

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

REGULAR MEETING
September 14, 2020, 5:01 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. Resolution No: 2020-05 *(1)*

A RESOLUTION OF THE CEDAR KEY WATER AND SEWER DISTRICT;
ADOPTING THE TENTATIVE LEVYING OF AD VALOREM TAXES FOR
FISCAL YEAR 2020-2021; AND ESTABLISHING AN EFFECTIVE DATE.

5. Resolution No: 2020-06 *(2-5)*

A RESOLUTION OF THE CEDAR KEY WATER AND SEWER DISTRICT; ADOPTING
THE TENTATIVE BUDGET FOR FISCAL YEAR 2020-2021; AND ESTABLISHING
AN EFFECTIVE DATE.

6. Public Input.
7. Approval of minutes of August 10, 2020, regular meeting. *(6-8)*
8. Financial Reports: Balance Sheet; Budget Report; Checkbook Activity; Past Due Accounts Report; Employee Leave. *(9-18)*.
9. WiFiber Update: Michael Johns.
10. General Manager Report. *(19-20)*
11. Commissioner Comments.
12. Public Input.
13. 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.

RESOLUTION NO: 2020-05

A RESOLUTION OF THE CEDAR KEY WATER AND SEWER DISTRICT; ADOPTING THE TENTATIVE LEVYING OF AD VALOREM TAXES FOR FISCAL YEAR 2020-2021; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Cedar Key Water and Sewer District in Levy County, Florida, on September 14, 2020, held a public hearing as required by Section 200.65, Florida Statutes, for the setting of the tentative millage rate for Fiscal Year 2020-2021; and

WHEREAS, the gross taxable value for operating purposes not exempt from taxation within Levy County, Florida, has been certified by the County Property Appraiser to the Cedar Key Water and Sewer District as \$186,000,000.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CEDAR KEY WATER AND SEWER DISTRICT:

Section 1. The Fiscal Year 2020-2021 tentative operating millage shall be 1.2000 mills which is 4.5% higher than the rolled-back rate of 1.1457 mills.

Section 2. This Resolution shall take effect upon final adoption.

Passed by a vote of _____ to _____ on the 14th day of September, 2020, at _____ p.m.

CEDAR KEY WATER
AND SEWER DISTRICT

BY: _____
Stephen Rosenthal, Chairperson

ATTEST:

(SEAL)

Ann Richburg, Secretary



RESOLUTION NO: 2020-06

A RESOLUTION OF THE CEDAR KEY WATER AND SEWER DISTRICT; ADOPTING THE TENTATIVE BUDGET FOR FISCAL YEAR 2020-2021; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the Cedar Key Water and Sewer District in Levy County, Florida, on September 14, 2020, held a public hearing as required by Section 200.65, Florida Statutes, for the adoption of the Tentative Budget for Fiscal Year 2020-2021; and

WHEREAS, the Cedar Key Water and Sewer District set forth the appropriations and revenue estimate for the Budget for the Fiscal Year 2020-2021 in the amount of \$1,135,120.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE CEDAR KEY WATER AND SEWER DISTRICT:

Section 1. The Fiscal Year 2020-2021 Tentative Budget, attached hereto, shall be adopted.

Section 2. This Resolution shall take effect upon final adoption.

Passed by a vote of _____ to _____ on the 14th day of September, 2020, at _____ p.m.

CEDAR KEY WATER
AND SEWER DISTRICT

BY: _____
Stephen Rosenthal, Chairperson

ATTEST:

(SEAL)

Ann Richburg, Secretary

CEDAR KEY WATER AND SEWER DISTRICT

2020-2021 BUDGET: DRAFT 8.10.20 (3% Increase in Gallons and Small Bases; Same Millage)

ACCT	NAME	2020 BUDGET	2020 ACTUAL	2021 PROPOSED	NOTES
INCOME					
305	Water Charges	459,000	440,081	453,000	3% increase Small Bases and All Gallons
310	Sewer Charges	402,000	369,215	381,000	3% increase Small Bases and All Gallons
315	Ad Valorem Tax	213,000	213,000	213,000	95% of expected revenues
325	Penalties	2,500	2,500	2,500	
330	Earned Interest	20	13	20	
335	New Meter Charges	1,000	1,500	1,000	
340	Rent	16,500	7,110	30,100	Rent: NexTower: 10,800; Next Edge: 1,200; Bright House: 4,600; Verizon: 13,500
350	Miscellaneous	3,500	17,675	3,500	
360	Carry Forward	50,000		50,000	
365	Meter Installation	1,000	720	1,000	
382	Grant: Legislative 2016	50,000	22,000	173,000	
	TOTAL INCOME	\$1,198,520	\$1,073,814	\$1,308,120	
EXPENSE					
	GENERAL ADMINISTRATIVE				
	Payroll				
510.01	Salaries	232,522	259,844	262,026	With 3% COL and Field Overtime Allowance
510.02	Social Security/Medicare	17,787	19,494	20,045	With 3% COL and Field Overtime Allowance
510.03	Retirement	29,174	29,192	29,609	With 3% COL and Field Overtime Allowance
510.04	Health, Dental, Life, Vision	51,400	51,400	53,500	
510.05	Workers Compensation	8,000	8,000	5,500	
	Total Payroll	338,883	367,930	370,680	
	Office				
520.01	Supplies	2,000	2,583	2,500	
520.02	Postage and Shipping	4,500	4,668	4,500	
520.03	Copier, Comp., Billing, Etc.	6,000	5,231	6,000	
520.04	Printing and Copying	1,500	1,004	1,500	
	Total Office	14,000	13,486	14,500	
	Utilities				
530.01	Fuel for Equipment	6,500	5,871	6,500	
530.02	Solid Waste Disposal	2,250	1,694	2,000	
530.03	Telephone	8,000	9,984	10,000	
	Total Utilities	16,750	17,549	18,500	
	Professional Fees				
540.01	Audit and Accounting	18,000	18,000	18,000	
540.02	Management/Legal	60,000	60,000	60,000	
540.03	Property Appraiser's Fee	6,000	6,348	6,500	
540.04	Water/Wastewater Operator	5,000	8,000	5,000	Continue TwoFold Contract
540.05	Tax Collector Fees		5,000	5,500	Mistakenly not included in 2020 budget.
	Total Professional Fees	89,000	92,348	95,000	
	General Repair and Maintenance				
550.01	Vehicle	25,000	2,861	25,000	Includes 1 new pick up.
550.02	Equipment and Tools	52,000	60,000	7,500	Includes purchase of equipment trailer.
550.03	Building	2,000	4,088	2,500	
550.04	Supplies	2,500	930	1,000	
550.05	New Tools	4,000	282	1,000	
	Total General R & M	85,500	68,161	37,000	
	Other				
560.01	Property/Liability Ins.	43,300	43,300	48,000	
560.02	Election Expenses	1,000	0	1,000	
560.03	Continuing Education	1,800	521	1,500	
560.04	Annual Fees and Dues	2,000	2,000	2,000	
560.05	Ads and Publications	750	324	750	
560.06	Miscellaneous	2,000	3,893	2,000	
560.07	Contingency	16,012	-	6,907	Odd number to achieve balanced budget.
	Total Other	66,862	50,038	62,157	
570	Capital Expenditures	0	0	0	
	Total Capital Expenditures	0	0	0	
	TOTAL GENERAL ADMINISTRATIVE	\$610,995	\$614,512	\$597,837	

ACCT	NAME	2020 BUDGET	2020 ACTUAL	2021 PROPOSED	NOTES
DIRECT WATER EXPENSES					
Chemicals and Filters					
610.01	Chemicals	60,000	72,464	93,000	Includes carbon replacement (\$28,000)
610.02	Miex Resin	36,000	18,500	37,000	
610.03	TwinOxide Installation, Chemicals	74,000	778	0	
610.04	RO Filters and Membranes	0	0	0	
	Total Chemicals and Filters	170,000	91,742	130,000	
Laboratory					
620.01	In House Lab	1,000	2,034	2,500	
620.02	Outside Lab	2,500	7,176	7,000	
620.03	Instrument Calibration	3,500	0	0	These costs moved to In House Lab
	Total Laboratory	7,000	9,210	9,500	
Regulatory					
630.01	Permits	1,000	1,000	1,000	
	Total	1,000	1,000	1,000	
Repairs and Maintenance					
640.01	Piping and Distribution	20,000	5,297	10,000	Includes new valve at Hodgeson Hill
640.02	Equipment	15,000	46,402	20,000	Many unusual expenses last year
640.03	Building and Grounds	3,000	609	2,000	
640.04	Water Tower Maintenance	35,500	15,000	16,000	Budgeted amount for 2020 was wrong.
640.05	Generators: Annual Maintenance	2,250	2,250	2,250	
	Total R & M	75,750	69,558	50,250	
Utilities					
650.01	Electric	20,000	17,635	20,000	
650.02	Propane	600	0	600	
650.03	Telephone	3,500	1,108	2,000	
	Total Utilities	24,100	18,743	22,600	
Other					
660.01	Professional Fees		29,384	5,000	
660.20	Contingency	20,000	0	10,000	
	Total Other	20,000	29,384	15,000	
Capital Expenditures					
670.02	Water Plant Construction	0	0	173,000	
Loans					
680.05	RD--Water System Interest	31,000	30,525	30,058	
680.06	RD--Water System Principal	17,000	17,000	18,000	
	Total Loans	48,000	47,525	48,058	
TOTAL DIRECT WATER EXPENSES		\$345,850	\$267,162	\$449,408	

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ACCT	NAME	2020 BUDGET	2020 ACTUAL	2021 PROPOSED	NOTES
	DIRECT WASTEWATER EXPENSES				
	Chemicals and Filters				
710.01	Chemicals	30,000	25,187	30,000	
	Total Chemicals and Filters	30,000	25,187	30,000	
	Laboratory				
720.01	In House Lab	1,500	1,038	1,500	
720.02	Outside Lab	13,000	14,960	15,000	
720.03	Instrument Calibration	3,600	0	0	These costs moved to In House Lab
	Total Laboratory	18,100	15,998	16,500	
	Regulatory				
730.01	Permits	200	200	2,000	
730.02	Biosolids Hauling	50,000	56,700	58,000	
	Total Regulatory	50,200	56,900	60,000	
	Repairs and Maintenance				
740.01	Piping and Collection	6,000	6,789	7,000	
740.02	Equipment	25,000	10,376	15,000	No WWTP generator this year.
740.03	Building and Grounds	60,000	5,450	85,000	Includes repairs to WWTP.
740.04	Generator: Annual Maintenance	1,375	1,375	1,375	
	Total R & M	92,375	23,990	108,375	
	Utilities				
750.01	Electric	30,000	25,990	30,000	
750.02	Propane	1,000	0	1,000	
	Total Utilities	31,000	25,990	31,000	
	Other				
760.01	Professional Fees		21,184	5,000	
760.20	Contingency	20,000	0	10,000	
	Total Other	20,000	21,184	15,000	
	TOTAL DIRECT WASTEWATER EXPENSES	\$241,675	\$169,249	\$260,875	
	TOTAL EXPENSES	\$1,198,520	\$1,050,923	\$1,308,120	
	SURPLUS/DEFICIT	\$0	\$22,891	\$0	

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

**Minutes of Regular Meeting
Board of Commissioners
August 10, 2020**

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

Others Present: John McPherson, Jan Childers, Clay Childers.

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 4-0.
4. Public Input. Public input was requested but none was provided.
5. Approval of Minutes. **Motion** by Leslie Sturmer to accept the minutes of the regular meeting of July 13, 2020, with noted corrections. **Second** by Dottie Haldeman. Passed by a vote of 4-0.
6. Financial Reports. Budget, Balance Sheet, Checkbook Activity, Past Due Accounts, and Employee Leave reports were presented for review. The Board requested an overtime report for this fiscal year, additional information on Billy Quinn's pay checks, a report on how often employees have cashed in vacation time, and a report on annual leave rates. The General Manager said he would email information to the Board on these matters. **Motion** by Dottie Haldeman to accept the financial reports as presented. **Second** by Joe Hand. Passed by a vote of 4-0.
7. First Reading of 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.

The General Manager explained that this resolution would raise rates by 3% except for the base rate for large users, and that this increase is reflected in the draft budget for 2020-2021. **Motion** by Leslie Sturmer to approve Resolution 2020-04 on first reading. **Second** by Dottie Haldeman. Passed by a vote of 4-0.

8. General Manager Report.

a. *Water Plant.* The GM reported the following:

- The GAC equipment has been ordered and is due to be delivered and installed on August 20-21, and that James and crew have completed the foundation, roofing, and electrical connections in preparation for delivery.
- The DEP protocol to be followed during the 90-day test period has been finalized.
- An amendment to the agreement with DEP regarding use of the 2016 special legislative appropriation has been executed so that remaining funds in the appropriation may be used for costs associated with the GAC installation and testing.
- The DBP notice for the second quarter of this year was mailed on July 31st, and included a cover letter describing the GAC installation and test.

b. *Wastewater System.* The GM reported that an inspection report and cost estimates had been received from CROM Corporation for needed concrete repairs at the wastewater treatment plant. He stated that \$85,000 had been placed in the draft preliminary budget to get started on these repairs, and that in the meantime funding sources would be explored that might be available to make the additional repairs reported to be needed at the plant. The Board agreed with this approach.

c. *Cell Service.* The GM reported that he is awaiting final drafts of the tower and ground leases from Verizon so that they can be executed.

d. *Internet Service:* The GM reported that WiFiber has completed installation of its test equipment on the water tower and is supposed to be hooking up the test sites at the selected homes and businesses.

e. *Covid 19.* The GM reported that a rule has been instituted at the office that office staff must wear a mask if they leave their individual work area, and that the sign encouraging customers to use the drop box for bill payment has substantially reduced the number of people coming into the office. He reported that Billy Quinn thought he might have symptoms on Friday, August 7, and was ordered by the GM to be tested and not report back to work until a negative test was obtained. Billy got negative test results back on Monday August 10 and reported to work. The GM reported that other than that, no one on staff has had symptoms or a positive test.

A discussion ensued as to whether the field workers should be required to wear masks while indoors at the District office. The GM stated that he felt that this may not add much protection since the field workers often work close together outdoors and do not wear masks in that situation. The Board discussed the difference in being outdoors and indoors, and the need to take additional steps to protect staff. **Motion** by Leslie Sturmer to require all staff, including field staff, to wear masks indoors at the District Office when in the presence of other field or office workers. **Second** by Dottie Haldeman. Passed by a vote of 4-0.

f. *2020-2021 Budget and TRIM.* The GM provided the Board with a draft preliminary budget with the following important components:

- Keeps the millage rate at the current 1.2 mills.
- Increases rates by 3%, except for the large user base rate which stays the same.
- Provides a 3% COL salary increase to all employees.
- Includes purchase of one new pick up truck, and a new equipment trailer.
- Includes funds for concrete repairs at wastewater treatment plant.

He reported that proposed schedule for TRIM compliance is as follows:

- July Board Meeting: Set current year proposed millage rate and set date, time, and place of tentative budget hearing. (Proposed millage: 1.2; Proposed meeting date: September 14)
- By August 24: TRIM Notices go out.
- September 14: Tentative Budget Hearing
- September 24: Publish Newspaper Notice
- September 28: Final Budget Hearing
- By October 1: Budget Resolutions to Property Appraiser, Tax Collector, and DOR
- By October 28: Certificate of Compliance to Department of Revenue and post final budget on website

The Board agreed that the draft preliminary budget should be brought to the preliminary budget hearing as presented.

9. Commissioner Comments: None.
10. Public Input: Public input was requested, but none was provided.
11. Adjournment: There being no further business to conduct, the meeting was adjourned at 6:44 p.m.

Stephen B. Rosenthal, Chairperson

Leslie Sturmer, Commissioner &
Secretary of the Board

Date: _____

Cedar Key Water & Sewer District

Balance Sheet

As of August 31, 2020

Aug 31, 20

Current Assets

Checking/Savings

Unrestricted Cash Funds

100 - Operating Account	35,223.59
102 Petty Cash	175.00
113.3 Unrestricted Savings	2,015.51

Total Unrestricted Cash Funds 37,414.10

Restricted Cash Funds

103.1 Security Deposit	12,401.02
114.00 RD Payment	48,825.00
114.02 RD RESERVE ACCOUNT	34,364.00

Total Restricted Cash Funds 95,590.02

Total Checking/Savings 133,004.12

Other Current Assets

134 - Accounts Receivable	85,506.36
135 - Allowance for A/R	-17,550.00
160 - Inventory & Materials	36,966.00
170 - Utility Deposit	141.19

Total Other Current Assets 105,063.55

Total Current Assets 238,067.67

Fixed Assets

301 - Land	125,195.95
302 - Other Improvements	2,275,950.23
304 - Plant and Equipment	7,530,935.97
306 - Other Equipment	117,452.81
307 - Sewer Machinery	158,704.72
308 - Computer S/W	9,540.64
309 - Vehicles	110,495.02
311 - Less Accum Depreciation	-5,734,852.43

Total Fixed Assets 4,593,422.91

Other Assets

311 - Construction in Progress	
315.25 - CIP-WW Lines 3 bridges-District	125,019.87
315.00 - CIP-WW lines 3 bridges-SRWMD	95,000.00
312 - CIP-SRF Project	140,250.00
313 - CIP - SRF District Match	26,000.00
313.25 - CIP - Special Legislative 38091	166,661.36
313.50 - CIP - (Sp Leg 38091) District	20,702.94

Total 311 - Construction in Progress 573,634.17

Total Other Assets 573,634.17

5,405,124.75

Liabilities

Current Liabilities



Cedar Key Water & Sewer District Balance Sheet

As of August 31, 2020

Aug 31, 20

Other Current Liabilities	
403- Emplo Ret Con Payabale	-2,939.14
407-01 SS Tax Payable	21.63
408 - Sales Tax Payable	25.66
411 - Deferred Revenue	9,802.39
450 · Fed. Income Taxes Payable	1,889.96
482 - Accrued Int Pay	2,425.27
483 · Accrued Compensated Absences	15,775.00
484 -Security Deposit Payable	12,401.02
Total Other Current Liabilities	39,401.79
Total Current Liabilities	39,401.79
Long Term Liabilities	
460 · N/P-Rural Development	1,110,000.00
500 - Accrd Compen Absences-LT	8,373.00
Total Long Term Liabilities	1,118,373.00
Total Liabilities	1,157,774.79
Equity	
598 · Restricted for Debt Service	29,462.00
3900 · Retained Earnings	62,783.49
599 · Investment in Capital Assets -	4,057,057.08
Net Income	98,047.39
Total Equity	4,247,349.96
	5,405,124.75

Cedar Key Water & Sewer District
2019 & 2020 Profit & Loss Budget vs. Actual
October 2019 through August 2020

92%

	Oct '19 - Aug 20	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
300 - Income				
305 - Water Charge	413,753.32	459,000.00	-45,246.68	90.14%
310 - Sewer Charges	345,362.92	402,000.00	-56,637.08	85.91%
315 - Ad Valorem Tax				
315.100 - Ad Valorem	196,901.54	213,000.00	-16,098.46	92.44%
315 - Ad Valorem Tax - Other	9,955.60	0.00	9,955.60	100.0%
Total 315 - Ad Valorem Tax	206,857.14	213,000.00	-6,142.86	97.12%
325 - Penalties	1,596.77	2,500.00	-903.23	63.87%
330 - Earned Interest	8.77	20.00	-11.23	43.85%
335 - New Meter Charges	1,000.00	1,000.00	0.00	100.0%
340 - Rent	10,006.84	16,500.00	-6,493.16	60.65%
350 - Misc Income	14,982.21	3,500.00	11,482.21	428.06%
360 - Carry Forward	0.00	50,000.00	-50,000.00	0.0%
365. Meter Installation Fee	480.00	1,000.00	-520.00	48.0%
382 - Grant - Legislative 2016	21,814.83	50,000.00	-28,185.17	43.63%
386 - Grant SRWMD 2018	0.00			
Total 300 - Income	1,015,862.80	1,198,520.00	-182,657.20	84.76%
Total Income	1,015,862.80	1,198,520.00	-182,657.20	84.76%
Gross Profit	1,015,862.80	1,198,520.00	-182,657.20	84.76%
Expense				
500 - GENERAL AND ADMINISTRATIVE				
510 - Payroll				
510.01 - Salaries	238,027.94	232,522.00	5,505.94	102.37%
510.02 - Social Security/Medicare	17,825.39	17,787.00	38.39	100.22%
510.03 - Retirement	26,814.16	29,174.00	-2,359.84	91.91%
510.04 - Health, Dental & Life Ins	48,996.23	51,400.00	-2,403.77	95.32%
510.05 - Workers Comp.	5,789.97	8,000.00	-2,210.03	72.38%
Total 510 - Payroll	337,453.69	338,883.00	-1,429.31	99.58%
520 - Office				
520.01 - Supplies	1,918.39	2,000.00	-81.61	95.92%
520.02 - Postage & Shipping	5,207.10	4,500.00	707.10	115.71%
520.03 - Copier, Computer, Billing, Etc.	5,381.47	6,000.00	-618.53	89.69%
520.04 - Printing and Copying	669.90	1,500.00	-830.10	44.66%
Total 520 - Office	13,176.86	14,000.00	-823.14	94.12%
530 - Utilities				
530.01 - Fuel For Equipment	5,101.72	6,500.00	-1,398.28	78.49%
530.02 - Solid Waste Disposal	1,553.09	2,250.00	-696.91	69.03%
530.03 - Telephone	8,741.86	8,000.00	741.86	109.27%
530 - Utilities - Other	0.00			
Total 530 - Utilities	15,396.67	16,750.00	-1,353.33	91.92%
540 - Professional Fees				
540.01 - Audit & Accounting	18,050.00	18,000.00	50.00	100.28%



Cedar Key Water & Sewer District
2019 & 2020 Profit & Loss Budget vs. Actual
October 2019 through August 2020

92%

	Oct '19 - Aug 20	Budget	\$ Over Budget	% of Budget
540.02 · Management/Legal	50,000.00	60,000.00	-10,000.00	83.33%
540.03 · Property Appraiser's Fee	6,348.10	6,000.00	348.10	105.8%
540.05 · Tax Collector Fees	4,540.99			
540.04 · Water/Wastewater Operator	8,086.75	5,000.00	3,086.75	161.74%
Total 540 · Professional Fees	87,025.84	89,000.00	-1,974.16	97.78%
550 - General Repair & Maint				
550.01 · Vehicle	2,722.56	25,000.00	-22,277.44	10.89%
550.02 · Equipment and Tools	58,721.98	52,000.00	6,721.98	112.93%
550.03 · Building	2,941.53	2,000.00	941.53	147.08%
550.04 · Supplies	1,404.73	2,500.00	-1,095.27	56.19%
550.05 · New Tools	786.84	4,000.00	-3,213.16	19.67%
Total 550 - General Repair & Maint	66,577.64	85,500.00	-18,922.36	77.87%
560 · Other				
560.01 · Property/Liability Ins.	43,299.00	43,300.00	-1.00	100.0%
560.02 · Election Expenses	0.00	1,000.00	-1,000.00	0.0%
560.03 · Continuing Education	347.00	1,800.00	-1,453.00	19.28%
560.04 · Annual Fees & Dues	2,100.23	2,000.00	100.23	105.01%
560.05 · Ads and Publications	419.86	750.00	-330.14	55.98%
560.06 · Miscellaneous	2,660.10	2,000.00	660.10	133.01%
560.07 · Contingency	0.00	16,012.00	-16,012.00	0.0%
Total 560 · Other	48,826.19	66,862.00	-18,035.81	73.03%
Total 500 · GENERAL AND ADMINISTRATIVE	568,456.89	610,995.00	-42,538.11	93.04%
600 · DIRECT WATER EXPENSES				
610 · Chemicals and Filters				
610.01 · Chemicals	54,277.40	60,000.00	-5,722.60	90.46%
610.02 · Miex Resin	18,498.87	36,000.00	-17,501.13	51.39%
610.03 · Twin Oxide Inst., Rent, Chemical	777.96	74,000.00	-73,222.04	1.05%
610.04 · RO Filters and Membranes	0.00	0.00	0.00	0.0%
610 · Chemicals and Filters - Other	0.00	0.00	0.00	0.0%
Total 610 · Chemicals and Filters	73,554.23	170,000.00	-96,445.77	43.27%
620 - Laboratory				
620.01 · In House Lab	1,559.84	1,000.00	559.84	155.98%
620.02 · Outside Lab	5,259.00	2,500.00	2,759.00	210.36%
620.03 · Instrument Maintenance	0.00	3,500.00	-3,500.00	0.0%
Total 620 - Laboratory	6,818.84	7,000.00	-181.16	97.41%
630 - Regulatory				
630.01 · Permits	100.00	1,000.00	-900.00	10.0%
Total 630 - Regulatory	100.00	1,000.00	-900.00	10.0%
640 · Repairs and Maintenance				
640.01 · Piping and Distribution	7,964.15	20,000.00	-12,035.85	39.82%
640.02 · Equipment	39,428.06	15,000.00	24,428.06	262.85%
640.03 · Building & Grounds	885.96	3,000.00	-2,114.04	29.53%
640.04 · Water Tower Maintenance	18,978.00	35,500.00	-16,522.00	53.46%
640.05 · Generators Annual Mainte	1,850.00	2,250.00	-400.00	82.22%

Cedar Key Water & Sewer District
2019 & 2020 Profit & Loss Budget vs. Actual
October 2019 through August 2020

92%

	Oct '19 - Aug 20	Budget	\$ Over Budget	% of Budget
Total 640 · Repairs and Maintenance	69,106.17	75,750.00	-6,643.83	91.23%
650 · Utilities				
650.01 · Electric	17,047.26	20,000.00	-2,952.74	85.24%
650.02 · Propane	0.00	600.00	-600.00	0.0%
650.03 · Telephone	1,793.03	3,500.00	-1,706.97	51.23%
Total 650 · Utilities	18,840.29	24,100.00	-5,259.71	78.18%
660 · Other				
660.01 · Professional Fees	560.00			
660.02 · Engineering-SRF Planning	1,000.00			
660.04 Prof. Fees- Water Plant	26,306.40			
660.05 Pilot Study- Water Plant	2,500.00			
660.20 · Contingency	943.66	20,000.00	-19,056.34	4.72%
Total 660 · Other	31,310.06	20,000.00	11,310.06	156.55%
680 · Loans				
680.05 · RD - Water System Interest	0.00	31,000.00	-31,000.00	0.0%
680.06 · RD - Water System Principal	0.00	17,000.00	-17,000.00	0.0%
Total 680 · Loans	0.00	48,000.00	-48,000.00	0.0%
Total 600 · DIRECT WATER EXPENSES	199,729.59	345,850.00	-146,120.41	57.75%
700 · DIRECT WASTEWATER EXPENSES				
710 · Chemicals and Filters				
710.01 · Chemicals	20,022.02	30,000.00	-9,977.98	66.74%
710 · Chemicals and Filters - Other	0.00	0.00	0.00	0.0%
Total 710 · Chemicals and Filters	20,022.02	30,000.00	-9,977.98	66.74%
720 · Laboratory				
720.01 · In House Lab	692.95	1,500.00	-807.05	46.2%
720.02 · Outside Lab	11,548.92	13,000.00	-1,451.08	88.84%
720.03 · Instrument Maintenance	-384.00	3,600.00	-3,984.00	-10.67%
Total 720 · Laboratory	11,857.87	18,100.00	-6,242.13	65.51%
730 · Regulatory				
730.01 · Permits	200.00	200.00	0.00	100.0%
730.02 · Biosolids Hauling	48,460.00	50,000.00	-1,540.00	96.92%
Total 730 · Regulatory	48,660.00	50,200.00	-1,540.00	96.93%
740 · Repairs Maintenance Other				
740.01 · Piping & Distribution	11,168.46	6,000.00	5,168.46	186.14%
740.02 · Equipment	14,100.82	25,000.00	-10,899.18	56.4%
740.03 · Building and Grounds	7,133.66	60,000.00	-52,866.34	11.89%
740.04 · Generator-Annual Maintenance	1,150.00	1,375.00	-225.00	83.64%
Total 740 · Repairs Maintenance Other	33,552.94	92,375.00	-58,822.06	36.32%
750 · Utilities				
750.01 · Electric	24,672.34	30,000.00	-5,327.66	82.24%
750.02 · Propane	0.00	1,000.00	-1,000.00	0.0%
Total 750 · Utilities	24,672.34	31,000.00	-6,327.66	79.59%
760 · Other				
760.01 · Professional Fees -WWTP Permit	10,320.00	20,000.00	-9,680.00	51.6%

Cedar Key Water & Sewer District
2019 & 2020 Profit & Loss Budget vs. Actual
 October 2019 through August 2020

92%

	Oct '19 - Aug 20	Budget	\$ Over Budget	% of Budget
760.02 · Contingency	0.00	0.00	0.00	0.0%
Total 760 · Other	10,320.00	20,000.00	-9,680.00	51.6%
770 · Capital Expenditures				
770.01 · Bridge 1,2,3 Drills	543.76			
Total 770 · Capital Expenditures	543.76			
Total 700 · DIRECT WASTEWATER EXPENSES	149,628.93	241,675.00	-92,046.07	61.91%
Total Expense	917,815.41	1,198,520.00	-280,704.59	76.58%
Net Ordinary Income	98,047.39	0.00	98,047.39	100.0%
Net Income	98,047.39	0.00	98,047.39	100.0%

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

Date	Num	Name	Memo	Amount
Unrestricted Cash Funds				
08/03/2020		Deposit	Deposit	50.45
08/03/2020		Deposit	Nexttower Rental 8/01/2020	900.00
08/03/2020		Deposit	Deposit	408.66
08/04/2020		Deposit	Deposit	50.18
08/05/2020	29376	Ann Richburg	Reimbursement Request mileage to Ocala	-84.68
08/05/2020	29377	Johns, Alicia M.	Pay Check	-433.62
08/05/2020		Deposit	Alice Phillips Repair to individual Pumping Unit at 16439	340.00
08/06/2020	29378	Doty, Gabriel T	Pay Check	-625.87
08/06/2020		Deposit	Deposit	172.81
08/06/2020		Deposit	Deposit	10,094.98
08/07/2020	29379	McCain, James E.	Pay Check	-817.00
08/07/2020	29380	Quinn, William M.	Pay Check	-736.77
08/07/2020	29381	Richburg, Margaret A.	Pay Check	-579.60
08/07/2020	Bankdraft	EFTPS	59-1156008	-1,001.40
08/07/2020		Deposit	Deposit	54.44
08/09/2020		Deposit	Deposit	56.79
08/10/2020	29382	Haldeman, Hattie B.	Pay Check	-369.40
08/10/2020	29383	Hand, Joseph G.	Pay Check	-369.40
08/10/2020	29384	Reynolds, Chris	Pay Check	-369.40
08/10/2020	29385	Rosenthal, Stephen B.	Pay Check	-369.40
08/10/2020	29386	Sturmer, Leslie N.	Pay Check	-369.40
08/10/2020	Bankdraft	Wex Bank Marathon Fle	Fuel Invoice 66799948 July 2020	-415.28
08/10/2020		Deposit	Deposit	1,325.51
08/11/2020		Deposit	Deposit	6,555.75
08/11/2020		Deposit	Deposit	10,728.13
08/11/2020		Deposit	#402001	51.50
08/12/2020	Bankdraft	Transfer	October 2019 thru September 2020	-6,000.00
08/12/2020		Deposit	Deposit	254.08
08/12/2020	29387	Johns, Alicia M.	Pay Check	-433.62
08/12/2020		Deposit	Deposit	1,400.00
08/12/2020		Deposit	Deposit	105.98
08/13/2020	29388	Quinn, William M.	Pay Check	-893.91
08/13/2020	29389	Richburg, Margaret A.	Pay Check	-579.61
08/13/2020	29390	A-Able Septic-Sewer Ser	Invoice NO:447871 8/05/2020	-3,100.00
08/13/2020	29391	Aqua Pure Water & Sewi	Invoice No:84286 7/2020	-414.00
08/13/2020	29392	AT&T Internet Service	Invoice No: 122314242	-82.25
08/13/2020	29393	AT&T # 1	35254352859381989	-425.81
08/13/2020	29394	AT & T # 2	Account No: 352-543-6405 937 1988	-57.86
08/13/2020	29395	Central FL Electric	Electric Bills 07/2020	-4,603.18
08/13/2020	Bankdraft	City Of Cedar Key	Account No: 8019 8/28/2020	-141.19
08/13/2020	29396	CROM COATINGS and F	Concrete Report 2189 8/05/2020	-3,500.00
08/13/2020	29397	DIGITAL DEPLOYMENT	Invoice No:103215 01/20 106485 8/13/20 thru 9/12//202	-200.00
08/13/2020	29398	Gator Works Computing	Backup, Invoice 19-22793	-196.90

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

Date	Num	Name	Memo	Amount
08/13/2020	29399	Hawkins, Inc.d/b/a Dumo Invoice No: 4770354,4770355	8/06/2020	-2,343.85
08/13/2020	29400	Marina Hardware At Ced: Invoice No & Account No: 220	07/2020	-955.04
08/13/2020	29401	NAPA Gulf Coast Parts, Account # 1999	07/2020	-142.16
08/13/2020	29402	Utility Service Co., Inc. Invoice No: 504898	7/2020	-4,744.50
08/13/2020	29403	Verizon Wireless # 1	Cell Phones, Invoice No:9859341894 June 2020	-97.66
08/13/2020	29404	Verizon # 2	Account No: 9859390140	-108.59
08/13/2020	29405	VISA	Invoice No 9274 July 2020	-905.03
08/13/2020	29406	John K. McPherson. P.A. Management, Invoice No: 3	7/2020	-5,000.00
08/13/2020		Deposit	Deposit	182.45
08/14/2020	29407	Doty, Gabriel T	Pay Check	-441.24
08/14/2020	29408	McCain, James E.	Pay Check	-966.72
08/14/2020	29409	Konica Minolta Business Maintenance, Invoice No: 267427973	8/01/2020	-81.89
08/14/2020	29410	LANIER MUNICIPAL SU Invoice No: 111885	\$ 498.90 - Credit Memo 111713 \$39	-452.71
08/14/2020	Bankdraft	EFTPS	59-1156008	-1,380.12
08/15/2020		Deposit	Deposit	54.80
08/15/2020	29411	Ann Richburg	Reimbursement Request mileage to Ocala	-84.68
08/17/2020		Deposit	Deposit	8,174.89
08/19/2020	Bankdraft	Blue Cross Blue Shield o Group:90866	450000238764 9/20 74677094	-4,372.69
08/20/2020	29412	Richburg, Margaret A.	Pay Check	-579.61
08/20/2020	29413	Johns, Alicia M.	Pay Check	-433.62
08/20/2020		Deposit	Deposit	109.00
08/21/2020	29414	Doty, Gabriel T	Pay Check	-502.79
08/21/2020	29415	McCain, James E.	Pay Check	-1,192.79
08/21/2020	29416	Quinn, William M.	Pay Check	-646.96
08/21/2020	Bankdraft	EFTPS	59-1156008	-1,040.02
08/21/2020		Deposit	Deposit	5,649.94
08/24/2020		Deposit	Deposit	109.47
08/25/2020		Deposit	Deposit	383.95
08/26/2020		Deposit	Deposit	55.43
08/26/2020		Deposit	Deposit	19,680.99
08/27/2020	29418	Doty, Gabriel T	Pay Check	-656.14
08/27/2020		Deposit	Deposit	99.21
08/27/2020		Deposit	Deposit	5,558.24
08/28/2020	29417	Johns, Alicia M.	Pay Check	-433.61
08/28/2020	29419	McCain, James E.	Pay Check	-966.71
08/28/2020	29420	Quinn, William M.	Pay Check	-646.96
08/28/2020	29421	Richburg, Margaret A.	Pay Check	-579.61
08/28/2020	Bank Draft	EFTPS	59-1156008	-1,016.38
08/28/2020	29422	US Postmaster	781 pc @ 0.35 ea= \$ 273.35	-273.35
08/28/2020		Deposit	Deposit	103.11
08/31/2020	Bankdraft	FMP,TF Pension Service Retirement August 2020		-2,784.09
08/31/2020	29423	AT & T MOBILITY	287283253088	-23.50
08/31/2020	29424	AFLAC	ATF27	-1,009.45
08/31/2020	29425	DAVISVISION	90866	-79.26
08/31/2020	29426	Transamerica Employee	33859	-56.08

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

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Amount</u>
08/31/2020	29427	Ann Richburg	Reimbursement Request mileage to Ocala	-84.68
08/31/2020		RE- Deposit	Deposit	15.00
08/31/2020		Deposit	Deposit	49.68
08/31/2020		Deposit	Deposit	152.79
				<u>10,676.17</u>
				<u>10,676.17</u>
				<u>10,676.17</u>

Total Unrestricted Cash Funds

TOTAL

Cedar Key Water & Sewer District

Sick and Annual Leave Balances

August 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	42:00	64:00	56:22	32:00
Johns, Alicia M.	47:27	63:30	51:27	98:00
McCain, James E.	1227:30	49:00	199:03	84:30
Quinn, William M.	297:30	21:00	88:52	144:00
Richburg, Margaret A.	2:00	68:30	86:00	85:00

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**Cedar Key Water and Sewer District
General Manager Report
September 14, 2020**

1. Water System

The GAC equipment has been successfully installed and is working properly. There will be further discussion at the special meeting at the water treatment plant.

2. Wastewater System

After the beginning of the new budget year, we'll start working with CROM to begin the concrete repairs on the WWTP.

3. Cell Service

I am still awaiting final drafts of the tower and ground leases from Verizon so that they can be executed.

4. Internet Service

Michael Johns is on the agenda to give us an update.

5. Covid-19

One District employee had cold/flu symptoms and was told to stay away from work until tested. After negative results the employee resumed work. We continue to follow mask-wearing and separation protocols at the District office.

6. Insurance Renewal

It is time to renew our general property/liability and workers compensation policies with Egis Insurance.

Workers Compensation (21): 1 year renew at a substantially lower rate than last year: \$5,416 renewal versus \$6,301 last year.

General Property and Liability (22-23): There are two options:

1-year term: \$46,338/year

2-year term: \$47,938/year

Our insurance advisor with Egis thinks that the 2-year term might be better given the uncertainty caused by Covid. This uncertainty creates the possibility that rates could go way up for 2021-2022.

Requested Action: Authorize renewal of workers compensation policy as presented and select between two options for property/liability policy.

7. Agreements with City of Cedar Key

I have been working with Commissioner Jim Wortham on proposed agreements to resolve longstanding issues relating to fire hydrants, the water tower site, and the City's public

works yard adjacent to the water treatment plant. At a recent meeting, the City Commission approved all three of the proposed agreements, and so they are now coming to the Board for consideration.

- Fire Hydrants MOA (24): Already approved by the District Board and now approved by the City.
- Public Works Yard Lease Agreement (25-29): Will go over this with the Board at the meeting. I think it is acceptable and should be agreed to.
- Water Tower Site Interlocal (30-33): Will go over this with the Board at the meeting. I think it is acceptable and should be agreed to.

Requested Action: Approve the public works yard lease and water tower site interlocal as presented.

8. Accountant

It is time to renew our annual contract with Beauchamp and Edwards for accounting services. The attached contract (34-35) shows an increase in the maximum fee to be charged from \$8,300 last year to \$8,400 this year.

Requested Action: Approve the contract with Beauchamp and Edwards as presented.

9. Auditor

In light of our experience with Carr Riggs over the past two years, I recommend that we go through an auditor selection process for the 2020 audit. Robert Beauchamp helped me with the attached RFP (36-55).

As part of the state-mandated audit selection process, there needs to be an Audit Committee, which I will discuss with the Board at the meeting.

Requested Action: Authorize commencement of selection process and appoint 3 members to the Audit Committee.

10. 2020-2021 Budget and TRIM

The schedule for TRIM compliance is as follows:

- July Board Meeting: Set current year proposed millage rate and set date, time, and place of tentative budget hearing. (Proposed millage: 1.2; Proposed meeting date: September 14)
- By August 24: TRIM Notices go out.
- September 14: Tentative Budget Hearing
- September 24: Publish Newspaper Notice
- **September 29: Final Budget Hearing**
- By October 1: Budget Resolutions to Property Appraiser, Tax Collector, and DOR
- By October 28: Certificate of Compliance to Department of Revenue and post final budget on website

Quotation being provided for:

Cedar Key Water & Sewer District
P.O. Box 309
Cedar Key, FL 32625

Term: October 1, 2020 to October 1, 2021

Coverage Provided by: Florida Insurance Alliance

Quote Number: WC100120692

TYPE OF INSURANCE

Part A	Workers Compensation <ul style="list-style-type: none">• Benefits: FL Statutory (Medical, Disability, Death)
Part B	Employers Liability: <ul style="list-style-type: none">• \$1,000,000- Each Accident• \$1,000,000- Disease- Policy Limit• \$1,000,000- Disease- Each Employee

Class Code	Description	Payroll	Rate	Premium
7520	Waterworks Operations	\$166,048	3.58	\$5,944.52
8810	Clerical	\$66,501	0.17	\$113.05
Total Manual Premium				\$6,057.57
Increased ELL 1M/1M/1M				\$120.00
				<hr/>
				\$6,177.57
Workplace Safety Credit – 2%				-\$123.55
Drug Free Workplace Credit – 5%				-\$302.70
Experience Modification				0.910000
Standard Premium				<hr/>
				\$5,233.70
Expense Constant				\$160.00
Terrorism				\$23.25
Policy Total				<hr/>
				\$5,416.95

Additional terms and conditions, including but not limited to:

1. Please review the quote carefully, as coverage terms and conditions may not encompass all requested coverages.
2. The Coverage Agreement premium shall be pro-rated as of the first day of coverage from the minimum policy premium.
3. Down payment is due at inception.
4. The Trust requires that the Member maintains valid and current certificates of workers' compensation insurance on all work performed by persons other than its employees.
5. If NCCI re-promulgates a mod, we will honor the mod as promulgated. If the mod changes during the fund year, we reserve the right to apply a correct mod back to the inception date of the Coverage Agreement.
6. Safety and Drug Free program credits (if applicable) are subject to program requirements.
7. Payrolls are subject to final audit.
8. Deletion of any coverage presented, Package and/or Workers' Compensation, will result in re-pricing of account.

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Florida
Insurance
Alliance™

1 YEAR

PREMIUM SUMMARY

Cedar Key Water & Sewer District
P.O. Box 309
Cedar Key, FL 32625

Term: October 1, 2020 to October 1, 2021

Quote Number: 100120692

PREMIUM BREAKDOWN

Property (Including Scheduled Inland Marine)	\$31,815
Crime	\$263
Automobile Liability	\$1,800
Hired Non-Owned Auto	Included
Auto Physical Damage	\$96
General Liability	\$8,505
Public Officials and Employment Practices Liability	\$3,859
TOTAL PREMIUM DUE	\$46,338

IMPORTANT NOTE

Defense Cost - Outside of Limit, Does Not Erode the Limit for General Liability, Public Officials Liability, and Employment related Practices Liability.

Deductible does not apply to defense cost. Self-Insured Retention does apply to defense cost.

Additional Notes:

(None)



2 YEARS

PREMIUM SUMMARY

Cedar Key Water & Sewer District
P.O. Box 309
Cedar Key, FL 32625

Term: October 1, 2020 to October 1, 2021

Quote Number: 100120692

PREMIUM BREAKDOWN

Table with 2 columns: Coverage Category and Amount. Rows include Property (\$33,410), Crime (\$263), Automobile Liability (\$1,800), Hired Non-Owned Auto (Included), Auto Physical Damage (\$101), General Liability (\$8,505), Public Officials and Employment Practices Liability (\$3,859), and TOTAL PREMIUM DUE (\$47,938).

IMPORTANT NOTE

Defense Cost - Outside of Limit, Does Not Erode the Limit for General Liability, Public Officials Liability, and Employment related Practices Liability.

Deductible does not apply to defense cost. Self-Insured Retention does apply to defense cost.

2 Year Coverage Agreement Option:

This quote covers two (2) annual twelve month periods, from 10/01/2020 12:00:00 AM to 10/01/2021 12:00:00 AM and from 10/01/2021 12:00:00 AM to 10/01/2022 12:00:00 AM. The following conditions apply in addition to all other conditions of this quote:

- A. All Aggregate limits reset for the period 10/01/2021 12:00:00 AM to 10/01/2022 12:00:00 AM. Losses applying to one annual coverage period will not erode the Aggregate Limits of another Annual Coverage Period.

Handwritten number 23 in a circle

Memorandum of Understanding

This Memorandum of Understanding is entered into by the Cedar Key Water and Sewer District and the City of Cedar Key to make clear the responsibilities of the parties with regard to the testing and maintenance of all fire hydrants located within the City of Cedar Key. This Agreement is consistent with the Lease Agreement between the District and the City of Cedar Key dated August 29, 1973.

The Parties agree as follows:

1. The District shall provide at no charge all water necessary for fire-fighting and training purposes.
2. The District shall perform, at its own cost, maintenance and repair of fire hydrants as requested by the City.
3. Where an existing hydrant needs to be replaced, or the Fire Department decides to add a new hydrant to the system, the hydrant shall be paid for by the City, and the District shall be responsible for the installation of the new hydrant. The City of Cedar Key shall have and maintain ownership of all fire hydrants attached to the District water system.
4. The Fire Department shall perform an annual inspection of each fire hydrant which shall include ensuring that the hydrant is fully functional, conducting a flow test, flushing, and lubrication as needed. Following such inspection, the Fire Department shall convey to the District a list of all maintenance and repair needing to be performed on individual hydrants. The District shall prioritize such maintenance and repair in collaboration with the Fire Department, and shall perform the maintenance in a reasonable amount of time.
5. The District shall annually exercise the inline valve for each fire hydrant and make repairs as needed, and shall annually exercise the Metropolitan Hydrants during the month of August.

Agreed to this 16th day of May, 2020.

City of Cedar Key

Heath Davis, Mayor

Cedar Key Water and Sewer District

Stephen Rosenthal
Stephen Rosenthal, Chairman

COMMERCIAL LEASE AGREEMENT

THIS LEASE made as of the ____ day of _____, 2020, by and between the CEDAR KEY WATER AND SEWER DISTRICT, hereinafter referred to as the "Lessor" and the CITY OF CEDAR KEY, FLORIDA, hereinafter referred to as the "Lessee".

1. PREMISES

Lessor agrees to lease to Lessee the premises described in Exhibit A hereto, and hereafter referred to as the "Premises."

Lessee acknowledges the prior lease and easement agreements between Lessor and Nextower Development Group, LLC, to construct, maintain, and have access to a 300-foot communications tower on the Premises. Lessee agrees to not interfere in any way with the rights granted to Nextower in such lease and easement agreements. Lessor agrees that monthly rents owed to Lessor by Nextower shall continue to be paid to Lessor, with Lessor then splitting the rental amount with Lessee, one half to each, starting with all rent payments due after the effective date of this Lease Agreement.

2. TERM

The term of this lease shall commence on _____ 1, 2020. The term of this lease shall be perpetual, subject to the right of either party to terminate the lease with 60 days notice to the other party.

3. RENT

The Lessee covenants and agrees that no rent shall be due from Lessee so long as Lessee complies with the terms of this Lease and uses the property for public purposes benefitting the residents of the City of Cedar Key.

4. USE OF PREMISES

Lessee shall use the Premises for the purposes of a public works yard. All materials stored on the premises shall be kept in a neat and orderly fashion and no hazardous materials of any kind shall be kept on the Premises. Lessee shall not conduct, nor permit, any activity or use which violates any law, regulation, or requirement of any governmental authority now in force or which may hereafter be in force, or which violates or will make void or inoperative any policy of insurance held by Lessor.

5. ALTERATIONS, CHANGES, AND ADDITIONS

No structural changes, alterations, or additions shall be made by Lessee to the Premises without the prior consent of Lessor, and any such structural change, alteration, or addition to or on the Premises shall remain for the benefit of and become the property of Lessor, unless otherwise agreed to by the parties as an addendum to this lease.

6. LIABILITY

In the absence of negligence on the part of Lessor, its agents or employees, Lessor shall not be liable to Lessee for any damage or injury to Lessee or Lessee's property, and the Lessee shall hold the Lessor harmless for any liability or damages arising out of the Lessee's use of the Premises.

7. INSURANCE

Lessee agrees to maintain at its own cost commercial general liability insurance with limits of its liability under Section 768.28, Florida Statutes. Lessee will include the Lessor as an additional insured.

8. ASSIGNMENT OF LEASEHOLD INTEREST

Lessee shall not assign this lease or any interest therein, or sublet the lease premises or any part thereof. The parties acknowledge the existing lease of a portion of the premises to Nextower Development Group, LLC, as set forth in Section 1 of this Lease.

9. SURRENDER OF PREMISES

Lessee shall, upon termination of this lease, vacate the Premises in as good condition as they are in at the time an entry thereon by Lessee, except for reasonable use and wear thereof. Upon vacating, Lessee shall leave the Premises free and clear of all rubbish and debris.

10. LESSOR'S RIGHT OF INSPECTION

Lessor shall have access to the Premises, and each and every part thereof, for the purpose of inspecting the same, making repairs, and posting notices which Lessor may deem to be for the protection of Lessor or the Premises.

11. DEFAULT

It is a "Default" if: (a) either Party fails to comply with this Agreement and does not remedy the failure within 30 days after written notice by the other Party or, if the failure cannot reasonably be remedied in such time, if the failing Party does not commence a remedy within the allotted 30 days and diligently pursue the cure to completion within 90 days after the initial written notice (provided that such 90 days can be extended by mutual agreement of the Parties).

12. WAIVER OF BREACH

No waiver of any breach or breaches of any provision, covenant, or condition of this lease by Lessor shall be construed to be a waiver of any preceding or succeeding breach of such provision, covenant, or condition or of any other provision, covenant or condition.

13. AMENDMENTS TO BE IN WRITING

This lease may be modified or amended only by a writing duly authorized and executed by both Lessor and Lessee. It may not be amended or modified by oral agreements or understandings between the parties unless the same shall be reduced to writing duly authorized and executed by both Lessor and Lessee.

14. RECORDING

It is understood between the parties hereto that this lease will not be recorded in the Public Records of any county in Florida.

Executed at Cedar Key, Florida, on this ____ day of _____, 2020.

WITNESSES

LESSOR-CEDAR KEY WATER AND SEWER DISTRICT

Printed name:

Stephen Rosenthal, Chair

Printed name:

LESSEE-CITY OF CEDAR KEY

Printed name:

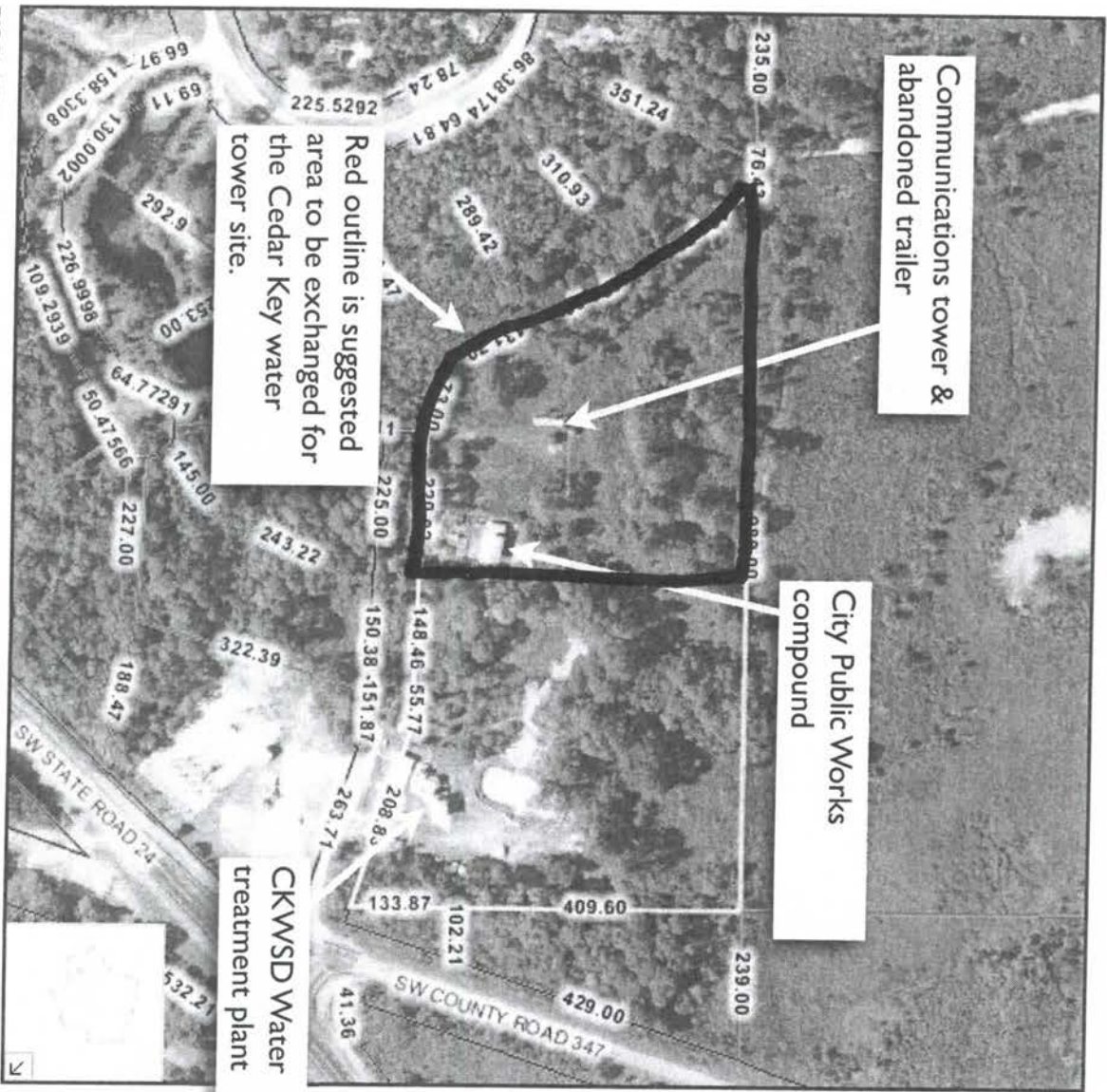
Heath Davis, Mayor

Printed name:

SR 24 & CR 347 Public Works Compound & CKWSD Water Plant

Revised 8/31/09

Levy County Property Appraiser Internet Mapping



Red outline is suggested area to be exchanged for the Cedar Key water tower site.

Communications tower & abandoned trailer

City Public Works compound

CKWSD Water treatment plant

Parcel Details: 00346-001-00

Owners

CEDAR KEY SPECIAL WATER & SEWERAGE DIST
100%

Site Address

Address 1
10050 SW COUNTY ROAD 347
Address 2

City
CEDAR KEY
State
FL
Zip Code
32625-

Legal Description

SEC: 17, TWP: 15, RNG: 13
17-15-13 0010.00 ACRES
NE1/4 OF NE1/4 OF NE1/4 -LESS
DB 109 PAGE 612- & TRACT IN
NW1/4 OF NE1/4 OF NE1/4 DB
109 PAGE 617 & DB 96 PAGE 232

DISCLAIMER: All maps are worksheets used for illustrative purposes only. They are not surveys. The information is provided "as is."

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**INTERLOCAL AGREEMENT BETWEEN THE
CEDAR KEY WATER & SEWER DISTRICT
AND THE
CITY OF CEDAR KEY
REGARDING USE OF
PROPERTY and OWNERSHIP**

THIS AGREEMENT, is made and entered into this ____ day of _____, 2020, by the **CEDAR KEY WATER AND SEWER DISTRICT**, a Florida independent special district (the "District"), and the **CITY OF CEDAR KEY**, a Florida municipal corporation ("the City"), and referred to herein collectively as the "Parties."

WITNESSETH

WHEREAS, the City and the District entered into a lease agreement dated August 29, 1973, (the "1973 Lease"), by which the City leased certain utility-related property to the District, including the water tower site bounded by G, H, 8th, and 9th, Streets for a term of 70 years, and by which the District and City agreed on certain other utility-related matters; and

WHEREAS, a copy of the 1973 lease is attached hereto as Exhibit A; and

WHEREAS, the Parties recognize that there are ambiguities in the lease, both with regard to the lease of property and the other utility-related matters addressed in the lease; and

WHEREAS, the Parties agree that it would be in the public interest to clarify the matters addressed in the lease.

NOW, THEREFORE, in consideration of the mutual benefits contained herein and for other good and valuable consideration, the Parties agree as follows:

Section 1. The parties agree to the following:

- (a) The City hereby acknowledges the District's possession and control of the Water Tower site bounded by G, H, 8th, and 9th Streets for the remainder of the lease term under the 1973 Lease Agreement.
- (b) The City shall convey to the District an easement for public utility purposes over all public roads, alleys, and other public ways over which the City has ownership or control. Such easement shall be subject to all permitting requirements of the City for use of City right-of-way.
- (c) The City hereby relinquishes any ownership interest it has in the water and sewer infrastructure described as follows in the 1973 Lease as being leased to the District:

All of the property of LESSOR now owned or possessed by Lessor in connection with its Water System and its Sewerage System, including specifically, but not limited to, elevated tower and tank, water reservoir water mains, piping, hydrants,

meters, sewer pipes, pumps, conduits and any and all property connected with the disposal of sewage....

The Parties acknowledge that it would be impossible at this time to identify exactly what facilities the City leased to the District, and the City agrees at this time that the District should have clear title to all water and sewer infrastructure and facilities. The Parties also acknowledge that by separate agreement the City shall maintain ownership of the fire hydrants within the City.

The parties agree that, in the event that the District determines to cease providing the potable water and wastewater treatment services as set forth under the District's Charter, (Laws of Florida, 98-476), the City shall have the first option to negotiate with the District to assume the rights and responsibilities of the District, including ownership of all assets of the District, subject to approval by the Florida Legislature, and, regarding such negotiations, the parties shall be obligated to proceed with such negotiations in good faith and with diligence.

Section 2. With regard to storage of City equipment at the Water Tower site described in Section 1(a) above:

- (a) The City may, for a reasonable period of time, temporarily store vehicles, trailers, and/or equipment during storm events or under a Declaration of Emergency.
- (b) With District approval to ensure that there is no interference with the District's use of the site for utility purposes, the City may during other times store vehicles, trailers, and/or equipment.

Section 3. With regard to the Water Tower site described in Section 1(a) above:

- (a) Revenues generated by communications towers, equipment, or associated leases shall be divided equally by the District and the City.
- (b) The District shall have sole discretion to approve additions to communications equipment to the tower, if any.

Section 4. Pursuant to past agreements between the District and the City, the City shall be entitled to an account for irrigation of City Park to be billed as follows:

- (a) Water: No base rate for water shall be billed, and the billed per-gallon rate shall be the lowest per-gallon rate available from the District regardless of how much water the City uses.
- (b) Wastewater: No wastewater charges shall be billed.

Section 5. The parties agree to work cooperatively on efforts to improve public works, facilities, and services within the City of Cedar Key. To this end, the governing bodies of the parties agree to meet in joint session during June of each year to discuss this agreement and to explore ways in which the City and District may increase cooperation for the greater benefit of the public. Failure to hold such a meeting shall have no effect on the validity of the remainder of this agreement or the conveyances made hereunder.

Section 6. This Agreement shall remain in effect unless terminated by either party giving 180 days notice to the other party. The decision by either party to terminate this Agreement shall be effective only if set forth in a resolution of the terminating party's governing board. Such resolution must show on its face that it was passed by a majority of the entire membership of the governing body. An amendment to this Agreement shall not be valid unless agreed to by both Parties in like manner.

Section 7. This Agreement, and any amendments thereto, shall be filed with the Clerk of the Circuit Court of Levy County, Florida, for recording in the Public Records of Levy County, Florida. The City shall be responsible for recording this Agreement and any amendments thereto.

Section 8. Any conflict between the City and the District in regard to the subject of this Agreement that cannot be resolved pursuant to Section 5 above shall be resolved in accordance with the "Florida Governmental Conflict Resolution Act," sections 164.101-164.1061, Florida Statutes.

Section 9. This Agreement is solely for the benefit of the Parties executing this Agreement, and no right or cause of action shall accrue upon or by reason hereof, to or for the benefit of any third party not a formal named party hereto. Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon or give any person or corporation other than the Parties hereto any right, remedy or claim under, or by reason of this Agreement or any provisions or conditions hereto; and all of the provisions, representations, covenants and conditions herein contained shall inure to the sole benefit of, and shall be binding upon the Parties hereto and their respective and express representatives, successors and assigns.

Section 10. The provisions of this Agreement shall be liberally construed as an expression of inter-governmental cooperation enabling each Party to make the most efficient use of its powers in furtherance of the objectives of this Agreement. This Agreement was mutually negotiated by both Parties who have executed the same. Consequently, it is the intent of the parties that no provision shall be more harshly construed against either Party as the drafter hereof.

Section 11. Except as otherwise set forth herein, this Agreement constitutes the entire understanding of the Parties with respect to the subject matters addressed herein, and all prior agreements, understandings, representations and statements, oral or written, including the 1973 Lease, are superseded by this Agreement.

Section 12. This Agreement shall be governed by the laws of the State of Florida, and venue for any action to enforce the provisions of this Agreement shall be in the Circuit Court for the Eighth Judicial Circuit of Florida, in and for Levy County, Florida.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and their signatures to be affixed on the day and year first above written.

CEDAR KEY SEWER AND WATER DISTRICT

ATTEST:

Stephen Rosenthal, Chair

Ann Richburg, Secretary

CITY OF CEDAR KEY

Heath Davis, Mayor

ATTEST:

Crystal Sharp, City Clerk

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"A PARTNERSHIP OF
PROFESSIONAL
CORPORATIONS"

Robert J. Beauchamp, CPA
Jeffrey D. Beauchamp, CPA

Address:

105 E Park Avenue
PO Box 1777
Chiefland, FL 32644

Web:

beauchampedwardscpa.com

Phone

(352) 493-4808

Fax

(352) 493-7107

Members:

American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
Accountants

August 3, 2020

Board of Commissioners
Cedar Key Special Water and Sewerage District
Cedar Key, Fl. 32625

This letter is to confirm our understanding of the terms and objectives of our engagement and the nature and limitations of the services we will provide.

We will perform the following services:

1. We will compile, from information you provide, the year-end financial statements for the Cedar Key Water and Sewerage District as of and for the year ended September 30, 2020. We will not audit or review such financial statements. We will not issue financial statements as a product of this engagement. The statements will be made available to the Firm engaged to complete the District's annual audit
2. We will assist in adjusting the accounting records so that we will be able to prepare compiled financial statements. This will include the recording of accruals and deferrals at year end. We will prepare notes to the related financial statements in accordance with *Government Auditing Standards*, issued by the comptroller General of the United States
3. We will prepare the schedules required by your auditors and reconcile all subsidiary accounts to your general ledger, as needed.
4. We will assist in preparation of Management Discussion and Analysis as required by Government Auditing Standards.
5. We will prepare the annual financial report which is required to be filed with the Department of Banking and Finance.
6. We will serve as a liaison between you and your auditors.

You are responsible for management decisions and functions, and for designating a competent employee to oversee any bookkeeping services, or other services we provide. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for such services. You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities. Our engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. However, we will inform you of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal control as part of this engagement.

We estimate that our fees for these services will not exceed \$8,400 for the compilation and for the other services detailed above. Additional fees will be charged when the District is required to comply with the OMB Circular A-133 audit requirements. An OMB Circular A-133 audit is required if the District receives more than \$750,000 of federal or state grant funds. This fee estimate is based on us receiving full cooperation from your personnel and the assumption that no unexpected circumstances will be encountered during the work performed. If additional time is deemed necessary, we will discuss that with you and give a new fee estimate before we incur any additional costs. Our invoices for these services will be rendered each month, as work progresses, and are payable at that time.

Board of Commissioners
Cedar Key Water and Sewerage District
Cedar Key, Fl. 32625

Page 2

Additionally, we will offer our services to the District beyond the scope of this engagement for accounting, bookkeeping, and management consulting services. Fees for these services will range from \$25 to \$100 per hour, depending on the level of expertise and experience required to complete the requested services.

We appreciate the opportunity to be of service to you 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.

Sincerely,


Beauchamp & Edwards CPA

We agree to the proposed contract for services as described above.

Chairman of the Board

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NOTICE

CEDAR KEY WATER AND SEWER DISTRICT REQUEST FOR PROPOSALS INDEPENDENT AUDIT SERVICES October 1, 2020

Public Notice is hereby given that the Cedar Key Water and Sewer District is requesting proposals from experienced and qualified Auditing Firms (Auditors) to provide Independent Audit Services to the District.

Copies of the RFP may be obtained by contacting John McPherson via e-mail at john@ckwater.org, or telephone at 352-543-5285.

Sealed Responses clearly labeled with the RFP title must be received by mail or hand delivery on or before November 2, 2020, no later than 4:00 p.m. EST, at which time they will be publicly opened. Late submittals and facsimile submissions will not be considered. The respondent shall bear all costs associated with the preparation and submission of the submittal.

Respondents shall submit an original unbound package with 6 additional copies to John McPherson, General Manager, Cedar Key Water and Sewer District, P.O. Box 309, 510 3rd Street, Cedar Key FL 32625.

All questions relating to this Request for Proposals should be addressed to John McPherson, General Manager, Cedar Key Water and Sewer District. The District's office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

The Cedar Key Water and Sewer District reserves the right at any time to modify, waive or otherwise vary the terms and conditions in the bid document, including but not limited to deadlines for submission, submission requirements, informalities or irregularities in any submittal, and the Scope of Work. The District may take any other action that may be deemed in the best interest of the District to award in whole or in part to one or more Respondents, or take any other such actions that may be deemed to be in the best interest of the District.

Proposals received by the District pursuant to this RFP are exempt from the provisions of subsection (1) and s.24(a), Art. 1, of the State Constitution until such time as the District provides notice of a decision or intended decision pursuant to s. 120.57(3)(a) or within 10 days after the proposal opening, whichever is earlier. If you believe that your proposal, or any portion thereof, is exempt from disclosure under the public records law, state the grounds for your position in CAPITAL LETTERS on the cover sheet accompanying your proposal and a determination will be made as to whether or not it is exempt prior to opening. If a determination is made that it is not exempt from disclosure, the sealed proposal will be returned to you upon request.

**CEDAR KEY WATER AND SEWER DISTRICT
REQUEST FOR PROPOSALS
INDEPENDENT AUDIT SERVICES
October 1, 2020**

**SECTION 1
GENERAL TERMS AND CONDITIONS**

PURPOSE

The Cedar Key Water and Sewer District is requesting proposals from experienced and qualified Auditing Firms to establish a multi-year contract for provision of professional Financial Auditing Services, as required in F.S. 11.45, for the Fiscal Years ending September 30, 2020, 2021, and 2022, with the potential for two one-year extensions.

RFP DOCUMENTS

The RFP documents constitute the complete set of Proposal specifications and forms. All forms and documents must be executed, sealed and submitted as provided in this RFP. Proposals not submitted in the prescribed manner and on the required forms may be rejected. By submitting a Proposal, the Respondent agrees to be subject to all terms and conditions specified herein. Submittal of a response to this RFP constitutes a binding offer by the Respondent.

QUESTIONS

All questions relating to this Request for Proposals should be addressed to John McPherson, General Manager, Cedar Key Water and Sewer District. The District's office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday. The phone number is (352) 543-5285; the e-mail address is john@ckwater.org. All questions must be received by November 2, 2020. No person is authorized to give oral interpretations of, or make oral changes to the RFP documents. Therefore, oral statements shall not be binding and should not be relied upon. All interpretation of, or changes to, the RFP documents shall be made in a written addendum to the RFP document, and shall be furnished to all proposal holders.

ELIGIBILITY

To be eligible to respond to the RFP, the proposing firm must demonstrate that they, or the principals assigned to the project, have successfully completed services, similar to those specified in the Scope of Services for at least two agencies similar to the Cedar Key Water and Sewer District.

ASSIGNMENT: NON-TRANSFERABILITY OF PROPOSAL

Proposals shall not be assigned or transferred. A Respondent who is, or may be, purchased by or merged with any other corporate entity during any state of the Proposal process, through to and including award of and execution of a Contract, is subject to having its Proposal disqualified as a result of such transaction. The District Commission will determine whether a Proposal is to be disqualified in such instances.

NO CONTINGENT FEES

By submitting a proposal, the Respondent warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Respondent, to solicit or secure this contract, and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for the Respondent, any fee, commission, percentage, gift of other consideration contingent upon or resulting from the award or making of this contract.

BACKGROUND

The Cedar Key Water and Sewer District (District) serves approximately 900 water and/or wastewater accounts. The District is a special district created by the Florida Legislature and is governed by a five-member elected governing board. The current operating budget is \$1,084,000 excluding grants.

The District is requesting proposals from qualified firms of Certified Public Accountants to audit its financial statements for a period of three years beginning with the fiscal year October 1, 2020, through September 30, 2022, with two one-year options to extend those services.

The audit shall be performed in accordance with the following:

- ▶ Government Auditing Standards issued by the Comptroller General of the United States
- ▶ Audits of State and Local Governmental Units – American Institute of Certified Public Accountants
- ▶ Single Audit Acts – Federal and Florida
- ▶ OMB Circular A-133 and other applicable OMB circulars
- ▶ Sections 11.45, 218.39 and 218.415 of the Florida Statutes
- ▶ Regulations of the State of Florida Department of Financial Services
- ▶ Rules of the Auditor General and other Florida agencies as relevant

Respondents shall construct their proposal to include two separate sealed envelopes. One envelope should contain only the technical criteria for the audit segment contemplated. The second envelope should contain the corresponding fee.

TIMELINE

The anticipated schedule is as follows for this RFP:

- ▶ RFP available for distribution: September 20, 2020.
- ▶ Deadline for submittal of both technical and fee proposals by firms: November 2, 2020 at 4:00 p.m.
- ▶ Review by Audit Review Committee during week of November 2, 2020.
- ▶ Review and Award by District Governing Board on November 9, 2020.

Should the Governing Board desire to hear oral presentations firms will be notified prior to November 2, 2020.

RFP POSTPONEMENT, CANCELLATION, OR WAIVER OF IRREGULARITIES

The District reserves the right to reject any or all proposals, and to waive any technical defects in proposals; re-advertise this RFP; postpone or cancel, at any time, this RFP process.

WITHDRAWAL OR AMENDMENT OF PROPOSALS

A Proposal may be amended only by written notice prior to November 2, 2020. Amendments or withdrawals received after the proposal opening will not be effective, and the original proposal submitted will be considered.

BACKGROUND CHECK

As a part of the Proposal evaluation process, the District may conduct a background check of the Respondents, and the Respondent's submission of a proposal acknowledges this.

AWARD OF CONTRACT

Those persons negotiating on behalf of the District are without authority to bind the District and the District will only be bound by a proposal for the acquisition of such services that has been approved at a public meeting of the District Governing Board. The District Governing Board shall be responsible for the award of this contract. Pricing shall be utilized as one factor in the consideration of award, a firm's qualifications, background, references and prior experience being the primary ranking factors for consideration and final award.

MANNER OF PAYMENT

Payments will be made based upon a schedule of payments to be developed upon award of the contract. The District reserves the right to inspect records supporting the auditor's billings.

FLORIDA STATUTES ON PUBLIC ENTITY CRIMES

The 1989 Florida Legislature enacted Section 287.132-133, Florida Statutes, which mandate that a vendor execute a sworn statement pertaining to "Public Entity Crimes" before an award may be made to the successful Respondent. This form is provided at Exhibit 1 hereto.

SECTION 2 SCOPE OF SERVICES

GENERALLY

The District requires an external auditor to express an opinion on the fair presentation of its basic financial statements in conformity with auditing standards generally accepted in the United States of America.

The District also requires the auditor to express an opinion on the fair presentation of supplemental information (including combining and individual fund financial statements and schedules) in relation to the basic financial statements taken as a whole.

Separate audit opinions shall be issued on separate financial statements for any grants expending more than \$750,000 in a single year. The Respondent shall show the fee for this service as a separate item in its fee proposal, since this service is not normally required of the District's auditor.

The auditor shall include as part of the cost of the normal audit services compliance with F.S. 218.415.

The auditor shall audit the general government financial statements as well as all other special fund and grant financial statements of the District.

The auditor shall also be required to work with the District's financial advisors and staff in preparing any other attest services at the discretion of the District governing board. Fees for such authorized additional work shall be negotiated at that time.

Additional Financial Services are provided to the District by Beauchamp and Edwards, CPA, under a contract that is separate from this contract for External Audit Services. However, the external auditor shall be required to work closely with the staff of Beauchamp and Edwards, CPA, as well as District staff when preparing the annual audit report.

REPORTS TO BE ISSUED

Following the completion of the audit of the fiscal year's financial statements, the auditor shall issue the following:

- ▶ A report on the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America for both General Government and Utilities in a combined statement.
- ▶ A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.
- ▶ A "management letter" required by Section 11.45 (3)(a)4, Florida Statutes including a statement regarding the District's compliance with the requirements of F. S. 218.415.
- ▶ Any additional reports required by the District's grantors.
- ▶ Reports required by the Single Audit Act to include:
- ▶ An "in relation-to" report on the schedule of federal awards to and state financial assistance.
- ▶ A report on Compliance and on Internal Control over Compliance Applicable to each Major Federal Awards Program and State Financial Assistance Project in accordance with U. S. Office of Management and Budget Circular A-133 Compliance Supplement, and the requirements described in the State Projects Compliance Supplement.
- ▶ In the required report(s) on internal controls, the auditor shall communicate any significant deficiencies found during the audit. A significant deficiency shall be defined as a control deficiency or a combination of control deficiencies that adversely affects the organization's ability to initiate, authorize, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.
- ▶ Significant deficiencies that are also material weaknesses shall be identified as such in the report.
- ▶ Other conditions discovered by the auditors shall be reported in the management letter required by Florida Statutes 11.45(3)(2)(4), and F.S. 218.415, which shall be referred to in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. The report shall include all instances of noncompliance.

- ▶ The auditor shall complete and forward form SF-SAC, a Single Audit Requirement described in section 320 of OMB Circular A-133 to the District for filing with the Federal Audit Clearinghouse.
- ▶ Irregularities and Illegal Acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the District Clerk, District Commission, and District Attorney, as appropriate.

Use of the audited Financial Statements, opinions or any of the above-named reports will not result in additional compensation unless their use requires additional certification or services on the part of the firm.

SPECIAL CONSIDERATIONS

- ▶ The District shall require the audited Financial Statement to be issued in a timely fashion which is compliant with the State of Florida's deadline for submission of all audited financial statements. The District shall notify the auditor of the number of copies each year of the financial statement they shall require to be sent to each grant agency both state and federal. Also, the auditor shall be required to provide the Audit in PDF searchable format for submittal to the Auditor General's Office of the State of Florida.
- ▶ It is anticipated that the auditor may be required to provide assistance under this contract to meet the requirements of all newly issued GASB statements.

RATES FOR ADDITIONAL PROFESSIONAL SERVICES

If it becomes necessary for the District to request the auditor to render any additional services as a result of significant changes in scope or other auditing services, such additional work shall be performed upon request of the District General Manager, and with approval of the District governing board, if required. Fees for any such additional work agreed to between the District and the auditor shall be negotiated.

WORKING PAPER RETENTION AND ACCESS TO WORKING PAPERS

All working papers and reports must be retained, at the auditor's expense, for three years or longer if such longer retention period is required by any specific Federal or State law. The auditor will be required to make working papers available upon request, without charge to the following parties or their designees: District, Beauchamp and Edwards, a cognizant agency, parties designated by federal or state governments, or by auditors of entities or which the District is a grantee or sub-recipient grantee. In addition, the auditor shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance. As requests for copies of working papers are fulfilled, the auditors will be required to notify the District Clerk, and the respective Financial Coordinator of the request as appropriate.

SECTION 4 PROPOSAL FORMAT

GENERALLY

Proposals must contain each of the below enumerated documents, each fully completed, signed, and notarized as required. Proposals submitted which do not include the requested documents may be deemed non-responsive and may not be considered for contract award.

FORMAT AND CONTENTS OF PROPOSAL

1. Signed Cover Letter. A signed Cover Letter with Statement of Interest from Principal in the Firm must accompany all proposals.
2. Table of Contents. The table of contents shall outline in sequential order the major areas of the proposal, and all pages of the proposal. All pages of the proposal, including the enclosures, must be clearly and consecutively numbered and correspond to the table of contents.
3. Technical Proposals. The technical proposal is a narrative which addresses the scope of the work, the proposed approach to the work, the schedule of the work, and any other information called for by the RFP which the Respondent deems relevant.
4. Price Proposal. The Price Proposal shall include the following:
 - ▶ Fee for year three audit services
 - ▶ Price for single audit
5. Qualifications. The response to the minimum qualification requirements contained herein is a list of minimum qualification requirements prescribed for the RFP. Respondents must provide documentation which demonstrates their ability to satisfy all of the minimum qualification's requirements. Firms which do not meet the minimum qualifications requirements or which fail to provide supporting documentation to support this fact shall not be considered for award.

QUALIFICATIONS/STATEMENT OF QUALIFICATIONS

The Proposal should state the size of the firm, the size of its governmental audit staff, the location of the office from which the work on this project is to be performed and the number and nature of the professional staff to be employed in this project on a full-time or part-time basis, and a delineation of the responsibilities. In addition, for each proposed member of the audit team, the Respondent must state that they meet Yellow Book requirements and disclose how many years of governmental auditing experience each has.

The firm shall also provide information on the results of any federal or state desk reviews or field reviews of its audits during the past three years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm or any of the professional staff during the past three years with state regulatory bodies or professional organizations.

The firm shall also describe any litigation or proceedings whereby, during the past two years, a court of any administrative agency has ruled against the firm in any manner relating to its professional activities. Similar information shall be provided for any current or pending litigation. Failure to return this information with the Proposal will result in the rejection of the Proposal. If this is a joint venture, each firm involved must provide this information, not just the lead firm.

SCOPE

Proposal Response Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firm seeking to undertake an independent audit of the District in conformity with the requirements of this request for proposals. The technical proposal should demonstrate the qualifications of the firm and the particular staff to be assigned to this project and should address knowledge of GASB statements. It should also specify an audit approach that will meet the requirements of this request for proposals.

1. Firm Profile

Name of Business

Mailing Address, telephone/fax number, and e-mail address of primary contact for this project

Business hours

2. Independence

The firm shall provide an affirmative statement that it is independent of the District as defined by generally accepted auditing standards and the U. S. General Accounting Office's (Government Auditing Standards)

The firm should also list and describe the firms' professional relationships involving the District for the past five years, along with a statement explaining why such relationships do not constitute a conflict of interest relative to performing the proposed audit.

In addition, the firm shall give the District written notice on any professional relationships entered into during the period of this engagement, which could pose a potential conflict of interest.

3. License to Practice in Florida

An affirmative statement must be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Florida. Copies of licenses shall be provided to the District upon execution of the contract at the time of final award, for all primary staff that shall be engaged to work on this project.

4. Firms Qualifications and Experience with Other Governmental Entities

Describe the range of services performed by the firm. Include a description of activities and contributions to the governmental accounting profession. Include any nationwide resources available to your firm.

For the firm's professional staff assigned to this audit, list and rank the five most relevant engagements performed in the last three years that are similar to the project described in the RFP.

Indicated five relevant client references for projects similar in scope and detail to this RFP, for projects within the past three years, and provide their contact information, phone number, name and principal client contact. The District reserves the right to contact any references given and any other clients during the evaluation process.

5. Partner, Supervisory and Staff Qualifications and Experience

The proposal shall identify the principal supervisory and management staff of the firm, including engagement partners, managers, other supervisors and Clerk, who will be assigned to the District audit. Please indicate whether each person is licensed to practice as a Certified Public Accountant in Florida. The proposal shall also include the information on the auditing experience of each person on the team in government and utility audits as well as data processing auditing experience and expertise. Information should include relevant continuing professional education for the past two years, memberships in professional organizations and on standards setting advisory boards and committees relevant to the performance of this audit. The Respondent should include as much information on the staff that shall be engaged in this project as possible regarding their number, education, experience, and years in the field. The proposal shall also include how over the term of the project this level of staff quality shall be maintained.

Partners and staff working on this project may be changed during the term of this agreement only with the expressed prior written consent of the District. The District retains the right to approve or reject any replacement staff they deem not up to the approved original standards of the professional team.

6. Conflict of Interest

The proposal must also disclose any potential conflicts of interest due to any other clients' contract or property interest or include a certification that no member of your firm's ownership, management, or staff currently have a vested interest which might be considered a conflict of interest. Any potential conflict of interest listed by a firm will be reviewed by the District Attorney to determine its substance. If the conflict of interest is found to be substantive, the proposal will be rejected.

7. Specific Audit Approach

The proposal must set forth a work plan, including an explanation of the audit methodology to be followed to perform the services required as described in this document. In developing the work plan, reference should be made to such sources of information as the District's budget and related materials. Respondents will be required to provide the following information on their audit approach:

- ▶ Proposed segmentation of the project
- ▶ Staffing assignments
- ▶ Extent of evaluation and use of electronic data processing software in the project
- ▶ Approach to be taken to gain and document an understanding of the District's internal control structure
- ▶ Approach to be taken in determining laws and regulations that be subject to audit test work
- ▶ Approach to be taken in drawing audit test samples for compliance
- ▶ Approach to be taken in reviewing financial statements

8. Proof of Professional Liability Insurance

Firms shall provide proof that they are in compliance with Rule 61H1-26.002, Florida Administrative Code, regarding Minimum Capitalization or Adequate Public Liability Insurance for Public Accounting Corporations.

9. External Quality Control Review

A copy of the firm's most recent external quality control review (peer review) should be submitted, along with a statement indicating whether quality reviews included a review of specific government projects. Also include information regarding AICPA practice section membership.

10. Drug Free Workplace

Each Firm must include a notarized statement regarding their Drug Free Workplace requirements. Copies of the firm’s policies regarding this matter should also be included in the packet.

12. Timing of Audit and Assistance Provided

The State of Florida requires that annual audits be provided to them no later than June 30th each year. Generally, external auditors will begin some interim work in the fall of each year and then return in November to begin completion of the process. All audits shall be completed and the opinion letter, management letter, and requested reports or corrections submitted to the District Manager no later than the end of February each year of the contract.

All required Finance, Billing and Management staff shall be available during the audit to assist the firm by providing information, documentation and explanations.

Proposal Pricing Sheet

Provide a proposal containing a total price to perform the audit engagement as described in this request for proposals. The total all-inclusive maximum price bid is to contain all direct and indirect costs including all out-of-pocket expenses. The selected vendor agrees not to exceed this amount.

Basic Financial Statement	2020	2021	2022
Total Audit Fee			
Single Audit Fee-If required			

Taxpayer Identification Number:

Company’s Name

Signature of Authorized Representative

Printed Name and Title of Signatory

SECTION 5 – EVALUATION AND SELECTION

As this is a multi-step evaluation process, the following is the outline of the selection and evaluation procedures.

Bids shall be received by staff, opened reviewed for correctness and completeness and then presented to the Audit Committee for review and recommendation to the governing board for final award and approval.

Firms shall be scored based on the information contained in the proposal ONLY.

Each Respondent shall be ranked according to the following:

1. Technical Qualifications (0-30 Points)
Assessment of the Respondent's ability based on experience and qualifications of key team members, the capability to meet time lines and record with regards to this type of work, i.e. client references.
2. Written Proposal (0-30 Points)
Assessment of the Respondent's understanding of the project and the District's needs.
3. Price Proposal (0-30 Points)
Respondent's proposed fee for services contemplated, which must contain all of the pricing information relative to this project as well as the additional pricing information on other services requested.
4. Other Factors (0-30 Points)
The District shall assess the quality of the proposal and the ability of the Respondent to fulfill the requirements of the RFP, the District shall take into consideration past history of the Respondent when working on other District projects, years of experience working for other similar clients, and DRUG FREE WORKPLACE participation and Disbarred Vendors Form.

The Audit Committee shall review the information provided in the response to this RFP and shall rank each proposal, based on the ranking criteria above. Each firm shall be ranked separately, with firms submitting a joint proposal ranked as if they were one firm. Selection shall be made by the Governing Board after consideration of the ranking by the Audit Committee and all scores. In the event of a tie score the Governing Board has final approval over the selection and its decision shall be deemed the tie breaker.

Firms may be requested during the final selection process to give an oral presentation to the Governing Board. This shall be done at the cost of the Respondent and no fee for this item shall be included in the Respondent's contract.

SECTION 6 – CONTRACT AWARD

GENERALLY

The selected firm's technical proposal shall be incorporated into the final contract for services between the District and the Respondent. Any and all items concerning payment must be included in each firm's technical proposal, and in the fee proposal, items not included as requiring additional payment shall be considered part of the firms negotiated contract price for services, and shall not be considered at a later date.

INDEMNIFICATION

The Contractor shall agree to indemnify and save harmless the District, its officers, agents, and employees, from and against any and all liability, claims, demands, fines, fees, expenses, penalties, suits, proceedings, actions and cost of action, including attorney's fees for trial and on appeal, of any kind and nature arising or growing out of or in any way connected with the performance of the contract whether by act or omission or negligence of the Contractor, its agents, servants, employees or other, or because of or due to the mere existence of the Contract between the parties.

INSURANCE

The Contractor shall provide proof of insurance in an amount noted below:

- ▶ Workers Compensation Insurance providing coverage in compliance with Chapter 440, Florida Statutes.
- ▶ Public Liability Insurance (other than automobile) consisting of broad form comprehensive general liability insurance including contractual coverage \$1,000,000 per occurrence (combined single limit for bodily injury and property damage). The District shall be an additional insured on such Public Liability Insurance and the Contractor shall provide copies of endorsements naming the District as additional insured.
- ▶ Automobile Insurance property damage in the amount of \$500,000 per occurrence (combined single limits for bodily injury and property damage).

The Contractor shall furnish the District copies of the certificate of insurance in a form acceptable to the District for all insurance required in the proposal. The Contractor must state that the District will be given 30 days written notice prior to cancellation or material change in coverage.

SOVEREIGN IMMUNITY

Nothing in the executed contract shall be interpreted that the District waives its sovereign immunity granted under Section 768.28 Florida Statutes.

TERM

The term of the contract shall commence upon final execution and will continue for a period of three years, with the option by the District upon satisfactory performance, to renew the contract for two additional one (1) year extensions, for a total term of five year (5).

TERMINATION

The contract will provide termination by either party without cause upon 120 days with prior written notice given to the other party. In the event of termination of the contract payment for services rendered will be paid up until the final effective day of the contract. Without early termination the contract shall end no more than five years from the original date of execution.

APPLICABLE LAW

The contract and legal relations between the parties hereto shall be governed and construed in accordance with the laws of the State of Florida; venue in the courts of Levy County, Florida.

JOINT BIDDING/COOPERATIVE PURCHASING AGREEMENT

All bidders submitting a response to this Request for Proposal agree that any joint proposals submitted bind all firms participating in that joint proposal equally. Each shall adhere to the requirements of this bid, and each shall submit a copy of the forms required in the bid packet, including but not limited to the Public Entity Crimes Forms, Drug Free Workplace, Insurance, Licensing, etc.

SECTION 6 – EXHIBITS:

**EXHIBIT 1
RESPONDENT'S WARRANTY**

The undersigned person, by the undersigned's signature affixed hereon, warrants that:

- ▶ The undersigned is an officer, partner or a sole proprietor of the firm and the enclosed proposal is submitted on behalf of the firm;
- ▶ The undersigned has carefully reviewed all the materials and data provided on the proposal on behalf of the insurer, and, after specific inquiry, believes all the material and data to be true and correct;
- ▶ The proposal offered by the insurer is in full compliance with the Minimum Qualifications of Respondent set for in Section II of this RFP.
- ▶ The Respondent authorizes the District, its staff or consultants to contact any of the references provided in the proposal and specifically authorizes such references to release either orally or in writing any appropriate data with respect the Respondent offering this proposal.
- ▶ The undersigned has specifically authorized to issue a contract in full compliance with all requirements and conditions, as set forth in this RFP, other than those deviations noted above.
- ▶ If this proposal is accepted, the contract will be issued as proposed.

Name of Firm

Signature of Authorized Representative & Date Signed

Printed Name of Authorized Representative and Title

e-mail address and phone # for Representative

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EXHIBIT 2

CONFLICT OF INTEREST FORM

Please Initial Beside Each Appropriate Section

_____ I hereby certify that my firm does not have any known conflict of interest in relation to this RFP. There are no officers, directors, elected officials, agents or employees of the Cedar Key Water and Sewer District that own, directly or indirectly any interest in my firm, or any of its branches, or currently receives insurance services from said firm.

_____ I also certify that no officer, employee, elected officials, or their delegates who exercise any bid award authority in regards to this project; have any interest, either direct or indirect, in any sale or contract or subcontract, or the proceeds thereof during their tenure, or for a period of one year after award of contract.

DISCLOSURE OF CONFLICT:

_____ I disclose the following potential conflict of interest between my firm and the Cedar Key Water and Sewer District in regards to this RFP:

_____ Responsible Party _____ Date

_____ Printed Name and Title

EXHIBIT 3

PUBLIC ENTITY CRIMES

Pursuant to section 287.133 of the Florida State Statutes, I hereby certify that I have not been convicted of a public entity crime. I also certify that neither my name nor the name of my business appears on any convicted vendors list, nor does my business or I appear on any list of publicly disbarred vendors.

I also certify that I am not an affiliate of any person or business that has been convicted of a public entity crime; or business that appears on a list of publicly disbarred vendors.

Responsible Party

Date

Printed Name and Title

EXHIBIT 4

DRUG-FREE WORKPLACE FORM

The undersigned vendor for the Cedar Key Water and Sewer District in accordance with Florida Statute 287.087 hereby certifies that _____ does:
(Name of Business)

- (1) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
- (2) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for the drug abuse violations.
- (3) Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
- (4) In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
- (5) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
- (6) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

Responsible Party Date

Printed Name and Title

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EXHIBIT 4

ACKNOWLEDGMENT OF RECEIPT OF ADDENDA

I The undersigned Respondent hereby acknowledge the receipt of the all addenda and have attached them to my proposal as required:

Authorized Representative

Note: Should NO Addenda be issued for this RFP, please put N/A in the signature line.