

- (1) Accountant: He presented a proposed renewal contract with Beauchamp and Edwards that includes a \$200 increase over last year, from \$7,900 to \$8,100. He recommend renewing on the terms set forth in the proposal letter. **Motion** by Dottie Haldeman to accept the proposal from Beauchamp and Edwards as presented in the letter. **Second** by Leslie Sturmer. Passed by a vote of 5-0.
- (2) Auditor: The GM reported that the Audit Committee met on July 31 and approved an RFP for selecting an auditor, but that after further conversation with Robert

Beauchamp, the Committee decided to recommend that the District seek a one-year contract renewal with Carr Riggs. The reasoning is that although Carr Riggs was later than usual in completing the District audit this year, it was finished within the State deadline; that Carr Riggs has provided good service in the past; and that there might be rush to other firms in the area due to the problems that others had with Carr Riggs this year. The Board agreed and directed the GM to seek a one-year extension contract with Carr Riggs.

- f. Interlocal Agreement with City.* The GM reviewed the lasted draft of the interlocal agreement with the City, and the original 1973 Lease from the City to the District. After going over the background and proposed terms of the interlocal, the Board agreed to the agreement in concept subject to the following:
- (1) Add language that if the City does exercise its right to place communications antennas on the railings of the tower, there will be a fair allocation of the income received from the company placing the antennas.
  - (2) Review the District's past billing to the City for water and sewer services to be sure that the language in Section 2 of the draft agreement is fair to the District.
- g. Cooking Oil Recycling.* The GM reported that a new cooking oil recycling container has been placed next to the District building on C Street, and that word of this should be spread to the customers.
- h. 2019 Budget.* The GM asked whether Monday, September 24, at 5:01 p.m. would work for the final budget hearing and there was consensus of the Board that it would.

The GM then stated that he had prepared a new draft 2019 budget based on direction given by the Board at the July meeting and the withdrawal of Mike Donohoe as applicant for the general manager position. He went over the highlights of the draft budget as follows:

- Keeps millage rate at 1.200.
- Increases rates by 3% (except for Large User Base charges which stay the same).
- Uses a conservative estimate of "Carry Forward."
- Includes 3% COL employee raises.
- Continues contract with TwoFold for operator services.
- Keeps contract with John K. McPherson, P.A., for management and legal services at the same rate.
- Assumes we will be using both Miex and TwinOxide for some portion of the year, but does not include engineering for the TwinOxide re-test. That amount is unknown at this time.
- Assumes that we will get the RESTORE and RIVER funds for the three-bridge wastewater line directional drills, and so budgets a relatively small amount (\$25,000) to that project to allow for any shortfalls.
- Includes \$45,000 for contingency.

He stated that this leaves a surplus of \$53,737 for special projects or purchases, including these possibilities:

- Vacuum trailer to replace worn out vacuum truck: ~\$50,000
- Repair and repaint exterior of WWTP/Office building: ~\$31,000
- Directional drills: ~\$75,000 if we want to be sure and have match for RIVER Grant

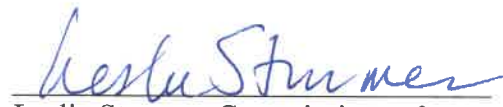
He also noted that with the proposal from Lance Littrell for engineering for the Twin Oxide test, there is the possibility that the District would have to come up with substantial sums for the TwinOxide test that are not shown in the proposed draft budget. He also expressed the opinion that the District should budget the match for the SRWMD directional drill grant in case the RESTORE money continues to be tied up. After discussion regarding the need to fund these important projects, the Board directed the GM to bring back a budget that funds these projects and includes a 5% increase in rates for consideration by the Board at the preliminary budget hearing.

- i. *Groundwater Levels.* The GM presented the following groundwater levels to the Board:

DATE	ROSEWOOD	SUWANNEE	NOTE
1.1.12	7.62	1.64	6 months before saltwater intrusion
5.23.12	6.67	-.54	Near start of intrusion event
8.1.12	9.76	3.76	Near end of intrusion event
1.1.17	9.88	2.99	Start of 2017
1.1.18	10.46	3.53	Start of this year
7.1.18	11.47	5.35	Previous reading
8.7.18	11.79	4.97	Current

10. Commissioner Comments: None.
11. Public Input: Public input was requested but none was provided.
12. Adjournment: There being no further business to conduct, the meeting was adjourned at 6:54 p.m.

  
 Stephen Rosenthal, Chairperson

  
 Leslie Sturmer, Commissioner &  
 Secretary of the Board

Date: 9/11/18