

NOTICE AND AGENDA
CEDAR KEY WATER & SEWER DISTRICT
510 THIRD STREET, CEDAR KEY, FL 32625

REGULAR MEETING
November 9, 2020, 5:00 P.M.

**NOTE LOCATION CHANGE: IN ORDER TO ACHIEVE DISTANCING
REQUIREMENTS, THE MEETING WILL BE HELD AT THE CEDAR KEY
COMMUNITY CENTER, 809 6TH STREET, CEDAR KEY**

1. Call to order.
2. Pledge and Prayer.
3. Adoption of Agenda.
4. Approval of minutes of October 12, 2020, regular. *(1-3)*
5. Financial Reports: Balance Sheet; Budget Report; Checkbook Activity; Past Due Accounts Report; Employee Leave. *(4-13)*.
6. Public Input
7. General Manager Report. *(14)*
8. Commissioner Comments.
9. Public Input.
10. Adjourn.

All persons are advised that if they decide to appeal any decision made at the above-referenced public hearing, they will need a record of the proceedings, and that, for such purpose, they may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal will be based. If you have a disability and need an accommodation in order to participate in this meeting, please contact THE District office at (352) 543-5285 at least 2 business days prior to the meeting. TTY users please call 711 (Florida Relay Service).

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

**Minutes of Regular Meeting
Board of Commissioners
October 12, 2020**

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

Others Present: John McPherson, Jan Childers, Clay Childers, Steve Priessman, Mandy Offerle, Frank Offerle.

1. Meeting called to order at 5:00 p.m. by Stephen Rosenthal, Chair.
2. Pledge and Prayer.
3. Adoption of Agenda. **Motion** by Dottie Haldeman to adopt the agenda as presented. **Second** by Joe Hand. Passed by a vote of 5-0.
4. Approval of Minutes. **Motion** by Dottie Haldeman to accept the minutes of the regular meeting of September 29, 2020, as presented. **Second** by Joe Hand. Passed by a vote of 5-0.
5. Financial Reports. Budget, Balance Sheet, Checkbook Activity, and Employee Leave reports were presented for review. **Motion** by Dottie Haldeman to accept the financial reports as presented. **Second** by Joe Hand. Passed by a vote of 5-0.
6. Public Input. Public input was requested but none was provided.
7. Bill Adjustment Requests:
 - Cindy Bonish requesting an adjustment from \$895.80 to \$499.27 due to an outside faucet being left on.
 - Nancy Sera requesting an adjustment from \$227.99 to \$156.79 due to an outside hose being left on.
 - Christ Episcopal Church requesting an adjustment from \$206.04 to \$134.73 due to a broken exterior pipe.

Motion by Leslie Sturmer to approve the three requests as each meets the requirements for an adjustment to the wastewater billing. **Second** by Dottie Haldeman. Passed by a vote of 5-0.

8. Resolution No: 2020-04

A RESOLUTION OF THE CEDAR KEY WATER AND SEWER DISTRICT AMENDING RATES FOR WATER AND SEWER CHARGES; PROVIDING INSTRUCTIONS TO THE CODIFIER; AND ESTABLISHING AN EFFECTIVE DATE.

Motion by Dottie Haldeman to adopt Resolution 2020-04 on second reading as presented.
Second by Chris Reynolds. Passed by a vote of 5-0.

9. General Manager Report.

- a. *Water Plant.* The GM reported that the GAC continues to work properly, and that the Miex had been turned off in accord with the pilot test protocol for the purpose of testing the effectiveness of the GAC without pre-treatment with ion exchange. He reported that the latest samples were taken and sent to the lab during the first week of October while the Miex was off. He informed the Board that the Miex had been turned back on due to indications that organic levels in the water had gone back up with it off.
- b. *Wastewater System.* The GM reported that after the beginning of the new budget year, staff will start working with CROM to begin the concrete repairs on the WWTP. He mentioned that there is also an issue with corroded pipes in the lift stations, and that staff will be working with Tim Norman on options for funding this needed concrete and lift station work.
- c. *Cell Service.* The GM reported that the latest word from Paul Rozeman is that we are back on Verizon's schedule, and that we received the leases from Verizon for a final review.
- d. *Internet Service.* The GM provided the Board with a draft lease agreement with rent payments starting at \$150/month and escalating yearly by \$50 during the 5-year term of the lease. He stated, however, that additional language would need to be added to the lease to make it clear that Verizon, with which the District has been negotiating for a long period of time, would have priority as to location on the water tower railing. Clay Childers also raised an issue about the WiFiber system not being secure as indicated by his inability to log on the the WiFiber website using https. The GM was instructed to deal with these two issues and bring a draft lease back to the next meeting.
- e. *Brazilian Pepper Experiment.* The GM reported that the Division of Plant Industry at the Florida Department of Agriculture and Consumer Services would like to do an experiment with biological control of Brazilian Pepper. The experiment would involve the release at the water treatment plant site of certain insects (thrips) that eat pepper trees. The Board requested that the GM bring back additional information on the safety of such a release of thrips.
- f. *Covid-19.* The GM reported that the District continues to follow mask-wearing and separation protocols at the District office, with no symptoms or testing this past month.

10. Commissioner Comments: Dottie Haldeman reminded the GM to resend her the information about overtime, and to report back to the Board about how to handle situations where employees are required to stay home due to Covid 19 concerns.
11. Public Input: Mandy Offerle praised the District for providing information on its Covid 19 precautions taken at the office. Leslie Sturmer announced the Harvest Dinner fundraiser on October 24 to benefit the Aquaculture Association.
12. Adjournment: There being no further business to conduct, the meeting was adjourned at 6:00 p.m.

Stephen B. Rosenthal, Chairperson

Leslie Sturmer, Commissioner &
Secretary of the Board

Date: _____

Cedar Key Water & Sewer District
Balance Sheet
 As of October 31, 2020
 Oct 31, 20

ASSETS

Current Assets

Checking/Savings

Unrestricted Cash Funds

100 - Operating Account	95,518.55
102 Petty Cash	175.00
113.3 Unrestricted Savings	2,016.01

Total Unrestricted Cash Funds 97,709.56

Restricted Cash Funds

103.1 Security Deposit	12,401.02
114.00 RD Payment	1,300.00
114.02 RD RESERVE ACCOUNT	34,364.00

Total Restricted Cash Funds 48,065.02

Total Checking/Savings 145,774.58

Other Current Assets

134 - Accounts Receivable	90,819.61
135 - Allowance for A/R	-9,700.00
160 - Inventory & Materials	68,049.87

Total Other Current Assets 149,169.48

Total Current Assets 294,944.06

Fixed Assets

301 - Land	125,195.95
302 - Other Improvements	2,504,213.86
304 - Plant and Equipment	7,530,935.97
306 - Other Equipment	118,077.81
307 - Sewer Machinery	158,704.72
308 - Computer S/W	9,540.64
309 - Vehicles	97,630.46
311 - Less Accum Depreciation	-5,927,169.97

Total Fixed Assets 4,617,129.44

Other Assets

170 - Utility Deposit	141.19
311 - Construction in Progress	
312 - CIP-SRF Project	140,250.00
313 - CIP - SRF District Match	26,000.00
313.25 - CIP - Special Legislative 38091	304,714.13
313.50 - CIP - (Sp Leg 38091) District	20,702.94

Total 311 - Construction in Progress 491,667.07

Total Other Assets 491,808.26

TOTAL ASSETS 5,403,881.76

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Other Current Liabilities

485 - Note Payable -RD - Current	18,000.00
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Cedar Key Water & Sewer District Balance Sheet

As of October 31, 2020

Oct 31, 20

403- Emplo Ret Con Payabale	750.00
408 - Sales Tax Payable	76.98
411 - Unearned Revenues	10,109.46
445-DCB Line Credit	100,000.00
450 · Fed. Income Taxes Payable	-49.51
482 - Accrued Int Pay	2,387.86
483 · Accrued Compensated Absences	16,568.00
484 -Security Deposit Payable	12,401.02
Total Other Current Liabilities	160,243.81
Total Current Liabilities	160,243.81
Long Term Liabilities	
460 · N/P-Rural Development	1,075,000.00
500 - Accrd Compn Absences-LT	8,853.00
Total Long Term Liabilities	1,083,853.00
Total Liabilities	1,244,096.81
Equity	
597 · R/E Prior Period Adjustment	31,083.87
598 · Restricted for Debt Service	29,462.00
3900 · Retained Earnings	101,030.04
599 · Investment in Capital Assets -	4,057,057.08
Net Income	-58,848.04
Total Equity	4,159,784.95
TOTAL LIABILITIES & EQUITY	5,403,881.76

Cedar Key Water & Sewer District Profit & Loss Budget vs. Actual

October 2020

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	Oct 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
300 - Income				
305 - Water Charge	32,088.31	464,000.00	-431,911.69	6.92%
310 - Sewer Charges	27,596.46	388,000.00	-360,403.54	7.11%
315 - Ad Valorem Tax				
315.100 - Ad Valorem	0.74	213,000.00	-212,999.26	0.0%
315 - Ad Valorem Tax - Other	0.00	0.00	0.00	0.0%
Total 315 - Ad Valorem Tax	<u>0.74</u>	<u>213,000.00</u>	<u>-212,999.26</u>	<u>0.0%</u>
325 - Penalties	0.00	2,500.00	-2,500.00	0.0%
330 - Earned Interest	0.00	20.00	-20.00	0.0%
335 - New Meter Charges	0.00	1,000.00	-1,000.00	0.0%
340 - Rent	383.00	15,050.00	-14,667.00	2.55%
350 - Misc Income	65.00	3,500.00	-3,435.00	1.86%
360 - Carry Forward	0.00	25,000.00	-25,000.00	0.0%
365. Meter Installation Fee	0.00	1,000.00	-1,000.00	0.0%
382 - Grant - Legislative 2016	-19,404.00	173,000.00	-192,404.00	-11.22%
Total 300 - Income	<u>40,729.51</u>	<u>1,286,070.00</u>	<u>-1,245,340.49</u>	<u>3.17%</u>
Other Sources Of Income				
333 - Other Miscellaneous	900.00			
Total Other Sources Of Income	<u>900.00</u>			
Total Income	<u>41,629.51</u>	<u>1,286,070.00</u>	<u>-1,244,440.49</u>	<u>3.24%</u>
Gross Profit	41,629.51	1,286,070.00	-1,244,440.49	3.24%
Expense				
500 - GENERAL AND ADMINISTRATIVE				
510 - Payroll				
510.01 - Salaries	22,192.34	262,026.00	-239,833.66	8.47%
510.02 - Social Security/Medicare	1,851.06	20,045.00	-18,193.94	9.24%
510.03 - Retirement	0.00	29,609.00	-29,609.00	0.0%
510.04 - Health, Dental & Life Ins	4,673.24	53,500.00	-48,826.76	8.74%
510.05 - Workers Comp.	5,416.95	5,500.00	-83.05	98.49%
Total 510 - Payroll	<u>34,133.59</u>	<u>370,680.00</u>	<u>-336,546.41</u>	<u>9.21%</u>
520 - Office				
520.01 - Supplies	0.00	2,500.00	-2,500.00	0.0%
520.02 - Postage & Shipping	497.55	4,500.00	-4,002.45	11.06%
520.03 - Copier, Computer, Billing, Etc.	200.00	6,000.00	-5,800.00	3.33%
520.04 - Printing and Copying	0.00	1,500.00	-1,500.00	0.0%
Total 520 - Office	<u>697.55</u>	<u>14,500.00</u>	<u>-13,802.45</u>	<u>4.81%</u>
530 - Utilities				
530.01 - Fuel For Equipment	1.00	6,500.00	-6,499.00	0.02%
530.02 - Solid Waste Disposal	141.19	2,000.00	-1,858.81	7.06%
530.03 - Telephone	-421.93	10,000.00	-10,421.93	-4.22%
530 - Utilities - Other	421.93			
Total 530 - Utilities	<u>142.19</u>	<u>18,500.00</u>	<u>-18,357.81</u>	<u>0.77%</u>

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Cedar Key Water & Sewer District
Profit & Loss Budget vs. Actual
October 2020

890

	Oct 20	Budget	\$ Over Budget	% of Budget
540 · Professional Fees				
540.01 · Audit & Accounting	4,200.00	18,000.00	-13,800.00	23.33%
540.02 · Management/Legal	0.00	60,000.00	-60,000.00	0.0%
540.03 · Property Appraiser's Fee	0.00	6,500.00	-6,500.00	0.0%
540.05 · Tax Collector Fees	0.00	5,500.00	-5,500.00	0.0%
540.04 · Water/Wastwater Operator	0.00	5,000.00	-5,000.00	0.0%
Total 540 · Professional Fees	4,200.00	95,000.00	-90,800.00	4.42%
550 - General Repair & Maint				
550.01 · Vehicle	0.00	25,000.00	-25,000.00	0.0%
550.02 · Equipment and Tools	352.91	7,500.00	-7,147.09	4.71%
550.03 · Building	48.00	2,500.00	-2,452.00	1.92%
550.04 · Supplies	658.72	1,000.00	-341.28	65.87%
550.05 · New Tools	92.65	1,000.00	-907.35	9.27%
Total 550 - General Repair & Maint	1,152.28	37,000.00	-35,847.72	3.11%
560 · Other				
560.01 · Property/Liability Ins.	48,442.00	48,000.00	442.00	100.92%
560.02 · Election Expenses	0.00	1,000.00	-1,000.00	0.0%
560.03 · Continuing Education	0.00	1,500.00	-1,500.00	0.0%
560.04 · Annual Fees & Dues	175.00	2,000.00	-1,825.00	8.75%
560.05 · Ads and Publications	0.00	750.00	-750.00	0.0%
560.06 · Miscellaneous	7.35	2,000.00	-1,992.65	0.37%
560.07 · Contingency	0.00	6,357.00	-6,357.00	0.0%
Total 560 · Other	48,624.35	61,607.00	-12,982.65	78.93%
Total 500 · GENERAL AND ADMINISTRATIVE	88,949.96	597,287.00	-508,337.04	14.89%
600 · DIRECT WATER EXPENSES				
610 · Chemicals and Filters				
610.01 · Chemicals	2,633.01	93,000.00	-90,366.99	2.83%
610.02 · Miex Resin	0.00	18,500.00	-18,500.00	0.0%
610.03 · Twin Oxide Inst., Rent, Chemical	0.00	0.00	0.00	0.0%
Total 610 · Chemicals and Filters	2,633.01	111,500.00	-108,866.99	2.36%
620 - Laboratory				
620.01 · In House Lab	0.00	2,500.00	-2,500.00	0.0%
620.02 · Outside Lab	0.00	7,000.00	-7,000.00	0.0%
620.03 · Instrument Maintenance	0.00	0.00	0.00	0.0%
Total 620 - Laboratory	0.00	9,500.00	-9,500.00	0.0%
630 - Regulatory				
630.01 · Permits	0.00	1,000.00	-1,000.00	0.0%
Total 630 - Regulatory	0.00	1,000.00	-1,000.00	0.0%
640 · Repairs and Maintenance				
640.01 · Piping and Distribution	-0.03	10,000.00	-10,000.03	0.0%
640.02 · Equipment	0.00	20,000.00	-20,000.00	0.0%
640.03 · Building & Grounds	0.00	2,000.00	-2,000.00	0.0%
640.04 · Water Tower Maintenance	0.00	16,000.00	-16,000.00	0.0%
640.05 · Generators Annual Mainte	400.00	2,250.00	-1,850.00	17.78%

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Cedar Key Water & Sewer District
Profit & Loss Budget vs. Actual
 October 2020

8%

	Oct 20	Budget	\$ Over Budget	% of Budget
Total 640 · Repairs and Maintenance	399.97	50,250.00	-49,850.03	0.8%
650 · Utilities				
650.01 · Electric	0.00	20,000.00	-20,000.00	0.0%
650.02 · Propane	0.00	600.00	-600.00	0.0%
650.03 · Telephone	0.00	2,000.00	-2,000.00	0.0%
Total 650 · Utilities	0.00	22,600.00	-22,600.00	0.0%
660 · Other				
660.01 · Professional Fees	0.00	5,000.00	-5,000.00	0.0%
660.20 · Contingency	0.00	10,000.00	-10,000.00	0.0%
Total 660 · Other	0.00	15,000.00	-15,000.00	0.0%
670 · Capital Expenditures				
670.02 Water Plant Construction	3,254.89	173,000.00	-169,745.11	1.88%
Total 670 · Capital Expenditures	3,254.89	173,000.00	-169,745.11	1.88%
680 · Loans				
680.01 · CCB - MIEX Interest	0.00	30,058.00	-30,058.00	0.0%
680.02 · CCB - MIEX Principal	0.00	18,000.00	-18,000.00	0.0%
680.05 · RD - Water System Interest	0.00	0.00	0.00	0.0%
680.06 · RD - Water System Principal	0.00	0.00	0.00	0.0%
Total 680 · Loans	0.00	48,058.00	-48,058.00	0.0%
Total 600 · DIRECT WATER EXPENSES	6,287.87	430,908.00	-424,620.13	1.46%
700 · DIRECT WASTEWATER EXPENSES				
710 · Chemicals and Filters				
710.01 · Chemicals	1,830.04	30,000.00	-28,169.96	6.1%
Total 710 · Chemicals and Filters	1,830.04	30,000.00	-28,169.96	6.1%
720 · Laboratory				
720.01 · In House Lab	0.00	1,500.00	-1,500.00	0.0%
720.02 · Outside Lab	84.68	15,000.00	-14,915.32	0.57%
720.03 · Instrument Maintenance	0.00	0.00	0.00	0.0%
Total 720 · Laboratory	84.68	16,500.00	-16,415.32	0.51%
730 · Regulatory				
730.01 · Permits	0.00	2,000.00	-2,000.00	0.0%
730.02 · Biosolids Hauling	3,100.00	58,000.00	-54,900.00	5.35%
Total 730 · Regulatory	3,100.00	60,000.00	-56,900.00	5.17%
740 · Repairs Maintenance Other				
740.01 · Piping & Distribution	0.00	7,000.00	-7,000.00	0.0%
740.02 · Equipment	0.00	15,000.00	-15,000.00	0.0%
740.03 · Building and Grounds	0.00	85,000.00	-85,000.00	0.0%
740.04 · Generator-Annual Maintenance	225.00	1,375.00	-1,150.00	16.36%
Total 740 · Repairs Maintenance Other	225.00	108,375.00	-108,150.00	0.21%
750 · Utilities				
750.01 · Electric	0.00	27,000.00	-27,000.00	0.0%
750.02 · Propane	0.00	1,000.00	-1,000.00	0.0%
Total 750 · Utilities	0.00	28,000.00	-28,000.00	0.0%
760 · Other				



Cedar Key Water & Sewer District
Profit & Loss Budget vs. Actual
October 2020

8%

	Oct 20	Budget	\$ Over Budget	% of Budget
760.01 · Professional Fees -WWTP Permit	0.00	0.00	0.00	0.0%
760.02 · Contingency	0.00	0.00	0.00	0.0%
Total 760 · Other	0.00	0.00	0.00	0.0%
Total 700 · DIRECT WASTEWATER EXPENSES	5,239.72	242,875.00	-237,635.28	2.16%
Total Expense	100,477.55	1,271,070.00	-1,170,592.45	7.91%
Net Ordinary Income	-58,848.04	15,000.00	-73,848.04	-392.32%
Net Income	-58,848.04	15,000.00	-73,848.04	-392.32%

Cedar Key Water & Sewer District Monthly Checkbook Activity As of October 31, 2020

Date	Num	Name	Memo	Amount
10/01/2020	29491	Quinn, William M.	Pay Check	-895.98
10/01/2020		Deposit	Nextower Monthly Ground Rent	900.00
10/01/2020		Deposit	Deposit	62.68
10/01/2020		Deposit	Deposit	112.68
10/02/2020	29492	Doty, Gabriel T	Pay Check	-516.93
10/02/2020	29493	Johns, Alicia M.	Pay Check	-446.39
10/02/2020	29494	McCain, James E.	Pay Check	-846.73
10/02/2020	29495	Richburg, Margaret A.	Pay Check	-597.30
10/02/2020	Bankdraft	EFTPS	59-1156008	-1,070.96
10/03/2020		Deposit	Deposit	111.13
10/05/2020		Deposit	Deposit	211.62
10/06/2020		Deposit	Deposit	6,359.25
10/06/2020		Deposit	Deposit	49.82
10/08/2020	29496	Doty, Gabriel T	Pay Check	-611.89
10/08/2020		Deposit	Deposit	254.27
10/09/2020	29500	McCain, James E.	Pay Check	-1,001.64
10/09/2020	29501	Quinn, William M.	Pay Check	-664.59
10/09/2020	29503	Richburg, Margaret A.	Pay Check	-597.29
10/09/2020	29497	Haldeman, Hattie B.	Pay Check	-369.40
10/09/2020	29498	Hand, Joseph G.	Pay Check	-369.40
10/09/2020	29499	Johns, Alicia M.	Pay Check	-446.39
10/09/2020	29502	Reynolds, Chris	Pay Check	-369.40
10/09/2020	29504	Rosenthal, Stephen B.	Pay Check	-369.40
10/09/2020	29505	Sturmer, Leslie N.	Pay Check	-369.40
10/09/2020	Bankdraft	EFTPS	59-1156008	-1,339.32
10/09/2020		Deposit	Deposit	11,709.12
10/11/2020		Deposit	Deposit	73.78
10/11/2020		Deposit	Deposit	0.74
10/13/2020	29506	John K. McPherson. P.A.	Management, Invoice No: 8 9/2020	-5,000.00
10/13/2020		Deposit	Deposit	132.76
10/14/2020	29507	Department of Environmental Protection	Gabrial Doty License Wast Water Treatment Class	-100.00
10/14/2020	Bankdraft	City Of Cedar Key	Account No: 801910/28/2020	-141.19
10/14/2020	Bankdraft	Wex Bank Marathon Fleet	Fuel Invoice 6742042 Sept 2020	-538.62
10/14/2020	29509	A-Able Septic-Sewer Service, Inc.	Invoice NO: 48413 Sept. 2020	-3,380.00
10/14/2020	29510	AT & T # 2	Account No: 352-543-6405 937 1988	-57.45
10/14/2020	29511	AT&T # 1	352-543-5285 938 1985	-421.93
10/14/2020	29512	AT&T Internet Service	Invoice No: 122314242	-83.85
10/14/2020	29513	Aqua Pure Water & Sewerage Service , LLC	Invoice No: 84410 09/31/2020	-3,349.00
10/14/2020	29514	Beauchamp & Edwards	Invoice # 16350	-2,000.00
10/14/2020	29515	Chiefland Citizen Landmark. Comm. Newspaper	Invoice No:22-010742 Sept. 2020	-367.84
10/14/2020	29516	Central FL Electric	Electric Bills 09/2020	-4,407.27
10/14/2020	29517	FloridaDepartment of Economic Opportunity	Special District Annual Fee	-175.00
10/14/2020	29518	Hach Company	Invoice NO: 12134905 9/30/2020	-526.95



Cedar Key Water & Sewer District Monthly Checkbook Activity As of October 31, 2020

Date	Num	Name	Memo	Amount
10/14/2020	29519	Konica Minolta Business Solutions	Maintenance, Invoice No: 268621849	-82.41
10/14/2020	29520	LANIER MUNICIPAL SUPPLY CO.,INC.	Invoice No: 114066 9/30/2020	-584.76
10/14/2020	29521	Marina Hardware At Cedar Key, Inc.	Invoice No & Account No: 220 09/2020	-249.92
10/14/2020	29522	Verizon Wireless # 1	Cell Phones, Invoice No:9861401182	-97.66
10/14/2020	29523	Verizon # 2	Account No: 842009805-0001	-110.87
10/14/2020	29524	VISA	Invoice No 9274 July 2020	-219.04
10/14/2020		Deposit	State of Florida	111,746.37
10/14/2020		Deposit	Deposit	142.26
10/14/2020		Deposit	Deposit	104.21
10/15/2020	29525	Doty, Gabriel T	Pay Check	-453.28
10/15/2020	29526	Johns, Alicia M.	Pay Check	-446.40
10/15/2020	29527	Richburg, Margaret A.	Pay Check	-597.30
10/15/2020	29528	McCain, James E.	Pay Check	-1,234.53
10/16/2020	29529	Quinn, William M.	Pay Check	-756.95
10/16/2020	Bankdraft	EFTPS	59-1156008	-1,107.48
10/19/2020	29531	Ann Richburg	Reimbursement Request mileage to Ocala	-84.68
10/19/2020		Deposit	Deposit	55.25
10/20/2020	29532	AT & T MOBILITY	287283253088 Sept. 2020	-23.50
10/20/2020	29533	Egis Insurance Advisors, LLC	Invoice No: Policy # 100110692 Property/Liability In:	-47,938.00
10/22/2020	29535	Quinn, William M.	Pay Check	-895.98
10/22/2020	29534	Johns, Alicia M.	Pay Check	-446.39
10/22/2020	29536	Doty, Gabriel T	Pay Check	-453.29
10/22/2020		Deposit	Deposit	55.61
10/22/2020		Deposit	Deposit	408.66
10/23/2020	29537	McCain, James E.	Pay Check	-1,272.72
10/23/2020	29538	Richburg, Margaret A.	Pay Check	-597.30
10/23/2020	Bankdraft	EFTPS	59-1156008	-1,193.94
10/24/2020		Deposit	Deposit	54.89
10/26/2020	Bankdraft	Blue Cross Blue Shield of FL	Group:90866 450000238764 10 /01/20 74728402	-4,372.69
10/26/2020	29539	AFLAC	ATF27	-1,262.45
10/26/2020	29540	DAVISVISION	90866	-79.26
10/26/2020	29541	A-Able Septic-Sewer Service, Inc.	Invoice NO: 48535 10/26/20	-3,100.00
10/26/2020	29542	DIGITAL DEPLOYMENT	Invoice No:107383 10/13/02020	-200.00
10/26/2020	29543	Egis Insurance Advisors, LLC	Invoice No: Policy # 100110692 Property/Liability In:	-504.00
10/26/2020	29544	Ellis Automated Corporation	Invoice No: 2053 10/16/2020	-3,254.89
10/26/2020	29545	Hawkins, Inc.d/b/a Dumont	Invoice No: 4811577, 4811578 10/132/2020	-2,776.76
10/26/2020	29546	JAC-PAC DISTRIBUTORS	Invoice No: 10233127-001-01 10/16/2020	-658.72
10/26/2020	29547	McCall Service, Inc.	# 1000001449 10/08/2020	-48.00
10/26/2020	29548	Ring Power	Invoice # 08WE621227,08WE6219225,08WE6219:	-625.00
10/26/2020	29549	Ring Power	Invoice # 01PC6233287 10/14/2020	-352.91
10/26/2020	29550	Utility Service Co., Inc.	Invoice No: 518943 10/2020	-3,999.50
10/26/2020		Deposit	Deposit	11,567.99
10/26/2020		Deposit	Craig McCall 1 hr. @ 65.00 hr	65.00
10/27/2020		Deposit	Deposit	9,784.66
10/27/2020		Deposit	ACH	18,574.89



Cedar Key Water & Sewer District Monthly Checkbook Activity As of October 31, 2020

Date	Num	Name	Memo	Amount
10/28/2020	29551	US Postmaster	4 rolls of stamps @ 55.00 ea= \$ 220.00	-220.00
10/28/2020	29552	Beauchamp & Edwards	Invoice # 16417	-4,200.00
10/28/2020	29553	Transamerica Employee Benefits	33859	-70.10
10/29/2020	29554	McCain, James E.	Pay Check	-1,234.54
10/30/2020	29555	Doty, Gabriel T	Pay Check	-516.92
10/30/2020	29557	Quinn, William M.	Pay Check	-664.60
10/30/2020	29558	Richburg, Margaret A.	Pay Check	-597.29
10/30/2020	29556	Johns, Alicia M.	Pay Check	-446.40
10/30/2020		Deposit	Deposit	267.90
10/30/2020	Bankdraft	EFTPS	59-1156008	-1,079.42
10/30/2020	29560	US Postmaster	793@ 0.35ea= \$277.55	-277.55
10/30/2020	29561	Hawkins, Inc.d/b/a Dumont	Invoice No: 4822220144, 4820145	-1,686.29
				<u>50,300.34</u>
				<u>50,300.34</u>
				<u>50,300.34</u>
TOTAL				

(12)

Cedar Key Water & Sewer District

Sick and Annual Leave Balances

October 31, 2020 Amount Used 2020

<u>Employee</u>	<u>Sick Available</u>	<u>Sick Used</u>	<u>Vacation Available</u>	<u>Vacation Used</u>
Doty, Gabriel T	36:00	88:00	67:28	32:00
Johns, Alicia M.	13:27	117:30	44:47	136:00
McCain, James E.	1236:30	58:00	227:15	84:30
Quinn, William M.	294:00	42:30	109:01	146:30
Richburg, Margaret A.	4:00	84:30	74:12	125:00

13

Cedar Key Water and Sewer District
General Manager Report
November 9, 2020

1. Water System

The GAC continues to work properly, but with the Miex off we got poor results for the DBP testing. We immediately turned the Miex back on and will have new test results to discuss at the meeting. We will be taking samples during the first week of November for reporting to DEP.

2. Wastewater System

We will be working with CROM corporation to begin concrete repairs at the WWTP, and with Tim Norman on options for full funding for wastewater system repairs.

3. Cell Service

The final lease agreements are with Verizon for execution.

4. Internet Service

The final lease agreement is with WiFiber for execution. We are working on the website security issue and I will be able to report on that at the meeting.

5. Auditor Search

We received a single response to our response to our RFP for auditor services. It is from James Moore CPAs. It looks to be in order and Robert Beauchamp says that this company does a good job for small local governments. I recommend that we dispense with any further review procedures and engage in contract negotiations with James Moore. The response from James Moore is available at the office if you'd like to review it before the meeting. A draft contract is attached for review. (15-30)

6. Brazilian Pepper Experiment

As presented at the last meeting, the Division of Plant Industry at the Florida Department of Agriculture and Consumer Services would like to do an experiment with biological control of Brazilian Pepper. The experiment involves the release of certain insects (thrips) that eat pepper trees. The District WTP property is accessible and has many Brazilian Pepper trees which make it a good site for the experimental release of the insects. The Division would like the Board's approval to conduct this experiment, and additional information has been provided as requested by the Board (31).

Requested Action: Approve release of the insects at the WTP.

7. Covid-19

We continue to follow mask-wearing and separation protocols at the District office, with no symptoms or testing this past month. Question: Should we continue with the suspension of late fees and cutoffs?

November 3, 2020

To the Board of Commissioners,
Cedar Key Water and Sewer District:

You have requested that we audit the financial statements of the Cedar Key Water and Sewer District (the District), as of September 30, 2020, 2021 and 2022, and for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In addition, if applicable, we will audit the District's compliance over major federal award programs and major state projects for the years ended September 30, 2020, 2021 and 2022. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the District's major federal award programs and major state projects.

Accounting principles generally accepted in the United States of America, (U.S. GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) require that supplementary information, such as management's discussion and analysis (MD&A) or budgetary comparison information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis.

Data Collection Form

Prior to the completion of our engagement, if applicable, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, schedule of expenditure of federal awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the federal audit clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the federal audit clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the earlier of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

121 Executive Circle
Daytona Beach, FL 32114-1180
Telephone: 386-257-4100

133 East Indiana Avenue
DeLand, FL 32724-4329
Telephone: 386-738-3300

5931 NW 1st Place
Gainesville, FL 32607-2063
Telephone: 352-378-1331

2477 Tim Gamble Place, Suite 200
Tallahassee, FL 32308-4386
Telephone: 850-386-6184

Audit of the Financial Statements

We will conduct our audit in accordance with U.S. GAAS and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards (Uniform Guidance), Section 215.97, Florida Statutes, Florida Single Audit Act, and the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS; *Government Auditing Standards* of the Comptroller General of the United States of America; Section 215.97, Florida Statutes, Florida Single Audit Act; the provisions of Chapter 10.550, Rules of the State of Florida, Office of the Auditor General and will include tests of accounting records, a determination of major state project(s) in accordance with Chapter 10.550, Rules of the State of Florida, Office of the Auditor General and other procedures we consider necessary to enable us to express such opinions and to render the required reports. Please note that the determination of abuse is subjective and Government Auditing Standards does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the District's basic financial statements. Our report will be addressed to the Board of Commissioners. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However,

providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

We also will issue a written report as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General upon completion of our audit.

Audit of Major Program/Project Compliance

If applicable, our audit of the District's major federal award program(s) and state project(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance; and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General; and will include tests of accounting records, a determination of major programs/projects in accordance with the Uniform Guidance, Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, and other procedures we consider necessary to enable us to express such an opinion on major federal award program and major state project compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget OMB Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Also, as required by the Uniform Guidance, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major state projects. Our procedures will consist of tests of transactions and other applicable procedures described in the State of Florida State Projects Compliance Supplement for the types of compliance requirements that could have a direct and material effect on each of the Organization's major state projects. The purpose of these procedures will be to express an opinion on the District's compliance with requirements applicable to each of its major state projects in our report on compliance issued pursuant to Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

Also, as required by Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major state project. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Chapter 10.550, Rules of the State of Florida, Office of the Auditor General.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs and major state projects, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
3. For identifying, in its accounts, all federal awards received and state financial assistance expended during the period and the federal programs under which they were received, including federal awards and funding increments received prior to December 26, 2014 (if any), and those received in accordance with the Uniform Guidance (generally received after December 26, 2014);
4. For maintaining records that adequately identify the source and application of funds for federally funded activities;
5. For preparing the schedule of expenditures of federal awards and state financial assistance (including notes and noncash assistance received) in accordance with the Uniform Guidance and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General requirements;
6. For the design, implementation, and maintenance of internal control over federal awards, state financial assistance, and compliance;
7. For establishing and maintaining effective internal control over federal awards and state financial assistance that provides reasonable assurance that the nonfederal entity is managing federal awards and state projects in compliance with federal and state statutes, regulations, and the terms and conditions of the federal awards and state financial assistance;
8. For identifying and ensuring that the entity complies with federal and state statutes, regulations, and the terms and conditions of federal award programs and state financial assistance projects and implementing systems designed to achieve compliance with applicable federal and state statutes, regulations, and the terms and conditions of federal award programs and state financial assistance projects;
9. For disclosing accurately, currently, and completely the financial results of each federal award and major state project in accordance with the requirements of the award;
10. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objectives of the audit, including whether related recommendations have been implemented;
11. For taking prompt action when instances of noncompliance are identified;
12. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
13. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
14. For submitting the reporting package and data collection form to the appropriate parties;
15. For making the auditor aware of any significant vendor relationships where the vendor is responsible for program compliance;
16. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs and state financial assistance projects, such as records, documentation, and other matters;

- b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
17. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
 18. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
 19. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
 20. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant role in internal control and others where fraud could have a material effect on compliance;
 21. For the accuracy and completeness of all information provided;
 22. For taking reasonable measures to safeguard protected personally identifiable and other sensitive information;
 23. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter; and
 24. For identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. Additionally, as required by Uniform Guidance and Chapter 10.550, Rules of the State of Florida, Office of the Auditor General, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review at the commentment of fieldwork.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

Additional Examination Engagements

You have requested that we examine the District's compliance for the years ended September 30, 2020, 2021, and 2022, with the following statutes (collectively, "the Statutes"):

- Section 218.415, Florida Statutes, *Local Government Investment Policies*

We are pleased to confirm our acceptance and our understanding of this examination engagement by means of this letter. Our examination will be conducted with the objective of expressing an opinion as to whether the District complied in all material respects with the Statutes.

Practitioner Responsibilities

We will conduct our examinations in accordance with the attestation standards related to examinations of the American Institute of Certified Public Accountants. An examination-level attestation engagement

involves performing procedures to obtain attest evidence about whether the District is in compliance, in all material respects, in conformity with the Statutes. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement or misrepresentation of the subject matter, whether due to fraud or error.

Because of the inherent limitations of an examination, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or misrepresentations may not be detected exists, even though the examination is properly planned and performed in accordance with the attestation standards related to examinations of the American Institute of Certified Public Accountants. However, we will inform you of any material errors or fraud that comes to our attention, unless clearly inconsequential.

Management Responsibilities

Our examination will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the design, implementation, and maintenance of internal control relevant to the Statutes, which is the best means of preventing or detecting errors or fraud;
2. For selecting and determining the suitability and appropriateness of the criteria upon which compliance with the Statutes will be evaluated; and
3. To provide us with:
 - (1) Access to all information of which management is aware that is relevant to the Statutes such as records, documentation, and other matters and that you are responsible for the accuracy and completeness of that information;
 - (2) Additional information that we may request from management for the purpose of the examination; and
 - (3) Unrestricted access to persons within the entity from whom we determine it necessary to obtain attest evidence.

As part of our examination process, we will request from you written confirmation concerning representations made to us in connection with the examination.

Reporting

We will issue a written report(s) upon completion of our examination of compliance with the Statutes. Our report will be addressed to the governing body. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents or support for any other transactions we select for testing.

We are not the custodian of, and accept no responsibility for your financial and non-financial data. You acknowledge that you have sole responsibility for the storage and preservation of your financial and non-financial data.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

Zach Chalifour is the service leader for the audit services specified in this letter. His responsibilities include supervising the services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the reports.

Our fees for the audit of the financial statements and related services, including expenses, for each of the fiscal years included in this engagement are as follows:

<u>Year Ending September 30,</u>	<u>Audit Fee</u>	<u>Single Audit Fee per Major Program (if applicable)</u>
2020	\$11,000	\$3,000
2021	\$11,250	\$3,000
2022	\$11,500	\$3,000

This engagement may be terminated by either party for noncompliance with the terms as noted in this engagement letter. The parties will provide 60 days' notice of their intention to terminate the engagement. Upon completion of this engagement with the audit for the year ended September 30, 2022, a new engagement can be entered into for two additional one-year periods, at the option of both parties. Upon completion of this engagement with the audit for the year ended September 30, 2024, new engagements can be entered into for up to two additional five-year periods, at the option of both parties. Any such engagements will be evidenced by a new engagement letter.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

We will perform the following nonattest services: Preparation of financial statements, preparation of schedule of expenditures of federal awards and state financial assistance (if applicable), preparation of data collection form (if applicable). With respect to any nonattest services we perform, the District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual (John McPherson) to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

The audit documentation for this engagement is the property of James Moore & Co., P.L. and constitutes confidential information. However, we may be requested to make certain audit documentation available to a grantor or their designee, a federal or state agency providing direct or indirect funding, or the U.S.

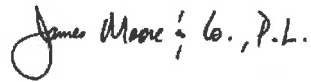
Cedar Key Water and Sewer District
November 3, 2020
Page 8

Government Accountability Office pursuant to authority given to it by laws or regulation, or to peer reviews. If requested, access to such audit documentation will be provided under the supervision of James Moore & Co., P.L. personnel. We will notify you of any such request. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

This engagement letter includes the attached James Moore & Co., P.L. Standard Terms and Conditions as Attachment A which is incorporated and made a part of this engagement letter by reference.

We appreciate the opportunity to be of service to the Cedar Key Water and Sewer District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



JAMES MOORE & CO., P.L.

RESPONSE:

This letter correctly sets forth the understanding of the Cedar Key Water and Sewer District.

By _____

Title _____

Date _____

22

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

April 11, 2018

To the Members

James Moore & Co., P.L.

and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. (the firm) in effect for the year ended October 31, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act, and audits of employee benefit plans and an examination of a service organization (SOC 2 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of James Moore & Co., P.L. in effect for the year ended October 31, 2017, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. James Moore & Co., P.L. has received a peer review rating of *pass*.

Haddock Reid Embank Betts PLLC

Attachment A
James Moore and Co., P.L.
Standard Terms and Conditions

The terms and conditions set forth below are incorporated into the engagement letter agreement pursuant to which James Moore & Co., P.L. ("JMCO", the "Firm") will provide services to the Cedar Key Water and Sewer District ("Client").

1. **Management's Responsibilities** – Management of Client is responsible for establishing and maintaining an effective internal control system. JMCO services may include advice and recommendations which management may or may not adopt. Client's management shall be fully and solely responsible for applying independent business judgment with respect to the services and work product provided by JMCO, to make implementation decisions, if any, and to determine further courses of action with respect to any matters addressed in any advice, recommendations, services, reports, or other work product or deliveries to Client. Management is responsible for the safeguarding of assets, the proper recording of transactions in the books of accounts, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the engagement to JMCO. Client should retain all the documents, canceled checks, and other data that form the basis of income and deductions. If the engagement also includes tax services, these records may be necessary to prove the accuracy and completeness of tax returns to a taxing authority. Client has final responsibility for the tax return(s) and; therefore should review the return(s) carefully before signing and filing.
2. **Responsible Person** – Client designates the individual signing the engagement letter ("Representative") as the individual to whom JMCO should look to provide information, communicate, and answer questions. Client understands that JMCO will rely on the Representative designated above and that decisions by the Representative may be beneficial to some and detrimental to others. JMCO is directed to rely on the Representative for all Client decisions including but not limited to tax treatments, allocation of income and expense items, tax elections and accounting treatments. All communication with the Representative is deemed to be communication with Client.
3. **Advice in Writing** – JMCO only provides advice for Client to rely upon in writing. Casual discussions of tax, accounting or other issues and informal communication are not advice upon which Client can rely. Client agrees that the only advice from JMCO upon which Client may rely is written advice received from JMCO on our letterhead or via e-mail.
4. **Unencrypted E-Mail Use Authorized for Communication** – In connection with this engagement, JMCO may communicate with Client or others via e-mail transmission. As e-mails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, JMCO cannot guarantee or warrant that e-mails from JMCO will be properly delivered and read only by the addressee. Therefore, JMCO specifically disclaims and waives any liability or responsibility whatsoever for interception or unintentional disclosure or communication of e-mail transmissions or for the unauthorized use or failed delivery of e-mails transmitted by JMCO in connection with the performance of this engagement. In that regard, Client agrees that JMCO shall have no liability for any loss or damage to any person or entity resulting from the use of e-mail transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information. During the term of this engagement Client may elect by notification in writing to JMCO to suspend or terminate the use of e-mail.

5. **Cooperation** – Client agrees to cooperate with JMCO in the performance of JMCO services for the Client, including providing JMCO with reasonable facilities and timely access to Client’s data, information and personnel. Client shall be responsible for the performance of Client’s employees and agents and for the accuracy and completeness of all data and information provided to JMCO for purposes of this engagement. In the event that JMCO is unable to obtain required information on a timely basis JMCO may revise its estimate of fees, alter the services required and/or terminate the engagement.
6. **Independent Contractor** – Client and JMCO are both independent contractors and neither Client nor JMCO are, or shall be considered to be, an agent, distributor or representative of the other. Neither Client nor JMCO shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.
7. **Payment of Invoices** – JMCO will bill Client for professional services, expenses, and out-of-pocket costs on a monthly basis. Payment is due within 30 days of the date on the billing statement. JMCO reserves the right to suspend work or terminate the engagement in the event that payment is not received within 30 days of the date on the billing statement. JMCO may also suspend work or terminate the engagement if information furnished is not satisfactory for JMCO to perform work on a timely basis. JMCO will notify Client if work is suspended or terminated. If JMCO elects to terminate the engagement for nonpayment or for any other reason provided for in this letter, the engagement will be deemed to have been completed for purposes of payment being due from Client. Upon written notification of termination, even if JMCO has not released work product, Client will be obligated to compensate JMCO for all time expended and to reimburse JMCO for all out-of-pocket costs through the date of termination. Suspension of work or termination of the engagement may result in missed deadlines, penalties/interest along with other consequences and Client agrees that suspended work or termination of the engagement shall not entitle Client to recover damages from JMCO. All fees, charges and other amounts payable to JMCO hereunder do not include any sales, use, value added or other applicable taxes, tariffs or duties, payment of which shall be the sole responsibility of Client, excluding any applicable taxes based on JMCO’s net income or taxes arising from the employment or independent contractor relationship between JMCO and JMCO’s personnel. A late payment charge of 1½% per month will be assessed on any balance that remains unpaid after deduction of current payments, credits, and allowances after 90 days from the date of billing. This is an Annual Percentage Rate of 18%.
8. **Confidential & Proprietary Information** – Client and JMCO both acknowledge and agree that all information communicated by one party (the “Disclosing Party”) to the other (the “Receiving Party”) in connection with this engagement shall be received in confidence, shall be used only for purposes of this engagement, and no such confidential information shall be disclosed by the Receiving Party or its agents or personnel without the prior written consent of the other party. Except to the extent otherwise required by applicable law or professional standards, the obligations under this section do not apply to information that: (a) is or becomes generally available to the public other than as a result of disclosure by the Receiving Party, (b) was known to the Receiving Party or had been previously possessed by the Receiving Party without restriction against disclosure at the time of receipt thereof by the Receiving Party, (c) was independently developed by the Receiving Party without violation of this agreement or (d) Client and JMCO agree from time to time to disclose. Each party shall be deemed to have met its nondisclosure obligations under this paragraph as long as it exercises the same level of care to protect the other’s information, except to the extent that applicable law, regulations or professional standards impose a higher requirement. JMCO may retain, subject to the terms of this Paragraph, one copy of Client’s confidential information required for compliance with applicable professional standards or internal policies. If either Client or JMCO receives a subpoena or other validly issued administrative or judicial demand requiring it to disclose the other party’s confidential information, such party shall (if permitted to do so) provide written notice to the other of such demand in order to permit it to seek a protective order. So long as the notifying party gives

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notice as provided herein, the notifying party shall be entitled to comply with such demands to the extent permitted by law, subject to any protective order or the like that may have been entered into in the matter. In the event that Client wishes to assert a privilege or Client fails to respond and JMCO asserts the privilege on Client's behalf, Client agrees to pay for all expenses incurred by JMCO in defending the privilege, including, by way of illustration only, JMCO's attorney's fees, court costs, outside adviser's costs, penalties and fines imposed as a result of Client asserting the privilege or Client's direction to JMCO to assert the privilege. JMCO's techniques, judgments, methodology, and practices relating to its engagement practices are agreed by Client and JMCO to constitute proprietary confidential business information in the nature of trade secrets, security measures, systems and procedures which are in the nature of competitive interests which would impair the competitive business of JMCO should the information be released.

9. **Disclosures** – Certain communications involving advice are privileged and not subject to disclosure. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, Client, Client's employees or Client's agents may be waiving this privilege. To protect this right to privileged communication, please consult with JMCO or an attorney prior to disclosing any information about JMCO advice. Should Client determine that it is appropriate for JMCO to disclose any potentially privileged communication; Client agrees to provide JMCO with written, advance authority to make that disclosure.
10. **Force Majeure** – Neither Client nor JMCO shall be liable for any delays resulting from circumstances or causes beyond our reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any government agency or authority.
11. **Indemnification** – Client, its officers and directors hereby agrees to indemnify; agrees to pay for the defense (with counsel of JMCO's choosing) of JMCO, (including JMCO's principals, employees and authorized agents) and agrees to hold JMCO harmless from any and all suits, claims, actions, proceedings, liabilities, judgments, losses and costs whatsoever (including but not limited to attorneys' fees and litigation costs) arising in connection with any services performed or products provided by JMCO pursuant to, or under the cover of this engagement letter (Indemnity) as described in this paragraph. This Indemnity relates only to circumstances in which there is a knowing misrepresentation by Client and/or its management relating to this engagement. The foregoing indemnity is intended to apply to the extent not contrary to applicable law. This provision shall survive the termination of this engagement for a period of five years.
12. **Document Retention and Ownership** – The parties agree that JMCO will endeavor to retain documents and records in accordance with the Firm's Record Retention and Destruction Policy. Client agrees that after the specified period of retention expires (typically seven (7) years), documents and records may not be available. However, the related engagement records will not be destroyed regardless of the retention period, if JMCO has knowledge of potential or pending legal action and/or investigation by a regulatory agency, and it has been determined by the Firm that the records in question are relevant to said legal action and/or investigation. If it is determined that the records in question are relevant to the legal action and/or investigation, the Firm will impose a litigation hold on the records thereby suspending the scheduled destruction of the records. As potential or pending legal action or an investigation may not be public knowledge, we request that you inform us of any such legal action or investigation in a timely manner. Likewise, we request that you inform us when all legal action or investigation has been concluded so that the Firm can release the litigation hold and the records related to our engagement can be destroyed in accordance with our Record Retention and Destruction Policy. JMCO does not retain original client records or documents. Records prepared by us specifically for you as part of this engagement (for example, financial statements and other financial reports, tax returns, general ledgers, depreciation schedules, etc.) and other supporting records prepared by JMCO (for example, adjusting entries and related

support, data combining schedules, calculations supporting amounts in tax returns and financial statements, letters, memos and electronic mail, etc.) will remain part of the engagement records. When any records are returned or provided to you, it is your responsibility to retain and protect them for possible future use, including potential examination by any government or regulatory agencies. JMCO owns and retains the rights to JMCO's internal working papers; any information created by JMCO is not the property of Client. In the event that documents are requested by the Representative or any other individual considered by law or regulation to be our client we will furnish the documents readily available in the Client file (which shall not include any obligation on JMCO's part to undertake a search of JMCO's electronic document and email files) to the requesting party.

13. **Hosting of Client Data** – JMCO does not Host, is not the custodian of, and accepts no responsibility for Client financial and non-financial data. Client acknowledges that it has sole responsibility for the storage and preservation of its financial and non-financial data.
14. **Professional Standards** – JMCO will perform this engagement in accordance with the professional standards applicable to the engagement including those standards promulgated by the American Institute of Certified Public Accountants. In the event that issues arise that present a conflict of interest and/or a potential for breach of professional standards it may become necessary to terminate or suspend services of this engagement.
15. **Use of Third Party Providers** – In the normal course of business, JMCO uses the services of third-parties and individual contractors, which are not employees of JMCO. Those services are performed at various levels and in various aspects of JMCO's engagements including bookkeeping, tax return preparation, consulting, audit and other attest services and clerical and data entry functions. It is possible that during the course of the engagement JMCO may utilize such third-party and individual contractor sources. Additionally, the engagement will, of necessity, require JMCO to handle confidential information and JMCO expects third-party service providers and individual contractors to maintain the confidentiality of such information. To be reasonably assured that unauthorized release of confidential client information does not occur, JMCO requires those individuals and third-party service providers to enter into a written agreement to maintain the confidentiality of such information. Client acceptance of this arrangement acknowledges and accepts our handling of confidential Client information including access by third-party and individual service providers.
16. **Limitation of Liability and Actions** – Neither party may assert against the other party any claim in connection with this engagement unless the asserting party has given the other party written notice of the claim within one (1) year after the asserting party first knew or should have known of the facts giving rise to such claim. Notwithstanding anything to the contrary, JMCO's maximum aggregate liability in this engagement (regardless of the nature of the any claim asserted, including contract, statute, any form of negligence, tort, strict liability or otherwise and whether asserted by Client, JMCO or others) shall be limited to twice the sum of the fees paid to JMCO during the term of this engagement. In no event shall JMCO be liable for consequential, incidental, special or punitive loss, damage or expense (including, without limitation, lost profits, opportunity costs, etc.) even if JMCO had been advised of their possible existence. This provision shall survive the termination of this agreement.
17. **Mediation** – Prior to resorting to arbitration or litigation that may arise regarding the meaning, performance or enforcement of this engagement or any prior engagement the parties agree to attempt resolution of any dispute in mediation administered by and conducted under the rules of the American Arbitration Association (AAA) in mediation session(s) in Alachua County, Florida. Unless the parties agree in writing to the contrary, the parties will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement. The results of any such mediation shall be binding only upon agreement of each party to be bound. Each party may disclose any facts to the other party or to the mediator that it in good faith considers

reasonably necessary to resolve the dispute. However, all such disclosures shall be deemed in furtherance of settlement efforts and shall not be admissible in any subsequent proceeding against the disclosing party. Except as agreed to in writing by both parties, the mediator shall keep confidential all information disclosed during mediation. The mediator shall not act as a witness for either party in any subsequent proceeding between the parties. The costs of any mediation proceeding shall be shared equally by the participating parties.

18. **Binding Arbitration** – All disputes not resolved by mediation (as described above) arising out of and/or related to the services and/or relationship with JMCO and Client will be resolved through binding arbitration. The parties agree that they are irrevocably voluntarily waiving the right to a trial by jury by entering into this voluntary binding arbitration agreement. The arbitration proceeding shall take place in Alachua County, Florida. The arbitration shall be governed by the provisions of the laws of Florida (except if there is no applicable state law providing for such arbitration, then the Federal Arbitration Act shall apply) and the substantive law of Florida shall be applied without reference to conflicts of law rules. In any arbitration instituted hereunder, the proceedings shall proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that discovery shall be limited to identification of witnesses, exchange of expert reports, deposition of experts only, exchange of documents in the Client file and interrogatories and shall not include any exchange of e-mail or any requirement to produce or search for e-mail. Any Dispute regarding discovery, or the relevance or scope thereof, shall be determined by the Arbitration Panel (as defined below). For amounts in dispute less than One Million Dollars, the arbitration shall be conducted before a single arbitrator appointed as a neutral by the AAA. The single arbitrator shall be both a licensed attorney and a licensed certified public accountant at the time of appointment as the arbitrator. If the amount in dispute is One Million Dollars or more, the arbitration shall be conducted before a panel of three persons, all panel members must be members of the AAA's panel of neutrals with one arbitrator selected by each party (party selection shall be completed within twenty days of receipt of the panel nominees from the AAA or, failing party selection the panel members shall be appointed by the AAA), and the third member of the panel will be selected by the AAA will be licensed as a certified public accountant at the time of appointment to the panel (the "Arbitration Panel"). The party-selected arbitrators shall be treated as neutrals. The Arbitration Panel shall have no authority to award non-monetary or equitable relief, but nothing herein shall be construed as a prohibition against a party from pursuing non-monetary or equitable relief in a state or federal court. The parties also waive the right to punitive damages and the arbitrators shall have no authority to award such damages or any other damages that are not strictly compensatory in nature. In rendering their award the Arbitration Panel shall issue a reasoned award. The Arbitration Panel is directed to award attorneys' fees and costs along with the costs of the arbitration proceeding to the prevailing party as determined by the Arbitration Panel. The confidentiality provisions applicable to mediation shall also apply to arbitration. The award issued by the Arbitration Panel may be confirmed in a judgment by any federal or state court of competent jurisdiction. In no event shall a demand for arbitration be made after the date on which the initiation of the legal or equitable proceeding on the same dispute would be barred by the applicable statute of limitations or statute of repose or this agreement. For the purposes of applying the statute of limitations or repose or this agreement, receipt of a written demand for arbitration by the AAA shall be deemed the initiation of the legal or equitable proceeding based on such dispute.
19. **Employees** – Both Client and JMCO agree that they will not employ any employee of the other within one year of the employee's last day of employment with the other, unless mutually agreed upon in writing. Employment of a former employee within one year of the employee leaving the other party may cause significant economic losses and/or breach of professional standards for JMCO and potential economic loss and/or potential conflicts of interest for Client. If this provision is breached, client will pay 3 months' salary of the employee to JMCO.

20. **Posting and Distribution of Information** – JMCO’s permission is required prior to distribution or posting of JMCO work product. If Client plans to distribute or post online any of JMCO’s work product, a copy of the document, reproduction master or proof will be submitted to JMCO not less than seven days prior to distribution or posting to provide JMCO sufficient time for our reading and approval prior to distribution or posting. If, in our professional judgment, the circumstances require, we may withhold our written consent. Client agrees that prior to posting an electronic copy of any of JMCO’s work product, including but not limited to financial statements and our report(s) thereon, that Client will ensure that there are no differences in content between the electronic version posted and the original signed version provided to management by JMCO. Client agrees to indemnify JMCO, defend using counsel of JMCO’s choosing and hold JMCO harmless from any and all claims that may arise from any differences between electronic and original signed versions of JMCO’s work product.
21. **Assignment** – Neither party may assign any of its rights or obligations under the terms of this engagement without the prior written consent to the other.
22. **Additional Work** – From time to time Client may request that JMCO undertake to complete additional work. In the event that such work is undertaken without a separate written engagement understanding then the terms of this engagement letter shall govern the additional work.
23. **Entire Agreement** – This engagement letter constitutes the entire understanding between the parties regarding the JMCO services and supersedes all prior understandings relating to JMCO services. No amendment, modification, waiver or discharge of the terms of this engagement letter shall be valid unless in writing and signed by authorized representatives of both parties. This understanding has been entered into solely between Client and JMCO, and no third-party beneficiaries are created hereby. In the event any provision(s) of the terms of this document shall be invalidated or otherwise deemed unenforceable, such finding shall not cause the remainder of this document to become unenforceable. The proper venue for all actions involving the relationship between JMCO and Client are the tribunals of principal jurisdiction in Alachua County, Florida. This engagement and the relationship between the parties shall be construed and enforced in accordance with, and governed by Florida law without giving effect to Florida’s choice of law principles. This document may be transmitted in electronic format and shall not be denied legal effect solely because it was formed or transmitted, in whole or in part, by electronic record; however, this document must then remain capable of being retained and accurately reproduced, from time to time, by electronic record by the parties and all other persons or entities required by law. An electronically transmitted signature or acknowledgment will be deemed an acceptable original for purposes of binding the party providing such electronic signature.

From: [Steininger, Sedonia](#)
To: [John McPherson](#)
Subject: RE: Brazilian peppertree biocontrol at the Water Treatment Plant
Date: Tuesday, November 03, 2020 10:35:44 AM

Good morning John,

Thank you for following up on this. It might be helpful for the board to understand that this study is not meant to test the safety of these insects for release. That has already been established. Biological control scientists spent > 20 years working with this insect to ensure that it is safe to release into our environment. The board doesn't have to take my word for it. As I said before, the release of this insect has support from the Florida Fish and Wildlife Conservation Commission, the US Army Corps of Engineers, the South West Florida Water Management, the University of Florida, and the Comprehensive Everglades Restoration Program (CERP) in addition to the U.S. Department of Agriculture and the Florida Department of Agriculture. Many years of hard work went into establishing that it's safe for these insects to be released.

The goal of my research, in this case, is to follow up on the impact(s) of the release of these insects. My questions include these → How well are the insects establishing after they are released? How much damage are they causing? Do we see a reduction in growth, flowers, fruits, and/or seeds? I will be conducting similar studies on state park properties throughout the state with the support of staff biologists and park administrators. It may be helpful for the board to know that these insects are already being released across the state. In the time since they were approved for release (May 2019), >180,000 insects have been released onto state and country parks, the Everglades, military and air force bases, cattle ranches, and private properties in at least 18 counties. It is likely that hundreds of thousands of insects will be released in 2021.

Brazilian peppertree is one of Florida's most aggressive invasive weeds. It's true that biological control is not a zero risk proposition, but chemical and mechanical means of control aren't cutting it for this plant. A lot of well informed people who care deeply about Florida's ecosystems have looked hard at this problem and have determined that the potential benefits outweigh the potential risks. My job is to follow up on the benefits part. This study will help me do that.

Thanks again!
Sedonia

P.S. – Please let me know if you want/need any additional information.

Sedonia Steininger
Biological Scientist IV
Division of Plant Industry
Florida Department of Agriculture and Consumer Services

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