

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

**Minutes of Regular Meeting  
Board of Commissioners  
April 11, 2016**

Board Members Present: Thelma McCain, Dottie Haldeman, Leslie Sturmer, Seth Colson.

Others Present: John McPherson, Mack Cox, Greg Lang, Greg Bailey, Bob White, Sergio Reyes, Clay Sweger.

1. Meeting called to order at 5:00 P.M.
2. Pledge and Prayer.
3. Adoption of Agenda: **Motion** by Thelma McCain to adopt the agenda as published. **Second** by Leslie Sturmer. Passed by a unanimous vote.
4. Public Input. Public input was requested but none was provided.
5. Approval of Minutes: **Motion** by Leslie Sturmer to accept minutes of the March 14, 2016, regular meeting as submitted. **Second** by Thelma McCain. Passed by a unanimous vote.
6. Financial Reports: Budget, Balance Sheet, Checkbook Activity, Past Due Accounts, and Employee Leave reports were presented for review. Leslie Sturmer noted that the District's sludge hauling costs were way down for this year. **Motion** by Seth Colson to accept financial reports as submitted. **Second** by Thelma McCain. Passed by a unanimous vote.
7. Bill Adjustment Request: There was a outdoor leak at the Herman Wells property due to a broken pipe which resulted in a high water bill that qualified for an adjustment due to the fact that the water did not go through the wastewater system. **Motion** by Seth Colson to approve the adjustment from \$319.52 to \$194.51. **Second** by Leslie Sturmer. Passed by a unanimous vote.
8. Bill Adjustment Request: There was an outdoor leak due to a broken pipe at the dock of Erik Brogren resulting in a high water bill that qualifies for an adjustment due to the fact that the water did not go through the wastewater system. **Motion** by Leslie Sturmer to approve the adjustment from \$4,680.27 to \$2,471.25 and, due to financial hardship, to allow Mr. Brogren to pay off the balance by paying a monthly total of \$100. **Second** by Thelma McCain. Passed by a unanimous vote.
9. Engineering Services RFQ. The General Manager stated that in sending out the RFQ for continuing engineering services, the District anticipated that it would probably enter into

a contract with more than one firm for continuing services. He further stated that the District received only three proposals, each from a highly qualified firm in the area and that, after reviewing each response, he recommended that the District find that all three firms are qualified, and that a continuing services contract be entered into with each. He explained that under such a contract, the District could choose among the three for discrete projects based on a scope of services and price quoted from the firm.

Each of the three firms had one or more representatives at the meeting and they were called in the following order to make a short presentation to the Board:

- eda engineers: Represented by Sergio Reyes and Clay Sweger.
- Mittauer Associates: Represented by Greg Lang.
- North Florida Professional Services represented by Greg Bailey and Bob White.

After questions and discussion with each representative, the Board directed the General Manager to bring back proposed contracts with each of the three responders.

10. Rural Development Loan Resolution: The General Manager explained that the loan resolution needed to be adopted as the next step in the RD grant/loan funding process. He explained that the purpose of the resolution was to document the District's agreement to follow the RD procedures for getting the grant/loan, and to establish that the loan amount was set at \$1,486,000 and the grant amount at \$3,851,000. **Motion** by Seth Colson to adopt the Loan Resolution as submitted. **Second** by Thelma McCain. Passed by a unanimous vote.

11. General Manager's Report.

a. *New Water Plant: Well 5.* The GM reported that the well was completed and cleared by DEP for putting into service, which occurred on Wednesday, April 6. The GM informed the Board that there was about \$6,000 left in the appropriation and suggested that this balance be used to install fencing and a new gate along the frontage of the wellfield on SR 24. Samples of the fencing and gate were shown to the Board and the Board agreed with this use of the surplus.

b. *New Water Plant: Rural Development Funding.* The GM reported that the Letter of Conditions had been received from RD, and that, as expected, it takes the \$450,000 legislative appropriation out of the RD loan and the loan interest rate is 1.75% for a 40-year term. He stated that this results in a very favorable financing package for the District with an annual loan payment of less than \$52,000. He explained that the next step is to accept the Letter of Conditions by authorizing the Chair to execute the following documents in addition to the Loan Resolution previously adopted:

- Form RD 1942-46 Letter of Intent to Meet Conditions
- Form RD 1940-1 Request for Obligation of Funds
- Form RD 400-1 Equal Opportunity Agreement
- Form RD 400-4 Assurance Agreement
- Drug Free Workplace Certification
- Form RD 1910-11 Collection Policies

- RUS Bulletin 1780-26 Certification for Contracts, Grants, Loans
- Form RD 1927-9 Preliminary Title Opinion: Wellfield
- Form RD 1927-9 Preliminary Title Opinion: WTP Site

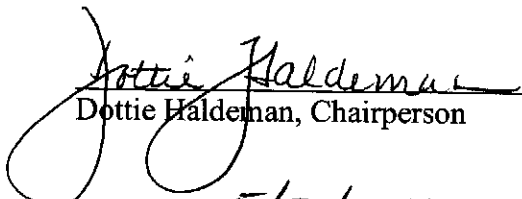
The GM reviewed the contents and intent of each document. **Motion** by Leslie Sturmer to authorize the Chair to sign the required documents listed above. **Second** by Thelma McCain. Passed by a unanimous vote.

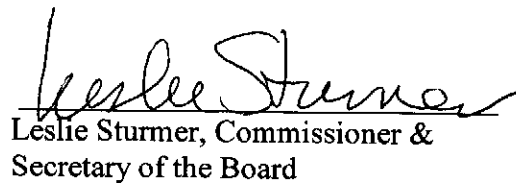
- c. *New Water Plant: Legislative Funding.* The GM presented the Board with draft letters of appreciation to be sent to Senator Charlie Dean and Representative Charles Stone. The Board directed the GM to send the letters as submitted.
- d. *New Water Plant: Design and Construction.* The GM reported that with the completion of Well 5 it is time to move ahead with the pilot test with Wigen. He stated that there were sufficient funds in savings to pay for the test with full reimbursement to come later from the Rural Development funding. A final contract was submitted for review by the Board. **Motion** by Seth Colson to authorize the Chair to execute the contract with Wigen as presented. **Second** by Leslie Sturmer. Passed by a unanimous vote.
- e. *Cedar Key Bridge Work.* The GM reported that he had received word that DOT had agreed to pay for the directional drilling of water and sewer lines for the Dock Street bridge and the two airport bridges.
- f. *Outhouse Project.* The GM reported that the proposed location for the outhouse historical display is within City of Cedar Key right of way and that a license from the City will therefore be required. He request that the Board agree to have the District be the applicant for the license from the City. **Motion** by Leslie Sturmer to authorize the Chair to execute the license agreement with the City. **Second** by Thelma McCain. Passed by a unanimous vote.
- g. *Employee Request for Pay in Lieu of Leave.* The GM reported that Ann Richburg had an emergency need for extra cash and that under Section 2.05 D of the District Code the Board may approve payment of salary in lieu of annual leave at the discretion of the Board. He explained that since Ann had over 100 hours of leave accrued, and had an immediate need for the salary, he approved the payment of 1 week salary subject to ratification by the Board. **Motion** by Seth Colson to ratify the payment of one week of salary in lieu of annual leave to Ann Richburg. **Second** by Thelma McCain. Passed by a unanimous vote.
- h. *Purchases:* The GM informed the Board of the following purchases:
- Lift Station 3: One of the pumps in LS 3 went bad and needed to be replaced. One Tsurumi pump was purchased at a cost of \$3,031.
  - Lift Station 16: One of the pumps in LS 16 went bad and needed to be replaced. We decided to replace both pumps with matching pumps, and

use the one that still works as a spare for other lift stations that use the same pump. Two Tsurumi pumps have been ordered at a cost of \$6,381.

The Board asked the GM to check on the availability of "cutter pumps" like the Tsurumi pumps that are made in the U.S.

12. Commissioner Comments: Leslie Sturmer stated that the General Manager had done a good job in his talk about potable water at the Think Water, Think Cedar Key event. She also requested that the May board meeting be moved to May 2 to accommodate a conflict in her schedule. The Board agreed to move the meeting to May 2.
13. Public Input: Public input was requested but none was provided. Mack Cox was thanked for his representation of the public at the District meetings.
14. There being no further business to address, the meeting was adjourned at 6:30 p.m.

  
Dottie Haldeman, Chairperson

  
Leslie Sturmer, Commissioner &  
Secretary of the Board

Date: 5/2/2016