

SUGGESTED AGENDA

TAYLOR COUNTY BOARD OF COUNTY COMMISSIONERS  
PERRY, FLORIDA

MONDAY, JULY 12, 2021  
6:00 P.M.

201 E. GREEN STREET  
TAYLOR COUNTY ADMINISTRATIVE COMPLEX  
OLD POST OFFICE

SPECIAL MEETING

CONFERENCE LINE - 917-900-1022  
ACCESS CODE - 32347#

THIS IS NOT A TOLL-FREE NUMBER AND YOU MAY BE SUBJECT TO  
LONG DISTANCE CHARGES, ACCORDING TO YOUR LONG  
DISTANCE PLAN.

When the chairperson opens the meeting for public comment, please follow the below instructions:

If you wish to speak please dial \*5. The moderator will unmute your line when it is your turn to speak, and notify you by announcing the last 4 digits of your telephone number. Please announce your name and address. You will be allowed to speak for 3 minutes.

NOTICE IS HEREBY GIVEN, PURSUANT TO FLORIDA STATUTES 286.0105, THAT ANY PERSONS DECIDING TO APPEAL ANY MATTER CONSIDERED AT THIS MEETING WILL NEED A RECORD OF THE MEETING AND MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

ANY PERSON WISHING TO ADDRESS THE BOARD REGARDING AN AGENDAED ITEM WILL BE GIVEN THREE (3) MINUTES FOR COMMENT. A COMMENTER MAY ONLY SPEAK ONE (1) TIME FOR EACH AGENDAED ITEM.

1. Prayer

2. Pledge of Allegiance
3. Approval of Agenda
4. THE BOARD TO HOLD JOINT SPECIAL MEETING BETWEEN TAYLOR COUNTY AND TAYLOR COASTAL WATER AND SEWER DISTRICT.

Motion to Adjourn

**FOR YOUR INFORMATION:**

- THE AGENDA AND ASSOCIATED DOCUMENTATION, IF APPLICABLE, IS AVAILABLE TO THE PUBLIC ON THE FOLLOWING WEBSITE:

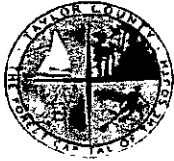
[www.taylorcountygov.com](http://www.taylorcountygov.com)

- IF YOU ARE A PERSON WITH A DISABILITY WHO NEEDS ANY ACCOMODATION IN ORDER TO PARTICIPATE IN THIS PROCEEDING, YOU ARE ENTITLED, AT NO COST TO YOU, TO THE PROVISION OF CERTAIN ASSISTANCE. PLEASE CONTACT MARSHA DURDEN, ASSISTANT COUNTY ADMINISTRATOR, 201 E. GREEN STREET, PERRY, FLORIDA, 850-838-3500, EXT.7, WITHIN TWO (2) WORKING DAYS OF THIS PROCEEDING.
- ANY PERSON WISHING TO ADDRESS THE BOARD REGARDING AN AGENDAED OR NON-AGENDAED ITEM WILL BE GIVEN THREE (3) MINUTES FOR COMMENT.
- BALLOTS USED TO APPOINT CITIZENS TO ADVISORY COMMITTEES AND ADVISORY BOARDS ARE AVAILABLE FOR PUBLIC INSPECTION AFTER THE MEETING AND ARE RETAINED AS PART OF THE PUBLIC RECORD.

# **TAYLOR COUNTY BOARD OF COMMISSIONERS**

## **County Commission Agenda Item**

### **SUBJECT/TITLE:**



### **TAYLOR COASTAL WATER & SEWER DISTRICT**

### **MEETING DATE REQUESTED:**

June 22, 2021 Workshop

Items in ***Bold Italics*** reflect a corresponding document attached hereto.

### **Statement of Issue:**

1. County Code mandates connection to Taylor Coastal Water & Sewer District ("TCWSD") if a property is in its service area and if within range of existing infrastructure.
2. The BOARD OF COUNTY COMMISSIONERS entered into a ***2011 Litigation Settlement Agreement*** with the State of Florida Department of Community Affairs that the Fish Creek Cove property (27.15 acre parcel -18.72 upland acres) would be zoned 10 units per acre on 14 acres once central sewer was provided the property. See ***Property Appraiser Map*** and ***Survey***.
3. Central sewer was provided to the property in 2013 with the USDA-RD's blessing.
4. TCWSD is now claiming that it can only permit one sewer and water connection to the property and has advised the landowner to seek an exemption from being mandated to connect to TCWSD despite the ***2011 Litigation Settlement Agreement*** prohibiting any other form of sewerage disposal at the property.
5. Similarly, TCWSD has been denying connections to other property owners despite a similar ***2007 Litigation Settlement Agreement*** entered into by the County.

### **Fiscal Impact:**

There are about 2,000 acres in the ***TCWSD service area*** that are serviced by its sewer lines. There are about 567 structures in the same area. With the mixed use urban density allowance of 12 units per acre, it is possible to add up to an additional 23,000 structures.

The average home value in the TCWSD service area is \$91,000. With the average ad valorem revenue per structure

	<p>being \$657 payable to the County, full development of the beaches area has the potential to increase ad valorem revenues (before any exemptions are applied) by \$15,000,000 annually, plus \$10,000,000 annually for the school system.</p> <p>Even if only 2.2% of the 23,000 density limit (520 new homes) was used to build new homes (assuming a \$91,000 value per new home – obviously low for new homes), there would be a \$339,000 increase to County in ad valorem taxes (plus \$58,000 MSTU), with a \$220,000 boost to the school system. Even the TCWSD would see a windfall of around \$691,000.<sup>1</sup></p> <p>However, if the TCWSD is allowed to stifle all new development, then the lost ad valorem revenue to the County and the school system is the fiscal impact of inaction by the BOARD OF COUNTY COMMISSIONERS.</p>
<b>Budgeted Expense:</b>	\$0.00
<b>Submitted By:</b>	Ray Curtis
<b>Contact:</b>	103 North Jefferson Street Perry, FL 3247 850-584-5299 ray@thecurtislawfirm.com

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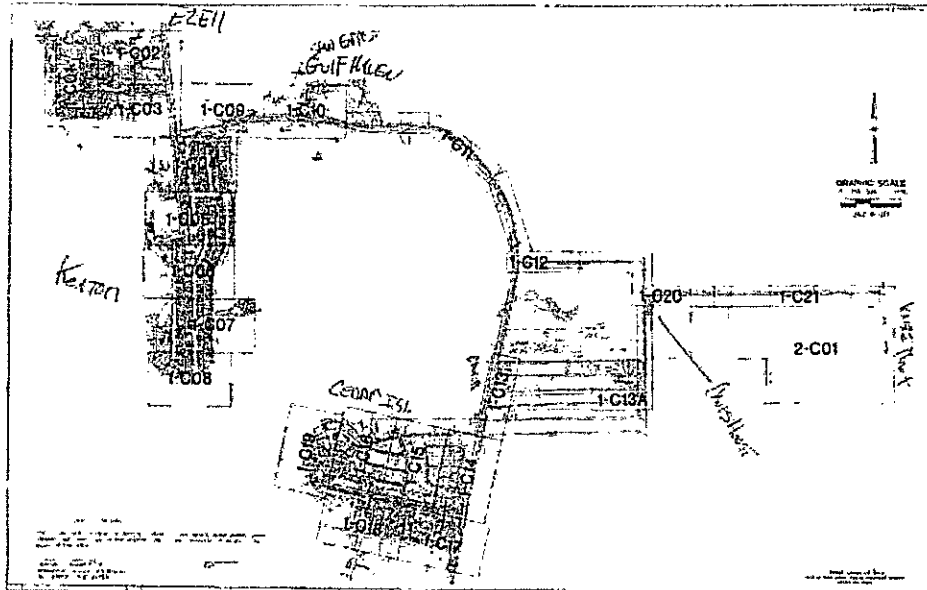
<sup>1</sup> The TCWSD currently has 516 water/sewer customers with another 27 water only customers that produce \$686,000 in total annual revenue. The sewer customers only use 50% of TCWSD's permitted capacity at peak times, dropping to 22% in the winter. An increase of 520 more homes would meet TCWSD's permitted capacity (in peak times), and would presumably yield the TCWSD \$691,000 annually in additional revenue.

## SUPPLEMENTAL MATERIAL / ISSUE ANALYSIS

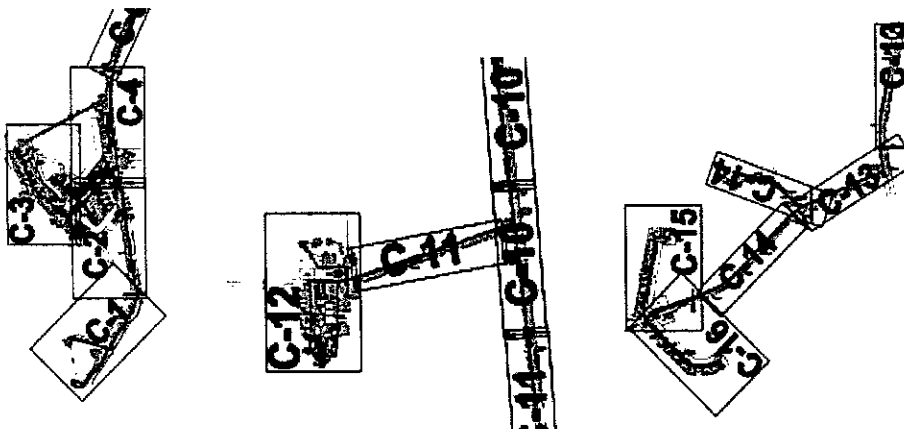
### History, Facts & Issues:

The Taylor Coastal Water & Sewer District ("TCWSD") was created by Ordinance of the BOARD OF COUNTY COMMISSIONERS in 2002 (Ordinance Number 2000-10).

TCWSD first started receiving bids for construction of Phase I of a sewer facility and lines in 2004. Phase I was to cover the Ezell Beach, Keaton Beach, Saw Grass, Cedar Island, and Blue Creek Baptist Church Area. See *Phase I Plans*:



At the same time, the TCWSD was already planning out Phase II. *Phase II Plans* covered Dekle Beach, J.L. Gibson Road, and Dark Island.



As funding negotiations were underway with USDA-RD, USDA-RD conditioned grant and loan approval on TCWSD's commitment to administer funds and services in a particular manner. These commitments were fairly vague and sometimes seemingly contradictory.

For example, the *2002 and 2004 letters of conditions* that TCWSD references as its basis to deny connections despite the litigation agreements and zoning, states "Floodplain mitigation will include restrictions that limit connections to the referenced areas of the project location description to existing homes, businesses, developed sites, and the 181 platted single family housing lots as of July 1, 2003."

Later, during the Phase II funding process, USDA-RD required TCWSD to commit to "...Expand its system from time to time to meet reasonable anticipated growth or service requirements in the area within its jurisdiction..." *RUS Bulletin 1780-12 - 2011 Grant Agreement*

In other documents, reference was made again to existing homes, businesses, developed sites, and platted lots. However, nowhere in the loan documents provided to date is the term 'developed sites' defined. Is a developed site a site that can be built upon without land clearing; or a site wherein ground has already been broken; or a site on which residential density has been set by the County and approved by the State; or does it mean something altogether different?

Meanwhile, while negotiation with the USDA-RD was underway in the mid 2000s, the County was involved in litigation with the State of Florida Department of Community Affairs ("DCA").

The County's comprehensive plan showed most of the Keaton beach and surrounding area as being zoned mixed use urban development with a density of 20 units per acre.

The DCA had filed an action against the County wanting to reduce the density in the beaches area to 4 units per acre.

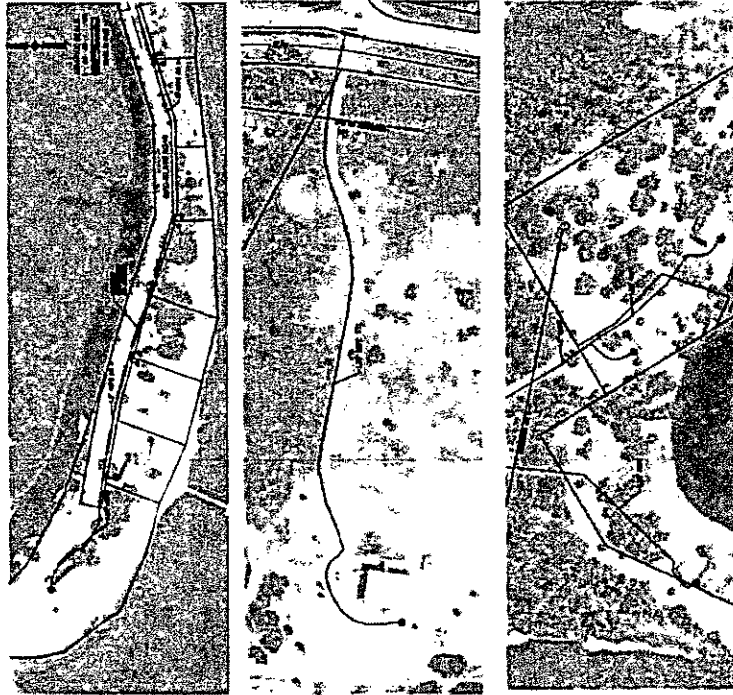
In 2007, the County and the DCA settled on 12 units per acre as to properties that had access to central sewer (TCWSD), and signed a litigation agreement to that effect. (*2007 Litigation Settlement Agreement*)

The *2007 Litigation Settlement Agreement* required, as to sewerage, that "When the publicly owned and operated sanitary sewer system with adequate capacity is available to the development (available is defined as within one-quarter of a mile of the development) all residential, commercial, recreational and public buildings shall connect to both water and sanitary sewer systems. If, within the designated mixed use urban development area of the coastal high hazard area central sewer is not available, conventional septic tank systems shall not be permitted and only performance based septic systems that can produce a treatment standard of 10 milligrams per liter of nitrogen or less shall be installed." (See Page 13, Paragraph 2, of the *2007 Litigation Settlement Agreement*)

By the late 2000s, the County and DCA, joined by Dr. Hutchins (owner of Fish Creek Cove at the time), Clinton Wood (owner of Bird Island at the time), and Catherine Redding (owner of a section of marshland at the time), because all three had inadvertently been left out of the *2007 Litigation Settlement Agreement*, attempted to change those properties' zoning to match the rest of the beaches area.

The DCA fought the proposed change, wanting to keep those properties from developing. Years of litigation followed.

By 2011, a Phase II, Part 2 had been added to the construction plans. The *Phase II, Part 2 Plans* included Fish Creek Cove and Bird Island, and the Fish Creek Fishcamp area.

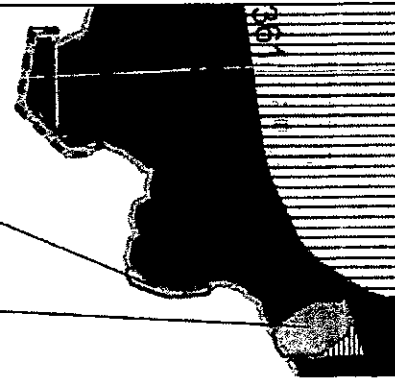


Around the same time in 2011, Dr. Hutchins, Clinton Wood, the BOARD OF COUNTY COMMISSIONERS, and the DCA all signed a *2011 Litigation Settlement Agreement*, wherein Fish Creek Cove and Bird Island would have 10 units per acre density once they had central sewer (TCWSD). The agreement even required those changes to be shown on the face of the future land use map ("*FLUM*").

Note: Until such time as centralized sanitary sewer service is provided to the Bird Island property, Application No. CPA 11-02, the maximum allowable density shall be 4 dwelling units per acre. Upon such time as centralized sanitary sewer service is provided to said parcel, a maximum of 10 dwelling units per acre shall be permissible on said parcel.

Note: Until such time as centralized sanitary sewer service is provided to the Hutchins property, Application No. CPA 11-01, the maximum allowable density shall be 4 dwelling units per acre. Upon such time as centralized sanitary sewer service is provided to said parcel, a maximum of 10 dwelling units per acre shall be permissible on said parcel.

DARK  
ISLAND



**PROPOSED EXHIBIT B**

**THE COUNTY SHALL MAKE THE FOLLOWING CHANGES TO ITS COMPREHENSIVE PLAN**

1. The County's Future Land Use Map shall be amended to reflect the designation of Mixed Use-Urban Development classification for Dr. Hutchins' parcel and Bird Island (collectively "parcels"). The County shall place an asterisk and/or notation on the Future Land Use Map which corresponds to a site specific Future Land Use Element text amendment referencing the parcels and incorporating the requirements of this Exhibit "B."
  
2. Until such time as centralized sewer is provided to the parcels, the maximum allowable density shall be 4 units per acre. Upon connecting to a centralized sewer system, a maximum of 10 dwelling units per acre shall be permissible on the parcels.

*\*\*\*Note: No change was agreed on as to Catherine Redding's marshland property.*

It is also noted in said *2011 Litigation Settlement Agreement* that "...at the density allowed in the land use category, septic tanks cannot be permitted under Department of Health Rules." (See Page 14, Paragraph 3, of the *2011 Litigation Settlement Agreement*)

At the time of the *2011 Litigation Settlement Agreement*, the Fish Creek Cove property only had one house on it. At present, the Fish Creek Cove property has the same house on it.

TCWSD and USDA-RD were aware of both legal battles, and were aware of what the terms of the *2007 and 2011 Litigation Settlement Agreements* were going to be prior to the agreements being finalized and signed.

Regardless, the TCWSD showed a willingness to disregard the *2011 Litigation Settlement Agreement* right after it was signed, stating in their *TCWSD June 28, 2011, Minutes* "Discussion was held regarding water and sewer availability for Dr. Hutchins and Bird Island. Some concern was expressed regarding recent news articles citing development because of the availability of sewer. The Board agreed that hook ups for private residences only were to be performed at this time and any future development would have to be addressed by the Board and Developers."

- |   |
|---|
| <p>c. Discussion was held regarding water and sewer availability for Dr. Hutchins and Bird Island. Some concern was expressed regarding recent news articles citing development because of the availability of sewer. The Board agreed that hook ups for private residences only were to be performed at this time and any future development would have to be addressed by the Board and Developers.</p> |
|---|

<p>(Minutes are considered to be in draft form until approved by the District Commission.)</p>
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Phase II, Part 2 was approved and completed in 2013, bringing sewer to Fish Creek Cove and Bird Island.



In 2020, the Fish Creek Cove property was sold to Fish Creek Cove, LLC. Although Fish Creek Cove, LLC did not have a specific development plan in place, it wanted to understand its development rights in the event it later wished to move forward with the development of the property.

The attorney for Fish Creek Cove, LLC (Ray Curtis), knowing of TCWSD's history of violating its own policies, procedures, and mission statement, and of its penchant for opposing development for some but not for others, sent an *October 16, 2020 letter to the TCWSD* on, attempting to get written confirmation from TCWSD as to the number of connections that would be permitted in the event of an approved development plan.

Despite the County Code mandating connection to TCWSD, TCWSD having ample capacity, the *2011 Litigation Settlement Agreement*, the Department of Health Rules prohibiting septic tanks in the area, and the *FLUM* designation, TCWSD responded back with an *October 19, 2020 letter to Fish Creek Cove, LLC* advising that "The total number of connection that the District can provide to this parcel is one (1), which is the existing service to the home."

In hopes that further educating TCWSD in relation to the history of the Fish Creek Cove property (e.g. the *2011 Litigation Settlement Agreement* and its prohibition on septic systems for the property), attorney Ray Curtis sent a *January 18, 2021 follow up letter to TCWSD* that included the *2011 Litigation Settlement Agreement* and the June 2011 BOARD OF COUNTY COMMISSIONERS minutes approving the *2011 Litigation Settlement Agreement* and comprehensive land use change amendment.

TCWSD, through its attorney, James Durant, responded with a *February 17, 2021 letter to Fish Creek Cove, LLC*, advising that the TCWSD stood by its previous (*October 19, 2020*) letter; one connection for the property.

Fish Creek Cove, LLC is in a predicament. The Florida Statutes (See Fla. Stat. § 70.001(11)) require the landowner to present a notice ("claim") to the governmental entity no more than "...1 year after a law or regulation is first applied by the governmental entity to the property at issue...", or risk not being able to request compensation for losing its development rights.

So, although Fish Creek Cove, LLC would like to be able to be patient with TCWSD, it cannot afford to wait much longer to act. And since the TCWSD is a sub-agency of Taylor County, Fish Creek Cove, LLC is in the unenviable position of having to take action against TCWSD and Taylor County jointly.

*\*\*\*Note. Several other landowners have heard of Fish Creek Cove's pushback of the TCWSD and have come forward with their own stories of how the TCWSD used tortured logic to deny them of water and/or sewer connection. Some of those landowners are preparing to bring their own actions against the TCWSD and Taylor County.\*\*\**

In an effort to resolve this matter without having to bring it to the level of the BOARD OF COUNTY COMMISSIONERS, County Administrator LaWanda Pemberton suggested that all parties and their attorneys hold a meeting to try to work through the issues. However, TCWSD's Board decided not to participate. See *TCWSD April 27, 2021 Minutes*.

- 7) Mr. Ray Curtis at the request of LaWanda Pemberton has asked that Mr. Curtis, LaWanda, Conrad Bishop, Danny Griner, Mr. Durant, and I, have a "3-hour meeting" at the County Commission office to discuss the problems with the District not wanting to approve multiple hookups for the property located at 22645 Fish Creek Highway. The Board discussed the meeting with Board Attorney Mr. Durant. **Commissioner Huxford made a motion that the District does not participate in this meeting. Commissioner Carlton offered a second. Chairman Aibejeris called for further discussion. There was none. By unanimous vote, the motion was approved.**

Even though TCWSD chose not to participate, the meeting was held on May 12, 2021 anyway. Although productive, without TCWSD's presence, no resolution could be reached. However, it was suggested that a BOARD OF COUNTY COMMISSIONERS workshop be set and TCWSD be invited so that it could be part of any discussions.

So, a BOARD OF COUNTY COMMISSIONERS workshop (this workshop) was scheduled for June 22, 2021. The TCWSD was invited by Ms. Pemberton. Instead of accepting the invite, the TCWSD Board opted to invite Commissioner Newman to its June meeting. See *TCWSD Proposed May 25, 2021 Minutes*.

- a. Workshop with County Commissioners requested by LaWanda Pemberton, County Manager. The Board discussed attending a workshop with the County Commissioners to discuss the limitations to our USDA-RD funding. A suggestion was made to invite Commissioner Michael Newman to our June meeting to answer questions and address any concerns he has and allow him to share information with his Board. Lynette will email and call Commissioner Newman.

It seems clear that the TCWSD has forgotten that it a dependent agency (answers to the BOARD OF COUNTY COMMISSIONERS), having now declined two requests from the County to meet in an effort to resolve potential litigation, and clearly ignoring the County's *2007 and 2011 Litigation Settlement Agreements*.

It also seems clear that the TCWSD has been playing the role of land use planner, a role solely placed with the BOARD OF COUNTY COMMISSIONERS and the State.

Without firm and abrupt action by the BOARD OF COUNTY COMMISSIONERS and/or sizeable legal judgments against the TCWSD, it seems unlikely that the TCWSD will self correct.

**Options:**

1. Dissolve TCWSD and have the County take over administration of water and sewer in the beaches area.
2. Remove the current TCWSD Board Members and replace them with members that will follow the *2007 and 2011 Litigation Settlement Agreements*.
3. Ask TCWSD to hold a vote that acknowledges the BOARD OF COUNTY COMMISSIONERS's authority as sole land use planer for the County; then remove and replace any TCWSD board members who vote against such an acknowledgment; or remove them all if they refuse to take up the vote.
4. Stand by while lawsuits against TCWSD start to pile up; then have to bail out TCWSD when it becomes insolvent or uninsurable.

**Recommended Action:**

Remove the current TCWSD Board Members and replace them with members that will follow the *2007 and 2011 Litigation Settlement Agreements*.

In the alternative, advise TCWSD, in writing, that TCWSD is expected to follow the guidance set forth below, failing which TCWSD Board Members in opposition to such guidance will be removed and replaced by the BOARD OF COUNTY COMMISSIONERS. Specifically, the TCWSD Board should be asked to acknowledge the following by individual board member vote at its next regularly scheduled meeting:

1. That the BOARD OF COUNTY COMMISSIONERS (not the TCWSD), subject only to Federal and State law, is the chief and sole land development planning agency of the unincorporated areas of the County pursuant to the Florida Community Planning Act (Chapter 163, Part II, Florida Statutes).
2. That the TCWSD is a sub-agency of Taylor County, created by Ordinance of the BOARD OF COUNTY COMMISSIONERS, subject to dissolution by the BOARD OF COUNTY COMMISSIONERS, and whose board members are subject to removal by the BOARD OF COUNTY COMMISSIONERS pursuant to Taylor County Code § 66-145(b)(3).
3. That the BOARD OF COUNTY COMMISSIONERS, by litigation agreements or otherwise, is the only local agency authorized to set the density (as defined in § 163.3164(12), Florida Statutes) of any property in Taylor County not within an incorporated area.
4. That when the BOARD OF COUNTY COMMISSIONERS sets a property's density, then the number of residential units per acre so designated will be permitted on said property, subject only to the Taylor County Code, Florida Law, and Federal Law.
5. TCWSD will further acknowledge that when the County's Planning Agency and/or the BOARD OF COUNTY COMMISSIONERS approve a development order, it is not within TCWSD's purview or jurisdiction to disagree with the issuance of said development order.

6. That *TCWSD's Mission Statement* is, in part, "To eliminate all wastewater sources from the fragile coastal marshland and surface waters..." by planning "...for current and future development...", and by monitoring and controlling "...all new developments to insure they are in compliance with State and Federal Regulations and meet or exceed TCW&SD's Mission Statement..."

7. That, if TCWSD's sewer plant were to reach 50% permitted capacity, it does not trigger a requirement to expand the sewer plant. Conversely, only if a capacity analysis report (See *2020 Capacity Analysis Report ("CAR")*) indicates that permitted capacity will be equaled or exceeded within the next five years is action required. Even then, the mandated action is that the TCWSD's capacity analysis report to the Department of Environmental Protection must include a statement, signed and sealed by a professional engineer registered in Florida, that planning and preliminary design of the necessary expansion have been initiated.

8. That since TCWSD's sewer plant began operation, its three month average daily flow has never exceeded 50% permitted capacity. See *July 25, 2018 Lynette Senter letter to DEP* and *TCWSD 2020 DMR Summary*.

9. That TCWSD's own engineering firm reported to the Department of Environmental Protection in 2020 that the sewer plant is not likely to have capacity issues for the next ten (10) years.

10. That the "original design" submitted to and approved by USDA-RD did not contain a one connection per lot restriction; that the one connection per lot restriction was merely a policy put in place by the TCWSD Board.

11. That the TCWSD has repeatedly violated its own one connection per lot policy.

12. That the TCWSD Board has already permitted numerous connections that it believes are in violation of USDA-RD loan terms.

13. That if:

- a. sewer is available to a property located within the *TCWSD Service Area*, available being defined in the *2007 and 2011 Litigation Settlement Agreements* as being "within one-quarter of a mile of the development; and
- b. a development order, as defined in § 163.3164(15), Florida Statutes, is issued for such property by the County's Planning Agency; and
- c. the TCWSD has available permitted capacity, as defined in F.A.C. 62-600.200(49), to process said property's expected volume of wastewater discharge upon completion of construction in conformity with the approved in the Development Order; then

the TCWSD will commit in writing (if requested by the property owner) to providing, and then provide, water and sewerage connectivity subject to reasonable connection fees and payment by the property owner of costs for infrastructure needed upon said property to facilitate connection (e.g. grinder pumps and the like).

**Attachments:**

1. *Property Appraiser Map*
2. *Survey*
3. *Phase I Plans*
4. *Phase II Plans*
5. *2002 and 2004 letters of conditions*
6. *RUS Bulletin 1780-12 – 2011 Grant Agreement*
7. *2007 Litigation Settlement Agreement*
8. *Phase II, Part 2 Plans*
9. *2011 Litigation Settlement Agreement*
10. *FLUM*
11. *TCWSD June 28, 2011, Minutes*
12. *October 16, 2020 letter to the TCWSD*
13. *October 19, 2020 letter to Fish Creek Cove, LLC*
14. *January 18, 2021 follow up letter to TCWSD*
15. *February 17, 2021 letter to Fish Creek Cove, LLC*
16. *TCWSD April 27, 2021 Minutes*
17. *TCWSD Proposed May 25, 2021 Minutes*
18. *TCWSD's Mission Statement*
19. *2020 Capacity Analysis Report ("CAR")*
20. *July 25, 2018 Lynette Senter letter to DEP*
21. *TCWSD 2020 DMR Summary*
22. *TCWSD Service Area*

## Marsha Durden

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**From:** LaWanda Pemberton  
**Sent:** Thursday, July 08, 2021 4:07 PM  
**To:** Marsha Durden; Agenda  
**Subject:** FW: Taylor County Board of County Commissioners Special Meeting July 12, 2021  
**Attachments:** 2002.09.13 Letter of Conditions.pdf; 2002.09.13 LOI Accepting Letter of Conditions.pdf; 2004.03.09 Amendment to LOC.pdf; 2008.02.20 LTR of Conditions (USDA).pdf; 2006.09.08 LTR - TCWSD to USRDA (re Funding).pdf; 2020.08.03 LTR - BD to USDA.pdf; 2004.05.14 LTR - TCWSD to USDA.pdf; 2005.11 TCWSD Minutes.pdf; 2006.01 TCWSD Minutes.pdf

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**From:** JD Durant [mailto:jd@boydlaw.net]  
**Sent:** Thursday, July 8, 2021 3:33 PM  
**To:** LaWanda Pemberton <LPemberton@taylorcountygov.com>; Lynette Senter <tcwsd@fairpoint.net>  
**Cc:** Alana Romig <alana@boydlaw.net>  
**Subject:** RE: Taylor County Board of County Commissioners Special Meeting July 12, 2021

Good afternoon Ms. Pemberton. Thank you for confirming there will be a meeting July 12. I looked for a meeting notice or agenda the other day and could not find one. Will it be at the Taylor County Administrative Complex at 6:00?

I've attached highlighted copies of the USDA funding documents referenced in our previous letters to Mr. Curtis. I've also attached copies of previous letters to the USDA asking that the restrictions on connections to new developments be relaxed. Finally, I've attached meeting minutes going back to late 2005 where the TCWSD discussed these restrictions and decided to ask the County Commission and U.S. Representative to work toward a solution with the federal government.

Feel free to provide this to the Commission as I think it would be helpful. I do not plan to give a big rebuttal to all of Mr. Curtis's arguments. I look forward to a workshop with the commission to discuss the loan covenants with the federal government and why these restrictions—and not the various other theories—required TCWSD's denial of the request to connect up to 139 newly developed parcels to the TCWSD system.

Please let me know if you have any questions ahead of the meeting.

Cordially,  
J.D. Durant

**James M. Durant, Jr.**  
Board Certified Real Estate Lawyer  
Boyd & Durant, P.L. | (850) 386-2171 x0

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**From:** LaWanda Pemberton <LPemberton@taylorcountygov.com>  
**Sent:** Thursday, July 8, 2021 9:00 AM  
**To:** Lynette Senter <tcwsd@fairpoint.net>  
**Cc:** JD Durant <jd@boydlaw.net>; Alana Romig <alana@boydlaw.net>  
**Subject:** RE: Taylor County Board of County Commissioners Special Meeting July 12, 2021

Good morning,

I have searched my email and do not see the funding agreement with USDA-RD. Would you please forward to me at your earliest convenience so that I may include with the agenda packet for the July 12<sup>th</sup> meeting? Can you also clarify if you do/do not intend to present any documentation during the July 12<sup>th</sup> meeting?

Thank you,  
LaWanda Pemberton  
County Administrator  
Taylor County Board of County Commissioners

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**From:** Lynette Senter [mailto:tcwsd@fairpoint.net]  
**Sent:** Tuesday, July 6, 2021 11:52 AM  
**To:** LaWanda Pemberton <LPemberton@taylorcountygov.com>  
**Cc:** Taylor Coastal Water and Sewer District <tcwsd@fairpoint.net>; JD Durant <jd@boydlaw.net>; Alana Romig <alana@boydlaw.net>  
**Subject:** Re: Taylor County Board of County Commissioners Special Meeting July 12, 2021

Good Morning LaWanda,

Would you please forward an agenda for the Special Meeting on July 12, 2021 at 6:00 P.M.? I did not see anything posted on the website.

We do not have any documents that we will be submitting at this time. I believe that you, the Commissioners and Mr. Bishop already have already received the funding agreement with USDA-RD in previous correspondence.

Thank you,

Lynette

On 6/23/2021 11:26 AM, LaWanda Pemberton wrote:

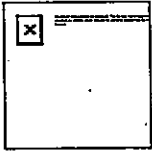
Good morning,

The Board of County Commissioners respectfully requests the attendance of members of the Taylor Coastal Water and Sewer District at a special meeting on July 12, 2021 at 6:00 pm to discuss reported inconsistencies granting and/or denying services within the District and to consider the recommendations made to the Board of County Commissioners by Mr. Curtis (see pages 9 and 10 of the attached presentation). Please plan to attend the meeting and submit documents that you wish to discuss no later than July 7, 2021 at 10:00 a.m.

I have attached documents presented by Mr. Curtis to the Board of County Commissioners for your review.

As always, please do not hesitate to contact me with any questions or concerns.

LaWanda Pemberton  
County Administrator  
Taylor County Board of County Commissioners  
850-838-3500 ext. 6



--  
Lynette Taylor Senter, District Manager

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may be subject to public disclosure.



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# BOYD DURANT

Attorneys at Law

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Board Certified Real Estate Lawyer

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F: (850) 385-4936  
jd@boydlaw.net

**Ray Curtis, Esquire**  
**The Curtis Law Firm**  
103 North Jefferson Street  
Perry, Florida 32347

**February 17, 2021**  
Sent via E-mail and Regular U.S. Mail

Re: *Taylor Coastal Water and Sewer District*

Dear Mr. Curtis:

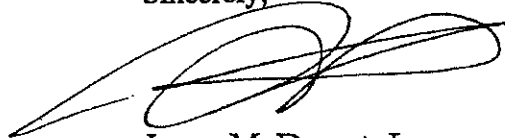
I represent the Taylor Coastal Water & Sewer District regarding your January 18, 2021, letter on behalf of the owners of the above-referenced property. We refer you to the October 19, 2020, letter from Ms. Lynette Senter, sent on behalf of the District. Nothing has changed regarding the District's ability to provide connections to that parcel. The District can only provide this parcel with the one connection that serves the existing home.

Since it was built, the District has operated the sewer facility under conditions imposed by the United States Department of Agriculture, who funded the construction. Those conditions are outlined in a letter dated September 13, 2002, which you enclosed as Exhibit 8 to your recent letter, and a letter dated March 9, 2004, which you did not reference. The 2004 letter revised the most relevant condition, to say:

"Floodplain mitigation will include restrictions that limit connections to the referenced areas of the project location description to existing homes, businesses, developed sites, and the 181 platted single family housing lots as of July 1, 2003."

The conditions imposed by the loan from the USDA have remained the same since 2004. As the District said in its October 19, 2020, letter to you, the Taylor County Board of County Commissioners passed an ordinance that applies when parcels within the District are unable to connect to the District's sewer system because of these conditions. We see no factual or legal basis for the various claims of reliance, breach of contract, or regulatory taking referenced in your letter.

Sincerely,



James M. Durant, Jr.

JMD;ar

## LaWanda Pemberton

---

**From:** Lynette Senter <tcwsd@fairpoint.net>  
**Sent:** Thursday, July 8, 2021 9:25 AM  
**To:** LaWanda Pemberton  
**Cc:** Taylor Coastal Water and Sewer District  
**Subject:** Fwd: WWTP Phase I

Good Morning Again,

This is the response - the one and only response we have received regarding this situation.

Thank you,

Lynette

----- Forwarded Message -----

**Subject:**RE: WWTP Phase I

**Date:**Wed, 30 Oct 2019 12:10:11 +0000

**From:**Mary Gavin <mgavin@sercap.org>

**To:**Taylor Coastal Water and Sewer District <tcwsd@fairpoint.net>

**CC:**Joan Douglas <JDouglas@sercap.org>, Robles, Brunilda - RD, Lake City, FL  
<brunilda.robles@usda.gov>, Joan Douglas <JDouglas@sercap.org>

Lynette –

I sent a request for guidance to USDA's Program Director who was also involved in the Taylor Coastal Sewer Project several years ago. His response is as below:

The basis for the new connection restrictions is that the utility infrastructure development that was funded by the Federal Government could not be utilized to support and promote "new development" in designated floodplain areas. That is why the system can only serve development that was in existence (including platted areas) at that time. This is intended to be in perpetuity and there are no sunset provisions.

I would think, however, that once the loans have been paid off and the grant agreements terminated, it will be very difficult for USDA to enforce.

Regarding the violations that appear to have already occurred, USDA will need to do an evaluation of that and send to the National Office and request guidance on how to handle it.

Please email USDA the property maps and legal descriptions for which TCWSD provided service that were not included in the 181 platted lots along with a letter to USDA explaining what has occurred and a request on how to proceed. Identify the 12 properties that are affected and the 20 possible

residential parcels/lots that may be asking for services that were not originally included in the Phase I outlines.

If you have any additional questions or comments, please do not hesitate to contact me.

Mary

Mary J. Gavin, Technical Assistance Provider  
Southeast Rural Community Assistance Project  
2222 NW 40 Terrace, Suite A  
Gainesville, FL 32605  
phone - 352-379-9802  
home - 850-263-2650  
cell - 352-318-0311  
[www.southeastrcap.org](http://www.southeastrcap.org)



SERCAP, INC.

For a free Subscription of the Safe Drinking Water Trust eBulletin, log on to: <http://www.watertrust.org/>

The Safe Drinking Water Trust 

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On 10/23/2019 3:51 PM, Mary Gavin wrote:

Hey Lynette –

I read your concerns below and will research it. Bear with me, it may be next week prior to getting you an answer.

Mary

**From:** Taylor Coastal Water and Sewer District [<mailto:tcwsd@fairpoint.net>]

**Sent:** Wednesday, October 23, 2019 2:19 PM

**To:** Mary Gavin [[mgavin@sercap.org](mailto:mgavin@sercap.org)]; Taylor Coastal Water and Sewer District [[tcwsd@fairpoint.net](mailto:tcwsd@fairpoint.net)]

**Subject:** WWTP Phase I

Good Afternoon Mary,

I wondered if I could "pick your brain" for some information about the original WWTP Phase I project for the District? While cleaning out files, we recently discovered some correspondence pertaining to our original financing for the WWTP Phase I project that limits the number of hookups to our system. I have attached a letter we found - but no answering correspondence was included. I have also attached the Letter of Conditions and Amended Letter of Conditions which we also discovered.

Once we discovered these "limits" we reviewed some of the properties for which we had provided service and are concerned that they might not meet the Amended Letter of Conditions as they were not included in the 181 platted lots. Most of these properties were along Beach Road or at the periphery of our service area and we were unaware of the limitations of the Loans when service was granted. We estimate that probably less than 12 properties are affected. However, now that we have become aware of these limits, we have placed a hold on any other service requests until we can determine if they were included in the original outlines of Phase I or Phase II. It is my guess that we probably have another 20 possible residential parcels/lots that may be asking for services that were not originally included in the Phase I outlines.

Also, we have now been approached by two developers requesting that the District provide them a cost for services to hook up to our current system. We have explained that our funding restrictions do not allow the District's WWTP to be used to service "Development". Is it permissible for a developer to fund expansion of our current plant? Another possibility is that the Developer could build a package plant of some type to service the development and we then take over the operation and management of this package plant - possibly pumping the effluent to our main plant. These two developers are stating that the District is not allowing people to use their properties to the best advantage and are limiting or stopping development in this area. One of the possible areas is directly across Beach Road from our District Office and Water Plant. It is a small parcel of 27 acres and does have sewer lines running down the road along the parcel. Their attorney stated that it is a State Law that if they are within 100 feet of our line then they must connect - or in his words "we must provide service to them".

This is becoming a very confusing subject for the Board and Office Staff and we do not want to endanger our funding in any way. Any daylight or help you could provide would be greatly appreciated.

I will be out of the office until Monday, so if you need to speak with me, please call my cell phone at 850-295-1534 if you need further information.

Thank you,

Lynette

--  
Lynette Senter  
Office Manager

"This institution is an equal opportunity provider and employer."  
Please note: Florida has a very broad public record law. Most written communications to and from officials regarding business are available to the media and public upon request. Your email communications may be subject to public disclosure.

--  
Lynette Senter  
Office Manager

"This institution is an equal opportunity provider and employer."  
Please note: Florida has a very broad public record law. Most written communications to and from officials regarding business are available to the media and public upon request. Your email communications may be subject to public disclosure.



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# TAYLOR COASTAL WATER & SEWER DISTRICT

18820 Beach Road

Perry, FL 32348

Telephone: (850) 578-3043

September 8, 2006

Mr. James R. Dean, Area Director  
US Rural Development Authority  
2741 Pennsylvania Ave., Suite 5  
Marianna FL 32448

Re: Post Substantial Completion Report  
Taylor Coastal Centralized Wastewater System

Dear Mr. Dean:

Phase I of the Taylor Coastal Centralized Wastewater System, with a capacity of 80,000 gallons per day, attained substantial completion on December 5, 2005. Since that time, we have treated daily flows averaging around 20,000 gpd and peak flows of 50,000 gpd on Memorial Day and July 4<sup>th</sup> weekends. The system is working well and longtime area residents report that water clarity in the canals at Keaton Beach is the best they can remember. We wish to express our thanks to RDA for your financial and other support in this successful pollution abatement project.

At the present time, we have 330 equivalent residential connections to the system. Average daily flow per connection is very close to the estimates provided by our engineers, Jones Edmunds and Associates. Based on flows at this time, we should be able to make another 150 connections to the system before reaching capacity. In determining what properties may be connected to the system, Taylor Coastal is presently abiding by a literal interpretation of the language in the amended Letter of Conditions that was signed to receive our grant funds. This restriction states that only existing homes with septic tanks and the 181 lots that existed in July 2003 may be connected to the system. This connection restriction is creating quite a dilemma for us. Several small developments are now proposed in the area and are permissible, due to their density, with septic tanks or a small package wastewater plant for on site wastewater disposal.

**Installation of septic tanks on these lots will reintroduce sewage effluent into the same surface waters where over \$4,000,000.00 was just expended to eliminate septic tanks.** Package plants produce a better quality effluent, but even the encapsulated types are very vulnerable to releasing waste into the environment from surge and wave action during storm events. **At our coast, these package plants could be as much as 15 feet under water during hurricanes.** Our centralized WWTP is located well inland, above the FEMA 100-year flood elevation, and is heavily constructed so that spills are very

unlikely. Our plant disposes of its effluent by spray irrigation with no impacts to surface waters. The desire and mission of the Taylor Coastal Water and Sewer District is to remove all polluting sources from the high hazard zone and to protect the fragile coastal environment. To do so will require that no more septic or processing plants be allowed to locate within this delicate zone. The TCW&SD mission adheres to the scope of the Clean Water Act.

In discussing the connection restriction that was placed on our system, we were told there is a requirement against using Federal grant funds to encourage development in the High Hazard Coastal Zone. The smaller, low-density developments mentioned above that are coming to us requesting sewer service are permissible under present regulations for onsite disposal. They do not require our system to develop, but from an environmental and common sense perspective, should connect to our system. **From our perspective, connecting them to our system does not encourage development because coastal property owners will develop with or without us.** Large, high-density developments cannot connect to our system due to our limited available capacity and their dependence for permitting on connection to a centralized system due to their proposed high density.

We ask that USRDA revisit this issue and modify the letter of conditions to allow connection of local new developments so long as the following conditions are met:

- 1) Sufficient capacity is available in our system to allow them to connect;
- 2) The development is permissible with wastewater disposal to septic tanks or an on site package plant under present environmental regulations.

The Clean Water Act was implemented to clean up our surface waters. It is simply not consistent with sound environmental management to prohibit connection to a centralized wastewater system and install septic tanks or a package plant where these pollution sources were recently abated with Federal grant monies.

Please contact me or members of the Taylor Coastal Board at 850/578-3043 if we can provide further information or you wish to meet to discuss this issue.

Sincerely,

Glenn Senter  
Board Chairman, TCW&SD

Cc: Congressman Alan Boyd  
Florida Dept. of Community Affairs  
John Gentry, General Manager

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT

LETTER OF INTENT TO MEET CONDITIONS

Date 09/13/2002

TO: Rural Development  
United States Department of Agriculture  
2741 Pennsylvania Ave., Suite 5  
Marianna FL 32448  
(Office Address)

We have reviewed and understand the conditions set forth in your letter dated  
09/13/2002

It is our intent to meet all of them not later than 03/13/2003

We are also requesting that we be given the interest rate in effect at the time of loan approval or at the time of loan closing, whichever is lower. In other words, we want the lowest interest rate possible.

Taylor Coastal Water and Sewer District

(Name of Association)

BY 

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OAR, Room 404-F, Washington, D.C. 20250; and to the Office Management and Budget, Paperwork Reduction Project (OMB No. 0575-0015), Washington, D.C.





United States  
Department of  
Agriculture  
Rural Development

Florida/Virgin Islands  
2741 Pennsylvania Ave.  
Suite 5  
Marianna, FL 32448

Marianna Area Office  
Telephone: (850)526-2610  
Fax: (850)526-7534  
TDD: 352-338-3499

September 18, 2002

**LETTER OF CONDITIONS**

Mr. Travis Beach, Chairman  
Taylor Coastal Water and Sewer District  
P. O. Box 174  
Perry, Florida 32348

Re: Application for Rural Utilities Service (RUS) Assistance  
New Wastewater Treatment and Collection System Project

Dear Mr. Beach:

This letter establishes conditions, which must be understood and agreed to by Taylor Coastal Water and Sewer District (**hereinafter referred to as the applicant**) before further consideration may be given to the application. The loan and grant will be administered on behalf of the Rural Utilities Service (RUS) by the State and Area staff of the USDA, Rural Development. Any changes in project cost, source of funds, scope of services, or any other significant changes in the project or applicant must be reported to and approved by USDA, Rural Development, by written amendment to this letter. If significant changes are made without obtaining such approval, Rural Development may discontinue processing the application.

This letter does not constitute loan and/or grant approval, nor does it ensure that funds are or will be available for the project.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions," and Form RD 1940-1, "Request for Obligation of Funds" within the next 5 days, if you desire that further consideration be given your application.

Within 180 days of this letter, you must meet all of the conditions set forth which can be met prior to calling for construction bids. If you have not done so, Rural Development reserves the right to discontinue the processing of your application.

The docket may be completed on the basis of the following:

**RUS Funding** - The docket may be completed on the basis of a loan not to exceed \$675,000.00 and a grant of \$2,125,000.00.

**Interim Financing** - The applicant will attempt to borrow funds from commercial sources in an amount equal to the USDA loan(s) for the construction period only. If credit from commercial sources cannot be obtained, letters from these sources are to be obtained stating that credit is not available and submitted to the RUS Rural Development Manager. Attached are copies of RUS Bulletins 1780-10 and 1780-10a, for use in informing lenders of Rural Utilities' commitment.

RUS cannot issue a commitment letter to a lender for interim financing until the following are completed:

1. Plans, specifications, contract documents, and permits are accepted and approved.
2. Construction bids are received and are within the funds available.
3. RUS Regional Attorney's closing instructions can be complied with.
4. Bonds are validated.

Provided interim financing is used, construction will not begin until construction bids are obtained, and the necessary processing and legal work has been completed to the point where the RUS loan could be closed. The Rural Development Manager will approve Form RD 1924-18, "Partial Pay Estimate", to insure that funds are used for authorized purposes during the construction period.

If interim financing is used, although a commitment has been made by the Government, only those funds advanced to pay for construction and other authorized and legally eligible expenses incurred by the applicant will be deemed by the Government to be interim commercial indebtedness and retired by RUS with permanent instruments. Rural Utilities Service must be sure that the construction loan is properly administered and that when the RUS loan is closed, there is no doubt that Rural Utilities Service is fully secured. Rural Utilities must insist on the following at loan closing:

1. An affidavit by the general contractor that he has been paid-in-full in accordance with the terms of the contract, and that he has paid all sub-contractors, material men, and laborers with respect to the construction of the project. (It may be that he will have to get his final payment at the bond closing, from bond proceeds, and perhaps make some disbursements at that time to subcontractors and suppliers).

2. A certificate by the consulting engineer that the system has been constructed in accordance with applicable law and according to the plans and specifications approved by the Government.
3. A statement from the attorney that he has been paid to date in accordance with his agreement.

An unqualified opinion from bond counsel will be required. It will be the responsibility of the applicant and their commercial lender to be certain that bond counsel employed will issue an unqualified opinion. Bond counsel will be required to furnish evidence the interim financing has been paid-in-full.

When interim financing funds have been expended, the RUS loan will be closed and permanent instruments will be issued to evidence the RUS indebtedness.

**RUS Repayment Schedule** - The loan will be repayable over a period not exceeding **40** years from the date of loan closing. The **First Payment and Second Payments** will be due each **September 1**, following loan closing and will consist of interest only. The **Third Payment** and all succeeding installments, except the last installment, will be due **September 1**, and will consist of bond maturity plus accrued interest approximating equally amortized installments.

Prior to construction or loan closing, whichever occurs first, the applicant will execute From RD 1910-11 "Application Certification Federal Collection Policies For Consumer or Commercial Debts."

A form entitled "Authorization Agreement For Preauthorized Payments", SF Form 5510, will be required to be executed for each loan. Preauthorized Debit (PAD) will allow for your payment to be electronically debited from your account on the day your payment is due. You will receive a payment notice apprising you of the payment date and withdrawal amount. This agreement will authorize USDA, Rural Development, to directly access funds from the debt service account established by the applicant.

If RUS makes the loan, you may make a written request that the interest rate be the lower of the rate in effect at the time of loan approval or at the time of loan closing. If you do not request the lower of the two interest rates, the interest rate charged will be the rate in effect at the time of loan approval. The loan will be considered approved on the date a signed copy of Form RD 1940-1, "Request for Obligation of Funds", is mailed to you. If you want the lower of the two rates, your written request should be submitted to RUS as soon as practical. In order to avoid possible delays in loan closing such a request should ordinarily be submitted at least 30 calendar days before loan closing.

**Breakdown of Project Budget** - Financing for this project will be provided as follows:

Development	\$3,095,500	Contingencies	\$309,600
Legal Services	\$ 38,000	Engineering & Planning Services	\$513,000
Construction Interest	\$ 80,000	Land Acquisition	\$120,000
Financial Advisory	\$ 19,000		

**Required Number of New Users** - Prior to beginning construction or prior to closing of the RUS loan, whichever occurs first, the applicant will furnish evidence 342 EDU users are located within the service area to be served by the sewer system.

**Security Requirements** - Security for the loan will consist of **REVENUE BONDS** secured by a first lien on the revenues of the **Water and Sewer System**. The lien will be on parity with the **Revenue Bonds** issued by the District to secure the indebtedness of the Taylor Coastal Utilities, Inc., which has been assumed by the applicant.

The applicant's attorney will obtain the assistance of recognized bond counsel. All documents necessary to close the interim financing loan and the Rural Development loan must be prepared by bond counsel. RD Instruction 1780.83 will be followed by the applicant's attorney and bond counsel. Two bond copies of the complete bond transcript will be furnished to RUS by bond counsel at loan closing.

**Loan Resolution** - Prior to the commencement of construction or loan closing, whichever occurs first, the applicant will execute RUS Bulletin 1780-27 "Loan Resolution."

**Grant Agreement** - Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement" for your review. You will be required to execute a completed form at the time of grant closing. All sites being improved all non-expendable equipment being purchased must be described on the grant agreement.

For projects receiving grant assistance current regulations require that the applicant grant assistance will provide a drug free workplace. Form AD-1049 "Certification Regarding Drug Free Work Place Requirements", must be completed prior to receiving the Rural Development Grant.

**Land Rights** - Prior to advertising for construction bids or requesting closing instructions, whichever is earlier, you must provide evidence of title satisfactory to the USDA, Rural Development, for all assets constituting security for the loan(s). This will include marketable title to property owned or being purchased for the facility; and adequate continuous and valid rights-of-way easements, subject only to any exceptions approved in writing by Rural Development.

A third party independent appraisal is to be provided for any real estate or any other types of acquired properties, which are purchased for use as part of the proposed project for which RUS funds are to be utilized. Funds provided by RUS can only be utilized to the extent of the purchase price or appraised value, whichever is the lowest.

**Business Operations** - A rate schedule will be adopted by the applicant providing for the wastewater user rates of a base rate of \$35.15 for the first 4500 gallons of metered water used monthly, and \$3.40 for each 1000 gallons of water used over the minimum each month.

The bond ordinance will require the applicant to establish, as soon as the system becomes revenue producing, a depository in the State of Florida which is a member of the FDIC and which is eligible under the laws of Florida to receive municipal funds and maintain for the term of the loan special funds known as " **The Taylor Coastal Water and Sewer District Revenue Fund.**" These funds are to be kept separate from all other funds of the District and will be expended and used only as stipulated in the bond ordinance approved by Rural Development. A reserve account will be accumulated at the rate of one tenth of the annual debt payment until the equivalent of one annual debt payment is on deposit and there after as necessary to maintain said deposit amount.

**Metering Devices** - Water facilities financed by RUS will have metering devices for each connection. Sanitary sewer projects should incorporate water system metering devices whenever practicable. Prior to loan closing or start of construction whichever occurs first, the applicant will provide USDA, Rural Development, a certification that all water users have metering devices.

**Organization** - The loan and grant docket will include evidence that the applicant is legally organized under State Statutes such as a copy of the Charter or other acts of enabling legislation. The applicant's attorney is to provide an opinion that the applicant has the authority to carry out the planned method of construction, operation, maintenance, and repayment in connection with the proposed facility.

**Insurance and Bonding Requirements** - Property insurance, fire and extended coverage and flood insurance, if applicable, will be required on all above ground structures including equipment and machinery in an amount equal to the replacement value as recommended by the project engineer and approved by USDA, Rural Development. No insurance will be required on water reservoirs, standpipes and elevated tanks.

Requirements as outlined in RUS Instruction 1780 Subpart C will be followed by the applicant's engineer for all construction.

Worker's Compensation will be maintained as required by State law.

Public liability and property damage insurance will be maintained as recommend by the applicant's attorney and approved by RUS. If the applicant will own trucks, tractors, and other vehicles that frequently will be driven over public highways, liability and property damage insurance will be required.

**Fidelity bond** coverage in an amount equal to the total annual debt service requirements for the RUS loans is required on the position of the treasurer and/or others who have access to funds. The bond will be obtained prior to loan and grant closing. Form RD 440-24, "Position Fidelity Bond," may be used and copies are attached.

**Obtaining and Approval of Professional Services** - All contracts for services of consultants, attorneys, engineers, and auditors are subject to prior review and approval by Rural Development. All such contracts shall contain provisions that they are not effective until approved by the USDA, Rural Development.

**Engineering & Construction Requirements** - Rural Development Instruction 1780 Subpart C and RUS Bulletins 1780-13, 1780-14, and 1780-15 will be followed by the applicant and engineer for all construction. Three copies of each of these documents are attached and one copy is to be delivered to your engineer and attorney.

A preconstruction conference will be held after bid opening at a convenient time to be scheduled by RUS. In attendance will be the designated representatives of the applicant, consulting engineer, resident inspector, contractor's representatives, and RUS personnel.

**Debarment, Suspension:** A Certification must be provided to USDA on Form AD-1047 "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions." It must be understood and complied with including compliance with the requirement that "lower tier" transactions must also be supplemented with submittal of Form AD 1048, "Certification Regarding Debarment" Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions by the lower tier party to you." Lower tier transactions are those you engage in with contractors, sureties, engineers, auditors, insurance companies, and attorneys.

**Equal Opportunity/Civil Rights/Lobbying Requirements** - Under Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RUS financial assistance.

All residents located in the service area regardless of race, color, and religion. sex, national origin, marital status, age, physical/mental handicap, or level of income must be afforded an opportunity to become users of the facility

The applicant must agree to comply with the requirements of RUS Bulletin 1780-27, "Loan Resolution," Form RD 400-1, "Equal Opportunity Agreement" and Form RD 400-4, "Assurance Agreement." These agreements must be approved by the governing body and executed before loan and grant approval.

**Restrictions on Lobbying** - FmHA Instruction 1940-Q, Exhibit A-1, must be completed at the time an application or bid proposal is submitted requesting a loan exceeding \$150,000 or a grant exceeding \$100,000.

**Environmental Requirements** - As a result of the environmental assessment prepared by Rural Development, there are no mitigation measures required prior to loan closing.

1. Obtaining permits for construction and design from Florida Department of Environmental Protection.
2. Stormwater permits to be obtained from Florida Department of Environmental Protection and the Northwest Florida Water Management District.
3. Floodplain mitigation will include restrictions that limit connections to referenced areas of the project location description to existing homes, businesses and developed sites that currently have septic tank systems. The applicant will also be required to scrutinize all service connections and verify compliance with the USACOE Section 404 permit requirements for avoidance of wetland impacts.

**Records and Audit Requirements** - The applicant will be required to keep accounts and records on the operation of the facility separate and apart from other records in accordance with the bond ordinance. We suggest the applicant and auditing firm develop a set of records for this particular purpose unless adequate records are already in use. The person responsible for maintaining such records of accounts will be selected prior to loan and grant closing.

It is imperative that the applicant establish and maintain adequate business management practices through a system of record, reports, and audits which will assist the governing body in making effective decisions and thus help to insure a successful operation. The applicant will furnish an outline of the management procedures for the facility to include the name of the person(s) who will operate the facility, along with a brief agreement between the person(s) and the applicant showing services to be performed and wages to be paid.

Rural Utilities Service will be furnished management's reports as outlined in RUS Instruction 1780.47. A copy of this instruction is attached along with copies of our forms to be used for periodic and annual reports.

Prior to loan closing the applicant will enter into a contract with a qualified auditor to conduct the annual audit in accordance with generally accepted government auditing standards (GAGAS). In addition, the audits are also to be performed in accordance with various Office of Management and Budget (OMB) Circulars and RUS requirements. The specialist should provide the attached booklet entitled, "U.S. Department of Agriculture, Farmers Home Administration, Audit Program," to their accountant for guidance in conducting financial statement audits. Rural Utilities Service must approve the accounting and financial reporting system prior to loan and/or grant closing or commencing construction, whichever occurs first.

All forms needed for required Rural Utilities reports will be furnished by this office.

**Disbursement of RUS Funds** – Loan funds will be disbursed to retire the commercial interim construction financing. Grant funds will be disbursed as needed on a 30-day basis to pay for eligible project costs.

**Use of Remaining Funds** – After providing for all authorized costs, any remaining project funds will be considered to be the RUS loan and grant funds and refunded to USDA, Rural Development.

**Graduation Requirements** - Refinancing of your Rural Utilities Service debt will be required of you at reasonable rates and terms when it is determined that you are able to do so. Your loan account will be reviewed periodically to evaluate the potential for refinancing.

**Assumption of Existing Indebtedness** – The applicant agrees to assume the outstanding RUS indebtedness of the Taylor Coastal Utilities, Inc. and to accept the conveyance of all the assets and liabilities of the Taylor Coastal Utilities, Inc. on or before commencement of construction.


**Closing Instructions** - This loan and/or grant **will not** be closed until the Regional Attorney has been furnished all the documents required and has issued closing instructions. The applicant's attorney will carry out the Regional Attorney's closing instructions and will certify that the loan has been closed in accordance with the Regional Attorney's closing instructions.



**Taylor Coastal Water and Sewer District – Letter of Conditions**  
**September 13, 2002**  
**Page 9 of 9**

If the applicant decides to accept the Rural Utilities financing subject to the above conditions, RUS will proceed to take the necessary steps to process the loan.

Sincerely,

  
for **EUGENE PITTMAN**  
Rural Development Manager

EP/MJG/mjg

Enclosures

Cc: State Office, RUS



United States  
Department of  
Agriculture  
Rural Development

Florida/Virgin Islands  
2741 Pennsylvania Ave.  
Suite 5  
Marianna, FL 32448

Marianna Area Office  
Telephone: 850-526-2610  
Fax: 850-526-7534  
TDD: 352-338-3499  
[www.rurdev.usda.gov/fl](http://www.rurdev.usda.gov/fl)  
March 9, 2004

Mr. Floyd E. Ford, Chairman  
Taylor Coastal Water & Sewer District  
219 S. Quincy Street  
Perry, Florida 32348

AMENDMENT TO LETTER OF CONDITIONS  
DATED SEPTEMBER 13, 2002

Re: Application for Rural Utilities Service (RUS) Assistance  
New Wastewater Treatment and Collection System Project

Dear Mr. Ford:

This letter amends the Letter of Conditions dated September 13, 2002. A new Letter of Intent to Meet Conditions will be required to be executed to adopt the amended Letter of Conditions. All requirements of the previously issued Letter of Conditions remain in effect.

On page 7 of the Letter of Conditions, under Environmental Requirements, item 3 has been amended as follows: "Floodplain mitigation will include restrictions that limit connections to the referenced areas of the project location description to existing homes, businesses, developed sites, and the 181 platted single family housing lots as of July 1, 2003. Please be advised that Taylor Coastal Water and Sewer District will be required to scrutinize all service connections and verify compliance with the USACOE Section 404 permit requirements for avoidance of wetland impacts.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions", if you desire that further consideration be given to your application.

If the conditions set forth in this letter are not met within **sixty (60) days** from the date hereof, RUS reserves the right to discontinue the processing of the application.

If you decide to accept RHS service, subject to the above conditions, RHS will proceed to take the necessary steps to process the loan.

Sincerely,

EUGENE PITTMAN  
Area Director

EP/MJG/mjg

Attachments

Cc: RUS



Florida/Virgin Islands  
971 West Duval St, #190  
Lake City, FL 32055-3736

Lake City Area Office  
Telephone: (386) 719-5590  
FAX: (386) 754-4139  
TDD: (352) 338-3499  
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February 20, 2008

## LETTER OF CONDITIONS

Mr. Glenn Senter  
Chairman, Taylor Coastal Water and Sewer District  
18820 Beach Road  
Perry, Florida 32348

RE: Water and Waste Disposal Loan and Grant Program  
Phase II.— Sewage Collection

Dear Mr. Senter:

This letter establishes conditions which must be understood and agreed to by the Taylor Coastal Water and Sewer District (hereinafter referred to as the Applicant) before further consideration may be given to the referenced application. The State and Area staff of USDA, Rural Development (RD) will administer the loan and grant on behalf of the Rural Utilities Service (RUS). Any changes in project cost, source of funds, scope of services or any other significant changes in the project or applicant must be reported to and approved by RD, by written amendment to this letter. If significant changes are made without obtaining such approval, RD may discontinue processing the application.

This letter does not constitute loan/grant approval, nor does it ensure that funds are or will be available for the project.

Please complete and return the attached Form RD 1942-46, "Letter of Intent to Meet Conditions", and Form RD 1940-1, "Request for Obligation of Funds" if the District desires that further consideration be given to this application.

Within one (1) year of the date of this letter, the Applicant must meet all of the conditions set forth which can be met prior to calling for construction bids. If the Applicant has not done so, RD reserves the right to discontinue the processing of the application.

The application may be completed on the basis of the following:

**FUNDING** — A Rural Development loan of \$401,000 and a Rural Development grant not to exceed \$1,202,980.

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**BREAKDOWN PROJECT FUNDING:**

Rural Development Loan:	\$ 401,000.00
Rural Development Grant:	\$ 1,202,980.00
Predevelopment Grant (obligated 7/05)	\$ 14,020.00
EPA Grant	\$ 750,000.00
Total Project Cost.....	\$ 2,368,000.00

**OTHER FUNDING SOURCES** - Written evidence is to be furnished prior to advertising the project for construction bids as to the availability of other funds to be used in the project financing. Other funding planned to be received will be in the form of a \$750,000.00 State and Tribal Assistance Grant through U.S Environmental Protection Agency. Any loan/grant funds remaining more than 180 days after closing or completion of construction may be de-obligated by RD.

**RD REPAYMENT SCHEDULE** - The loan will be repayable over a period not exceeding 40 years from the date of loan closing. All installments will be due annually, on September 1<sup>st</sup>, of each year. The first 2 payments will consist of accrued interest only. All payments thereafter will consist of bond maturity plus accrued interest approximating equally amortized installments.

For planning purposes, use an annual installment of **\$21,834.00** per year which is based on the proposed loan of **\$401,000.00**, interest rate of **4.375%**, and 38 year amortization period. (54.45)

Prior to construction or loan closing, whichever occurs first, the applicant will execute Form RD 1910-11 "Applicant Certification - Federal Collection Policies for Consumer or Commercial Debts".

A form entitled "Authorization Agreement for Preauthorized Payments", Form SF 5510, will be required to be executed for the loan. Preauthorized Debit (PAD) will allow for the payment to be electronically debited from the Applicant's account on the day the payment is due. The Applicant will receive written notice of the payment date and the withdrawal amount. This agreement will authorize RD to directly access funds from the debt service account established by the Applicant.

**BREAKDOWN OF PROJECT BUDGET** - Estimated project costs are budgeted as follows:

Development	\$1,691,000.00
Contingency	\$ 169,100.00
Legal & Admin	\$ 100,000.00
Interest (Construction)	\$ 50,730.00
Engineering	\$ 332,170.00
Equipment	\$ 25,000.00
TOTAL	\$ 2,368,000.00

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Any changes in funding sources following obligation of RD funds must be reported to the processing official. You must assure that all project funds are expended only for the eligible items included in the project budget of this letter of conditions or as amended by RD in writing at a later date.

Prior to advertisement for construction bids, you must provide evidence of applicant contributions and approval of the other loan and/or grants. This evidence should include a copy of the loan and grant award. An agreement should be reached with all funding sources on how funds are to be disbursed before the start of construction.

**INTERIM FINANCING** - The Applicant will borrow funds from commercial sources in an amount equal to the USDA loan for the construction period only. If credit from commercial sources cannot be obtained, letters from these sources are to be obtained stating that credit is not available and submitted to the Area Office. RUS Bulletins 1780-10 and 1780-10a are used to inform lenders of RD's commitment. Copies of these bulletins can be obtained at: <http://www.usda.gov/rus/water/regs-bulletins.htm>.

RD cannot issue a commitment letter to a lender for interim financing until the following are completed:

1. Plans, specifications, contract documents and permits are accepted and approved.
2. Construction bids are received and are within the funds available.
3. RD Regional Attorney's closing instructions can be complied with.
4. Bonds are validated.

Provided interim financing is used, construction will not begin until construction bids are obtained, and the necessary processing and legal work has been completed to the point where the RD loan could be closed. The Area Office will approve "Partial Payment Estimate" on an EJCDC form to insure that funds are used for authorized purposes during the construction period. Forms can be located at the following website; <http://www.usda.gov/RUS/Water/wwforms.htm>

When interim financing is used, although a commitment has been made by the Government, only those funds advanced to pay for construction and other authorized and legally eligible expenses incurred by the applicant will be deemed by the Government to be interim commercial indebtedness and retired by the RD funding. RD must determine that the construction loan is properly administered and that when the RD loan is closed, the Government is fully secured. The following will be required prior to loan closing:

1. An affidavit by the general contractor that the firm has been paid in full (to date) in accordance with the terms of the contract, and that it has paid all subcontractors, material men, and laborers with respect to the construction of the project. (It may be that the general contractor will receive final payment at loan closing from loan proceeds and perhaps make some disbursements at that time to subcontractors and suppliers.)

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2. A certificate by the consulting engineer that the system has been constructed in accordance with applicable laws and according to the plans and specifications approved by the Government.
3. A statement from the attorney that he/she has been paid to date in accordance with his agreement.

An unqualified opinion from bond counsel will be required. It will be the responsibility of the applicant and their commercial lender to be certain that bond counsel employed will issue an unqualified opinion. Bond counsel will be required to furnish evidence the interim financing has been paid-in-full.

When interim financing funds have been expended, the RD loan will be closed and permanent instruments will be issued to evidence the RD indebtedness.

**REQUIRED NUMBER OF NEW USERS** – This Letter of Conditions is based upon the Applicant providing evidence or a certification that there will be at least 400 Wastewater users connected to the system when construction of the project has been completed. The 400 wastewater users are equivalent to 418 EDU's. An EDU is based on 5,440 gallons per month of water usage. Before RD can agree to the project being advertised for construction bids, you must provide evidence or a certification that the total required number of users are currently using the system or signed up to use the system and that the monthly water usage projected for each by the engineer is reasonable. In the event any large volume users discontinue the service, the Applicant must obtain enough additional revenue (i.e., increase in user rates, sign up of an adequate number of other users, reduction in project scope to reduce debt service and O&M, etc.) to make up the projected income that would be lost by not having those users on the system.

Applicants must provide a positive program to encourage connection by all users as soon as service is available. The program will be available for review and concurrence by the Rural Development processing office before loan closing or commencement of construction, whichever occurs first. Such a program should include:

1. An aggressive information program to be carried out during the construction period. The applicant should send written notification to all signed users in advance of the date service will be available, stating the date users will be expected to have their connections completed, and the date user charges will begin.
2. Positive steps to assure that installation services will be available. These may be provided by the contractor installing the system, local plumbing companies or local contractors.
3. Aggressive action to see that all signed users can finance their connections.

**ORGANIZATION** – The loan/grant docket will include evidence that the applicant is legally organized under State Statutes. Documents concerning the creation and legal existence of your entity are administratively acceptable; however, the documents will be reviewed further by our Office of General Counsel at the time your file is forwarded for

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closing instructions. Any changes required by our Legal Counsel will be included in the closing instructions. The applicant's attorney is to provide an opinion that the applicant has the authority to carry out the planned method of construction, operation, maintenance, and repayment in connection with the proposed facility.

**SECURITY REQUIREMENTS** - Security for the loan will consist of revenue bonds secured by a first lien on the revenues of the District's water and wastewater systems. The lien on water and sewer system revenues will be on parity with District's Series 2005 A bonds in the amount of \$406,914.60 and Series 2005 B bonds in the amount of \$675,000.00.

The District's attorney will obtain the assistance of recognized bond counsel. All documents necessary to close the interim financing loan and the Rural Development loan must be prepared by bond counsel. RD Instruction 1780.83 will be followed by the District's attorney and bond counsel. Two bond copies of the complete bond transcript will be furnished to RD by bond counsel at loan closing.

**LOAN RESOLUTION** - Prior to advertising the project for construction bids the District's Council will execute RUS Bulletin 1780-27 "Loan Resolution".

**GRANT AGREEMENT** - Attached is a copy of RUS Bulletin 1780-12, "Water and Waste System Grant Agreement", for review. The applicant will be required to execute a completed form at the time of grant closing. All sites being improved and all non-expendable equipment being purchased must be described on the grant agreement.

Any grant funds not disbursed immediately upon receipt must be deposited in an interest bearing account. Interest earned on grant funds in excess of \$250 per year will be remitted to the RUS annually as required in 7CFR3019.

For projects receiving grant assistance, current regulations require that the applicant will provide a drug free workplace. Form AD-1049, Certification Regarding Drug Free Work Place Requirements, must be completed prior to receiving the RD Grant

**LAND RIGHTS** - Prior to advertising for construction bids or requesting closing instructions, whichever is earlier, the Applicant must provide evidence of title satisfactory to RD, for all property necessary for system operation upon project completion. This will include marketable title to the property owned or being purchased for the facility; and adequate continuous and valid rights-of-way and easements, subject only to any exceptions approved in writing by RD.

A third party independent appraisal is to be provided for any real estate or any other types of acquired properties which are purchased for use as part of the proposed project for which RD funds are to be utilized. Funds provided by RD can only be utilized to the extent of the purchase price or appraised value, whichever is the lowest.

**BUSINESS OPERATIONS** -The facility must be operated in accordance with applicable State Statutes and regulations. Prior to commencement of construction the

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applicant will furnish a detailed written plan for the financial and functional operation of the system. If any functions or services are to be provided by contract(s) with third parties, prior approval of the contract by the RD is required. A certified plant operator must be employed.

**METERING DEVICES** – Water facilities financed by RD will have metering devices for each connection. Sanitary sewer projects should incorporate water system metering devices whenever practical. Prior to loan closing or start of construction whichever occurs first, the applicant will provide USDA, Rural Development a certification that all water users have a metering devices.

**RESERVES** – Reserves must be properly budgeted to maintain the financial viability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. Reserves can also be established and maintained for the anticipated and expected expenses including but not limited to operation and maintenance, customer deposits, and asset management for short lived assets.

As a part of this RD loan requirements, the District must establish and fund a debt service reserve fund equal to 10% of the annual payment each year (which shall be maintained over the life of the loan) until the equivalent of one annual installment has been reserved. This reserve is required to establish an emergency fund for emergency maintenance and repairs and debt repayment should the need arise. Ten percent of the proposed loan installment would equal \$2,184 per year.

In addition, the District must fund an asset management reserve for short-lived assets by depositing a sum of \$4,000 per year in addition to that required for the debt service reserve.

**INCOME AVAILABLE** – The Applicant must maintain a rate schedule for the water system that provides adequate income to meet the minimum requirements for operation and maintenance, debt service, and reserves.

**OPERATION AND MAINTENANCE EXPENSES** - O&M expenses must be properly budgeted to assure the financial viability of any operation. For planning purposes, we have utilized O&M expenses based on the information provided in the Preliminary Engineering Report which should be representative of a typical year. This information is utilized to determine loan repayment and is reflected in the operating budget. It is expected that O&M will change over each successive year and user rates will need to be adjusted appropriately.

**PROPOSED OPERATING BUDGET AND USER RATE ANALYSIS** – The Applicant will be required to submit a copy of its proposed annual operating budget and rate analysis to RD which supports the proposed loan repayment prior to this agency giving the Applicant written authorization to proceed with the bidding phase. The operating budget should be based on a typical year cash flow subject to completion of this project in the first full year of operation.

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The rate analysis will be required to show the number of users, their average consumption based on a twelve month consecutive average, and rate structure to

support the necessary revenue to make the operating budget cash flow. In the event that rates are not adequate for a positive cash flow, funds must be made available from other Applicant revenue sources in an amount sufficient to do so. Form RD 442-7, "Operating Budget" or similar form may be utilized for this purpose.

**INSURANCE AND BONDING REQUIREMENTS** – Prior to loan closing or start of construction, whichever occurs first, you must acquire the types of insurance and bond coverage shown below. The use of deductibles may be allowed providing you have the financial resources to cover potential claims requiring payment of the deductible. RD strongly recommends that you have your engineer, attorney, and insurance provider (s) review proposed types and amounts of coverage, including any exclusions and deductible provisions. It is your responsibility and not that of RD to assure that adequate insurance and fidelity or employee dishonesty bond coverage is maintained.

- a. General Liability Insurance – Include vehicular coverage.
- b. Workers' Compensation – In accordance with appropriate State laws.
- c. Position Fidelity Bond(s) – All positions occupied by persons entrusted with the receipt and/or disbursement of funds must be bonded. You should have each position bonded in an amount equal to the maximum amount of funds to be under the control of that position at any one time. The minimum coverage acceptable to RD will be for each position to be bonded for an amount at least equal to one annual installment on your loan(s). The coverage may be increased during construction of this project based on the anticipated monthly advances. The amount of coverage should be discussed and approved by RD.
- d. National Flood Insurance – If the project involves acquisition or construction in designated special flood or mudslide prone areas, you must purchase a flood insurance policy at the time of loan closing.
- e. Real Property Insurance – Fire and extended coverage will normally be maintained on all structures except reservoirs, pipelines and other structures if such structures are not normally insured and subsurface lift stations except for the value of electrical and pumping equipment. Prior to the acceptance of the facility from the contractor(s) you must obtain real property insurance (fire and extended coverage) on all facilities identified above.

**OBTAINING AND APPROVAL OF PROFESSIONAL SERVICES** – All contracts for services of consultants, attorneys, engineers and auditors are subject to prior review and approval by RD. All such contracts shall contain provisions that they are not effective until approved by RD.

**ENGINEERING & CONSTRUCTION REQUIREMENTS:** Rural Development Instruction 1780 Subpart C and EJCDC Contract Documents – Funding Agency Edition (2002) and RUS Bulletin 1780-26 will be utilized by the applicant and engineer for all

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construction. The Applicant's engineer will be responsible for obtaining these documents.

Construction will not begin until construction bids are obtained and the necessary processing and legal work has been completed to the point where the RD loan and grant can be closed.

A preconstruction conference will be held after bid opening at a convenient time to be scheduled by RD. In attendance will be the designated representatives of the Applicant, consulting engineer, resident inspector, contractor's representatives, and RD personnel.

**Debarment, Suspension:** A certification must be provided to RD on Form AD-1047 "Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions". It must be understood and complied with including compliance with the requirement that "lower tier" transactions must also be supplemented with submittal of Form AD-1048 "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions", by the lower tier party to you. Lower tier transactions are those you engage in with contractors, sureties, engineers, auditors, insurance companies and attorneys.

**Resident Inspection** - Full-time inspection is required unless waived or modified by RD in writing prior to advertisement for bids. This service is to be provided by the consulting engineer or other arrangements as approved by RD. Prior to the preconstruction conference, a resume of qualifications of the resident inspector(s) will be submitted to the owner and RD for review and approval. The owner will provide a letter of acceptance for all proposed inspectors to the engineer and RD. The resident inspector(s) must attend the pre-construction conference..

**Permits** - Copies of all permits needed for the project must be provided for review prior to advertisement for construction bids

**Contract Documents, Final Plans and Specifications -**

- a. The contract documents should consist of the EJCDC Construction Contract Documents as indicated in RUS Bulletin 1780-26 or other approved form of agreement.
- b. The contract documents, final plans, and specifications must comply with RUS Instruction 1780, Subpart C - Planning, Designing, Bidding, Contracting, Construction and Inspections and be submitted to RD for approval prior to advertisement for bids.
- c. The use of any procurement method other than competitive bidding must be requested in writing and approved by RD.

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- d. RD requires a pre-construction conference, pre-final, final, and warranty inspection.
- e. RD requires prior agency concurrence of all Change Orders, Invoices, and Payment Estimates.
- f. RD will monitor construction through routine inspections and review of monthly payment estimates, change order, and inspector's daily record to protect the interest of the agency.

**Bid Authorization** - Once all the conditions outlined in this letter have been met, RD may authorize you to advertise the project for construction bids and closing instruction obtained from the Regional Attorney. Such advertisement must be in accordance with appropriate State statutes. No Notice of Award will be issued until RD concurs with the engineer's recommendations. Immediately after bid opening you must provide RD with (a) bid tabulation, and (b) your engineer's evaluation of bids and recommendations for contract awards. If RD agrees that the construction bids received are acceptable, adequate funds are available to cover the total project costs, and all the administrative conditions of loan approval have been satisfied, loan closing instructions will be issued to you setting forth any further requirements that must be met before the loan can be closed, then a Notice of Award may be issued. Obligated loan and grant funds not needed to complete the proposed project will be deobligated prior to construction. Any reductions will be applied to grant funds first.

When all parties agree that the closing requirements can be met, a mutually acceptable date for the loan closing will be scheduled.

**Cost Overruns** - Cost overruns must be due to high bids or unexpected construction problems that cannot be reduced by negotiations, redesign, use of bid alternatives, re-bidding or other means prior to consideration by RD for subsequent funding. Such requests will be contingent on the availability of funds. Cost overruns exceeding 20% of the development cost at time of loan or grant approval or where the scope of the original purpose has changed will compete for funds with all other applications on hand as of that date.

**RESTRICTIONS ON LOBBYING** - Florida RUS Bulletin 1780-26 must be completed at the time an application or bid proposal is submitted requesting a loan exceeding \$150,000.00 or a grant exceeding \$100,000.00.

#### **ENVIRONMENTAL REQUIREMENTS**

The connection restrictions implemented in Phase I shall be applied to the Phase II service area. These restrictions limit connections to the existing homes, businesses, developed sites, and platted lots in existence as of July 1, 2003. The vulnerability of

*Based on the pump for water and septic by 2/1/06*

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the gulf coast to flooding as well as the presence of sensitive wetland environments within the project areas are prohibitive for any USDA Rural Development funding above and beyond what is highlighted by Project Phases I and II.

**Wetlands:** Section 404 of the Clean Water Act will be fully complied with. Silt screens will be installed during construction activities and all grasses disturbed by trenching will be replanted. Directional drilling will be employed for stream and canal crossings.

**Flood plains:** No impacts to floodplains are anticipated as the collection system will be installed in existing right of ways. Silt fencing will be installed during construction activities and all grasses disturbed by trenching will be reseeded.

**Biological Resources:** Silt fencing will be installed during construction activities and all grasses disturbed by trenching will be reseeded.

**RECORDS AND AUDIT REQUIREMENTS** - The Applicant will be required to keep accounts and records on the operation of the facility separate and apart from other records. We suggest the Applicant and auditing firm develop a set of records for this particular purpose unless adequate records are already in use. The person responsible for maintaining such records of accounts will be selected prior to loan closing.

It is imperative that the Applicant establish and maintain adequate business management practices through a system of records, reports, and audits which will assist the governing body in making effective decisions and thus help to insure a successful operation.

RD will be furnished financial reports as outlined in RUS Staff Instruction 1780.4. A copy of this instruction is attached along with copies of our forms to be used for periodic and annual reports.

Prior to loan closing the applicant will enter into a contract with a qualified auditor to conduct the annual audit in accordance with generally accepted government auditing standards (GAGAS). In addition, the audits are also to be performed in accordance with various Office of Management and Budget (OMB) circulars and RUS requirements.

**DISBURSEMENT OF RD FUNDS** -- Any applicant contribution shall be considered as the first funds expended. After providing for all authorized costs, any remaining RD project funds will be considered to be RD grant funds and refunded to RD. If the amount of unused RD project funds exceeds the RD grant, that part would be RD loan funds and applied as an extra payment.

The RD funds will be advanced as they are needed in the amount(s) necessary to cover the RD proportionate share of any disbursements required of your entity, over 30 day periods. Funds will be disbursed by electronic transfer of funds. Interim financing should be used for the RD loan portion of funding if it is available at reasonable rates

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and terms. Interim financing should not increase project costs unless your proposed operating budget supports such additional costs. You must provide RD with a copy of the tentative agreement reached in connection with interim financing for review and approval.

You must establish a separate account, to be known and hereafter referred to as the Construction Account, with a participating 31 CFR Part 202 collateral depositories, federal agency, or Federal Reserve Bank acting as a fiscal agent in the United States. All project funds will be deposited into this account. The account shall be used solely for the purpose of paying authorized costs of the project as outlined in the project budget. Once the funds are deposited into the Construction Account, they become your responsibility. Financial institutions or depositories accepting deposits of public funds and providing other financial agency services to the Federal Government are required to pledge adequate, acceptable securities as collateral. General requirements for designating depositories and regulations governing the pledging of collateral are identified in 31 CFR Part 202 ("Depositories and Financial Agents of the Federal Government"). Treasury's current acceptability and valuation requirements are identified in 31 CFR Part 380 ("Collateral Acceptability and Valuation") and specific eligibility and valuation guidance is provided in Treasury's procedural instructions and on Treasury's Bureau of the Public Debt website at [www.publicdebt.treas.gov](http://www.publicdebt.treas.gov). All funds in the account will be secured by a collateral pledge equaling at least 100% of the highest amount of funds expected to be deposited in the Construction Account at any one time.

**GRADUATION REQUIREMENTS** - Refinancing of the Rural Development loan, in whole or part, will be required when the Applicant is able to obtain such financing from a commercial source at reasonable rates and terms. The loan account will be reviewed periodically to evaluate the potential for refinancing.

**CLOSING INSTRUCTIONS** - The District will not be authorized to advertise for construction bids until the Regional Attorney has been furnished all the documents required and has issued closing instructions. The Applicant's attorney will carry out the Regional Attorney's closing instructions and will certify that the loan has been closed in accordance with the Regional Attorney's closing instructions.

**VULNERABILITY ASSESSMENT (VA) AND EMERGENCY RESPONSE PLAN (ERP)** Congress enacted the Public Health Security and Bioterrorism Preparedness Response Act of 2002, Public Law 107-188 (Bioterrorism Act). The Bioterrorism Act amended the Safe Drinking Water (SDWA) to require all medium and large sized community water systems (serving populations greater than 3,300) to assess vulnerability to terrorist attack and develop emergency plans for response to such an attack. Medium and large community water systems are being monitored by the U.S. EPA for completion of VA's and ERP's.

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Rural Development requires all financed water and wastewater systems to have a vulnerability assessment (VA) and an emergency response plan (ERP) in place. New water or wastewater systems must provide a certification that an ERP is complete prior to the start of operations. A certification that a VA is complete must be submitted within one year of the start of operations. All other borrowers must provide a certification that a VA and ERP are complete prior to bid authorization.

You will also be required to provide a certification that the VA and ERP are complete and are current every three years after the start of operations. RD does not need or want a copy of the VA or ERP. The requested certification will be sufficient to meet our needs. Technical assistance providers are available to provide on site assistance if desired.

**Civil Rights & Equal Opportunity** - You should be aware of and will be required to comply with other federal statute requirements including but not limited to:

**Section 504 of the Rehabilitation Act of 1973** – Under section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), no handicapped individual in the United States shall, solely by reason of their handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving RD financial assistance.

**Civil Rights Act of 1964** – All borrowers are subject to, and facilities must be operated in accordance with, title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) and subpart E of part 1901 of this title, particularly as it relates to conducting and reporting of compliance reviews. Instruments of conveyance for loans and/or grants subject to the Act must contain the covenant required by paragraph 1901.202(e) of this title.

**The Americans with Disabilities Act (ADA) of 1990** – This Act (42 U.S.C. 12101 et seq.) prohibits discrimination on the basis of disability in employment, State and local government services, public transportation, public accommodations, facilities, and telecommunications. Title II of the Act applies to facilities operated by State and local public entities which provides services, programs and activities. Title III of the Act applies to facilities owned, leased, or operated by private entities which accommodate the public.

**Age Discrimination Act of 1975** – This Act (42 U.S.C. 6101 et seq.) provides that no person in the United States shall on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

RD financial programs must be extended without regard to race, color, religion, sex, national origin, marital status, age, or physical or mental handicap.

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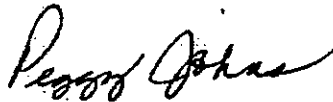
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**Public Information** – Prior to loan/grant approval the District must properly advertise and hold a public meeting to provide information regarding the proposed project and RD financing. The meeting must be advertised at least 10 days prior to the meeting date and be posted at the District's business office. Copies of the advertisement, affidavit of publication, and meeting minutes must be provided to RD.

Should the Applicant decide to accept the RD financing subject to the above conditions, RD will proceed to take the necessary steps to approve the loan and grant.

Sincerely,



**PEGGY JOHNS**  
Area Director

Enclosures

cc: Community Programs Director

All Forms and Regulations referenced herein can be obtained at the following web sites:

Regulations: <http://www.usda.gov/rus/water/regs.htm>  
Forms: <http://www.usda.gov/rus/water/wwforms.htm>

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**Brunilda Robles, Area Director**  
**Lake City Rural Development Area Office**  
971 W. Duval St.  
Lake City, Florida 32055-3736  
E-mail: Brunilda.robles@usda.gov

**August 3, 2020**  
Via Regular U.S. Mail and E-mail

Re: Taylor Coastal Centralized Wastewater System

Dear Ms. Robles:

We represent Taylor Coastal Water & Sewer District ("TCWSD") who controls the Taylor Coastal Centralized Wastewater System since its substantial completion on December 5, 2005. The system is working well and we have included the 2018 CAR as well as the DMR Calculations from 2006 to 2020.

At the present time, we have 508 equivalent residential connections to the system. Average daily flow per connection is below the estimates provided by our engineers, Jones Edmunds and Associates. In determining what properties may be connected to the system, TCWSD is presently abiding by a literal interpretation of the language in the amended Letter of Conditions that was signed to receive or grant funds. This restriction states that only existing homes, businesses and lots with septic tanks and the 181 lots that existed in July 2003 may be connected to the system. This connection restriction is creating quite a dilemma for us. In addition to the limitation this places on existing customers desiring to sell a portion of their property, several small developments are now proposed in the area and are permissible, due to their density, with septic tanks or a small package wastewater plant for on site wastewater disposal. **Installation of septic tanks on these lots will reintroduce sewage effluent into the same surface waters where over \$4,000,000.00 was expended to eliminate septic tanks.** Package plants produce a better quality effluent, but even the encapsulated types are very vulnerable to releasing waste into the environment from surge and wave action during storm events. **At our coast, these package plants could be as much as 15 feet under water during hurricanes.** Our centralized WWTP is located well inland, above the FEMA 100-year flood elevation, and is heavily constructed so that spills are very unlikely. Our plant disposes of its effluent by spray irrigation with no impacts to surface waters. The desire and mission of the TCWSD is to remove all polluting sources from the high hazard zone and to protect the fragile coastal environment. To do so will require that no more septic or processing plants be allowed to locate within this delicate zone. The TCWSD mission adheres to the scope of the Clean Water Act.



In discussing the connection restriction that was placed on our system, we were told there is a requirement against using Federal grant funds to encourage development in the High Hazard Coastal Zone. The smaller, low-density developments mentioned above that are coming to us requesting sewer service are permissible under present regulations for onsite disposal. They do not require our system to develop, but from an environmental and common sense perspective, should connect to our system. **From our perspective, connecting them to our system does not encourage development because coastal property owners will develop with or without us.** Large, high-density developments cannot connect to our system due to our limited available capacity and their dependence for permitting on connection to a centralized system due to their proposed high density.

We ask that USRDA revisit this issue and modify the letter of conditions to allow connection of local new developments so long as the following conditions are met:

1. Sufficient capacity is available in our system to allow them to connect;
2. The development is permissible with wastewater disposal to septic tanks or an on site package plant under present environmental regulations.

The Clean Water Act was implemented to clean up our surface waters. It is simply not consistent with sound environmental management to prohibit connection to a centralized wastewater system and install septic tanks or a package plant where these pollution sources were recently abated with Federal grant monies.

Lastly, we respectfully request guidance on proposals from and for developers to either (1) fund expansion of TCWSD's current plant or (2) provide infrastructure specifically for the service of the development with the possibility of pumping the effluent to TCWSD's main plant.

Please feel free to contact me if you have any questions or need anything further to consider this request.

Respectfully,

  
Joseph R. Boyd, Esquire  
General Counsel for TCSWD

JRB;ar

cc: Client

**TAYLOR COASTAL WATER & SEWER DISTRICT**  
**18820 BEACH ROAD**  
**PERRY, FL 32348**

**Phone/Fax: (850) 578-3043**

**www.tcwsd.org**

**tcwsd@fairpoint.net**

July 25, 2018

Via email at Katie.L.Ates@dep.state.fl.us and US Mail

Department of Environmental Protection Northwest District Office  
Attn: Katie Ates, Wastewater Permitting  
160 W. Government Street, Suite 308  
Pensacola, Florida 32502

RE: Taylor Coastal Water and Sewer District WWTP  
Permit No.: FLA325864-004

Dear Katie,

Per our permit requirement V.B.1., an updated capacity analysis report is due to the Department by December 11, 2018, unless the percent capacity of the WWTF does not exceed 50% for three consecutive months. Since February 2006, the maximum percent capacity (TMADF/Permitted Capacity x 100) has not exceeded 50% for any given month. Below is a summary of WWTP flows:

Year	Flow (MGD)			Max % Capacity (TMADF/0.080 MGD)
	Annual Average	Max Month Average Day	Max 3-Month Average Day	
2006*	0.017	0.029	0.023	29%
2007	0.016	0.027	0.024	30%
2008	0.017	0.032	0.025	31%
2009	0.017	0.030	0.022	28%
2010	0.018	0.031	0.026	33%
2011	0.023	0.040	0.033	41%
2012	0.025	0.040	0.033	41%
2013	0.026	0.050	0.037	46%
2014	0.026	0.030	0.030	38%
2015	0.023	0.040	0.033	41%
2016	0.025	0.040	0.037	46%
2017	0.024	0.040	0.033	41%
2018*	0.025	0.030	0.030	38%
MAX:	0.026	0.050	0.037	46%

\*2006 represents data beginning in February

\*2018 represents data through June

In accordance with the operating permit, the District would like to request that the Capacity Analysis Report requirement be waived on the basis of WWTP flows remaining below 50% capacity. If any further information is required to process this request, please let us know. We greatly appreciate your assistance.

Sincerely,

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

cc: Mr. Trevor Burch, P.E., Project Manager, Dewberry (via email at [tburch@dewberry.com](mailto:tburch@dewberry.com))

DMR Summary

TOWSD  
FLA 325864

MONTH	FLOW MAX	FLOW Mo. Avg.	FLOW An. Avg.	FLOW 3mos Avg.	pH Mo. Avg.	pH Min.	pH Max.	Chlorine Mo. Avg.	Chlorine Min.	Nitrite+Nitrate Max	F.Coll Mo. Avg.	F.Coll An. Avg.	F.Coll Max.	CBOD, In Mo. Avg.	CBOD, In Wk. Avg.	CBOD, Eff Mo. Avg.	CBOD, Eff An. Avg.	TSS, In Mo. Avg.	TSS, In An. Avg.	TSS, Eff Mo. Avg.	TSS, Eff An. Avg.	% Capacity Imad/60,000
[Standards]	0.015	0.010	0.010	0.010	6.7	6.0	7.4	1.1	0.6		2	2.0	300	138	40.0	20.0	20.0	168	30.0	48.0	13%	
Feb-08	0.019	0.015	0.010	0.013	6.8	6.1	7.2	1.2	0.7		1	2.0	1	179	3.8	5.0	4.4	203	10.2	20.0	14.7	16%
Mar-08	0.027	0.019	0.015	0.015	7.0	6.6	7.2	1.7	1.0		1	2.0	1	342	2.2	4.4	2.4	325	4.0	14.8	6.4	18%
Apr-08	0.051	0.020	0.016	0.018	7.0	6.6	7.5	2.0	1.4		1	1.0	1	183	2.0	3.8	2.0	225	3.2	11.9	4.8	23%
May-08	0.040	0.021	0.020	0.020	7.2	6.8	7.5	1.8	0.9		1	1.0	1	175	2.0	3.4	2.0	228	2.5	10.0	3.4	25%
Jun-08	0.051	0.028	0.019	0.023	7.1	6.9	7.4	1.4	0.5		11	3.0	21	281	2.8	3.3	3.5	267	3.7	8.9	4.0	28%
Jul-08	0.031	0.018	0.019	0.023	7.0	6.5	7.4	1.5	0.5		26	6.0	76	189	2.0	3.1	2.0	184	3.9	8.2	4.4	28%
Aug-08	0.032	0.016	0.019	0.021	6.9	6.5	7.3	1.5	0.5		1	6.0	1	233	2.0	3.0	2.0	107	6.2	8.0	6.6	26%
Sep-08	0.018	0.011	0.018	0.015	6.4	6.0	7.0	1.5	0.5		1	5.0	1	136	2.0	2.9	2.0	128	8.5	8.0	9.8	19%
Oct-08	0.021	0.013	0.017	0.013	6.7	6.1	7.8	1.6	0.5		1	5.0	1	203	3.0	2.9	3.9	133	11.3	8.4	13.8	17%
Nov-08	0.029	0.013	0.017	0.012	7.1	6.5	7.6	1.5	0.5		1	4.0	1	282	2.0	2.8	2.0	206	3.6	7.9	5.0	16%
Dec-08	0.012	0.012	0.016	0.013	7.4	6.8	7.8	1.1	0.5		1	4.0	1	272	2.4	2.8	3.1	188	4.4	7.6	5.8	16%
Jan-07	0.019	0.012	0.017	0.012	7.2	6.8	7.8	1.9	0.6		1	3.8	1	1189	3.2	2.5	3.8	1152	6.4	5.7	9.4	15%
Feb-07	0.027	0.017	0.017	0.014	7.0	6.7	7.3	2.1	1.5		1	3.8	1	211	3.5	2.4	3.8	166	4.2	5.2	4.6	17%
Mar-07	0.023	0.018	0.017	0.016	6.7	6.2	7.3	2.1	0.8		1	3.9	1	191	2.1	2.4	2.1	294	5.3	5.3	5.4	20%
Apr-07	0.034	0.019	0.017	0.018	6.5	6.0	7.3	1.7	0.7		1	3.9	1	99	3.5	2.5	3.7	173	6.2	5.5	8.4	23%
May-07	0.030	0.020	0.017	0.019	6.8	6.3	7.2	1.7	0.5		1	3.9	1	140	2.2	2.6	2.4	116	3.2	5.6	3.8	24%
Jun-07	0.043	0.027	0.016	0.022	6.7	6.0	7.1	1.3	0.5		1	3.1	1	129	2.0	2.5	2.0	131	2.7	5.5	3.2	28%
Jul-07	0.037	0.024	0.017	0.024	6.8	6.2	7.3	1.9	0.8		1	1.0	1	63	2.0	2.5	2.0	55	1.3	5.3	1.6	30%
Aug-07	0.038	0.018	0.017	0.023	6.6	6.0	7.0	1.8	0.5		1	1.0	1	47	2.0	2.5	2.0	74	2.5	5.0	3.8	29%
Sep-07	0.015	0.009	0.017	0.017	6.9	6.3	7.8	1.7	0.5		1	1.0	1	84	3.3	2.6	4.6	224	3.0	4.5	5.0	21%
Oct-07	0.016	0.010	0.017	0.012	6.9	6.0	7.8	1.4	0.5		1	1.0	1	59	2.0	2.5	2.0	71	5.9	4.1	7.0	15%
Nov-07	0.016	0.008	0.016	0.008	7.0	6.3	7.9	1.4	0.5		1	1.0	1	86	2.1	2.5	2.2	85	6.7	4.5	11.9	10%
Dec-07	0.010	0.006	0.016	0.008	7.3	6.7	8.0	2.0	0.8		1	1.0	1	78	2.4	2.6	3.3	110	11.2	5.1	16.3	10%
Jan-08	0.017	0.012	0.016	0.009	7.2	6.5	8.0	2.1	1.5		1	1.0	1	75	2.0	2.4	2.0	103	7.1	5.1	10.9	11%
Feb-08	0.033	0.016	0.016	0.012	7.0	6.1	7.6	2.1	1.5		1	1.0	1	92	2.4	2.3	2.8	153	6.0	5.3	7.0	15%
Mar-08	0.027	0.017	0.018	0.015	6.8	6.1	7.6	2.1	1.5		1	1.0	1	50	2.5	2.4	3.0	263	6.8	5.4	8.2	19%
Apr-08	0.031	0.020	0.018	0.018	6.9	6.0	7.2	2.1	1.1		1	1.0	1	34	4.5	2.5	7.0	87	6.1	5.4	9.3	22%
May-08	0.030	0.020	0.018	0.019	6.7	6.4	7.0	2.1	0.9		1	1.0	1	34	5.7	2.7	8.9	61	2.2	5.3	2.8	24%
Jun-08	0.063	0.032	0.016	0.024	6.9	6.6	7.2	2.2	2.1		1	1.0	1	156	4.8	3.0	9.0	202	4.5	6.4	6.2	30%
Jul-08	0.035	0.024	0.018	0.025	6.7	6.4	6.8	2.2	2.2		1	1.0	1	33	2.8	3.0	3.2	66	2.1	5.5	2.2	32%
Aug-08	0.043	0.015	0.016	0.024	6.8	6.5	7.0	2.1	1.1		1	1.0	1	178	5.0	3.3	7.0	473	3.5	5.6	4.6	30%
Sep-08	0.020	0.010	0.016	0.016	6.7	6.4	7.0	2.2	2.2		1	1.0	1	33	6.5	3.6	9.0	23	3.2	6.6	5.4	20%
Oct-08	0.014	0.009	0.016	0.011	6.8	6.3	7.4	2.1	0.7		1	1.0	1	34	3.5	3.7	3.9	53	3.3	5.4	4.6	14%
Nov-08	0.030	0.017	0.017	0.012	7.2	7.0	7.5	1.7	0.5		1	1.0	1	85	2.6	3.7	3.4	130	8.5	5.4	12.1	16%
Dec-08	0.027	0.018	0.018	0.015	6.8	6.0	7.1	0.9	0.5		1.5	1.0	2	65	2.0	3.7	2.0	92	8.7	5.2	10.3	18%
Jan-09	0.016	0.010	0.017	0.015	6.4	6.2	6.8	0.9	0.5		1	1.0	1	60	2.0	3.7	2.0	108	5.2	5.0	5.2	19%
Feb-09	0.020	0.014	0.017	0.014	6.2	6.0	6.4	0.9	0.5		1	1.0	1	77	2.0	3.7	2.0	107	19.2	6.1	19.2	18%
Mar-09	0.036	0.018	0.017	0.014	6.2	6.0	6.4	1.1	0.6		1	1.0	1	475	2.6	3.7	2.6	830	10.6	8.4	830.0	18%
Apr-09	0.029	0.018	0.017	0.017	6.2	6.0	6.4	1.1	0.5		3	1.2	3	55	2.0	3.5	2.0	58	1.4	6.0	1.4	21%
May-09	0.021	0.017	0.017	0.018	6.3	6.0	6.9	0.9	0.5		1	1.2	1	56	2.0	3.2	2.0	90	2.0	6.0	2.0	22%
Jun-09	0.058	0.030	0.017	0.022	6.5	6.0	7.2	1.1	0.5		1	1.2	1	111	2.0	2.9	2.0	108	5.4	6.1	5.4	27%
Jul-09	0.028	0.019	0.016	0.022	6.1	6.0	6.6	1.5	0.5		1	1.2	1	36	3.9	3.0	3.8	71	17.7	7.4	17.7	28%
Aug-09	0.043	0.018	0.017	0.022	6.4	6.1	6.9	1.6	0.5		2	1.3	2	48	2.3	2.8	2.3	82	2.0	7.3	2.0	28%
Sep-09	0.019	0.013	0.017	0.017	6.3	6.0	6.7	1.1	0.5		1	1.3	1	30	2.0	2.4	2.0	87	2.8	7.2	2.8	21%
Oct-09	0.019	0.014	0.017	0.015	6.1	6.0	6.5	0.9	0.5		1	1.3	1	40	2.0	2.3	2.0	68	6.2	7.5	6.2	19%
Nov-09	0.020	0.010	0.017	0.012	6.5	6.0	7.3	0.7	0.5		8	1.9	8	114	2.1	2.2	2.1	221	16.2	8.0	16.2	15%
Dec-09	0.016	0.011	0.016	0.012	6.8	6.3	7.1	1.2	0.6		1	1.8	1	152	2.0	2.2	2.0	145	34.3	10.2	34.3	15%
Jan-10	0.015	0.009	0.016	0.010	6.5	6.4	6.7	1.0	0.5		1	1.8	1	73	2.3	2.3	2.3	115	19.0	11.3	19.0	13%
Mar-10	0.020	0.014	0.016	0.011	6.4	6.1	6.7	1.1	0.5		6	2.3	6	111	3.4	2.4	3.4	156	18.3	11.2	180.3	14%
Apr-10	0.025	0.017	0.016	0.013	6.4	6.0	6.9	1.2	0.5		1	2.3	1	64	2.0	2.3	2.0	327	3.8	10.7	3.8	17%
May-10	0.037	0.016	0.016	0.016	6.3	6.0	6.5	1.0	0.5		14	3.2	14	60	2.0	2.3	2.0	108	17.2	12.0	17.2	20%
Jun-10	0.028	0.018	0.016	0.017	6.3	6.1	6.5	0.7	0.5		5	3.5	5	40	2.0	2.3	2.0	64	1.6	12.0	1.6	22%
Jul-10	0.059	0.031	0.016	0.022	6.6	6.1	7.2	0.8	0.5		9	4.2	9	80	2.0	2.3	2.0	100	1.8	11.7	1.8	28%
Aug-10	0.035	0.025	0.016	0.025	6.3	6.0	6.5	1.0														

MONTH	FLOW MAX	FLOW Mo. Avg.	FLOW 3mos Avg	FLOW An. Avg.	pH Mo. Avg.	pH Min.	pH Max.	Chlorine Mo. Avg.	Chlorine Min.	Nitrite-Nitrat Max	F. Coll MoGo	F. Coll Mean	F. Coll An. Avg.	Max	F. Coll Max	CBOD, In Mo. Avg.	CBOD, In Wk. Avg.	CBOD, In Mo. Avg.	CBOD, In An. Avg.	CBOD, In Max	TSS, In Mo. Avg.	TSS, In An. Avg.	TSS, In Max	% Capacity Inlet/100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

## DMR Summary

TCWSD  
FLA 325864

MONTH	FLOW MAX	FLOW Mo. Avg.	FLOW An. Avg.	FLOW 3mos Avg.	pH Mo. Avg.	pH Min.	pH Max.	Chlorine Mo. Avg.	Chlorine Min.	Nitrite+Nitrate Max	F. Coll.		F. Coll. Max	CBOD Mo. Avg.	CBOD Wk. Avg.	CBOD Mo. Avg.	CBOD An. Avg.	CBOD 30-D Avg.	CBOD Eti	CBOD Eti	TSS Mo. Avg.	TSS Int	TSS Eti	TSS Eti	% Capacity tmad/80,000
											McGeoMean	An. Avg.													
(Standard)	0.044	0.020	0.025	0.020	6.8	6.3	6.9	1.4	0.7	23.50	200	6.5	1	108	2.0	2.0	2.0	2.1	2.0	78	6.3	10.8	6.3	25%	
Dec-16	0.069	0.020	0.025	0.020	6.6	6.4	6.9	1.8	1.1	23.40	1	6.5	1	77.5	2.0	2.0	2.0	2.1	2.0	38	19.3	11.8	19.3	25%	
Jan-16	0.057	0.020	0.025	0.020	7.1	6.9	7.3	2.1	1.0	1.26	1	6.5	1	340	2.0	2.0	2.0	2.1	2.0	46	12.7	12.0	12.7	25%	
Feb-16	0.082	0.020	0.025	0.020	7.3	7.1	7.5	2.1	0.8	0.08	1	6.5	1	90.9	2.0	2.0	2.0	2.1	2.0	134	14.3	12.3	14.3	25%	
Mar-16	0.087	0.020	0.025	0.020	7.4	7.2	7.7	2.2	2.1	0.15	1	6.5	1	89.3	2.0	2.0	2.0	2.1	2.0	85	64	12.3	12.3	25%	
Apr-16	0.141	0.030	0.026	0.023	7.3	7.2	7.4	2.2	1.5	0.28	1	6.5	1	88.8	2.0	2.0	2.0	2.6	2.0	172	5.6	12.5	5.6	29%	
May-16	0.132	0.030	0.027	0.027	7.2	7.1	7.4	1.7	0.6	0.03	8	7.0	8	124	6.7	6.7	3.0	6.7	74	24.0	13.9	24.0	33%		
Jun-16	0.148	0.040	0.028	0.033	7.0	7.2	7.6	1.6	0.8	0.03	3	7.1	3	183	8.6	8.6	3.5	8.6	154	13.3	14.1	13.3	42%		
Jul-16	0.168	0.040	0.028	0.037	8.0	7.2	7.6	1.9	0.7	0.03	89	14.4	89	86.7	12.3	12.3	4.4	12.3	120	10.3	13.8	10.3	48%		
Sep-16	0.132	0.020	0.027	0.033	7.0	6.6	7.4	1.5	0.7	4.81	1	14.4	1	120	4.0	4.0	4.0	4.5	4.0	54	13.0	14.3	13.0	42%	
Oct-16	0.073	0.020	0.027	0.027	6.5	6.3	7.1	1.4	0.7	45.82	200	30.9	200	175	5.0	5.0	4.8	5.0	72	45.0	17.1	45.0	33%		
Nov-16	0.066	0.020	0.027	0.020	6.7	6.2	7.0	1.9	1.0	33.20	1	30.9	1	88.5	2.0	2.0	2.0	4.8	2.0	34	28.0	17.8	28.0	25%	
Dec-16	0.041	0.020	0.027	0.020	6.4	6.1	6.5	1.8	1.0	34.80	1	25.7	1	177	2.5	2.5	2.5	4.8	2.5	72	17.5	18.6	17.5	25%	
Jan-17	0.063	0.020	0.027	0.020	6.3	6.2	6.3	1.9	1.0	48.40	1	25.7	1	137	2.0	2.0	2.0	4.8	2.0	89	2.3	18.2	2.3	25%	
Feb-17	0.057	0.020	0.027	0.020	6.3	6.2	6.5	2.2	1.8	29.50	1	25.7	1	172	2.0	2.0	2.0	4.8	2.0	44	26.0	18.8	25.0	25%	
Mar-17	0.075	0.020	0.027	0.020	6.3	6.0	6.4	1.9	1.1	36.50	1	25.7	1	89.4	2.3	2.3	4.3	4.8	2.3	64	42.4	21.3	42.4	25%	
Apr-17	0.084	0.020	0.028	0.023	6.4	6.1	6.4	1.3	0.9	27.50	1	25.7	1	107	2.0	2.0	2.0	4.3	2.0	70	4.4	20.4	4.4	25%	
May-17	0.140	0.030	0.028	0.023	6.7	6.4	6.8	1.2	0.8	9.68	1	25.7	1	81.5	2.0	2.0	2.0	4.3	2.0	32	3.0	18.7	3.0	29%	
Jun-17	0.107	0.030	0.028	0.027	6.8	6.8	6.9	1.2	0.6	8.70	1	25.7	1	78.8	2.0	2.0	2.0	3.9	2.0	86	5.0	19.6	5.0	33%	
Jul-17	0.161	0.040	0.028	0.033	6.8	6.8	7.1	1.8	0.8	0.44	1	25.1	1	103	2.0	2.0	2.0	3.3	2.0	48	1.0	17.7	1.0	42%	
Aug-17	0.110	0.030	0.028	0.033	6.8	6.8	7.0	1.3	0.8	0.98	1	25.0	1	103	5.2	5.2	2.7	5.2	84	6.3	17.3	8.3	42%		
Sep-17	0.134	0.020	0.026	0.030	7.1	6.8	7.3	1.0	0.8	10.60	1	17.7	1	6	7.5	7.5	3.0	7.5	166	5.0	16.8	5.0	38%		
Oct-17	0.089	0.020	0.026	0.023	7.1	7.0	7.2	1.3	0.7	14.90	1	17.7	1	93.2	2.0	2.0	2.8	2.8	2.0	42	5.6	16.2	5.6	29%	
Nov-17	0.072	0.020	0.026	0.020	6.8	6.6	7.1	1.4	0.8	8.00	200	17.7	200	82.2	2.0	2.0	2.8	2.0	84	4.0	12.8	4.0	25%		
Dec-17	0.048	0.020	0.026	0.020	6.8	6.5	6.8	1.7	0.8	25.60	1	17.7	1	155	2.0	2.0	2.8	2.0	54	1.2	10.5	1.2	25%		
Jan-18	0.057	0.020	0.026	0.020	6.8	6.4	6.8	2.2	2.2	24.20	1	17.7	1	166	2.0	2.0	2.8	2.0	82	9.0	9.8	9.0	25%		
Feb-18	0.079	0.020	0.026	0.020	6.7	6.6	6.9	1.9	1.0	0.60	1	17.7	1	103	2.0	2.0	2.8	2.0	120	4.8	10.0	4.6	25%		
Mar-18	0.085	0.020	0.026	0.020	6.9	6.8	7.0	2.2	2.2	1.75	1	17.7	1	163	2.0	2.0	2.7	2.0	212	3.8	8.1	3.8	25%		
Apr-18	0.087	0.030	0.027	0.023	6.9	6.8	7.0	2.2	2.2	0.03	1	17.7	1	139	2.0	2.0	2.0	2.7	2.0	86	10.0	5.4	10.0	29%	
May-18	0.077	0.030	0.028	0.027	6.8	6.8	6.9	1.6	1.0	0.43	1	17.7	1	183	3.3	3.3	2.8	3.3	32	4.1	5.4	4.1	33%		
Jun-18	0.103	0.030	0.028	0.030	6.9	6.9	6.9	2.2	2.2	0.41	1	17.7	1	59	2.0	2.0	2.8	2.0	40	4.4	5.5	4.4	38%		
Jul-18	0.176	0.050	0.029	0.037	6.9	6.9	6.9	2.2	2.2	0.25	1	17.7	1	59.2	2.0	2.0	2.8	2.0	56	6.6	5.7	6.6	46%		
Aug-18	0.110	0.030	0.028	0.037	7.0	6.7	7.1	2.0	2.0	4.85	1	17.7	1	25.2	2.0	2.0	2.8	2.0	42	2.7	5.8	2.7	46%		
Sep-18	0.062	0.020	0.028	0.033	7.0	7.0	7.0	2.2	2.2	6.75	1	17.7	1	63	2.0	2.0	2.1	2.1	2.0	38	6.8	5.7	6.8	42%	
Oct-18	0.077	0.020	0.028	0.023	7.0	6.9	7.0	1.9	1.6	0.23	2	17.8	2	73.4	2.0	2.0	2.1	2.0	48	6.1	6.8	6.1	29%		
Nov-18	0.061	0.020	0.028	0.020	6.7	6.7	7.0	2.0	1.8	13.92	1	17.8	1	18	2.0	2.0	2.1	2.0	74	5.2	5.7	5.2	25%		
Dec-18	0.116	0.030	0.028	0.023	6.7	6.6	7.0	1.9	1.5	14.02	1	12	1	68.4	2.5	2.5	2.2	2.5	44	28.2	7.7	28.2	29%		
Jan-19	0.072	0.020	0.028	0.023	6.8	6.6	7.0	2.1	2.0	13.72	1	12	1	142	2.0	2.0	2.2	2.0	48	5.0	8.0	5.0	29%		
Feb-19	0.071	0.020	0.028	0.023	6.8	6.7	7.0	2.2	2.2	16.32	1	12	1	231	2.0	2.0	2.2	2.0	40	6.5	7.8	6.5	29%		
Mar-19	0.079	0.020	0.028	0.020	6.8	6.7	7.0	2.2	2.2	0.13	3	13	3	93	2.0	2.0	2.2	2.0	60	8.0	6.1	8.0	25%		
Apr-19	0.094	0.030	0.029	0.023	7.1	7.0	7.2	2.2	2.2	0.10	1	13	1	176	2.0	2.0	2.2	2.0	74	20.0	9.5	20.0	29%		
May-19	0.074	0.030	0.029	0.027	7.1	7.0	7.2	2.2	2.2	5.47	1	13	1	357	7.3	7.3	2.6	7.3	284	16.9	10.0	16.9	33%		
Jun-19	0.074	0.030	0.029	0.030	7.0	7.0	7.0	2.2	2.2	2.38	1	13	1	79.7	2.0	2.0	2.5	2.0	54	6.2	10.5	9.2	38%		
Jul-19	0.211	0.040	0.030	0.033	7.0	7.0	7.0	2.2	2.2	0.08	1	13	1	84	5.3	5.3	2.8	5.3	32	15.7	11.4	15.7	42%		
Aug-19	0.201	0.030	0.028	0.033	7.0	7.0	7.0	2.1	1.0	0.06	1	13	1	126	2.0	2.0	2.8	2.0	98	9.4	11.6	9.4	42%		
Sep-19	0.089	0.020	0.028	0.030	7.0	7.0	7.0	2.2	2.2	0.88	1	13	1	61.5	2.0	2.0	2.8	2.0	38	7.2	12.0	7.2	38%		
Oct-19	0.081	0.020	0.028	0.023	7.0	7.0	7.0	2.2	2.2	0.14	1	13	1	43.6	2.0	2.0	2.8	2.0	104	8.4	12.0	6.4	29%		
Nov-19	0.057	0.020	0.028	0.020	7.0	7.0	7.0	2.1	2.1	0.78	1	13	1	78.5	5.6	5.6	3.1	5.6	64	10.8	12.4	10.8	25%		
Dec-19	0.082																								

TAYLOR COASTAL WATER & SEWER DISTRICT

POST OFFICE BOX 73  
PERRY, FLORIDA 32348  
Voice 850 584 3887  
Fax 850 223 1552

May 14, 2004

U S Department of Agriculture  
Rural Development Office, Suite 5  
2741 Pennsylvania Ave.  
Marianna, FL 32448

Subject: Request for language clarification in Amendment to Letter of Conditions Dated September 13, 2002

Reference: 1) Rural Development letter dated March 9, 2004 amending subject Letter of Condition.

2) Letter of May 4<sup>th</sup>, 2004 from Smith, Smith and Moore to Taylor Coastal Water & Sewer District (attached)

Dear Mr. Pittman,

By this letter I am requesting clarification of the language contained in your letter of March 9, 2004 amending the Letter of Conditions. The amendment to item 7 on page 3 of the Letter of Conditions contains the following language, "***and the 181 platted single family housing lots***". The issue is whether the term "single family housing" prohibits commercial and multi-family residence (townhouses) development from connecting to the wastewater treatment system.

The attached letter (Reference 2) by Michael S. Smith, our attorney, states that in his opinion, this clause does not restrict or prohibit commercial or multi-family development. Mr. Smith cites the Environmental Protection Agency as the source for his interpretation and states that "the remaining platted lots (181 cited in the amended "Letter of Conditions") within the District may be developed for the purpose of accommodating both residential and commercial construction".

We request that your office review the enclosed letter from Mr. Smith and advise the TCW&SD of Rural Development's interpretation of the amended language as it pertains to users of the wastewater treatment system. We would appreciate your timely response to this question since we have a developer that is currently constructing 14 townhouses in the District service area and expects to be connected into the treatment system once it is completed.

The history on this development is as follows: June 2, 2003, the Taylor Board of County Commissioners approved a request for a developer to use an existing septic tank and drain field for 8 of the townhouses. This septic system is located on the County Public Boat Ramp property and was initially constructed to accommodate a multiple site Recreation Vehicle Park. The Health Department made the determination that the septic system could accommodate up to 8 townhouse.

Based on the action taken in the June 2 meeting, plans for the townhouse development were subsequently submitted and approved by the County. These actions were based on the "assumption" that the 14 townhouses would be connected to the wastewater treatment system when it became operational.

Our construction plans (see drawing No. 1-C04) submitted to Rural Development show the property where the townhouses are being constructed as five lots, one with a single family dwelling and septic tank. There were two additional buildings that were used in a commercial fishing operation by the previous owner. Four (lots 91,92,94,95) of the five lots are included in the "181 platted single family housing lots" cited in the amended language. Lot 93 is included in the "existing septic tank" category..

I thank you and staff members for the support and the patience you have provided our project over the past three years. We look forward to working with you during the construction phase. If you need additional information or clarification, please do not hesitate to contact me at my home telephone, 850 578 2756.

Sincerely yours,

Floyd E. Ford, Chairman  
Taylor Coastal Water and Sewer District

CC: Mary Gavin  
Michael Smith



TAYLOR COASTAL WATER & SEWER DISTRICT  
18820 BEACH ROAD  
PERRY, FLORIDA 32348

PHONE: (850) 578-3043

FAX: (850) 578-3095

MINUTES OF REGULAR COMMISSION MEETING  
November 16, 2005

1. The meeting was held at the District Building at 5:00 PM on November 16, 2005. Present were:  
COMMISSIONERS: Floyd Ford, Sandra Hatcher, Glenn Senter, Danny Everett, Travis Beach, & Lonnie Houck.  
TCW&SD STAFF: John Gentry, Jim Gooding, David Morgan, Diane Carlton and Shirley Shinholser.  
Chairman Ford declared that a quorum was present.

2. Chairman Ford welcomed our guests:  
Rebecca Shepherd, Grand Legacy, LLP; Lavonne Davis; Bill Clark; George Stamos; Jerry Cawthon; Curt & Judy Ferguson; Emily Simpson; Commissioner Clay Bethea; Chuck Olson, Promise Ltd.

3. The minutes of our meeting on October 19, 2005 were presented. A motion was made by Travis Beach and seconded by Sandra Hatcher to approve the minutes as read. Minutes were adopted unanimously.

4. STAFF AND COMMITTEE REPORTS

- Sewer Project Update – John Gentry

All pipeline and pumping stations are complete. Grinder pumps at Keaton Beach are being activated on a daily basis. We are still looking at December 18<sup>th</sup> or 19<sup>th</sup> as the completion date. Construction beyond the Rural Development approved date of December 18<sup>th</sup> will incur liquidated damages of \$500 per day.

Doyle Frierson has been hired as our new Contract Operator for the WWTP and will begin training at our facility shortly. David Morgan will serve as our Systems Maintenance Tech in addition to training with our WWTP Operator.

As previously noted, DEP and OTTED funds are depleted. We currently have \$431,315.35 in our Construction Account with another \$85,113 pending from EPA. Of the \$181,000 Contingency Funds, we have approximately \$70,000 remaining and are trying to define the usage. We are receiving some of the payments for the grinder pumps installed in error and letters are being prepared for customers outside the Grant program who desire to come on-line.

Instructions on the care and maintenance of the Grinder Pumps are being prepared for customer mail out.

- Financial Reports – Diane Carlton/Shirley Shinholser

Diane Carlton presented the water usage report. We experienced a larger than normal water usage due to QPS testing of the sewer lines. The Certified letter to Hugh Poppell concerning his past due account of \$309.54 was refused and returned so we issued a work order to turn off his water supply.

Shirley Shinholser presented the October financial report. Our retained earnings took an estimated loss of \$6,705.84 for the period covering July 1, 2004 – September 30, 2005. Our books are currently with our Auditor and we expect completion of the audit by late December or early January. Our October 2005 loss of \$577.60 was not as bad as anticipated. The new water rates and the upcoming sewer rates should soon lead to a profit.

- Management Issues – John Gentry

A copy of the holidays recognized by the County was presented and the Board asked to consider offering them as "Paid Holidays" to TCW&SD employees. Travis Beach suggested we recognize the same holidays for closing the office but table the decision to offer them as "Paid Holidays" until we can better afford the expense. The item was tabled for 2-3 months to allow time for revenue flow.

- Operational Issues – Jim Gooding

The District Building now has an additional twelve (12) tie-downs. There are a few more adjustments to make securing the roof to the walls. The drop box is installed and being used.

TAYLOR COASTAL WATER & SEWER DISTRICT  
MINUTES OF REGULAR COMMISSION MEETING  
Page 2 of 4

- Phase II – Floyd Ford  
The 2.2 million requested for Phase II funding is still questionable. Nothing has been received from EPA about the \$750,000. Congressman Boyd says that funds for us are not in jeopardy and should be provided. The PER and EA should be completed by JEA in early December for submission to Rural Development and the Community Budget Initiative Request (CBIR) should be reviewed by Will Kendrick in Mid-December.

5. OLD BUSINESS

- Contract With Plant Manager for WWTP – John Gentry  
Doyle Frierson has submitted a 12-month contract proposal at \$2500 per month to serve as Contract Operator for our WWTP. We have EPA grant monies allocated to help with this administration expense. Doyle has Worker's Compensation coverage. We will contact our insurance agent to review liability coverage. **A motion was made by Travis Beach and seconded by Sandra Hatcher to contract Doyle Frierson as our WWTP operator.** The motion was approved unanimously. EPA funds are also allocated to assist with David's wages for service as our Systems Maintenance Tech and Operator Trainee. We are developing specs for bidding on a service truck for David's use and we are seeking a third person who will work part-time in the sewer department as well as the water department on an "as needed" basis.
- Fire Hydrants:  
No word has been received from the County about the funding and installation of the units. Commissioner Clay Bethea will look into the situation.
- District O&M Building and Equipment:  
John has contacted the company in Jacksonville who will take care of the lease transfer once QPS leaves. The equipment cost is \$6,000 and should be paid out of Grant funds. That includes 2 roll-offs and some storage buildings. There will be approximately \$25,000 left for permanent buildings. We will discuss at the December meeting whether or not we may use part of the \$70,000 contingency funds. John will contact Mary Gavin to make sure funding is available for equipment, particularly a service truck with a boom. **A motion was made by Travis Beach, seconded by Lonnie Houck, and approved unanimously to proceed with obtaining the needed equipment.**
- Sign: Our appeal was denied. Glenn is to appear before the TCBCC on November 29<sup>th</sup>.
- Court Order on Timothy Brooks: Trey Howard has instituted the process. Once Mr. Brooks is served, we must wait 20 days before setting a court date.
- New Commissioners: The December meeting will be the last for Floyd Ford. He recommends that the Board consider Bill Calhoun and Tommy Maulding as submittals to the TCBCC. The Board needs to formulate recommendations by the December meeting to submit to TCBCC along with Ford's resignation.

**The announced Public Hearing now begins at 5:30 pm.**

Review of Proposed Sewer Rates

After consideration and discussion by the Board and guests present, **a motion was made by Glenn Senter and seconded by Sandra Hatcher to adopt Scenario "2" as proposed by Florida Rural Community Assistance Project, Inc.** The motion was approved unanimously. A statement will be placed on the next billing to advise customers of the adoption of the new sewer rate and imminent billing.

**(Public Hearing Adjourned.)**

TAYLOR COASTAL WATER & SEWER DISTRICT  
MINUTES OF REGULAR COMMISSION MEETING  
Page 3 of 4

Provision of Sewer for New Developments

Commissioner Clay Bethea addressed the Board and the Guests concerning the County's Comp Plan on how development occurs. Sewer and water is required. TCBCC determines the level of development; the State of Florida determines the provision for septic/sewer. The Commissioners are concerned that Developers who are not allowed to connect to the sewer system of TCW&SD will approach the Health Department for State regulated septic systems. ~~TCBCC desires one (1) sewer plant for the Beaches and asks the TCW&SD to seek~~ ~~absolution of the existing covenants and allow future hook-ups thus alleviating the creation of State regulated~~ ~~septic and sewer plants by new developers.~~ ~~Will TCW&SD write a letter to those involved to seek a resolution?~~

~~Per Commissioner Ford changes have to be made politically through elected officials due to our grant funding from state and federal programs.~~ The Department of Community Affairs (DCA), in a letter dated May 15<sup>th</sup>, 2002, expressed their concern about development in the coastal high hazard area (CHHA) and further expanded on their concern in a subsequent letter dated February 9, 2004. These concerns flowed into the federal documents as restrictions. TCW&SD has already approached Rural Development persuading them to include the 181 undeveloped platted lots which were originally omitted. In short, RD agreed but stipulated that they do not want a "piece-meal" operation and that TCW&SD should not come back to them requesting additional alterations. The County Commissioners need to take the lead by writing Rural Development and talking with Congressman Boyd.

A major concern (by the Government entities as well as the residents of the Beaches) is that sufficient infrastructure is not available for emergency situations or evacuation now, and definitely inadequate to cover additional developments. Furthermore, existing residents do not want to pay for the cost of new development through increased water/sewer bills. Those present were reminded that, per TCW&SD ordinance/rules, the entire cost of any new development is to be paid by the developer.

DCA says development is limited to 4 units per acre. Mixed use urban is 20 units per acre. TCBCC proposed a compromise of 12 units per acre. John Gentry proposed that TCBCC and DCA should be reminded that infrastructure must come ahead of development. The Beach residents are paying higher taxes and expect a lot more for their tax money. The installation of fire hydrants is one of many needs.

**A motion was made by Sandra Hatcher that TCW&SD meet jointly with TCBCC and their attorneys to further discuss the issue. The motion was seconded by Travis Beach and unanimously approved.** Shirley will discuss a possible date with Buddy Humphries and advise all parties of the selected date and time. It is requested that the meeting be held at the District Building.

6. NEW BUSINESS

- Review of Rules and Regulations  
The Rules and Regulations were presented with suggested amendments. (Clarify single service in paragraph 1. Change "member" to "customer". Incorporate fees for newly developed lots. Clarify that the user fee (formerly membership fee) transfers ownership with the lot and that owners of property should advise TCW&SD of a sale/transfer.) **Travis Beach presented a motion to approve the amendments as noted. A second was received from Sandra Hatcher and the motion was approved unanimously.**
- Committee to determine legality of septic tanks  
Glenn Senter advised the Board that several people who are within 100 ft of sewer hook-up have applied to the State Health Department and have received septic tank permits. It is recommended that we invite the Health Department to the joint meeting with TCBCC. State law requires hook-up within 200 ft. of an established sewer system, yet we are turning people away due to established limitations. We must determine guidelines to which all agencies adhere. We need an accurate WWTP capacity report to share at the meeting along with the letter prepared by Commissioner Ford (attached).
- Updated quote from QPS  
The Board reviewed the updated quote from QPS and agreed to proceed with notification of costs to potential customers.

TAYLOR COASTAL WATER & SEWER DISTRICT  
MINUTES OF REGULAR COMMISSION MEETING  
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7. Motion to adjourn was made by Travis Beach. A second was received and meeting adjourned.

(The next meeting is scheduled for Wednesday, December 21, at 5:00.)

- Board Actions:
1. Approved contract with Doyle Frierson as WWTP Contract Operator
  2. Approved securing of needed WWTP equipment/buildings
  3. Adopt "Scenario 2" sewer rate
  4. Approved joint meeting of TCBCC and TCW&SD
  5. Approved Amended Rules & Regulations

- Action Items:
1. Pursue installation of fire hydrants.
  2. Pursue lease of QPS building, needed modifications, and equipment.
  3. Consider Board member recommendations.

John K. Gentry, P.E.  
General Manager

TAYLOR COASTAL WATER & SEWER DISTRICT  
18820 BEACH ROAD  
PERRY, FLORIDA 32348

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MINUTES OF SPECIAL COMMISSION MEETING  
January 9, 2006

1. The special meeting was held at the County Offices at 4:00 PM on January 9, 2006. Present were:  
COMMISSIONERS: Glenn Senter, Sandra Hatcher, Travis Beach, Danny Everett & Lonnie A. Houck.  
TCW&SD STAFF: John Gentry, Shirley Shinholser.  
Vice-Chairman Senter declared that a quorum was present.
2. Vice-Chairman Senter called the meeting to order for the purpose of establishing a unified stance regarding connections to our new Waste Water System and the issuance of septic tank permits in preparation for the joint meeting with the Taylor County Board of County Commissioners and the Health Department.
3. Since Chairman Ford's resignation was effective 12/31/2005, the first order of business is the election of new officers. The nomination of Glenn Senter as Chairman by Sandra Hatcher was duly seconded by Travis Beach and approved unanimously. Glenn Senter nominated Travis Beach as Vice-Chairman; a second was received from Danny Everett and the nomination was approved unanimously. At the Board's request, Sandra Hatcher agreed to serve as Secretary until her term as Commissioner expires on May 3, 2006. New officers of TCW&SD as of January 9, 2006 are as follows:  

Chairman:	Glenn Senter
Vice-Chairman:	Travis Beach
Secretary:	Sandra Hatcher
4. The floor was opened for discussion regarding the capacity of the new plant; our ability to absorb new customers; the restrictions placed upon us by Rural Development; and a policy for future connections. In summary, our plant has been designed to handle an Average Annual Daily Flow of 80,000 gallons per day. Based on design assumptions of 60 gallons of wastewater per person per day and 2.67 persons per connection, the plant could handle 499 connections. Considering the present connections of approximately 350 residences plus the stub-outs of the remaining platted lots, we will connect about 480 to Phase I leaving an availability of approximately 19 connections. Ours is a pressurized, integrated system with specific pipe sizes for designated areas. Increasing the density on lots designed as single family residence will increase the pressure in the collection system causing it not to function as designed; therefore, we must limit connections to single family or increase the line sizes or install new lines at new customer's expense. As it stands now, those within 200 feet of our installed lines are required to connect if they meet allowable connection criteria. ~~Furthermore, under current covenants with Rural Development, we are permitted to connect only the 300 existing homes/businesses/developed sites existing as of September 2002 and the 181 platted single family housing lots as of July 1, 2003. As it stands now, we must adhere to the restrictions placed upon us by Rural Development and supply only one grinder pump per allowable lot or jeopardize our Phase I funding as well as our anticipated Phase II support.~~

In general consensus, the Board agreed to present the following to TCBCC:

It is the desire of TCW&SD to get all septic tanks off our coastlines. We are willing to accommodate isolated, additional connections subject to required fees as our capacity will allow providing that Rural Development approves so that we do not jeopardize our funding for Phase I and Phase II. ~~We request that the Taylor County Board of Commissioners negotiate with Congressman Boyd and Rural Development to investigate the possibility of obtaining a release from the imposed covenants placed upon TCW&SD regarding future connections so that isolated lots can be connected rather than install septic tanks.~~ Additional large future connections, if allowed, will require impact fees to upgrade our system to accommodate service. Taylor County must moreover provide needed infrastructure to support new large developments.

5. It was suggested that because we no longer hold Annual Meetings since becoming a District, that Sandra Hatcher, as our representative, contact Fritz Grady of JEA regarding the future ribbon-cutting ceremony and endeavor to plan a celebration for the customers of TCW&SD.

TAYLOR COASTAL WATER & SEWER DISTRICT  
MINUTES OF REGULAR COMMISSION MEETING  
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6. Some concerns have been noted regarding the height of vent pipes installed on the grinder pumps to deflect high tides. Lowering the height of the vent stacks will make them more susceptible to inflow of salt water. We will address the issue, as it develops.

Motion to adjourn was made by Lonnie A. Houck; second by Sandra Hatcher and meeting adjourned.

Board Actions:   1. Elect new officers.  
                      2. Approve presentation to TCBCC regarding sewer connections/septic tanks.

Action Items:    1. Pursue plans for ribbon-cutting ceremony.  
                      2. Address concerns about vent pipes on an as needed basis.

John K. Gentry, P.E.  
General Manager

### **Causing the County to Breach Agreements**

1. By limiting properties to sewer connections less than those density limitations set forth in the 2007 and 2011 litigation agreements that the County entered into with the State of Florida, it would seem that the TCWSD is causing the County to be in breach of those agreements. Do you disagree? If so, why do you disagree and on what legal authority do you base your disagreement?
2. Since the County's 2011 Litigation Agreement was executed and approved by the BOARD OF COUNTY COMMISSIONERS in June of 2011, and included provisions prohibiting septic, requiring centralized sewer, and setting density at 10 residential units per acre on 14 of the 27 acres presently owned by Fish Creek Cove, LLC; and since the USDA approved construction of sewer to that property in 2012 and 2013 subject to the terms of the 2011 Litigation Agreement; on what authority do you base your decision to advise the property owner that it is limited to one sewer connection for the entire 27 acre property?

### **Developed Sites**

3. In the September 13, 2002 USDA Letter of Conditions, one of the Environmental Requirements states "Floodplain mitigation will include restrictions that limit connections to referenced areas of the project location description to existing homes, businesses and developed sites that currently have septic tank system..." This was amended by the March 9, 2004 USDA Letter of Conditions to read "Floodplain mitigation will include restrictions that limit connections to the referenced areas of the project location description to existing homes, businesses, developed sites, and the 181 platted single family housing lots as of July 1, 2003..." What is the definition of a developed site, and on what authority do you base your opinion? Further, what was the rationale behind the USDA changing "developed sites that currently have septic tank system" to just "developed sites"? On what authority do you base your opinion?

### **Declining to Meet With the County**

4. Why did the TCWSD decline County Administrator LaWanda Pemberton's proposal for a meeting between Lynette Senter, Attorney James Durant, County Attorney Conrad Bishop, County Administrator LaWanda Pemberton, Taylor County Commissioner Michael Newman, Taylor County Building Director Danny Griner, and Attorney Ray Curtis, to try to work through the issues of disagreement between TCWSD, the County, and Fish Creek Cove, LLC?
5. Why did the TCWSD decline County Administrator LaWanda Pemberton's invitation to attend a County Commission Workshop to discuss USDA funding limitations?

### **Prior Representations to the Board of County Commissioners**

6. On July 30, 2019, the BOARD OF COUNTY COMMISSIONERS hosted Workshop <sup>1</sup> at TCWSD's request. Lynette Senter, representing TCWSD, advised the BOARD OF COUNTY COMMISSIONERS that "...the original approved design for our wastewater treatment plant included one residential hookup per platted lot; exceptions were for existing businesses and multi-unit dwellings which were engineered by the company that put our wastewater treatment plant in." What documents, if any, support Ms. Senter's above statement? What documents, if any, specifically indicate that TCWSD is prohibited from permitting more than one residential hookup per platted lot? Similarly, what documents, if any, specifically indicate that TCWSD is prohibited from permitting more than one residential hookup on the 27 acre Fish Creek Cove LLC property?
7. At the July 30, 2019 BOARD OF COUNTY COMMISSIONERS Workshop referenced above, Lynette Senter advised the BOARD OF COUNTY COMMISSIONERS that "...at the District, we have rules and regulations built in that we can deny service to RVs; that is not our goal at this point..." What documents, if any, specifically indicate that TCWSD has the authority to deny service to RVs if those RVs are not otherwise in violation of the County Code or State Statute?
8. At the July 30, 2019 BOARD OF COUNTY COMMISSIONERS Workshop referenced above, Lynette Senter advised the BOARD OF COUNTY COMMISSIONERS, in the context of TCWSD opposing additional RVs at Keaton Beach, that "...The one thing we're really worried about is if our capacity at our plant exceeds 50%, we are mandated- we have to have a mandatory DEP review. And at that point, once you reach 50%, they require you to expand your plant. And we have people very unhappy with the current rates that we charge, which is mainly to pay our bills and our loans. Um, and if we have to raise our rates, because we have to put in an addition to our sewer plant, then we're really going to have a lot of unhappy customers..."

However, the DEP's Capacity Analysis Report Guidance <sup>2</sup> seems to indicate the following:

<b>Permitted Capacity to be Met or Exceeded Within:</b>	<b>Action Required</b>
10 Years	File an Updated Capacity Analysis Report in 5 Years
5 Years	The report shall also include: A statement, signed and sealed by the professional engineer responsible for planning and preliminary design, that "planning and preliminary design of the necessary expansion have been initiated."
4 Years	The report shall include: A statement, signed and sealed by the professional engineer responsible for preparation of plans and specifications, that "plans and specifications for the necessary expansion are being prepared."

<sup>1</sup> <https://www.youtube.com/watch?v=1t8x8gxky5I>

<sup>2</sup> <https://floridadep.gov/sites/default/files/car.pdf>



3 Years	<p>The report shall include:</p> <p>A statement, signed by the permittee, that "a complete construction permit application will be submitted to the Department within 30 days of submittal of this capacity analysis report."</p>
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What documents, if any, did you rely on when advising the BOARD OF COUNTY COMMISSIONERS that meeting 50% of permitted capacity would trigger a DEP mandated plant expansion?

### Inconsistent Application of the Rules

The BOARD OF COUNTY COMMISSIONERS perceived that there have been inconsistent applications of laws and rules, and would like to understand why. They ask that you explain the same with specificity, and provide supporting documentation where available.

#### *Cedar Island*

9. The BOARD OF COUNTY COMMISSIONERS heard from Don Everett, Jr. that he had paid for a water connection for 19 years, and was then told that he would have to purchase a grinder pump or lose his water connection. He advised that he did not need a sewage connection, so his water was disconnected. Is this true? If so, on what authority did you base that decision?

#### *Newly Created Lots Policy*

10. It seems as if newly created lots have been treated differently over time. Can you explain the apparent discrepancy?

- a. 9/21/2005 TCWSD Minutes:

##### Revisit of Minutes of August 17, 2005, Section #5 - Future Water Connection Charges

Glenn Senter addressed the Board for clarification. Any newly created lots will be assessed a \$2,000 service fee in addition to the \$1,000 user fee for water. Sewer infrastructure will be included in the rates/fees yet to be determined. When a parcel subdivides, the owner must pay \$2,000 for each new lot. These costs will be passed on to the buyer at time of closing. TCW&SD needs to have the County notify us when a parcel is divided. A letter to the Taylor County Planning Department should be prepared addressing our decision.

- b. 11/16/2005 TCWSD Minutes:

##### Review of Rules and Regulations

The Rules and Regulations were presented with suggested amendments. (Clarify single service in paragraph 1. Change "member" to "customer". Incorporate fees for newly developed lots. Clarify that the user fee (formerly membership fee) transfers ownership with the lot and that owners of property should advise TCW&SD of a sale/transfer.) Travis Beach presented a motion to approve the amendments as noted. A second was received from Sandra Hatcher and the motion was approved unanimously.

- c. 1/18/2006 TCWSD Minutes:

Dekle Beach area. Under this approach, Federal or local funding might not be needed for Phase II. Under our existing Federal restrictions, newly created lots cannot tie in but all lots with existing septic tanks within 200' of our service area must connect. In an effort to resolve this conflict in requirements and to avoid new septic tank

- d. 2/15/2006 TCWSD Minutes:

c. Melvin & Marcia Parker – The Parker's recently split their parcel at Cedar Island creating (2) lots. A grinder pump was place on one lot under the grant program and they have obtained a permit from the State for a septic tank on the other lot. They are willing to pay for the grinder pump and the additional \$2,000 service fee for water if they can connect to the sewer system versus installing a septic tank where one was just abandoned. (A motion was made by Jim Moody; seconded by Lonnie A. Honck, Jr.; and approved unanimously to provide sewer service to the Parker's second lot.)

Trey Howard (representing Dr. Firas Hamdan, Customer #347): Dr. Hamdan is planning a development of 15 (¼ acre) lots for single family housing and is seeking water & sewer provision from TCW&SD. Chairman Senter stated that he's become aware of a Presidential mandate not to build in high hazard areas. TCW&SD cannot give a firm commitment to supply sewer. We can issue a letter stating that "as Federal agencies allow and as long as we have capacity" we can offer sewer service for low density development. The \$2,000 service fee per newly developed lot must be submitted and will be used towards the provision of water service as allowed.

e. 8/24/2010 TCWSD Minutes:

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A drawing of the Keaton Beach RV-Park located at the Keaton Beach Gas & Grill was presented. There is concern as to whether there are sufficient grinder pumps on site to service the newly developed RV sites in addition to the RV sites and buildings connected in Phase I. *Following review and discussion, David requested that the lessee of the park (Sprayberry) be contacted to provide a detailed drawing indicating how each site is connected to sewer. Chairman Bennett will contact Mr. Sprayberry. Office staff was asked to monitor water usage. Per our spec sheets, a simplex grinder pump will support 700 gallons of water usage per day.*

f. 12/13/2016 TCWSD Minutes:

Office Manager Diane Carlton addressed the board in reference to district policy that was approved November 27, 2006. The policy of the district states the customer will be charged \$10,000.00 for sewer service to a newly created lot and \$3,000.00 for water service to a newly created lot. Diane requested that the board consider amending the policy to reflect today's cost for a grinder pump installation. She advised that this needed to state

g. 5/28/2019 TCWSD Minutes:

- a. The owners of a lot on Jody Morgan Road have applied for water and sewer service. They are requesting that the Newly Created Lot fee be waived. I explained that this was a standard fee, but they asked that I present their request to the board. The Board discussed the waiver and determined that it would continue to follow the past protocol and require payment for the newly created lot.

h. 8/27/2019 TCWSD Minutes:

4. The floor was opened for non-agendaed items. Bishop Clark addressed the Board concerning additional grinder pumps on a property that he was purchasing on Beach Road. The current parcel has one grinder pump and one water service and Mr. Clark was thinking about dividing the parcel into a total of three lots. (The Board explained that they would be unable at this time to provide additional water and sewer hook ups to newly created lots.) The Board has been made aware of

i. 10/22/2019 TCWSD Minutes:

Bishop Clark addressed the Board concerning the remaining Lindsey Island lots that were granted water and sewer service by the Board in 2005. Mr. Clark explained that he wanted to make sure that the remaining 6 lots would get the water and sewer services they had been promised. The Board discussed the fact that Lindsey Island LLC paid for the infrastructure and all costs incurred with adding water and sewer services to their lots except for the grinder pump fee. Office Manager, Lynette Senter spoke about the recent discovery of the limits that were placed on the funding for Phase I, Phase II and Phase II-A which restricted the hookups to existing homes, businesses and platted lots. (There was also discussion regarding the fact that this agreement was made over 13 years ago in good faith with a previous Board and that an obligation to provide service exists.) The Board reviewed the maps of Lindsey Island to determine the number of remaining lots. The Office staff will contact the funding agencies and begin a discussion regarding this situation and any other lots that were affected. Commissioner Weste made a motion to provide service for the remaining 6 Lindsey Island Lots as approved by the Board in 2005. Commissioner Spradley offered a second. Chairman Aibejeris called for further discussion. There was none. By unanimous vote the motion was approved.

- j. Except see 2/5/2006 TCWSD Minutes where sewer was promised, subject to government approval; not outright:

plan to *under develop*? Commissioner Beach amended his motion to state, "as it presently stands, the Board of TCW&SD feels that we can support this development on Lindsey Island subject to Government approval". The amended motion passed with a vote of 5 to 2 (Hatcher and Everett opposing).

- k. The same day (10/22/2019), the Weldons were told "no new development" and 'capacity limitations' with respect to their hopes for building an RV park:

plan for their park before the District could look at their needs. We also informed them that ~~discovered limits on our original financing~~ would also impact the ability to provide service to a new development. In addition, the scale of the project would be difficult for the District's current water and sewer capabilities to provide service and they might want to talk to an RV park consultant about

- l. 2/20/2020 TCWSD Minutes:

District Policies partial review. The Commissioners have begun a review of the District's policies. They agreed to abolish Policy 2005-01 Water Hook-Ups for ~~Newly~~ Developed Lots, and Policy 2006-03 – Future Phase I Sewer Hookups for Individuals and Small Developments. The Board discussed the fact that the District does not provide service to new developments and therefore makes these two policies void. Chairman Carlton asked that we go ahead and abolish Policy 2005-01 and Policy 2006-03 because we cannot offer these services to developers under the conditions of our Loans. Chairman Huxford asked that the District postpone voting on these two policies until a full board was in attendance. Commissioner Carlton made a motion to abolish Policy 2005-01 and Policy 2006-03. Commissioner Malone offered a second. Chairman Aibejeris called for further discussion. Commissioners Carlton, Malone and Spradley voted aye, Commissioner Huxford voted nay. The motion was approved by majority.

- m. 10/27/2020 TCWSD Minutes:

property is between Sea Hawk Lane and Tern Road on Cedar Island. Mr. Brown originally owned the entire parcel as indicated. Several years ago, he divided his parcel and sold off the portion with his water and sewer hook-up to the Griffin's. He then sold the other smaller portion, but has since purchased it back. He made a request for service on the parcel he has left but the problem is that parcel has never been divided into lots until he portioned off a piece of it. We have a few other parcels within the District that could be affected by this decision. Granting service to a ~~newly~~ created property such as Mr. Brown's may create a precedent. The Board asked that we discuss this with our Attorney and get his opinion before deciding.

Stephanie Weldon Parcel ID# 06380-000 –Mrs. Weldon purchased a property at Keaton Beach on Marina Road that has a home on one lot and empty lot next to it. She has requested water and sewer service on the lot that does not have a home on it. We verified on the map that the other lot does have a future connection box. The Board agreed with the Office that this was another ~~mapping error~~ and that service should be provided. Commissioner Huxford made a motion to grant service to Stephanie Weldon. Commissioner Brown offered a second. Chairman Aibejeris called for further discussion. There was none. By unanimous vote, the motion was approved.

Ray Curtis Parcel ID# 07193-000 – We had a request on October 19, 2020 from Mr. Ray Curtis regarding the property his father and mother recently purchased on Fish Creek Road. Mr. Curtis was asking about the maximum number of hookups that were available to the property. I wrote a response and forwarded to the Board's attorney for review. Mr. Boyd agreed that this parcel received the one water and sewer hookup that was intended and that this parcel may be eligible for our Exemption Program. The Board agreed that this was the proper response.

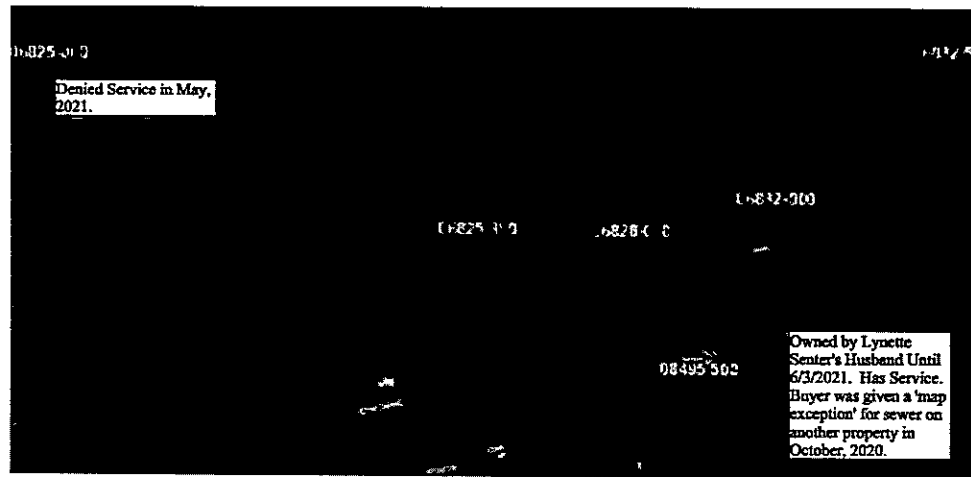
n. 2/23/2021 TCWSD Minutes:

At the suggestion of Commissioner Carlton, (we have prepared a letter that gives guidelines about divisions of lots and parcels) within the District's service area. We will be sending to all local Real Estate Brokers, the Property Appraisers Office, the Tax Collector's Office, Taylor County Building and Planning, and the Taylor County Manager. We will also be posting this letter on our website.

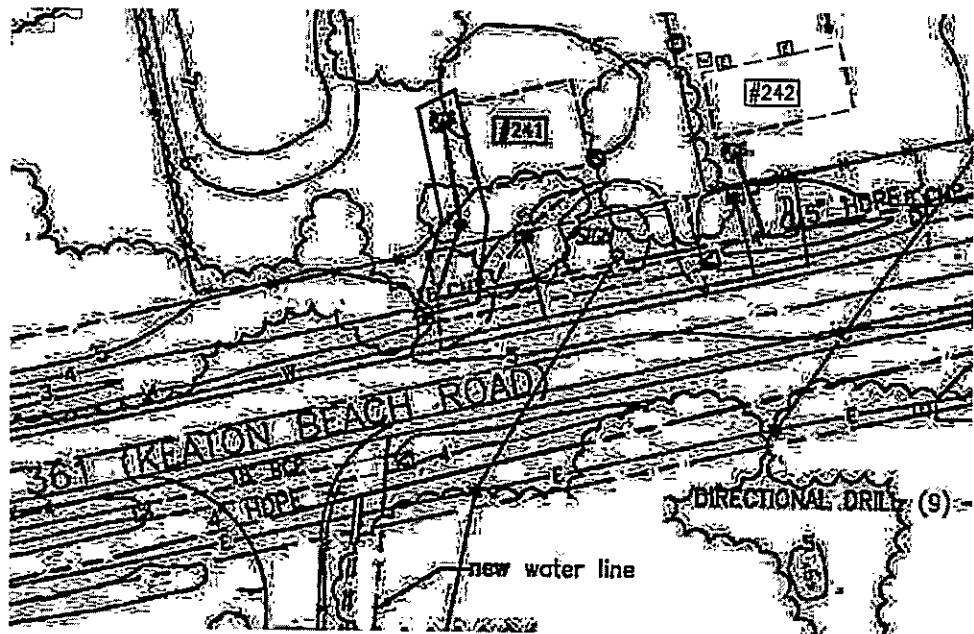
Vision 2060 Plan – David Dall – (Commissioner Dall asked if the Board was following the plan. The District was not invited to participate when the plan was being developed and the Board passed on any further discussion)

*Parcel #06825-300 Service Denial*

11. It appears that TCWSD recently denied service to a property owner under peculiar circumstances.



i. Phase I Plans



*181 platted single family housing lots*

12. TCWSD has denied some property owners the ability to connect, citing a 2004 USDA Letter of Conditions that states, in part "Floodplain mitigation will include restrictions that limit connections to the referenced areas of the project location description to existing homes, businesses, developed sites, and the 181 platted single family housing lots as of July 1, 2003." The conditions imposed by the loan from the USDA have remained the same since 2004." See attorney James Durant's February 17, 2021 letter to Fish Creek Cove, LLC wherein he cited to said USDA Letter of Conditions.

- a. However, as reported in the TCWSD March 17, 2004 Meeting Minutes, "... All members should be present at the award meeting. User restrictions: the amended language in the contract with USDA allows existing homes with septic tanks and 181 platted single family lots as of July 1, 2003 to connect to Phase I of the sewer system (this will equal 80% of the Phase I capacity). It is unclear how this restriction will affect connection of the Keaton Beach Townhouses (KBT) to the system."
- b. Given that the terms of the 2004 USDA Letter of Conditions were applicable to Phase I, and such connections would have used 80% of capacity, on what authority does TCWSD based its decision to deny service to Phase II, and Phase II Part 2 property owners based on supposed Phase I restrictions?
- c. Since Phase II added additional capacity, why does TCWSD continue to attempt to limit Phase II property owners to a 181 platted lot limit?
- d. See 2/22/2011 TCWSD Minutes:

We were contacted by Jack Brown, the County Administrator by e-mail and telephone concerning the hookup restrictions contained in the Rural Development "Letter of Conditions". He stated there are allegations that the interpretation and enforcement of the "single family house lots" isn't consistent with the Letter of Condition and the subsequent amendment dated June 14, 2004, which contains the language "and the 181 platted single family housing lots." He further states that the County is being asked "Is this consistent with the USDA "Letter of Condition and if not does it violate the grant. With Chairman Senter's assistance I drafted a response to Jack. (He was advised that we have complied with all requirements in the Letter of Conditions and that the district doesn't have the authority to define the description of "single family house lots" that ability rests solely with the local County governing authority.)

### ***Growth Policy***

13. Why has the previous pro-growth policy changed? See 1/18/2006 TCWSD Minutes:

causing federal restrictions, newly created lots cannot be in our area with existing septic tanks within 200' of our service area must connect. (In an effort to resolve this conflict in requirements and to avoid new septic tank installations that will create the same situation we are currently correcting, we need to allow these lots to connect as long as we have capacity to handle their wastewater on days with maximum flow.) We must also strive to obtain the proper infrastructure to accommodate growth and be sure that Taylor County Board of County Commissioners is willing to support our efforts with finances as well as legal support as needed. Considering all

- a. And see the 2/22/2007 TCWSD Minutes:

system". After concentrated efforts, the District was able to persuade RD to amend the Letter of Conditions to include the 181 platted single family housing lots as of July 1, 2003. In later correspondence, (we were told that RD would not police the District's actions as they relate to the conditions outlined above) but it was expected that the District scrutinize all service connections and verify compliance with the USACOE Section 404 permit requirements to avoid wetland impacts. Therefore, in November 2006, the District took it upon itself to formulate a policy to connect individuals and small developments in our Phase I coverage area as long as we have

capacity if the owner provides written documentation that a permit may be issued for a septic tank or a small, packaged sewer system. The last thing we desire is to have new septic systems installed in areas where they were just removed. Payment by the owner/developer for these new connections can be used to upgrade facilities to ensure we have capacity for the balance of the 181 existing lots not yet connected.

- b. And see the 2/25/2020 TCWSD Minutes:

District Policies partial review. The Commissioners have begun a review of the District's policies. (They agreed to abolish Policy 2005-01 Water Hook-Ups for Newly Developed Lots, and Policy 2006-03 – Future Phase I Sewer Hookups for Individuals and Small Developments. The Board discussed the fact that the District does not provide service to new developments and therefore makes these two policies void.) Chairman Carlton asked that we go ahead and abolish Policy 2005-01 and Policy 2006-03 because we cannot offer these services to developers under the conditions of our Loans. Chairman Huxford asked that the District postpone voting on these two policies until a full board was in attendance. Commissioner Carlton made a motion to abolish Policy 2005-01 and Policy 2006-03. Commissioner Malone offered a second. Chairman Aibejeris called for further discussion. Commissioners Carlton, Malone and Spradley voted aye, Commissioner Huxford voted nay. The motion was approved by majority.

### *Density*

14. Since the County entered into a Litigation Agreement with the State in 2011 that set density for Fish Creek at 10 units per acre, and since the USDA concurred with constructing sewer to Fish Creek in 2013, it would seem that USDA was agreeing to fund sewer lines that could potentially be used to connect up to density limits. Since TCWSD has stated Fish Creek is only eligible for 1 connection, on what authority does TCWSD base its opinion? See excerpt from 2/26/2013 TCWSD Minutes below for context.

C. Update on Phase II Construction – Diane Carlton – The balance of USDA-RD funds are \$275,228.69 in e construction grant funds and \$490,880.44 in the general grant fund account. (We received USDA-RD's letter of concurrence on February 13, 2013 for the Phase II, Part 2 construction final approval.) In the letter we were advised that they would be scheduling a pre-construction meeting. I had not heard from them in a week so I phoned, the Lake City office advised that our file had been transferred to the Ocala office and that they would be contact with us. Contact was made with them and the pre-construction meeting has been scheduled for March 1, 2013 at 9:30 am. A start date will be determined at that meeting.