

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

**Minutes of Regular Meeting
Board of Commissioners
July 8, 2019**

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

Others Present: John McPherson, James Wortham, Mandy Offerle, Robert Beauchamp.

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 the agenda with the addition of a presentation by Robert Beauchamp on financial matters after the financial report. **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 June 10, 2019, board 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. The General Manager was asked to address the following: (1) Why personnel costs are exceeding budget projections; (2) Why there is not enough budgeted to cover the contract cost for General Underground to do the directional drills. **Motion** by Dottie Haldeman to accept the financial reports as presented. **Second** by Chris Reynolds. Passed by a vote of 5-0.
7. Robert Beauchamp: Presentation relating to issues raised by 2017-2018 Annual Audit. Mr. Beauchamp discussed financial issues with the Board, including the following:
 - No significant change in cash balances.
 - The amount of receivables is low so that is positive.
 - Inventory write-off of \$26,000 in small parts for 2018 audit: Would not have done it this way but a judgment call by the auditors.
 - Good that line of credit was paid off last year.
 - Decrease in “unrestricted net position” from \$225,000 to \$145,000 is not desirable, but District remains in good financial shape.
 - Increase in rate revenues in the amount of \$60,000 is positive, but offset by increase in cost of operations in the amount of \$120,000.
 - Cost of operations went up due to health insurance, chemicals, and meter replacements, so not a lot of discretion in these areas.

- District remains in compliance with all state and federal standards for financial condition.
- Need to be sure to increase rates by at least the CPI for operating a utility.

After discussion of these issues, the Board thanked Mr. Beauchamp for his input.

8. General Manager Report.

- Water Plant.* The GM reported that the notice to customers for the chlorine dioxide pilot test had been sent and that the startup occurred on Monday, July 1. He reported that all is going well so far, and that for the first several weeks, no chlorine dioxide will actually be going out into the system; it will be contained at the water treatment site to test its effectiveness as an oxidant.
- Wastewater Treatment Plant.* The GM reported that the last public notice with a comment period was published, so the permit will issue shortly, assuming there is no challenge.
- Wastewater Bridge Lines Directional Drills.* The GM reported that the District received the permit from DOT for the drills, and the contracts with General Underground have been executed.
- New Communication Tower.* The GM reported that the access issue has been resolved: the tower company's title search missed a recorded easement that CFEC had a copy of in its files. He reported that construction is expected to begin about July 22.
- 2019-2020 Budget.* The GM presented the Board with a draft budget and the following schedule for TRIM compliance:
 - July Board Meeting: Set current year proposed millage rate and set date, time, and place of tentative budget hearing. (Proposed date: September 9)
 - By August 24: TRIM Notices go out.
 - September 9: Tentative Budget Hearing
 - September 19: Publish Newspaper Notice
 - September 23: Final Budget Hearing
 - By September 26: Budget Resolutions to Property Appraiser
 - By October 22: Certificate of Compliance to Department of Revenue and post final budget on website.

He reviewed the draft budget, and received direction from the Board on a number of issues. After discussion by the Board: **Motion** by Leslie Sturmer to set the first budget hearing time and date for 5:01 p.m., September 9, 2019, at the District Offices, and to set the proposed millage rate at the same rate as last year, i.e., 1.2. **Second** by Joe Hand. Passed by a vote of 5-0.

f. *Groundwater Levels.* The following groundwater level information was presented 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
1.1.18	10.46	3.53	Start of 2018
1.1.18	11.50	4.61	Start of this year
6.4.19	10.27	1.74	Previous reading
6.22.19	10.76	3.47	Current

9. Commissioner Comments: There were no comments.
10. Public Input: Public input was requested but none was provided.
11. Adjournment: There being no further business to conduct, the meeting was adjourned at 6:42 p.m.


Stephen Rosenthal, Chairperson


Leslie Sturmer, Commissioner &
Secretary of the Board

Date: 8/12/19