July 30th

2003

Key Largo Wastewater Treatment District

Guest Sign In Sheet

Wednesday, July 30, 2003

****Please Print****

Name & Title	Representing	Phone
1. David Andrews	Mull & Assoc	852-4833
2. PATRICIA MULL	Mull & Assoc	852-4833
3. ED CASTLE	WEC	481-0347
4. JOSE L. LOPEZ	SFWMD	561-682-6584
5.	jolopez@sfwmd.gov	
6. JEFF WEIER	WEC	941-764-6447
7. LARRY LACKEY	WEC	941-764-6447
8. C. FISH BURN		305-942-1376
9. BURKE CANNON		305-852-6129
10. TIM BERAN		305-872-965
11.		
12.		
13.		
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19.		
20.		

Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda
3:00 PM Wednesday, July 30, 2003
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. Construction Administration/Project Management Workshop

1. Presentation by Weiler Engineering Corporation on Construction Management

2. Presentation by Government Services Group, Inc. on Project Management and Administration

D. Additions, Deletions or Corrections to the Agenda

E. Action Items

1. Approval of the Weiler Engineering Corporation Contract for Consulting/Professional Services

2. a. ~~Approval of KLWTD Work Authorization WEC 03-01 with Weiler~~ Engineering Corporation for engineering services for the KLTV Project

b. Approval of KLWTD Work Authorization WEC 03-02 with Weiler Engineering Corporation for engineering services for the KLP Project

3. Approval of Scope of Service for Capital Project and Grant Management and Administration with Government Services Group, Inc. for the KLTV and KLP projects

4. Approval of the External Auditor Contract

5. Approval of the Proposed FY2004 KLWTD Budget for Advertisement

6. Approval of Pending Payment List for July 30, 2003

F. General Manager's Report

1. Discussion of the recommended Revised Disbursement Policy

2. Interim Financial Reports through June 30, 2003

3. Revisions to the KLWTD Board Meeting Schedule

4. Status Report on the Haskell Company's KLTV Preliminary Project Schedule

G. Legal Counsel's Report

H. Engineer's Report

I. Commissioner's Items

1. Discussion of employment of full or part time project engineer not to exceed $80,000 annual salary – requested by Chairman Tobin

2. Discussion of employment of a full or part time construction inspector for Key Largo Park and Key Largo Trailer Village – requested by Chairman Tobin

3. Discussion of the preparation and timing of change orders to the Haskell Company and Douglas Higgins, Inc. for the design, installation, testing and acceptance of all of Key largo Park and the addition of Sunset Waterways subdivision – requested by Commissioner Wilkinson

J. Minutes – Draft July 9, 2003

K. Meeting Adjournment

Key Largo Wastewater Treatment District
Payments Pending, July 30, 2003
Prepared July 21, 2003

Date of Invoice	Vendor	Invoice #	Description	Invoice Amount	Date Due
06/10/03	BellSouth	A001782	KLWWTD Ofc June 10-July 9	50.57	06/29/03
07/04/03	BellSouth	A003026	Civic Center Jul 4-Aug 3	45.33	07/23/03
06/20/03	Charles Brooks	Trvl 6/03 to 6/06	Travel expense- FASD Conference	432.20	Upon Receipt
06/23/03	Gartek Engineering Corporation	Final Settlement	Balance Due Negotiation Phase	16,000.00	Upon Receipt
07/09/03	Government Services Group	03021-7033	Copier & Postage Charges June 03	722.50	07/30/03
07/09/03	Government Services Group	03021-7035	Dunn & Bradstreet Expense Engineer RFP	1,585.87	07/30/03
07/25/03	Government Services Group	03021-7038	July 2003- Management Fee	10,800.00	07/30/03
07/10/03	Lewis, Longman & Walker, PA	28085 (catch-up)	Payment of travel, postage, copying Jan-Apr	5,079.89	Upon Receipt
07/11/03	Lewis, Longman & Walker, PA	30014	Legal Expenses through June 30, 2003	12,700.68	Upon Receipt
07/11/03	Lewis, Longman & Walker, PA	29425	Disallowed Travel Expense, May 2003	(13.41)	Upon Receipt
06/30/03	Andrew Tobin, Chairman	Payroll	Nov 02-June 03	5,700.00	07/30/03
06/30/03	Gary Bauman	Payroll	June 03	900.00	07/30/03
06/30/03	Cris Beaty	Payroll	June 03	900.00	07/30/03
06/30/03	Charles Brooks	Payroll	June 03	900.00	07/30/03
06/30/03	Jerry Wilkinson	Payroll	June 03	900.00	07/30/03
06/30/03	Internal Revenue Service	FICA & Medicare	Employer Share, Payroll Taxes	711.45	07/30/03
Total				$ 57,415.08	

Verificaiton of Approval by motion of the KLWTD Board:

Chairman Andrew Tobin

Secretary, Cris Beaty

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J. Minutes – Draft July 9, 2003

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KLWTD Board Meeting
July 30, 2003

Item E - 1

Approval of the Weiler Engineering Corporation Contract for Consulting/Professional Services

Key Largo Wastewater Treatment District

Contract for Consulting/Professional Service

TABLE OF CONTENTS

Article One, Consultant's Responsibility ..... page 1

Article Two, Additional Services of Consultant..... page 3

Article Three, District's Responsibilities..... page 4

Article Four, Time ..... page 6

Article Five, Compensation ..... page 6

Article Six, Waiver of Claims..... page 7

Article Seven, Truth in Negotiation Representations ..... page 8

Article Eight, Termination or Suspension ..... page 8

Article Nine, Personnel ..... page 9

Article Ten, Subcontracting ..... page 9

Article Eleven, Federal and State Tax ..... page 10

Article Twelve, Availability of Funds ..... page 10

Article Thirteen, Ownership of Documents ..... page 10

Article Fourteen, Maintenance of Records..... page 11

Article Fifteen, Insurance ..... page 11

Article Sixteen, Indemnification ..... page 14

Article Seventeen, Successors and Assigns ..... page 15

Article Eighteen, Remedies ..... page 15

Article Nineteen, Conflict of Interest ..... page 15

Article Twenty, Debt ..... page 16

Article Twenty One, Nondiscrimination ..... page 16

Article Twenty Two, Enforcement Costs ..... page 16

Article Twenty Three, Notice ..... page 16

Article Twenty Four, Modification of Scope of Work ..... page 16

Article Twenty Five, Modification ..... page 17

Article Twenty Six, Miscellaneous ..... page 17

Article Twenty Seven, Severability ..... page 18

Schedule A, Scope of Service ..... page 21

Schedule B, Basis of Compensation ..... page 32

Schedule B, Attachments ..... page 37

CONTRACT FOR CONSULTING/PROFESSIONAL SERVICES

This Contract is made and entered into this _____ day of _____, 2003, by and between THE WEILER ENGINEERING CORPORATION whose principal place of business is at 20020 VETERANS BOULEVARD NO 7 (the "Consultant"), whose Federal I.D. number is 65-0413376, and the Key Largo Wastewater Treatment District, a legal entity and public body created by Chapter 02-337, Laws of Florida, 2003 (the "District"), whose principal place of business is _____.

W I T N E S S E T H

WHEREAS, the District has pursued the engineering selection process contemplated under Florida Statutes; and

WHEREAS, after due review of the proposals, the Board of Commissioners for the District selected 8 firms for continuing engineering consulting agreements; and

WHEREAS, Consultant was one of those firms selected; and

WHEREAS, District desires to obtain the continuing professional engineering consulting services of the Consultant concerning certain design, construction, permitting and engineering study services, said services being more fully described in Work Authorizations issued under this Contract for the projects.

NOW, THEREFORE, in consideration of the mutual promises herein, the District and the Consultant agree as follows:

ARTICLE ONE
CONSULTANT'S RESPONSIBILITY

1.1. Consultant shall provide to District continuing professional engineering consulting services in the area of sewer engineering and analyses for the duration of the Contract.

1.2. The Basic Services to be performed by Consultant hereunder shall be issued periodically as Work Authorizations under this Contract in the format generally set forth in Schedule A. The basis of compensation to be paid Consultant by the District for Basic Services is set forth in Article Five and Schedule B, "Basis of Compensation" attached to each Work Authorization, which is attached hereto and incorporated herein. Work Authorization requests will be made to Consultant as may be warranted, including but not limited to updates of plans, designs of sewer improvements, field and construction services, and permitting activities as may be reasonably contemplated hereunder.

1.3. The Consultant agrees to obtain and maintain throughout the period of this Contract all such licenses as are required to do business in the State of Florida, including, but not limited to, all licenses required by the respective state boards, and other governmental agencies responsible for

regulating and licensing the professional services to be provided and performed by the Consultant pursuant to this Contract.

1.4. The Consultant agrees that, when the services to be provided hereunder relate to a professional service which, under Florida Statutes, requires a license, certificate of authorization or other form of legal entitlement to practice such services, it shall employ and/or retain only qualified personnel to provide such services.

1.5. Consultant agrees that the Project Manager for the term of this Contract shall be:

NAME OF PRINCIPAL JEFF WEILER, PE - PRINCIPAL
LARRY LACKEY, PE - ENGINEER IN CHARGE
ADDRESS OF PRINCIPAL ED CASTLE, PE - PROJECT MANAGER

The Consultant agrees that the Project Manager shall devote whatever time is required to satisfactorily manage the services to be provided and performed by the Consultant hereunder. The person selected by the Consultant to serve as the Project Manager shall be subject to the prior approval and acceptance of the District, and such approval or acceptance shall not be unreasonably withheld.

1.6. Consultant agrees, within fourteen (14) calendar days of receipt of a Written request from the District, to promptly remove and replace the Project Manager, or any other personnel employed or retained by the Consultant, or any subconsultants or subcontractors or any personnel of any such subconsultants or subcontractors engaged by the Consultant to provide and perform services or Work pursuant to the requirements of this Contract, whom the District shall request in writing to be removed, which request may be made by the District with or without cause.

1.7. The Consultant has represented to the District that it has expertise in the type of professional services that will be required for the project. The Consultant agrees that all services to be provided by Consultant pursuant to this Contract shall be subject to the District's review and approval and shall be in accordance with the generally accepted standards of professional practice in the State of Florida, as well as in accordance with all published laws, statutes, ordinances, codes, rules, regulations and requirements of any governmental agencies which regulate or have jurisdiction over the project or the services to be provided and performed by Consultant hereunder. In the event of any conflicts in these requirements, the Consultant shall notify the District of such conflict and utilize its best professional judgment to advise District regarding resolution of the conflict.

1.8. Subject to Florida's Public Records Law, Consultant agrees not to divulge, furnish or make available to any third person, firm or organization, without District's prior written consent, or unless incident to the proper performance of the Consultant's obligations hereunder, or in the course of judicial or legislative proceedings where such information has been properly subpoenaed, any non-public information concerning the services to be rendered by Consultant hereunder, and Consultant shall require all of its employees, agents, subconsultants and subcontractors to comply with the provisions of this paragraph.

1.9. Evaluations of the District's project budget, preliminary estimates of construction cost and detailed estimates of construction cost prepared by the Consultant represent the Consultant's best judgment as a design professional familiar with the construction industry. The Consultant cannot and does not guarantee that bids or negotiated prices will not vary from any estimate of construction cost or evaluation prepared or agreed to by the Consultant. Notwithstanding anything above to the contrary, Consultant shall revise and modify Construction Documents and assist in the rebidding of the Work at no additional cost to District, if all responsive and responsible bids exceed the estimates of construction costs prepared by Consultant.

1.10. Consultant shall not be responsible for means, methods, techniques, sequences or procedures of construction selected by contractors or the safety precautions and programs incident to the work of contractors.

ARTICLE TWO
ADDITIONAL SERVICES OF CONSULTANT

If authorized in writing by the District, the Consultant shall furnish or obtain from others Additional Services of the types listed in Article Two herein. These services will be paid for by District as indicated in Article Five and Schedule B as attached to each Work Authorization. The following services, if not otherwise specified in Schedule A as part of Basic Services, shall be Additional Services:

2.1. Preparation of applications and supporting documents (except those already to be furnished ~~under this Contract) for private or governmental grants, loans, bond issues or advances in connection~~ with the project.

2.2. Services resulting from significant changes in the general scope, extent or character of the project or its design including, but not limited to, changes in size, complexity, District's schedule or character of construction; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to and not reasonably anticipated prior to the preparation of such studies, reports or documents, or are due to any other causes beyond Consultant's control.

2.3. Preparation and submission of information to and necessary consultations with the local Transportation Department, Florida Department of Environmental Protection, Florida Department of Transportation, regional water management districts, U.S. Army Corps of Engineers or other appropriate regulatory agencies, in order to obtain necessary permits or approvals for construction of the project, unless such permits are expressly included in Basic Services to be performed by Consultant hereunder as set forth in the Schedule A-Scope of Services for a Work Authorization issued hereunder.

2.4. Providing renderings or models for District's use.

2.5. Investigations and studies involving detailed consideration of operations, maintenance and overhead expenses; the preparation of feasibility studies, cash flow and economic evaluations, rate schedules and appraisals; and evaluating processes available for licensing and assisting the District in obtaining process licensing.

2.6. Furnishing services of independent professional associates and consultants for other than the contract services to be provided by Consultant hereunder.

2.7. Services during out-of-town travel required of Consultant and directed by District, other than visits to the project site or District's office.

2.8. Assistance in connection with bid protests, rebidding or renegotiating contracts for construction, materials, equipment or services, except as otherwise provided for herein.

2.9. Providing any type of property surveys, aerial photography or related engineering services needed for the transfer of interests in real property and field surveys for design purposes and engineering surveys and staking to enable contractors to proceed with their work and providing other special field surveys.

2.10 Preparation of operating, maintenance and staffing manuals, except as otherwise provided for herein.

2.11. Preparing to serve or serving as a consultant or witness for the District in any litigation, or other legal or administrative proceeding, involving the Project (except for assistance in consultations which are included as part of the Basic Services to be provided herein).

2.12. Additional services rendered by Consultants in connection with the Project, not otherwise provided for in this Contract or not customarily furnished in accordance with generally accepted engineering practice.

ARTICLE THREE
DISTRICT'S RESPONSIBILITIES

3.1. The District shall designate in writing a District's Representative to act as the District's representative with respect to the services to be rendered under this Contract (hereinafter referred to as the "District's Representative"). The District's Representative shall transmit instructions, receive information, interpret and define District's policies and decisions with respect to Consultant's services for the Project. However, the District's Representative is not authorized to issue any verbal or written orders or instructions to the Consultant that would have the effect, or be interpreted to have the effect, of modifying or changing in any way whatever:

(a) The scope of services to be provided and performed by the Consultant hereunder;
(b) The time the Consultant is obligated to commence and complete all such services; or
(c) The amount of compensation the District is obligated or committed to pay the Consultant.

3.2. The District's Representative shall:

(a) Review and make appropriate recommendations on all requests submitted by the Consultant for payment for services and work provided and performed in Accordance with this Contract;

(b) Provide all criteria and information requested by Consultant as to District's requirements, for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations;

(c) Upon request from Consultant, assist Consultant by placing at Consultant's disposal all available information in the District's possession pertinent to the Project, including existing drawings, specifications, shop drawings, product literature, previous reports and any other data relative to design or construction of the Project;

(d) Arrange for access to and make all provisions for Consultant to enter the Project site to perform the services to be provided by Consultant under this Contract; and

(e) Provide notice to Consultant of any deficiencies or defects discovered by the District with respect to the services to be rendered by Consultant hereunder.

3.3. Consultant acknowledges that access to the Project Site, to be arranged by the District for Consultant, may be provided during times that are not the normal business hours of the Consultant.

3.4. District shall be responsible for the acquisition of all easements, property sites, rights-of-way, or other property rights required for the Project and for the costs thereof, including the costs of any required land surveys in connection with such acquisition.

3.5 For the purposes of this Contract, the District's Representative shall be:

Charles Sweat
Director of Operations
614 North Wymore Road
Winter Park, Florida 32789
(407)629-6900

The System Manager is:

Robert E. Sheets
Government Services Group, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, Florida 32308
(850) 681-3717

ARTICLE FOUR
TIME

4.1. Services to be rendered by Consultant shall be commenced subsequent to the execution of any Work Authorizations issued pursuant to this Contract, after receiving written Notice to Proceed from District for all or any designated portion of the Project and shall be performed and completed in accordance with the Project Schedule attached to the Work Authorization as Schedule C, the form of which is attached hereto and made a part hereof.

4.2. Should Consultant be obstructed or delayed in the prosecution or completion of its services as a result of unforeseeable causes beyond the control of Consultant, and not due to its own fault or neglect, including but not restricted to acts of God or of public enemy, acts of government or of the District, fires, floods, epidemics, quarantine regulations, strikes or lock-outs, then Consultant shall notify District in writing within five (5) working days after commencement of such delay, stating the cause or causes thereof, or be deemed to have waived any right which Consultant may have had to request a time extension.

4.3. No interruption, interference, inefficiency, suspension or delay in the commencement or progress of Consultant's services from any cause whatsoever, including those for which district may be responsible in whole or in part, shall relieve Consultant of its duty to perform or give rise to any right to damages or additional compensation from District. Consultant's sole remedy against District will be the right to seek an extension of time to its schedule. This paragraph shall expressly apply to claims for early completion, as well as claims based on late completion. Provided, however, if through no fault or neglect of the Consultant, the services to be provided hereunder have not been completed within the schedule identified in the Work Authorization, the Consultant's compensation shall be equitably adjusted, with respect to those services that have not yet been performed, to reflect the incremental increase in costs experienced by Consultant.

4.4. Should the Consultant fail to commence, provide, perform or complete any of the services to be provided hereunder in a timely and reasonable manner, in addition to any other rights or remedies available to the District hereunder, the District at its sole discretion and option may withhold any and all payments due and owing to the Consultant until such time as the Consultant resumes performance of its obligations hereunder in such a manner so as to reasonably establish to the District's satisfaction that the Consultant's performance is or will shortly be back on schedule.

ARTICLE FIVE
COMPENSATION

5.1. Compensation and the manner of payment of such compensation by the District for services rendered hereunder by Consultant shall be as prescribed in Schedule B; entitled "Basis of Compensation," which is attached herein and made a part hereof.

5.2. The total amount to be paid by the District under this Contract for all services and materials, including "out of pocket" expenses and any approved subcontracts, shall not exceed the amount set forth in the approved Work Authorizations without prior approval of the District's Board of

Commissioners. The Consultant shall notify the Distsrict's Representative in writing when 90% of the "not to exceed amount" has been reached. The District will not pay Consultant any amount which exceeds the "not to exceed amount" unless the Consultant has requested and received written approval from the District for such amount.

5.3. Invoices received by the District from the Consultant pursuant to this Contract will be reviewed and approved in writing by the District's Representative, indicating that services have been rendered in conformity with the Contract, then sent to the System Manager for review, approval and payment. All invoices shall contain a detailed breakdown of the services provided for which payment is being requested. Invoices shall be paid within thirty (30) days following the District Representative's approval, who shall process all payments in a prompt manner or advise Consultant in writing of reasons for not processing same. In addition to detailed invoices, upon request of the District's Representative or the System Manager, Consultant will provide District with detailed periodic Status Reports on the project.

5.4. "Out-of-pocket" expenses shall be reimbursed in accordance with Florida law and Schedule B. All requests for payment of "out-of-pocket" expenses eligible for reimbursement under the terms of this Contract shall include copies of paid receipts, invoices, or other documentation acceptable to the District's Representative and to the System Manager. Such documentation shall be sufficient to establish that the expense was actually incurred and necessary in the performance of the Scope of Work described in this Contract.

5.5. In order for both parties herein to close their books and records, the Consultant will clearly state "final invoice" on the Consultant's final/last billing to the District for each work order. This final invoice shall also certify that all services provided by Consultant have been performed in accordance with the applicable Work Authorization and all charges and costs have been invoiced to the District. Because this account will thereupon be closed, any and other further charges not included on this final invoice are waived by the Consultant. Acceptance of final payment by Consultant shall constitute a waiver of all claims and liens against District for additional payment.

ARTICLE SIX
WAIVER OF CLAIMS

6.1. Consultant's acceptance of final payment shall constitute a full waiver of any and all claims related to the obligation of payment by it against District arising out of this Contract or otherwise related to the Project, except those previously made in writing and identified by Consultant as unsettled at the time of the final payment. Neither the acceptance of Consultant's services nor payment by District shall be deemed to be a waiver of any of District's rights against Consultant.

ARTICLE SEVEN
TRUTH IN NEGOTIATION REPRESENTATIONS
AND PUBLIC ENTITY CRIMES STATEMENT

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

7.2. In accordance with provisions of Section 287.055(5)(a), Florida Statutes, the signature of this Contract by the Consultant shall also act as the execution of a truth in negotiation certificate certifying that the wage rates, overhead charges, and other costs used to determine the compensation provided for in this Contract are accurate, complete and current as of the date of the Contract and no higher than those charged the Consultant's most favored customer for the same or substantially similar service. Should the District determine that said rates and costs were significantly increased due to incomplete, noncurrent or inaccurate representation, then said rates and compensation provided for in this Contract shall be adjusted accordingly.

7.3. Pursuant to section 287.133, Florida Statutes, the Consultant, by its execution of this Agreement, acknowledges and attests that neither it, nor any of its suppliers, subcontractors, or consultants who shall perform work which is intended to benefit the District, has been placed on the convicted vendor list following a conviction for a public entity crime. Consultant further understands and accepts that this Agreement shall be voidable by the District or subject to immediate termination by the District in the event there is any misrepresentation or lack of compliance with the mandates of section 287.133, Florida Statutes. The District, in the event of such termination, shall not incur any liability to the Consultant for any work or materials furnished.

ARTICLE EIGHT
TERMINATION OR SUSPENSION

8.1. Consultant shall be considered in material default of this Contract and such default will be considered cause for District to terminate this Contract, in whole or in part, as further set forth in this section, for any of the following reasons: (a) failure to begin work under the Contract within a reasonable time after issuance of the Notice(s) to Proceed of a Work Authorization, or (b) failure to properly and timely perform the services to be provided hereunder or as directed by the District pursuant to this Contract, or (c) the bankruptcy or insolvency or a general assignment for the benefit of creditors by Consultant or by any of Consultant's principals, officers or directors, or (d) failure to obey laws, ordinances, regulations or other codes of conduct, or (e) failure to perform or abide by the terms or spirit of this Contract, or (f) for any other just cause. The District may so terminate this Contract, in whole or in part, by giving the Consultant seven (7) calendar days' written notice.

8.2. If, after notice of termination of this Contract as provided for in paragraph 8.1 above, it is determined for any reason that Consultant was not, in default, or that its default was excusable, or

that District otherwise was not entitled to the remedy against Consultant provided for in paragraph 8.1, then the notice of termination given pursuant to paragraph 8.1 shall be deemed to be the notice of termination provided for in paragraph 8.3 below and Consultant's remedies against District shall be the same as and limited to those afforded Consultant under paragraph 8.3 below.

8.3. District shall have the right to terminate this Contract, in whole or in part, without cause upon seven (7) calendar days' written notice to Consultant. In the event of such termination for convenience, Consultant's recovery against the District shall be limited to that portion of the fee earned through the date of termination, together with any retainage withheld and any costs reasonably incurred by Consultant that are directly attributable to the termination, but Consultant shall not be entitled to any other or further recovery against the District, including, but not limited to, anticipated fees or profits on work not required to be performed.

8.4. Upon termination, the Consultant shall deliver to the District all original papers, records, documents, drawings, models, and other material set forth and described in this Contract.

8.5. The District shall have the power to suspend all or any portions of the services to be provided by Consultant hereunder upon giving Consultant two (2) calendar days prior written notice of such suspension. If all or any portion of the services to be rendered hereunder are so suspended, the Consultant's sole and exclusive remedy shall be to seek an extension of time to its schedule in accordance with the procedures set forth in Article Four herein.

ARTICLE NINE
PERSONNEL

9.1. The Consultant is, and shall be, in the performance of all work services and activities under this Contract, an Independent Contractor, and not an employee, agent, or servant of the District. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the Consultant's sole direction, supervision, and control. The Consultant shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the Consultant's relationship and the relationship of its employees to the District shall be that of an Independent Contractor and not as employees or agents of the District.

9.2. The Consultant represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the District, nor shall such personnel be entitled to any benefits of the District including, but not limited to, pension, health and workers' compensation benefits.

9.3. All of the services required hereunder shall be performed by the Consultant or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

9.4. Any changes or substitutions in the Consultant's key personnel, as may be listed in Article One, must be made known to the District's Representative and written approval must be granted by

the District's Representative before said change or substitution can become effective, said approval for which shall not unreasonably be withheld.

9.5. The Consultant warrants that all services shall be performed by skilled and competent personnel to professional standards applicable to firms of similar local and national reputation.

ARTICLE TEN
SUBCONTRACTING

10.1. Consultant shall not subcontract any services or work to be provided to District without the prior written approval of the District's Representative. The District reserves the right to accept the use of a subcontractor or to reject the selection of a particular subcontractor and to inspect all facilities of any subcontractors in order to make a determination as to the capability of the subcontractor to perform properly under this Contract. The District's acceptance of a subcontractor shall not be unreasonably withheld. The Consultant is encouraged to seek minority and women business enterprises for participation in subcontracting opportunities.

ARTICLE ELEVEN
FEDERAL AND STATE TAX

11.1. The District is exempt from payment of Florida state sales and use taxes. The District will sign an exemption certificate submitted by the Consultant. The Consultant shall **not** be exempted from paying sales tax to its suppliers for materials used to fulfill contractual obligations with the District, nor is the Consultant authorized to use the District's tax exemption number in securing such materials.

11.2. The Consultant shall be responsible for payment of its own and its share of its employees' payroll, payroll taxes, and benefits with respect to this Contract.

ARTICLE TWELVE
AVAILABILITY OF FUNDS

12.1. The District's performance and obligation to pay under this contract is contingent upon an appropriation of funds for the purposes defined in the work orders, or as otherwise requested by the System Manager.

ARTICLE THIRTEEN
OWNERSHIP OF DOCUMENTS

13.1. Upon completion or termination of this Contract, all records, documents, tracings, plans, specifications, maps, evaluations, reports, computer assisted design or drafting disks and other technical data, other than working papers, prepared or developed by Consultant under this Contract shall be delivered to and become the property of District. Consultant, at its own expense, may retain copies for its files and internal use. To the extent provided by law, District agrees to indemnify and hold harmless Consultant with respect to any claim, loss or damage, including attorneys' fees

incurred by Consultant due to the District's use of said records, documents, tracings, plans, specifications, maps, evaluations, reports, computer disks and other technical data on some other project unless such use is authorized by Consultant.

13.2. With respect to and in consideration for the indemnification provided by District in paragraph 13.1. above, Consultant agrees to pay to District $10.00, the sufficiency and receipt of which is acknowledged through the signing of this Contract.

13.3. The District and the Consultant shall comply with the provisions of Chapter 119, Florida Statutes (Public Records Law). Consultant assumes no liability for the use of such documents by the District or others for purposes not intended under this Contract.

ARTICLE FOURTEEN
MAINTENANCE OF RECORDS

14.1. Consultant will keep adequate records and supporting documentation which concern or reflect its services hereunder. The records and documentation will be retained by Consultant for a minimum of five (5) years from the date of termination of this Contract or the date the Project is completed, whichever is later. District, or any duly authorized agents or representatives of District, shall have the right to audit, inspect and copy all such records and documentation as often as they deem necessary during the period of this Contract and during the five (5) year period noted above; provided, however, such activity shall be conducted only during normal business hours.

ARTICLE FIFTEEN
INSURANCE

15.1. During the life of the Contract the Consultant shall provide, pay for, and maintain, with companies satisfactory to the District, the types of insurance described herein. All insurance shall be from responsible companies duly authorized to do business in the State of Florida and/or responsible risk retention group insurance companies registered with the State of Florida. Prior to execution of this Contract by District, the insurance coverages and limits required must be evidenced by properly executed Certificates of Insurance on forms which are acceptable to the District. The Certificates must be personally, manually signed by the Authorized Representatives of the insurance company/companies shown on the Certificates with proof that he/she is an authorized representative thereof. In addition, certified, true and exact copies of all insurance policies required shall be provided to the District, on a timely basis, if required by the District. These Certificates and policies shall contain provisions that thirty (30) days' written notice by registered or certified mail shall be given the District of any cancellation, intent not to renew, or reduction in the policies' coverages, except in the application of the Aggregate Limits Provisions. In the event of a reduction in the Aggregate Limit of any policy, the Consultant shall immediately take steps to have the Aggregate Limit reinstated to the full extent permitted under such policy. All insurance coverages of the Consultant shall be primary to any insurance or self-insurance program carried by the District applicable to this Project.

15.2. The acceptance by the District of any Certificate of Insurance for this Project evidencing the insurance coverages and limits required in this Contract does not constitute approval or agreement by the District that the insurance requirements have been met or that the insurance policies shown on the Certificates of Insurance are in compliance with the requirements of this Contract.

15.3. Before starting and until acceptance of the work by District, Consultant shall procure and maintain insurance of the types and to the limits specified in paragraph 15.7 entitled "Required Insurance," which is attached hereto and made a part hereof. Consultant shall require each of its subconsultants and subcontractors to procure and maintain, until the completion of that subconsultant's or subcontractor's work, insurance of the types and to the limits specified in paragraph 15.7, unless such insurance requirement for the subconsultant or subcontractor is expressly waived in writing by the District. Said waiver shall not be unreasonably withheld upon Consultant representing in writing to District that Consultant's existing coverage includes and covers the subconsultants and subcontractors for which a waiver is sought, and that such coverage is in conformance with the types and limits of insurance specified in paragraph 15.7. All liability insurance policies, other than the Professional Liability, Workers, Compensation and Employers' Liability policies, obtained by Consultant to meet the requirements of this Contract shall name District as an additional insured as to the operations of the Consultant under this Contract and the Contract Documents shall contain severability of interests provisions.

15.4. If any insurance provided pursuant to this Contract expires prior to the completion of the work, renewal Certificates of Insurance and, if requested by District, certified, true copies of the renewal policies shall be furnished by Consultant thirty (30) days prior to the date of expiration. Should at any time the Consultant not maintain the insurance coverages required in this Contract, the District may cancel this Contract or at its sole discretion shall be authorized to purchase such coverages and charge the Consultant for such coverages purchased. The District shall be under no obligation to purchase such insurance, nor shall it be responsible for the coverages purchased or the insurance company or companies used. The decision of the District to purchase such insurance coverages shall in no way be construed to be a waiver of its rights under this Contract.

15.5. Certificates of insurance, reflecting evidence of the required insurance, shall be filed with the System Manager prior to the commencement of the work. The Consultant shall not commence work under this Contract until it has obtained all insurance required under this paragraph and such insurance has been approved by the System Manager, nor shall the Consultant allow any subcontractor to commence work on its sub-contract until all similar such insurance required of the subcontractor has been obtained and approved.

15.6. Policies shall be issued by companies authorized to do business under the laws of the State of Florida and shall have adequate Policyholders and Financial ratings in the latest ratings of A.M. Best, said A.M. Best rating for which shall be A- or better.

15.7. REQUIRED INSURANCE

1. Commercial General Liability

Commercial General Liability Insurance to cover liability for bodily injury and property damage. Exposures to be covered are: premises, operations, products/completed operations, and contractual. Coverage must be written on an occurrence basis, with no less than the following limits of liability:

A. Single Limit Bodily Injury & Property Damage

1.	Each Occurrence	$1,000,000
2.	Annual Aggregate	1,000,000

B. Personal Injury
Annual Aggregate $1,000,000

2. Comprehensive Automobile Liability

Comprehensive Automobile Liability for all vehicles used in the performance of this Contract:

A. Single Limit Bodily Injury & Property Damage

1. Each Occurrence $1,000,000

Coverage shall include owned, hired and/or non-owned vehicles.

The District must be named as an additional insured for the Automobile and Commercial General Liability coverage.

3. Professional Liability

Professional Liability with limits not less than $2,000,000. If coverage is provided on a claims made basis then coverage must be continued for the duration of this Contract and for not less than one (1) year thereafter, or in lieu of continuation, provide an "extended reporting clause" for one (1) year.

4. Worker's Compensation Insurance

Workers' Compensation Insurance shall be maintained during the life of this Contract to comply with statutory limits for all employees, and in the case any work is sublet, the Consultant shall require any Subcontractors similarly to provide Workers' Compensation Insurance for all the latter's employees unless such employees are covered by the protection

afforded by the Consultant. The Consultant and its Subcontractors shall maintain during the life of this Contract Employer's Liability Insurance. The following must be maintained.

A.	Workers' Compensation	Statutory
B.	Employer's Liability	$300,000 per accident

The District reserves the right to require any other insurance coverage it deems necessary depending upon the exposures.

ARTICLE SIXTEEN
INDEMNIFICATION

16.1. The Consultant agrees to indemnify and hold harmless and defend the District, its officers, agents and employees against any loss, damage or expense (including all costs and reasonable attorneys' fees) suffered by District from any claim, demand, judgment, decree, or cause of action of any kind or nature arising out of any negligent error, omission, or negligent act of Consultant, its agents, servants, or employees, in the performance of services under this Contract.

16.2. The Consultant agrees to indemnify and hold harmless the District, its officers, agents and employees against any loss, damage or expense (including all costs and reasonable attorneys' fees) suffered by District from (a) any breach or misconduct by the Consultant of this Contract, (b) any inaccuracy in or breach of any of the representations, warranties or covenants made by the Consultant herein, (c) any claims, suits, actions, damages or causes of action arising during the term ~~of this Contract for any personal injury, loss of life or damage to property sustained by reason or as a~~ result of performance of this Contract by the Consultant and the Consultant's agents, employees, invitees, and all other persons, claims, suits, actions, damages or causes of action for any personal injury, loss of life or damage to property sustained by reason or as a result of the presence of the Consultant and the Consultant's agents, employees, invitees, and all other persons, and (d) Consultant acknowledges and agrees that District would not enter into this Contract without this indemnification of District by Consultant, and that District's entering into this Contract shall constitute good and sufficient consideration for this indemnification. These provisions shall survive the expiration or earlier termination of this Contract. Nothing in this Contract shall be construed to affect in any way the District's rights, privileges, and immunities as set forth in Section 768.28, Florida Statutes.

16.3. Consultant acknowledges that the general conditions of any construction contract shall include language, satisfactory to the District's attorney, in which the contractor agrees to hold harmless and to defend District, Consultant, their agents and employees, from all suits and actions, including attorney's fees, and all costs of litigation and judgments of any name and description arising out of or incidental to the performance of the construction contract or work performed thereunder. District acknowledges that Consultant shall be expressly named as an indemnified party, and shall be held harmless, in the general conditions of any construction contract, and shall be named as an additional insured in any contractor's insurance policies.

ARTICLE SEVENTEEN
SUCCESSORS AND ASSIGNS

17.1. The District and the Consultant each binds itself and its successors, executors, administrators and assigns to the other party of this Contract and to the successors, executors, administrators and assigns of such other party, in respect to all covenants of this Contract. Except as above, neither the District nor the Consultant shall assign, sublet, convey or transfer its interest in this Contract without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the District which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the District and the Consultant.

ARTICLE EIGHTEEN
REMEDIES

18.1. This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Contract shall be held in Monroe County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of
any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

~~ARTICLE NINETEEN~~
CONFLICT OF INTEREST

19.1. The Consultant represents that it has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder, as provided for in the Code of Ethics for Public Officers and Employees (Chapter 112, Part III, Florida Statutes). The Consultant further represents that no person having any interest shall be employed for said performance.

19.2. The Consultant shall promptly notify the System Manager, in writing, by certified mail, of all potential conflicts of interest for any prospective business association, interest or other circumstance which may influence or appear to influence the Consultant's judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the Consultant may undertake and request an informed determination from the System Manager as to whether the association, interest or circumstance would be reviewed by the System Manager as constituting a conflict of interest if entered into by the Consultant. The System Manager agrees to notify the Consultant of its opinion by certified mail within thirty (30) days of receipt of notice by the Consultant. Such determination may be appealed to the Board of Directors by the Consultant within thirty (30) days of the System Manager's notice to the Consultant. If, in the opinion of the System Manager or District, the prospective business association, interest or circumstance would not constitute a conflict of interest by the Consultant, the System Manager or District shall so state in the notice and the Consultant

shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the District by the Consultant under the terms of this Contract.

ARTICLE TWENTY
DEBT

20.1. The Consultant shall not pledge the District's credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien or any form of indebtedness. The Consultant further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Contract.

ARTICLE TWENTY ONE
NONDISCRIMINATION

21.1. The Consultant warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, or sexual orientation.

ARTICLE TWENTY TWO
ENFORCEMENT COSTS

22.1. If any legal action or other proceeding is brought for the enforcement of this Contract, or ~~because of an alleged dispute, breach, default or misrepresentation in connection with any provisions~~ of this Contract, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees, court costs and all expenses (including taxes) even if not taxable as court costs (including, without limitation, all such fees, costs and expenses incident to appeals), incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

ARTICLE TWENTY THREE
NOTICE

23.1. All notices required in this Contract shall be sent by certified mail, return receipt requested to the Consultant's Representative, the District Representative and the System Manager at the addresses shown in Articles One and Three hereof.

ARTICLE TWENTY FOUR
MODIFICATION OF SCOPE OF WORK

24.1. It is the intent of this Contract that District shall from time to time issue Work Authorizations for Consultant to perform work. All Work Authorizations will be duly approved by the District's Board of Directors prior to issuance. Consultant shall expediently perform such work within the schedule indicated in the work order in accordance with Article Four above. Consultant shall timely cooperate with District Representative and System Manager in negotiating the cost and schedule of said work orders prior to submission to the District Board of Directors for approval. The District

reserves the right to make changes in the Scope of Work, including alterations, reductions therein or additions thereto. Upon receipt by the Consultant of the District's notification of a contemplated change, the Consultant shall, in writing: (1) provide a detailed estimate for the increase or decrease in cost due to the contemplated change, (2) notify the District of any estimated change in the completion date, and (3) advise the District if the contemplated change shall effect the Consultant's ability to meet the completion dates or schedules of this Contract.

24.2. If the District so instructs in writing, the Consultant shall suspend work on that portion of the Scope of Work or work order affected by a contemplated change, pending the District's decision to proceed with the change. Consultant shall be entitled to invoice District for that portion of the work completed prior to receipt of the written notice.

24.3. If the District elects to make the change, the District shall initiate a Contract Amendment and the Consultant shall not commence work on any such change until such written amendment is signed by the Consultant and the System Manager, and if such Scope of Work is in excess of $20,000 it must also first be approved by the Board of Directors.

ARTICLE TWENTY FIVE
MODIFICATION

25.1. The District and the Consultant agree that this Contract together with the Exhibits hereto, sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto in accordance with Article Twenty Four - Modification of Scope of Work. In the event of any conflict or inconsistency between this Contract and the provisions in the incorporated Exhibits, the terms of this Contract shall supersede and prevail over the terms in the Exhibits.

ARTICLE TWENTY SIX
MISCELLANEOUS

26.1. Consultant, in representing District, shall promote the best interest of District and assume towards District a duty of the highest trust, confidence and fair dealing.

26.2. No modification, waiver, suspension or termination of the Contract or of any terms thereof shall impair the rights or liabilities of either party.

26.3. This Contract is not assignable, in whole or in part, by Consultant without the prior written consent of District.

26.4. Waiver by either party of a breach of any provision of this Contract shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this Contract.

26.5. The headings of the Articles, Schedules, Parts and Attachments as contained in this Contract are for the purpose of convenience only and shall not be deemed to expand, limit or change the provisions in such Articles, Schedules, Parts and Attachments.

26.6. This Contract, initially consisting of _____ continuously numbered pages including the referenced Schedules and Attachments hereto, constitutes the entire agreement between the parties hereto and shall supersede, replace and nullify any and all prior agreements or understandings, written or oral, relating to the matter set forth herein, and any such prior agreements or understanding shall have no force or effect whatever on this Contract.

ARTICLE TWENTY SEVEN
SEVERABILITY

27.1. If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such term or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have set their hands and official seals the day and year first above written.

~~**CONTRACTOR**~~_____

CONTRACTOR _____

_____
Secretary

JEFF WEILER, PRES
Chief Executive Officer

THE WEILER ENGINEERING CORPORATION

KEY LARGO WASTEWATER TREATMENT DISTRICT

_____

Its Chair

ATTEST:

_____

Clerk to the Board

Approved as to form

_____

KLWTD General Counsel

SCHEDULE A

SCOPE OF SERVICES

Schedule A consists of the following component Parts:

A.1. DESCRIPTION OF PROJECT (Work Authorization Form)

BASIC SERVICES:

A.2. DESIGN REPORT

A.3. PRELIMINARY DESIGN

A.4. FINAL DESIGN

A.5. CONSTRUCTION BID SERVICES

A.6. CONSTRUCTION CONTRACT ADMINISTRATION

A.7. DETAILED OBSERVATION OF CONSTRUCTION

Form

Work Authorization No. _____

Professional Services Agreement
Between the

Key Largo Wastewater Treatment District Utility District, a legal entity and public body created by Chapter 02-337, Laws of Florida, 2003

and

[Consultant]

A. Summary of Services to Be Rendered

B. Project Cost

C. Schedule:

D. Administrative Fee to GSG (if applicable)

~~E. Notice/Project Manager of Consultant~~

_____ _____

[Consultant] KLWTD Chairman

Certification that Sufficient Funds are Available:

_____ _____

CFO Director of Operations

A.2. DESIGN REPORT.

A.2.1. Consult with District to clarify and define District's requirements for the Project and review available data.

A.2.2. Advise District as to the necessity of District obtaining from Consultant, Additional Services described in Article Two of this Agreement, such as, but not limited to probings, subsurface explorations, special permits, or other similar investigations.

A.2.3. Prepare a Design Report containing schematic layouts, sketches and conceptual design criteria with appropriate exhibits to indicate clearly the considerations involved (including applicable requirements of all governmental authorities having jurisdiction over the project), and any alternative designs available to District and setting forth Consultant's findings and recommendations. The Design Report also shall contain Consultant's professional evaluation of District's Project budget. Said evaluation shall contain Consultant's initial professional opinions of probable total costs for the Project, including construction costs, contingencies, and allowances for charges of all professionals and consultants. The Design Report also shall present Consultant's recommendations as to how the construction contract(s) should be let out for bid.

A.2.4. Furnish five (5) copies of the Design Report, schedule and conduct a meeting with District to present the Design Report for District's review and approval.

A.3. PRELIMINARY DESIGN.

A.3.1. Prepare in a format acceptable to District, all preliminary Contract Documents, including but not limited to all designs, drawings, special conditions, general conditions, supplemental conditions, specifications and bid and Agreement forms, necessary for construction of the Project.

A.3.2. Keep District informed as to the status of the project design through no less than monthly meetings at the District's offices.

A.3.3. Upon completion and submission to District of the preliminary design for Project, provide to District five (5) copies of the preliminary Contract Documents and Consultant's professional preliminary opinions of probable total Project and construction costs for review and approval by District. The improvements for which services are to be rendered under this Agreement shall include the Project as described in the description in paragraph A.1.1. of this Schedule A.

A.4. FINAL DESIGN.

A.4.1. Provide District with proposed final construction drawings and detailed opinions of probable total Project construction costs in writing for District's review, prior to completion of the final Contract Documents, so that any changes that may be necessary in accordance with Project's budgetary schedule can be made prior to bid.

A.4.2. Upon District's approval of detailed opinions of probable total Project and construction costs, provide to District, for its review and approval, five (5) copies of final Contract Documents.

A.5. CONSTRUCTION BID SERVICES.

A.5.1. Consultant shall assist in securing bids and:

(a) provide interpretation and clarification of Contract Documents during bidding;

(b) coordinate bid process with District including advertisements, publications, Contract Document sales and receipt of bids;

(c) distribute Contract Documents during bidding phase to prospective bidders;

(d) maintain record of prospective bidders to whom bidding documents have been distributed;

(e) organize and conduct pre-bid meeting with prospective bidders;

(f) attend the bid opening, prepare bid tabulation sheets and assist District in evaluating bids or proposals and in assembling and awarding contracts for construction, materials, equipment and services;

(g) assist District in evaluating bidder's previous experience, if necessary;

(h) prepare and issue addenda as appropriate to interpret or clarify Contract Documents;

(i) provide District with a recommendation as to the acceptability of subcontractors, suppliers and other persons and organizations proposed by the bidders for those portions of the work as to which such acceptability is required by the Contract Documents;

(j) provide District with recommendation concerning the acceptability of substitute materials and equipment proposed by bidder(s) when substitution prior to the award of contacts is allowed by the Contract Documents; and,

(k) make a recommendation of contract award.

A.6. CONSTRUCTION CONTRACT ADMINISTRATION.

A.6.1. Consult with the District and contractors as reasonably required and necessary with regard to construction of the Project, including but not limited to pre-construction conference and monthly coordination meeting with District and contractor.

A.6.2. Review materials and workmanship of the Project and report to District any deviations from the Contract Documents which may come to the Consultant's attention; determine the acceptability of work and materials and make recommendation to District to reject items not meeting the requirements of the Contract Documents.

A.6.3. Recommend to the District in writing that the work, or designated portions thereof, be stopped if, in Consultant's judgment, such action is necessary to allow proper inspection, avoid irreparable damage to the work, or avoid subsequent rejection of work which could not be readily replaced or restored to an acceptable condition. Such stoppage to be only for a period reasonably necessary for the determination of whether or not the work will in fact comply with the requirements of the Contract Documents.

A.6.4. Require that any work which is covered up without being properly observed be uncovered for examination and restored at contractor's expense if deemed appropriate by the Consultant.

A.6.5. Issue interpretations and clarifications of Contract Documents during construction, and evaluate requests for substitutions or deviations therefrom. Notify District of any such requested

deviations or substitutions and when reasonably necessary provide District with a recommendation concerning same. Prepare work change orders as directed by District.

A.6.6. Submit to District, in a format acceptable to District, monthly progress and status reports, including but not limited to manpower, amount of work performed and by whom, equipment, problems encountered, method to correct problems, errors, omissions, deviations from Contract Documents, and weather conditions.

A.6.7. Review shop drawings, diagrams, illustrations, catalog data, schedules and samples, the results of laboratory tests and inspections, and other data which contractors are required to submit for conformance with the design concept of the Project and compliance with the provisions of the Contract Documents.

A.6.8. Monitor all required Project records, including but not limited to delivery schedules, inventories and construction reports. Based upon the Project records, as well as Consultant's observations at the site and evaluations of the data reflected in contractor's application for payment, Consultant shall render a recommendation to District concerning the amount owed to the contractor(s) and shall forward the contractor's application for such amount to District. Such approval of the application for payment shall constitute a representation by Consultant to District, based on observations and evaluations, that:

(a) the work has progressed to the point indicated;

(b) the work is in substantial accordance with the Contract Documents; and

(c) the contractor(s) is (are) entitled to payment in the recommended amount.

A.6.9. Receive and review all items to be delivered by the contractor(s) pursuant to the Contract Documents, including but not limited to all maintenance and operating instructions, schedules, guarantees, warranties, bonds and certificates of inspection, tests and approvals. Consultant shall transmit all such deliverables to District with Consultant's written comments and recommendations concerning their completeness under the Contract Documents.

A.6.10.Negotiate with the contractor(s), the scope and cost of any necessary contract change orders, using as a basis for such negotiations data or other information emanating from the Contract Documents, including but not limited to the bid sheet, technical specifications, plans, shop drawings, material specifications, and proposed material and labor costs. Prepare, recommend and submit for District's approval such change orders.

A.6.11.Upon receiving notice from the contractor advising Consultant that the Project is substantially complete, Consultant, shall schedule and, in conjunction with District, conduct a comprehensive inspection of the Project, develop a list of items needing completion or correction, forward said list to the contractor and provide written recommendations to District concerning the acceptability of work done and the use of the Project. For the purposes of this provision, substantial completion shall be deemed to be the stage in construction of the Project where the Project can be utilized for the purposes for which it was intended, and where minor items need not be fully completed, but all items that affect the operational integrity and function of the Project are capable of continuous use.

A.6.12.Perform final inspection in conjunction with District, and assist District in closing out construction contract, including but not limited to, providing recommendations concerning acceptance of Project and preparing all necessary documents, including but not limited to, lien waivers, contractor's final affidavit, close-out change orders, and final payment application.

A.6.13.Prepare and submit to District upon completion of construction of the Project, five (5) sets of record drawings and one (1) set of reproducible record drawing mylars of the work constructed, including those changes made during the construction process, using information supplied by the contractors and other data which can reasonably be verified by Consultant's personnel.

A.6.14.Prepare and submit to District upon completion of construction of Project a final report of variations from the construction Contract Documents, including reasons for the variations.

A.7. DETAILED OBSERVATION OF CONSTRUCTION.

A.7.1. Construction work shall be done under the full-time observation of at least one representative of Consultant; or by such additional representatives of the Consultant as may be necessary for observing the construction of the Project, as may be authorized and approved by the District.

A.7.2. During detailed observation of construction Consultant shall act to protect District's interests in Project and:

(a) take 3 x 5 color 35 mm photographs of important aspects of the Project process and submit same together with corresponding negatives on a continuous basis to District; such pictures to be properly categorized and identified as to date, time, location, direction and photographer, with subsequent notations on drawings;

(b) maintain appropriate field notes from which record drawings can be generated;

(c) maintain appropriate field records to document any and all disputes or claims, whether actual or potential with respect to construction of the Project; and

(d) observe operation or performance testing and report findings to District and contractor [optional insert i.e., including copies of bacteriological and pressure tests] when potable water lines are involved upon completion of operable units.

END OF SCHEDULE A

SCHEDULE B

BASIS OF COMPENSATION

B.1.1. As consideration for providing Basic Services as set forth herein in Parts A.2, A.3, A.4, A.5 and A.6 of Schedule A, District agrees to pay, and Consultant agrees to accept, the lump sum fees as shown on Attachment A entitled "Schedule Fees for Basic Services".

B.1.2. Payment For Basic Services under Parts A.2, A.3, A.4, A.5 and A.6 of Schedule A shall be paid on a lump sum basis in accordance with set milestones as follows:

(a) the A.2 milestone shall be the submittal to District of the Design Report and Consultant's initial professional opinions of probable total Project and construction costs.

(b) the A.3 milestone shall be the submittal to District of the preliminary Contract Documents and Consultant's preliminary opinions of probable total Project and construction costs.

(c) the A.4 milestone shall be the submittal to the District of the final Contract Documents after District's approval of detailed opinions of probable total Project and construction costs.

(d) the A.5 milestone shall be the award of bids by District.

(e) the A.6 milestone shall be the close-out of construction contract, final inspection and submittal of record drawings and final report of variations from the construction Contract Documents.

B.1.3. Payment for Basic Services under Parts A.3, A.4 and A.6 of Schedule A shall be paid on a lump sum fee basis in equal monthly installments as follows:

(a) payment for Basic Services under Part A.3 shall be paid monthly based upon the preliminary design time plus one month, the last payment to be twice the others (i.e. a 6-month design time will yield 6 monthly payments; the first 5 of which will be equal to one-seventh (1/7) the fee shown on Attachment A for Part A.3. Preliminary Design). However, payments shall commence no sooner than thirty (30) days after submittal of the Design Report and shall occur no more often than monthly, except last payment due for the services provided under Part A.3 (i.e. twice the previous monthly payments) shall not be made until submittal to District of the preliminary Contract Documents under Part A.3.

(b) payment for Basic Services under Part A.4 shall be paid monthly based upon the final design time plus one month, the last payment to be twice the others (i.e. a 6-month design time will yield 6 monthly payments; the first 5 of which will be equal to one-seventh (1/7) the fee shown on Attachment A for Part A.4. Final Design). However, payments shall commence no sooner than thirty (30) days after approval and acceptance by District of the Preliminary Contract Documents and shall occur no more often than monthly, except last payment due for the services provided under Part A.4. (i.e. twice the previous monthly payments) shall not be made until approval and acceptance by District of the preliminary Contract Documents under Part A.4.

(c) payment for Basic Services under Part A.6 shall be paid on a monthly basis based upon the construction time plus three months, the last payment to be twice the others (i.e. a 7-month construction schedule will yield 10 monthly payments; the first 9 of which will be equal to one-eleventh (1/11) the fee shown on Attachment A for Part A.6 Construction Contract Administration). However, payment shall commence no sooner than thirty (30) days after the Notice to Proceed to the contractor and shall occur no more often than monthly, except the last payment due for the services provided under Part A.6 (i.e. twice the previous monthly payments) shall not be made until the close-

out of construction contract, final inspection and submittal of record drawings and final report of variations from the construction Contract Documents under Part A.6. Services in excess of the fee shown on Attachment A for Part A.6 Construction Contract Administration not due to delay caused by Consultant shall be considered Additional Services.

B.2.1. As consideration for providing Basic Services under Part A.7 entitled "Detailed Observation of Construction" and for properly approved Additional Services set forth in Article Two of this Agreement as estimated on Attachment C entitled "Consultant's Estimate of Additional Services", District agrees to pay and Consultant agrees to accept payment on a time and reimbursable cost basis. Payments for Part A.7 services and properly approved Additional Services shall be made monthly on a time and reimbursable cost basis computed in accordance with either Attachment B entitled "Consultant's Employee Hourly Rate Schedule" for employees working under this Agreement or Attachment C entitled "Consultant's Estimate of Additional Services". Payment shall be made monthly on an as needed basis, not to exceed 40 hours per person per week. Payment for services performed by individuals beyond 40 hours per week or Saturdays, Sundays or holidays, shall be increased by a factor of 1.5 applied to Attachment B provided such overtime work is approved by District in advance whenever possible and not due to Consultant's own fault or neglect.

B.2.2. Reimbursable costs shall mean the actual expenditures made by the Consultant while providing Basic Services under Part A.7 or Additional Services, in the interest of the Project, listed in the following sub-paragraphs:

(a) expenses for transportation and subsistence incidental to out-of-town travel required by Consultant and directed by District, other than visits to the Project Site or District's office;

(b) expenses for preparation, reproduction, photographic production techniques, postage and handling of drawings, specifications, bidding documents and similar Project-related items in addition to those otherwise required in Parts A.2, A.3, A.4, A.5 and A.6 of Basic Services;

(c) when authorized in advance by District, except as specifically otherwise provided herein, the expense of overtime work requiring higher than regular rates; and

(d) expenses for renderings, models and mock-ups requested by District.

B.2.3. By way of example and not limitation, reimbursable costs shall specifically not include expenditures, except as otherwise described in paragraph B.2.2, such as:

(a) expenses for transportation and subsistence;

(b) overhead, including field office facilities;

(c) overtime not authorized by District; or

(d) expenses for copies, reproductions, postage, handling, express delivery, and long distance communications.

B.3.1. In no case shall the lump sum figures on Attachment A be exceeded without a change in the scope of the project being approved by the Board of Directors for the Key Largo Wastewater Treatment District Utility District.

B.3.2. Detailed Construction Observation work performed under Part A.7. and Additional Services, shall be paid as substantiated to the limits shown in Attachment C, but not to exceed the sum of those figures without execution of an appropriate Agreement amendment.

B.3.3. Payments will be made for services rendered, no more than on a monthly basis, within thirty (30) days of submittal of an approvable invoice. The number of the purchase order by which District the services have been made, shall appear on all invoices. All invoices shall be reasonably substantiated, identify the services rendered and must be submitted in triplicate in a form and manner required by District.

B.3.4. Consultant acknowledges that Attachment A - Schedule of Fees for Basic Services, Attachment B - Consultant's Employee Hourly Rate Schedule, and Attachment C - Consultant's Estimate of Additional Services, each attached to this Schedule B are incorporated herein and, will be the basis for District's budgeting, authorizing and monitoring of expenditures under this Agreement.

B.3.5. As compensation for coordinating subconsultant activities for District, Consultant shall be allowed an administrative fee not to exceed ten percent (10%) of the actual cost of services rendered under Part A.7 and Additional Services. For the purposes of this provision the actual cost of services rendered shall not include any mark-up between the vendor who actually performed the services and any sub-consultant. No administrative fee or mark-up shall be paid in conjunction with the provision of Basic Services as set forth in Parts A.2, A.3, A.4, A.5 and A.6 of Schedule A.

END OF SCHEDULE B.

SCHEDULE B - ATTACHMENT A

SCHEDULE OF FEES FOR BASIC SERVICES

[reduce schedule to be provided by Consultant and place it here]

SCHEDULE B - ATTACHMENT B

CONSULTANT'S EMPLOYEE HOURLY RATE SCHEDULE

[reduce schedule to be provided by Consultant and place it here].

SCHEDULE B - ATTACHMENT C

CONSULTANT'S ESTIMATE OF ADDITIONAL SERVICES
(INCLUDING DETAILED OBSERVATION OF CONSTRUCTION)

[reduce schedule to be provided by Consultant and place it here]

SCHEDULE C

PROJECT SCHEDULE

[reduce schedule to be provided by Consultant and place it here.]

THE WEILER ENGINEERING CORPORATION

FEE SCHEDULE - EFFECTIVE JULY 2003

HOURLY RATES FOR SERVICES ON THE DATE OF THE CONTRACT ARE:

Principal	$125.00	Per hour
Registered Professional Engineer	$105.00	Per hour
Professional Landscape Architect	$ 95.00	Per hour
Certified Building Inspector	$ 85.00	Per hour
Certified Plans Examiner	$ 85.00	Per hour
Registered Engineer Intern (E.I.T.)	$ 85.00	Per hour
Structural Manager	$ 75.00	Per hour
Structural Technician	$ 65.00	Per hour
Senior Designer	$ 75.00	Per hour
Designer / Technician	$ 65.00	Per hour
Resident Project Representative / Inspector	$ 85.00	Per hour
Field Technician	$ 55.00	Per hour
Draftsperson (manual)	$ 50.00	Per hour
Clerical	$ 35.00	Per hour

REIMBURSABLE EXPENSES SCHEDULE

Blue Print Copies	$ 2.50	/ Each
Reproducible Copies (Mylar)	$ 25.00	/ Each
Reproducible Paper	$ 10.00	/ Each
Mileage (auto)	$ 0.35	Per Mile
Mileage (Field Truck	$ 0.35	Per Mile
Meals and Lodging		At cost + 15%
Travel		At cost + 15%

Outside services, if required, will be billed at invoice plus 15% handling and are not included in lump sum fees or estimates. This proposal/contract does not include structural design, architectural services, permit application filing fees, reproduction costs, surveying fees, construction supervision, aerial photography services, costs incurred as a result of manipulation or encroachment of easements, alleys or right-of-ways, off-site improvements, environmental impacts, wetland mitigation submittals, costs associated with traffic engineering or studies or costs incurred as a result of non-compliance on the Owner's part.

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID SM WEILE-1

DATE (MM/DD/YYYY) 04/29/03

PRODUCER

Key Agency Inc.
1201 South McCall Road
Englewood FL 34223
Phone :941-474-9511 Fax:941-474-7283

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Weiler Engineering Corp
20020 Veterans Blvd Suite 7-9
Pt Charlotte FL 33954

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Service Insurance Company	
INSURER B: Continental Casualty Insurance	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC	SMP108792	02/01/03	02/01/04	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1000000 $ 1000000 $ 1000 $ 1000000 $ 3000000 $ 3000000
		AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
		GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
		EXCESS/UMBRELLA LIABILITY [ ] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $				EACH OCCURRENCE AGGREGATE	$ $
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				[ ] WC STATUTORY LIMITS [ ] OTHER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
A		OTHER Professional Liability	AEA113827486	09/21/02	09/21/03	Per Claim Aggregate	$500,000 $1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

All Operations State of Florida

CERTIFICATE HOLDER

KEYLA01

Key Largo Waste Water
Treatment District
614 N Wymore Rd
Winter Park FL 32789

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 198

KLWTD Board Meeting
July 30, 2003

Item E - 2

Approval of the Weiler Engineering Corporation Scopes of Work for the KLTV & KLP Projects

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

TO: Key Largo Wastewater Treatment District Board Members

CC: Charles Sweat, Director of Operations
Faith Doyle, Clerk to the Board
David Miles, Chief Financial Officer
Terry Lewis, Board Attorney
Amy Dukes, Board Attorney

FROM: Robert E. Sheets, General Manager

DATE: July 23, 2003

RE: Capital Project Construction Management and Grants Administration- Weiler Engineering Corporation

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Dear Directors:

In the management of the capital projects recently awarded for construction of the wastewater treatment plant and collection system in Key Largo Trailer Village and the collection system in Key Largo Park, there are three major areas of concern for the Board of Directors to consider to ensure successful completion of the construction phase of the two projects.

- Design monitoring and technical supervision of the construction process and resultant products for quality of workmanship.

- Construction management to ensure the owner is getting the product desired, in a timely basis, and within the budgetary constraints established.

- Grant and financial management to complete the objectives sought by the grantor agencies, compile all necessary reports, comply with financial constraints placed on the District by the grantors, record the receipt and disbursement of funds in our accounting records, and insure the audit ability of District records.

To meet these needs, staff is presenting two Engineer of Record scope of work documents for the Board of Directors' consideration. There is one document for each of the two capital projects. The work to be performed by Weiler is designed to meet the first of the three concerns addressed above, construction design monitoring and technical quality assurance supervision. It also shares the function of construction management and observation with the District Manager proposal as addressed below.

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

- The first Weiler proposal provides for work on the Key Largo Park project. There is a minimum of design review work and it includes completing the permitting function. The bulk of the Weiler work for the Key Largo Park project centers on construction oversight and detailed construction observation of the contractor's work on the collection system, to ensure the project is completed as designed, within budget and in the timeframe specified. This Weiler proposal has been modified to make it clear that completion of the entire Key Largo Park construction, including any amendments, is included in the not to exceed price. The not to exceed fee for this work is $128,010.00, including travel and all other expenses.

- The second Weiler proposal addresses the work on the Key Largo Trailer Village project, including the monitoring of the construction of the collection system and the wastewater treatment plant. With this project being a design-build project on the construction contractor's part, it will involve more effort by the Engineer of Record to review the design phase of the work. In addition, Weiler will be responsible for permitting, construction oversight and detailed construction observation of this larger project. The not to exceed fee for this work is $216,615.00, including travel and all other expenses.

In the two proposals, Weiler Engineering Corporation has committed to provide an estimated 3,821 hours of work effort. The details of this work by project and line are attached to the proposals. The total for all services is a not to exceed cost of $344,625.00.

A separate agenda item, provides two versions of a proposal from Government Services Group, Inc. (GSG) (the District Manager) to perform the construction management and all of the financial and grant management. While Weiler Engineering Corporation will provide the bulk of the inspection and observation services, it will be under the direction of the District Manager, who will be responsible for the operation of the completed wastewater system. The GSG proposal addresses the construction management needs of the District, as the owner's authorized representative.

RECOMMENDATIONS:

The two scopes of services submitted by Weiler Engineering Corporation are consistent with the level of effort necessary to complete the two construction projects in a timely manner and within the amount budgeted for this work.

1. The Board of Directors is requested to approve the scope of work for the Key Largo Park project by Weiler Engineering Corporation as Engineer of Record in the amount of $128,010.00.

2. The Board of Directors is requested to approve the scope of work for the Key Largo Trailer Village project by Weiler Engineering Corporation as Engineer of Record in the amount of $216,615.00.

The total not to exceed price for both projects is $344,625.00.

THE WEILER ENGINEERING CORPORATION

"Excellence in Engineering"
20020 Veterans Boulevard., Suite 7
Port Charlotte, FL 33954
(941) 764-6447 ph
(941) 764-8915 fax
1010 Kennedy Drive, Fourth Floor
Key West, Zip 33040
(305) 292-2152 ph
(305)295-3349 fax

July 23, 2003

Mr. Charles Sweat
Director of Operations
614 North Wymore Road
Winter Park, Florida 32789

Re: Contract for Professional Consulting Engineering Services
Key Largo Wastewater Treatment District
Key Largo Park and Key Largo Trailer Village

Dear Mr. Sweat:

Included, find revised scopes for the two projects referenced above. Please note that I have made the following revisions:

1. I have clarified in the cover letter to the Park scope that our fees include the entire park including approximately 250 ERC's.
2. I have modified the "Limits of Liability" clause in each scope.
3. Although I would prefer to be paid on a fixed fee basis, I have indicated in the cover letter for each that we are willing to be paid on either a fixed fee or time and material basis.

Please give me a call if you have any questions or wish to discuss matters further. I look forward to working with you on this project.

Sincerely,

Signed by: R. Jeff Weiler
R. Jeff Weiler, P.E.
President
The Weiler Engineering Corporation

KLWTD Board Meeting
July 30, 2003

Item E – 2a

Approval of the KLWTD Work Authorization WEC 03-01 with Weiler Engineering Corporation for the KLTV Project

KLWTD
WORK AUTHORIZATION NO. WEC 03-01

a

Contract for Professional Services Agreement Between the

Key Largo Wastewater Treatment District (KLWTD),
a legal entity and public body created by
Chapter 02-337, Laws of Florida, 2003

and

Weiler Engineering Corporation ("WEC")

A. SCOPE OF SERVICE

WEC will provide Professional Consulting Engineering Services for KLTV as described in the attached memorandum dated July 23, 2003.

B. PROJECT COST

Not to exceed: $216,615.00
Please see page 4 of the attached memorandum.

C. PROJECT SCHEDULE

Based on a 13-month construction schedule with both projects (KLTV and KLP) running concurrently.

D. NOTICE/PROJECT MANAGER OR CONSULTANT

R. Jeff Weiler, P.E. President Weiler Engineering Corporation 20020 Veterans Blvd., Suite 7 Port Charlotte, FL 33954	Andrew Tobin, Chairman KLWTD Post Office Box 491 Key Largo, FL 33037

Certification that Sufficient Funds are Available:

Chief Financial Officer	Director of Operations

Dated this ____ day of _____, 2003.

THE WEILER ENGINEERING CORPORATION

"Excellence in Engineering"
20020 Veterans Boulevard., Suite 7
Port Charlotte, FL 33954
(941) 764-6447 ph
(941) 764-8915 fax
1010 Kennedy Drive, Fourth Floor
Key West, Zip 33040
(305) 292-2152 ph
(305)295-3349 fax

July 23, 2003

Mr. Charles Sweat
Director of Operations
614 North Wymore Road
Winter Park, Florida 32789

Re: Contract for Professional Consulting Engineering Services
Key Largo Wastewater Treatment District
Key Largo Trailer Village

Dear Mr. Sweat:

Pursuant to your request, we are providing you herein with a Scope of Services for attachment with the Key Largo Wastewater Treatment District's (KLWTD) Standard Contract for Consulting/Professional Services (Agreement) for the project entitled "Key Largo Trailer Village".

We understand that the design and permitting for this project will be completed by Brown and Caldwell Engineers and the District has negotiated a Design/Build Contract (DB Agreement) with The Haskell Company to construct the project. We further understand that this project will be completed concurrently with the Key Largo Park Project and we have based our estimated fees on the schedule provided with the agreement between the KLWTD and the Haskell Company for the Design/Build of the project and, although under separate contract, the District will allow WEC to share resources and personnel between projects. And, that construction office space will be provided to WEC.

Our general understanding of this project includes coordination with the District's Consultant, Government Services Group, to provide services as the KLWTD Engineer as defined in the DB Agreement for the project. As KLWTD Engineer, the Weiler Engineering Corporation (WEC) will provide design review for the new vacuum collection system and wastewater treatment facilities consistent with the requirements set for in the DB Agreements for the KLWTD Engineer. Specifically, Article 4.1 – KLWTD Responsibilities and Exhibit G – KLWTD Review (copies included). WEC will provide technical and value engineering review of the construction plans and specifications prior to construction and will offer recommendations as to potential savings. It is our understanding that savings for this project may be provided to the Key Largo Park project under an additional task order.

WEC will provide services during construction for the project consistent with the requirements set forth in the DB Agreement. Services will generally include review of shop drawings, pay requests, change orders, and operations & maintenance submittals. During construction WEC will respond to Requests for Clarification by the Contractor, as well as serve as KLWTD's liaison to the Contractor for other construction issues. WEC will provide on site construction observation concurrently with the Key Largo Park project and will prepare daily, weekly, and monthly inspection reports. WEC will maintain record field data as construction progresses. WEC will provide services during start up of the systems. Upon final completion, WEC will receive and review record drawings, and final close-out documents, for final certification.

I will be the Principal In Charge and Mr. Larry Lackey, P.E. is assigned as the Engineer In Charge, Ed Castle, P.E. will be the Project Engineer and Jim Paschal and Elizabeth Ignoffo, E.I. will be the Resident Project Representatives.

I have included copies Article 4 and Exhibit G of the DB Agreement which outline the requirements for the District's Engineer and Representative. I have also included a more detailed outline of the proposed Scope of Services for WEC for this project.

We anticipate the fees for this project to be as outlined on the included schedule of fees and paid in accordance with Schedule B of the Agreement or, if the District desires, paid on a fixed fee basis or time and material with a maximum price basis.

We look forward to working with you on this project and please feel free to contact me at (941)764-6447 if you wish to discuss these or any other matters.

Sincerely,

Signed by: R. Jeff Weiler

R. Jeff Weiler, P.E.
President
Principal In Charge
The Weiler Engineering Corporation

Cc: Larry Lackey, P.E., Engineer In Charge, WEC
Ed Castle, P.E., Project Engineer, WEC

Encl: Engineering Scope of Services, Exhibit D, Schedule of Fees

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Estimated Hours and Fees For Key Largo Trailer Village Construction Oversight

17-Jul-03

		Key Largo Trailer Village				based on 13 months construction and 2 for Final	
		* Principal @	Engineer in Charge @	Engineer @	EI or RPR @	Senior Designer @	Clerical @
	Rate	$ 125.00	$ 105.00	$ 105.00	$ 85.00	$ 75.00	$ 35.00
Review - Design & Permitting Plant & Collection System							
A2	Design Report	8	8	40	4	2	$ 6,450.00
A3	Preliminary Design	8	8	24	4	2	$ 4,770.00
A4	Final Design & Permitting	8	8	24	4	2	$ 4,770.00
	Meetings	8	32	16	0		$ 6,040.00
	Sub-Totals	32	56	104	12	0	6 **$22,030.00**
Construction Administration							
A6.1	Meetings - Monthly	0	16	26	26	2	$ 6,690.00
A6.2	Review materials and workmanship	0	13	13	4	2	$ 3,140.00
A6.3	Recommend acceptance or denial	0	13	13	4	2	$ 3,140.00
A6.4	Monitor progress and testing	0	13	13	4	2	$ 3,140.00
A6.5	Provide interpretation and clarification	0	13	13	4	2	$ 3,140.00
A6.6	Provide monthly progress reports	0	13	13	26	2	$ 5,010.00
A6.7	Review shop drawings	0	13	13	4	2	$ 3,140.00
A6.8	Review pay requests	0	13	13	26	2	$ 5,010.00
A6.9	O & M submittals	0	13	40	4	2	$ 5,975.00
A6.10	Change Orders	0	8	8	4	2	$ 2,090.00
A6.11	Substantial completion	0	12	12	24	2	$ 4,630.00
A6.12	Final completion	0	8	8	16	2	$ 3,110.00
A6.13	Record drawings	0	4	40	8	2	$ 5,370.00
A6.14	Final report/closing documents	0	16	16	4	2	$ 3,770.00
	Sub-Totals	0	168	241	158	0	28 **$57,355.00**
Detailed Observation							
A7.1	On site observation	8	16	128	1424		2 $137,230.00
A7.2							$ -
	Sub-Totals	8	16	128	1424	0	2 **$137,230.00**
	Total Project Cost						**$216,615.00**
	Total Project Hours	40	240	473	1594	0	36

Note:
Subtotal hours and fees for each task group (Review, Construction Administration, Detailed Observation) for each project personnel are considered required time to complete the task. Hours shown for sub-tasks are estimates only.
Fees are based on the Key Largo Trailer Village and Key Largo Park projects running concurrently.

Engineers Scope of Services

The Agreement between the Key Largo Wastewater Treatment District (KLWTD) and the Weiler Engineering Corporation (Engineer) is amended and supplemented to include the following agreement of the parties for the Key Largo Trailer Village Project.

Definitions

Client – (KLWTD) – Key Largo Wastewater Treatment District

K*ey Largo Wastewater Treatment District Engineer* – (Engineer) - The Weiler Engineering Corporation

Design Build Contractor – (Contractor) - The Haskell Company

Design Build Design Engineer/Engineer of Record – (DB Consultant) - Brown and Caldwell

ENGINEER shall coordinate with the Design Build Team Consultant (Brown and Caldwell) and will act as the KLWTD Engineer as outlined in the agreement between the KLWTD and the Haskell Company to provide Basic and Additional Services as set forth below.

PART 1 -- BASIC SERVICES

Study and Report Phase

A. ENGINEER shall:

1. Consult with KLWTD to define and clarify KLWTD's requirements for the Project and available data.

2. Advise KLWTD as to the necessity of KLWTD's providing data or services which are not part of ENGINEER's Basic Services, and assist KLWTD in obtaining such data and services.

3. Identify, consult with, and analyze requirements of governmental authorities having jurisdiction to approve the portions of the Project designed or specified by ENGINEER, including but not limited to mitigating measures identified in the environmental assessment.

4. Identify and evaluate alternate solutions available to KLWTD and provided by DB Consultant, after consultation with KLWTD, recommend to KLWTD those solutions which in ENGINEER's judgment meet KLWTD's requirements for the Project.

5. Review a report (the "Report") prepared by the DB Consultant which will, as appropriate, contain schematic layouts, sketches and conceptual design criteria and an opinion of probable cause with appropriate exhibits to indicate the agreed-to requirements,

considerations involved, and those alternate solutions available to KLWTD which DB Consultant recommends.

6. Provide comments, request for additional information and recommendations to DB Consultant for final inclusion in the Report.

B. ENGINEER's services under the Study and Report Phase will be considered complete on the date when the final copies of the revised Report have been delivered to KLWTD.

Preliminary Design Phase

A. After acceptance by KLWTD of the Report, selection by KLWTD of a recommended solution and indication of any specific modifications or changes in the scope, extent, character, or design requirements of the Project desired by KLWTD, and upon written authorization from KLWTD, ENGINEER shall:

1. Review Preliminary Design Phase documents consisting of final design criteria, preliminary drawings, outline specifications and written descriptions of the Project.

2. Review necessary field surveys and topographic and utility mapping for design purposes.

3. Advise KLWTD if additional reports, data, information, or services are necessary and assist KLWTD in obtaining such reports, data, information, or services.

4. Review an adjusted opinion of probable cost and make recommendations to the KLWTD.

5. Perform or provide the following additional Preliminary Design Phase tasks:

6. Receive the Preliminary Design Phase documents and review them with KLWTD.

7. Provide comments, request for additional information and recommendations to DB Consultant for final inclusion in the in the Preliminary Design Phase documents.

B. ENGINEER's services under the Preliminary Design Phase will be considered complete on the date when final copies of the Preliminary Design Phase documents have been delivered to KLWTD.

Final Design Phase

A. After acceptance by KLWTD of the Preliminary Design Phase documents and revised opinion of probable Construction Cost ENGINEER shall:

1. Review final Drawings and Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.

2. Review technical criteria, written descriptions, and design data provided by the DB Consultant for KLWTD's use in filing applications for permits from or approvals of governmental authorities having jurisdiction to review or approve the final design of the Project and assist KLWTD in consultations with appropriate authorities.

3. Advise KLWTD of any adjustments to the opinion of probable Construction Cost and any adjustments to Total Project Costs known to ENGINEER or provided by DB Consultant.

4. Receive the Final Design Documents and provide comments, request for additional information and recommendations to DB Consultant for final inclusion in the in the Final Design Phase documents.

B. ENGINEER's services under the Final Design Phase will be considered complete on the date when the submittals have been delivered to KLWTD.

WEC's services during construction will generally include those required in the Contract between the KLWTD and The Haskell Company for the "KLWTD Engineer" and more specifically as follows:

1. *General Administration of Construction Contract.* Consult with KLWTD and act as KLWTD's representative as provided in the Agreement and the Construction Contract between the KLWTD and the Contractor. The extent and limitations of the duties, responsibilities and authority of ENGINEER shall not be modified, except as ENGINEER may otherwise agree in writing. All of KLWTD's instructions to Contractor will be issued through ENGINEER, who shall have authority to act on behalf of KLWTD in dealings with Contractor to the extent provided in the Agreement except as otherwise provided in writing.

2. *Resident Project Representative (RPR).* Provide the services of an RPR at the Site to assist the ENGINEER and to provide more extensive observation of Contractor's work. Duties, responsibilities, and authority of the RPR are as outlined in Exhibit D. The furnishing of such RPR's services will not extend ENGINEER's responsibilities or authority beyond the specific limits set forth elsewhere in the Agreement.

3. *Pre-Construction Conference.* Participate in a Pre-Construction Conference prior to commencement of Work at the Site.

4. *Visits to Site and Observation of Construction.* In connection with observations of Contractor's work in progress while it is in progress:

a. Make visits to the Site at intervals appropriate to the various stages of construction, as ENGINEER deems necessary, in order to observe as an experienced and qualified design professional the progress and quality of the Work. Such visits and observations by ENGINEER, and the Resident Project Representative, if any, are not intended to be exhaustive or to extend to every aspect of Contractor's work in progress or to involve detailed inspections of Contractor's work in progress beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the Work based on ENGINEER's exercise of professional judgment as assisted by the Resident Project Representative, if any. Based on information obtained during such visits and such observations, ENGINEER will determine in general if Contractor's work is proceeding in accordance with the Contract Documents, and ENGINEER shall keep KLWTD informed of the progress of the Work.

b. The purpose of ENGINEER's visits to, and representation by the Resident Project Representative, if any, at the Site, will be to enable ENGINEER to better carry out the duties and responsibilities assigned to and undertaken by ENGINEER during the Construction Phase, and, in addition, by the exercise of ENGINEER's efforts as an experienced and qualified design professional, to provide for KLWTD a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents has been implemented and preserved by Contractor. ENGINEER shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work, nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected by Contractor, for safety precautions and programs incident to Contractor's work, or for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, ENGINEER neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

c. The DB Consultant shall provide a representative during construction and shall assure compliance with Chapter 62, F.A.C..

5. *Defective Work.* Recommend to KLWTD that Contractor's work be disapproved and rejected while it is in progress if, on the basis of such observations, ENGINEER believes that such work will not produce a completed Project that conforms generally to the Contract Documents or that it will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.

6. *Clarifications and Interpretations; Field Orders.* Review clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of Contractor's work and make recommendations to the District.

7. *Change Orders and Work Change Directives.* Recommend Change Orders and Work Change Directives to KLWTD, as appropriate.

8. *Shop Drawings and Samples.* Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor and DB Consultant is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto. ENGINEER has an obligation to meet any Contractor's submittal schedule that has earlier been acceptable to ENGINEER.

9. *Substitutes and "or-equal."* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor.

10. *Inspections and Tests.* Assure that the DB Consultant has required such special inspections or tests of Contractor's work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. ENGINEER's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. ENGINEER shall be entitled to rely on the results of such tests.

11. *Disagreements between KLWTD and Contractor.* Render formal written decisions on all claims of KLWTD and Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of Contractor's work. In rendering such decisions, ENGINEER shall be fair and not show partiality to KLWTD or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.

12. *Applications for Payment.* Based on ENGINEER's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:

a. Determine the amounts that ENGINEER recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute ENGINEER's representation to KLWTD, based on such observations and review, that, to the best of ENGINEER's knowledge, information and belief, Contractor's work has progressed to the point indicated, the quality of such work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is ENGINEER's responsibility to observe Contractor's work. In the

case of unit price work, ENGINEER's recommendations of payment will include final determinations of quantities and classifications of Contractor's work (subject to any subsequent adjustments allowed by the Contract Documents). The responsibilities of ENGINEER contained in paragraph are expressly subject to the limitations set forth in general limitations in this Agreement and elsewhere.

b. By recommending any payment, ENGINEER shall not thereby be deemed to have represented that observations made by ENGINEER to check the quality or quantity of Contractor's work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents. Neither ENGINEER's review of Contractor's work for the purposes of recommending payments nor ENGINEER's recommendation of any payment including final payment will impose on ENGINEER responsibility to supervise, direct, or control Contractor's work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on ENGINEER to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the work in progress, materials, or equipment has passed to KLWTD free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between KLWTD and Contractor that might affect the amount that should be paid.

13. *Contractor's Completion Documents.*

a. Receive from DB Consultant and review maintenance and operating instructions, schedules, and guarantees.

b. From DB Consultant, receive bonds, certificates, or other evidence of insurance not previously submitted and required by the Contract Documents, certificates of inspection, tests and approvals, Shop Drawings, Samples and other data approved, and the annotated record documents which are to be assembled by Contractor in accordance with the Contract Documents to obtain final payment.

c. ENGINEER shall transmit these documents to KLWTD.

14. *Substantial Completion.* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with DB Consultant and Contractor, conduct an inspection to determine if the Work is Substantially Complete. If after considering any objections of KLWTD, ENGINEER considers the Work Substantially Complete, ENGINEER shall review a certificate of Substantial Completion delivered by DB Consultant to KLWTD.

15. *Additional Tasks.* Perform or provide the following additional Construction Phase tasks or deliverables: Not applicable for this project

16. *Final Notice of Acceptability of the Work.* Conduct a final inspection to determine if the completed Work of Contractor is acceptable so that ENGINEER may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, ENGINEER shall also provide a notice that the Work is acceptable to the best of ENGINEER's knowledge, information, and belief and based on the extent of the services provided by ENGINEER under this Agreement.

B. *Duration of Construction Phase*: The fees for this project have been calculated based on the construction schedule provided by the Contractor and the project being completed concurrently with the Key Largo Park project and is based on thirteen months for Final Completion. The Construction Phase will commence with the execution of the first Construction Agreement for the Project or any part thereof and will terminate upon written recommendation by ENGINEER for final payment to Contractors.

C. **LIMITATION OF LIABILITY:** The liability of the Design Professional and any of the Design Professional's consultants to the Client, for any actions, damages, claims, demands, judgments, losses, costs, and expenses arising out of or resulting from the Design Professional's or its consultants' negligent acts, errors, or omissions is limited to the amount of the professional liability insurance maintained by the Design Professional and available at the time of determination of liability. The Client agrees not to personally charge any employee of WEC with any liability arising out of the performance of this Agreement.

ENGINEER shall not be responsible for failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.

EXHIBIT D

Resident Project Representative

A. ENGINEER shall furnish a Resident Project Representative ("RPR"), assistants, and other field staff to assist ENGINEER in observing progress and quality of the Work. The RPR, assistants, and other field staff under this Exhibit D may provide full time representation or may provide representation to a lesser degree.

B. Through such additional observations of Contractor's work in progress and field checks of materials and equipment by the RPR and assistants, ENGINEER shall endeavor to provide further protection for KLWTD against defects and deficiencies in the Work. However, ENGINEER shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over the Contractor's Work nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences, or procedures selected by Contractor, for safety precautions and programs incident to the Contractor's work in progress, for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's performing and furnishing the Work, or responsibility of construction for Contractor's failure to furnish and perform the Work in accordance with the Contract Documents.

C. The duties and responsibilities of the RPR are limited to those of ENGINEER in the Agreement with the KLWTD and in the Contract Documents, and are further limited and described as follows:

1. *General:* RPR is ENGINEER's agent at the Site, will act as directed by and under the supervision of ENGINEER, and will confer with ENGINEER regarding RPR's actions. RPR's dealings in matters pertaining to the Contractor's work in progress shall in general be with ENGINEER and Contractor, keeping KLWTD advised as necessary. RPR's dealings with subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with KLWTD with the knowledge of and under the direction of ENGINEER.

2. *Schedules:* Review the progress schedule, schedule of Shop Drawing and Sample submittals, and schedule of values prepared by Contractor and consult with ENGINEER concerning acceptability.

3. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.

4. *Liaison:*
   a. Serve as ENGINEER's liaison with Contractor, working principally through Contractor's superintendent and assist in understanding the intent of the Contract Documents.

b. Assist ENGINEER in serving as KLWTD's liaison with Contractor when Contractor's operations affect KLWTD's on-Site operations.

c. Assist in obtaining from KLWTD additional details or information, when required for proper execution of the Work.

5. *Interpretation of Contract Documents:* Report to ENGINEER when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by ENGINEER.

6. *Shop Drawings and Samples:*
   a. Record date of receipt of Samples and approved Shop Drawings.

   b. Receive Samples which are furnished at the Site by Contractor, and notify ENGINEER of availability of Samples for examination.

   c. Advise ENGINEER and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal for which RPR believes that the submittal has not been approved by ENGINEER.

7. *Modifications:* Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report with RPR's recommendations to ENGINEER. Transmit to Contractor in writing decisions as issued by ENGINEER.

8. *Review of Work and Rejection of Defective Work:*
   a. Conduct on-Site observations of Contractor's work in progress to assist ENGINEER in determining if the Work is in general proceeding in accordance with the Contract Documents.

   b. Report to ENGINEER whenever RPR believes that any part of Contractor's work in progress will not produce a completed Project that conforms generally to the Contract Documents or will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise ENGINEER of that part of work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.

9. *Inspections, Tests, and System Startups:*
   a. Consult with ENGINEER in advance of scheduled major inspections, tests, and systems startups of important phases of the Work.

b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate KLWTD's personnel, and that Contractor maintains adequate records thereof.

c. Observe, record, and report to ENGINEER appropriate details relative to the test procedures and systems startups.

d. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections, and report to ENGINEER.

10. *Records:*

a. Maintain at the Site orderly files for correspondence, reports of job conferences, reproductions of original Contract Documents including all Change Orders, Field Orders, Work Change Directives, Addenda, additional Drawings issued subsequent to the execution of the Contract, ENGINEER's clarifications and interpretations of the Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project related documents.

b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, Site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to ENGINEER.

c. Record names, addresses and telephone numbers of all Contractors, subcontractors, and major suppliers of materials and equipment.

d. Maintain records for use in preparing Project documentation.

e. Upon completion of the Work, furnish original set of all RPR Project documentation to ENGINEER.

11. *Reports:*

a. Furnish to ENGINEER periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

b. Draft and recommend to ENGINEER proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.

c. Furnish to ENGINEER and KLWTD copies of all inspection, test, and system startup reports.

d. Report immediately to ENGINEER the occurrence of any Site accidents, any Hazardous Environmental Conditions, emergencies, or acts of God endangering the Work, and property damaged by fire or other causes.

12. *Payment Requests:* Review Applications for Payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to ENGINEER, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

13. *Certificates, Operation and Maintenance Manuals:* During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Specifications to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to ENGINEER for review and forwarding to KLWTD prior to payment for that part of the Work.

14. *Completion:*

a. Before ENGINEER issues a Certificate of Substantial Completion, submit to Contractor a list of observed items requiring completion or correction.

b. Observe whether Contractor has arranged for inspections required by Laws and Regulations, including but not limited to those to be performed by public agencies ~~having jurisdiction over the Work.~~

c. Participate in a final inspection in the company of ENGINEER, KLWTD, and Contractor and prepare a final list of items to be completed or corrected.

d. Observe whether all items on final list have been completed or corrected and make recommendations to ENGINEER concerning acceptance and issuance of the Notice of Acceptability of the Work.

D. Resident Project Representative shall not:

1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).

2. Exceed limitations of ENGINEER's authority as set forth in the Agreement or the Contract Documents.

3. Undertake any of the responsibilities of Contractor, subcontractors, suppliers, or Contractor's superintendent.

4. Advise on, issue directions relative to or assume control over any aspect of the means, methods, techniques, sequences or procedures of Contractor's work unless such advice or directions are specifically required by the Contract Documents.

5. Advise on, issue directions regarding, or assume control over safety precautions and programs in connection with the activities or operations of KLWTD or Contractor.

6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by ENGINEER.

7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.

8. Authorize KLWTD to occupy the Project in whole or in part.

THE WEILER ENGINEERING CORPORATION

FEE SCHEDULE - EFFECTIVE JULY 2003

HOURLY RATES FOR SERVICES ON THE DATE OF THE CONTRACT ARE:

Principal	$125.00	Per hour
Registered Professional Engineer	$105.00	Per hour
Professional Landscape Architect	$ 95.00	Per hour
Certified Building Inspector	$ 85.00	Per hour
Certified Plans Examiner	$ 85.00	Per hour
Registered Engineer Intern (E.I.T.)	$ 85.00	Per hour
Structural Manager	$ 75.00	Per hour
Structural Technician	$ 65.00	Per hour
Senior Designer	$ 75.00	Per hour
Designer / Technician	$ 65.00	Per hour
Resident Project Representative / Inspector	$ 85.00	Per hour
Field Technician	$ 55.00	Per hour
Draftsperson (manual)	$ 50.00	Per hour
Clerical	$ 35.00	Per hour

REIMBURSABLE EXPENSES SCHEDULE

Blue Print Copies	$ 2.50	/ Each
Reproducible Copies (Mylar)	$ 25.00	/ Each
Reproducible Paper	$ 10.00	/ Each
Mileage (auto)	$ 0.35	Per Mile
Mileage (Field Truck	$ 0.35	Per Mile
Meals and Lodging		At cost + 15%
Travel		At cost + 15%

Outside services, if required, will be billed at invoice plus 15% handling and are not included in lump sum fees or estimates. This proposal/contract does not include structural design, architectural services, permit application filing fees, reproduction costs, surveying fees, construction supervision, aerial photography services, costs incurred as a result of manipulation or encroachment of easements, alleys or right-of-ways, off-site improvements, environmental impacts, wetland mitigation submittals, costs associated with traffic engineering or studies or costs incurred as a result of non-compliance on the Owner's part.

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID SM WEILE-1

DATE (MM/DD/YYYY) 04/29/03

PRODUCER

Key Agency Inc.
1201 South McCall Road
Englewood FL 34223
Phone: 941-474-9511 Fax: 941-474-7283

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Weiler Engineering Corp
20020 Veterans Blvd Suite 7-9
Pt Charlotte FL 33954

INSURERS AFFORDING COVERAGE		NAIC #
INSURER A:	Service Insurance Company	
INSURER B:	Continental Casualty Insurance	
INSURER C:		
INSURER D:		
INSURER E:		

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC	SMP108792	02/01/03	02/01/04	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1000000 $ 1000000 $ 1000 $ 1000000 $ 3000000 $ 3000000
		AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
		GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
		EXCESS/UMBRELLA LIABILITY [ ] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $				EACH OCCURRENCE AGGREGATE	$ $
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATU-TORY LIMITS / OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
A		OTHER Professional Liability	AEA113827486	09/21/02	09/21/03	Per Claim Aggregate	$500,000 $1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

All Operations State of Florida

CERTIFICATE HOLDER

KEYLA01

Key Largo Waste Water
Treatment District
614 N Wymore Rd
Winter Park FL 32789

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 198

KLWTD Board Meeting
July 30, 2003

Item E – 2b

Approval of the KLWTD Work Authorization WEC 03-02 with Weiler Engineering Corporation for the KLP Project

KLWTD
WORK AUTHORIZATION NO. WEC 03-02

a

Contract for Professional Services Agreement Between the

Key Largo Wastewater Treatment District (KLWTD),
a legal entity and public body created by
Chapter 02-337, Laws of Florida, 2003

and

Weiler Engineering Corporation ("WEC")

A. SCOPE OF SERVICE

WEC will provide Professional Consulting Engineering Services for Key Largo Park as described in the attached memorandum dated July 23, 2003.

B. PROJECT COST

Not to exceed: $128,010.00
Please see page 4 of the attached memorandum.

C. PROJECT SCHEDULE

Based on a 13-month construction schedule with both projects (KLTV and KLP) running concurrently.

D. NOTICE/PROJECT MANAGER OR CONSULTANT

R. Jeff Weiler, P.E. President Weiler Engineering Corporation 20020 Veterans Blvd., Suite 7 Port Charlotte, FL 33954	Andrew Tobin, Chairman KLWTD Post Office Box 491 Key Largo, FL 33037

Certification that Sufficient Funds are Available:

Chief Financial Officer	Director of Operations

Dated this ____ day of _____, 2003.

THE WEILER ENGINEERING CORPORATION

"Excellence in Engineering"
20020 Veterans Boulevard, Suite 7
Port Charlotte, FL 33954
(941) 764-6447 ph
(941) 764-8915 fax
1010 Kennedy Drive, Fourth Floor
Key West, Zip 33040
(305) 292-2152 ph
(305)295-3349 fax

July 23, 2003

Mr. Charles Sweat
Director of Operations
614 North Wymore Road
Winter Park, Florida 32789

Re: Contract for Professional Consulting Engineering Services
Key Largo Wastewater Treatment District
Key Largo Park

Dear Mr. Sweat:

Pursuant to your request, we are providing you herein with a Scope of Services for attachment with the Key Largo Wastewater Treatment District's (KLWTD) Standard Contract for Consulting/Professional Services (Agreement) for the project entitled "Key Largo Park".

We understand that the design and permitting for this project has been completed by Boyle Engineering and the District has negotiated a Contract with Douglas Higgins, Inc. to construct the project. We further understand that this project will be completed concurrently with the Key Largo Village Project so we have based our estimated fees on the schedule provided with the agreement between the KLWTD and the Haskell Company for the Design/Build of that project and, although under separate contract, the District will allow WEC to share resources and personnel between projects. And, that construction office space will be provided to WEC.

Our general understanding of this project includes coordination with the District's Consultant, Government Services Group, to provide services as the Engineer of Record for the project to construct a vacuum collection system serving approximately 250 ERC's. As Engineer of Record, the Weiler Engineering Corporation (WEC) will provide design review for the new vacuum collection system, designed by others. WEC will provide technical and value engineering review of the construction plans and specifications prior to construction and will offer recommendations as to potential savings and, upon approval from the District, prepare modifications to the previously completed plans and specifications necessary for regulatory approval and construction.

The fees for design modifications, if any, will be negotiated in accordance with Article Two of the Agreement.

WEC will provide Construction Administration services for the project. Services will include review of shop drawings, pay requests, change orders, and operations & maintenance submittals. During construction WEC will respond to Requests for Clarification by the Contractor, as well as serve as KLWTD's liaison to the Contractor for other construction issues. WEC will provide on site construction observation concurrently with the Key Largo Trailer Village project pursuant to Florida Statute (FAC chapter 62), and will prepare daily, weekly, and monthly inspection reports. WEC will maintain record field data as construction progresses. Monthly and final progress reports will also be provided to KLWTD. WEC will provide services during start up of the systems. Upon final completion, WEC will prepare record drawings, and final close-out documents, for final certification.

I will be the Principal In Charge and Mr. Larry Lackey, P.E. is assigned as the Engineer In Charge, Ed Castle, P.E. as the Project Engineer and Jim Paschal and Elizabeth Ignoffo, E.I. as the Resident Project Representatives.

I have included a more detailed outline of the proposed Scope of Services for this project.

We anticipate the fees for this project to be as outlined on the included schedule of fees and paid in accordance with Schedule B of the Agreement or, if the District desires, paid on a fixed fee basis or time and material with a maximum price basis.

We look forward to working with you on this project and please feel free to contact me at (941)764-6447 if you wish to discuss these or any other matters.

Sincerely,

Signed by: R. Jeff Weiler

R. Jeff Weiler, P.E.
President
Principal In Charge
The Weiler Engineering Corporation

Cc: Larry Lackey, P.E., Engineer In Charge, WEC
Ed Castle, P.E., Project Engineer, WEC

Encl: Engineering Scope of Services, Exhibit D and Schedule of Fees

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Estimated Hours and Fees For Key Largo Park Construction Oversight

17-Jul-03

		Key Largo Park			based on 7 months construction and 2 months for Final			
		* Principal @	Engineer in Charge @	Engineer @	EI or RPR @	Senior Designer @	Clerical @	
	Rate	$ 125.00	$ 105.00	$ 105.00	$ 85.00	$ 75.00	$ 35.00	
Review - Design & Permitting Plant & Collection System								
A2	Design Report	8	8	8	0		2	$ 2,750.00
A3	Preliminary Design	4	4	4	0		2	$ 1,410.00
A4	Final Design & Permitting	8	20	4	0		2	$ 3,590.00
	Meetings	8	8	8			2	$ 2,750.00
	Sub-Totals	28	40	24	0	0	8	**$10,500.00**
Construction Administration								
A6.1	Meetings - Monthly	0	8	26	26		18	$ 6,410.00
A6.2	Review materials and workmanship	0	9	9	18		2	$ 3,490.00
A6.3	Recommend acceptance or denial	0	9	9	18		2	$ 3,490.00
A6.4	Monitor progress and testing	0	9	9	16		2	$ 3,320.00
A6.5	Provide interpretation and clarification	0	9	9	16		2	$ 3,320.00
A6.6	Provide monthly progress reports	0	9	9	24		2	$ 4,000.00
A6.7	Review shop drawings	0	2	20	8		2	$ 3,060.00
A6.8	Review pay requests	0	9	9	24		2	$ 4,000.00
A6.9	O & M submittals	0	8	20	8	8	2	$ 4,290.00
A6.10	Change Orders	0	12	12	16		2	$ 3,950.00
A6.11	Substantial completion	0	8	8	12		2	$ 2,770.00
A6.12	Final completion	0	8	8	12		2	$ 2,770.00
A6.13	Record drawings	0	10	20	16	80	2	$ 10,580.00
A6.14	Final report/closing documents	0	10	20	40		2	$ 6,620.00
	Sub-Totals	0	120	188	254	88	44	**$62,070.00**
Detailed Observation								
A7.1	On site observation	0	16	24	602		2	**$55,440.00**
A7.2								$ -
	Sub-Totals	0	16	24	602	0	2	
	Total Project Cost							**$128, 010.00**
	Total Project Hours	28	176	236	856	88	54	

Note:
Subtotal hours and fees for each task group (Review, Construction Administration, Detailed Observation) for each project personnel are considered required time to complete the task. Hours shown for sub-tasks are estimates only.
Fees are based on the Key Largo Trailer Village and Key Largo Park projects running concurrently.

Engineers Scope of Services

WEC's services during construction will generally include those outlined in Parts A.6. and A.7. of the Agreement and more specifically as follows:

1. *General Administration of Construction Contract.* Consult with KLWTD and act as KLWTD's representative as provided in the Agreement and the Construction Contract between the KLWTD and the Contractor. The extent and limitations of the duties, responsibilities and authority of ENGINEER shall not be modified, except as ENGINEER may otherwise agree in writing. All of KLWTD's instructions to Contractor will be issued through ENGINEER, who shall have authority to act on behalf of KLWTD in dealings with Contractor to the extent provided in the Agreement except as otherwise provided in writing.

2. *Resident Project Representative (RPR).* Provide the services of an RPR at the Site to assist the ENGINEER and to provide more extensive observation of Contractor's work. Duties, responsibilities, and authority of the RPR are as outlined in Exhibit D. The furnishing of such RPR's services will not extend ENGINEER's responsibilities or authority beyond the specific limits set forth elsewhere in the Agreement.

3. *Selecting Independent Testing Laboratory.* Assist KLWTD in the selection of an independent testing laboratory.

4. *Pre-Construction Conference.* Participate in a Pre-Construction Conference prior to commencement of Work at the Site.

5. *Baselines and Benchmarks.* As appropriate, coordinate with Contractors Surveyor to establish baselines and benchmarks for locating the Work which in ENGINEER's judgment are necessary to enable Contractor to proceed.

6. *Visits to Site and Observation of Construction.* In connection with observations of Contractor's work in progress while it is in progress:

a. Make visits to the Site at intervals appropriate to the various stages of construction, as ENGINEER deems necessary, in order to observe as an experienced and qualified design professional the progress and quality of the Work. Such visits and observations by ENGINEER, and the Resident Project Representative, if any, are not intended to be exhaustive or to extend to every aspect of Contractor's work in progress or to involve detailed inspections of Contractor's work in progress beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents, but rather are to be limited to spot checking, selective sampling, and similar methods of general observation of the Work based on ENGINEER's exercise of professional judgment as assisted by the Resident Project Representative, if any. Based on information obtained during such visits and such observations, ENGINEER will determine in general if Contractor's work is proceeding in accordance with the Contract Documents, and ENGINEER shall keep KLWTD informed of the progress of the Work.

b. The purpose of ENGINEER's visits to, and representation by the Resident Project Representative, if any, at the Site, will be to enable ENGINEER to better carry out the duties and responsibilities assigned to and undertaken by ENGINEER during the Construction Phase, and, in addition, by the exercise of ENGINEER's efforts as an experienced and qualified design professional, to provide for KLWTD a greater degree of confidence that the completed Work will conform in general to the Contract Documents and that the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents has been implemented and preserved by Contractor. ENGINEER shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over Contractor's work, nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected by Contractor, for safety precautions and programs incident to Contractor's work, or for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's furnishing and performing the Work. Accordingly, ENGINEER neither guarantees the performance of any Contractor nor assumes responsibility for any Contractor's failure to furnish and perform its work in accordance with the Contract Documents.

7. *Defective Work.* Recommend to KLWTD that Contractor's work be disapproved and rejected while it is in progress if, on the basis of such observations, ENGINEER believes that such work will not produce a completed Project that conforms generally to the Contract Documents or that it will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents.

8. *Clarifications and Interpretations; Field Orders.* Issue necessary clarifications and interpretations of the Contract Documents as appropriate to the orderly completion of Contractor's work. Such clarifications and interpretations will be consistent with the intent of and reasonably inferable from the Contract Documents. ENGINEER may issue Field Orders authorizing minor variations from the requirements of the Contract Documents.

9. *Change Orders and Work Change Directives.* Recommend Change Orders and Work Change Directives to KLWTD, as appropriate, and prepare Change Orders and Work Change Directives as required.

10. *Shop Drawings and Samples.* Review and approve or take other appropriate action in respect to Shop Drawings and Samples and other data which Contractor is required to submit, but only for conformance with the information given in the Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated in the Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences or procedures of construction or to safety precautions and programs incident thereto. ENGINEER has an obligation to meet any Contractor's submittal schedule that has earlier been acceptable to ENGINEER.

11. *Substitutes and "or-equal."* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor.

12. *Inspections and Tests.* Require such special inspections or tests of Contractor's work as deemed reasonably necessary, and receive and review all certificates of inspections, tests, and approvals required by Laws and Regulations or the Contract Documents. ENGINEER's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Contract Documents. ENGINEER shall be entitled to rely on the results of such tests.

13. *Disagreements between KLWTD and Contractor.* Render formal written decisions on all claims of KLWTD and Contractor relating to the acceptability of Contractor's work or the interpretation of the requirements of the Contract Documents pertaining to the execution and progress of Contractor's work. In rendering such decisions, ENGINEER shall be fair and not show partiality to KLWTD or Contractor and shall not be liable in connection with any decision rendered in good faith in such capacity.

14. *Applications for Payment.* Based on ENGINEER's observations as an experienced and qualified design professional and on review of Applications for Payment and accompanying supporting documentation:

a. Determine the amounts that ENGINEER recommends Contractor be paid. Such recommendations of payment will be in writing and will constitute ENGINEER's representation to KLWTD, based on such observations and review, that, to the best of ENGINEER's knowledge, information and belief, Contractor's work has progressed to the point indicated, the quality of such work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents and to any other qualifications stated in the recommendation), and the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is ENGINEER's responsibility to observe Contractor's work. In the case of unit price work, ENGINEER's recommendations of payment will include final determinations of quantities and classifications of Contractor's work (subject to any subsequent adjustments allowed by the Contract Documents). The responsibilities of ENGINEER contained in paragraph are expressly subject to the limitations set forth in general limitations in this Agreement and elsewhere.

b. By recommending any payment, ENGINEER shall not thereby be deemed to have represented that observations made by ENGINEER to check the quality or quantity of Contractor's work as it is performed and furnished have been exhaustive, extended to every aspect of Contractor's work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to ENGINEER in this Agreement and the Contract Documents. Neither ENGINEER's review of Contractor's work for the purposes

of recommending payments nor ENGINEER's recommendation of any payment including final payment will impose on ENGINEER responsibility to supervise, direct, or control Contractor's work in progress or for the means, methods, techniques, sequences, or procedures of construction or safety precautions or programs incident thereto, or Contractor's compliance with Laws and Regulations applicable to Contractor's furnishing and performing the Work. It will also not impose responsibility on ENGINEER to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or to determine that title to any portion of the work in progress, materials, or equipment has passed to KLWTD free and clear of any liens, claims, security interests, or encumbrances, or that there may not be other matters at issue between KLWTD and Contractor that might affect the amount that should be paid.

15. *Contractor's Completion Documents.*

a. Receive and review maintenance and operating instructions, schedules, and guarantees.

b. Receive bonds, certificates, or other evidence of insurance not previously submitted and required by the Contract Documents, certificates of inspection, tests and approvals, Shop Drawings, Samples and other data approved, and the annotated record documents which are to be assembled by Contractor in accordance with the Contract Documents to obtain final payment.

~~c. ENGINEER shall transmit these documents to KLWTD.~~

16. *Substantial Completion.* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with KLWTD and Contractor, conduct an inspection to determine if the Work is Substantially Complete. If after considering any objections of KLWTD, ENGINEER considers the Work Substantially Complete, ENGINEER shall deliver a certificate of Substantial Completion to KLWTD and Contractor.

17. *Additional Tasks.* Perform or provide the following additional Construction Phase tasks or deliverables: Not applicable for this project

18. *Final Notice of Acceptability of the Work.* Conduct a final inspection to determine if the completed Work of Contractor is acceptable so that ENGINEER may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, ENGINEER shall also provide a notice in the form attached hereto as Exhibit E (the "Notice of Acceptability of Work") that the Work is acceptable (subject to the provisions of paragraph A1.05.A.14.b) to the best of ENGINEER's knowledge, information, and belief and based on the extent of the services provided by ENGINEER under this Agreement.

B. *Duration of Construction Phase*: The fees for this project have been calculated based on the construction schedule provided for by the contractor and the project being completed concurrently with the Key Largo Village project and is based on thirteen months for Final

Completion. The Construction Phase will commence with the execution of the first Construction Agreement for the Project or any part thereof and will terminate upon written recommendation by ENGINEER for final payment to Contractors. If the Project involves more than one prime contract as indicated in paragraph A1.03.C, Construction Phase services may be rendered at different times in respect to the separate contracts.

C. **LIMITATION OF LIABILITY:** The liability of the Design Professional and any of the Design Professional's consultants to the Client, for any actions, damages, claims, demands, judgments, losses, costs, and expenses arising out of or resulting from the Design Professional's or its consultants' negligent acts, errors, or omissions is limited to the amount of the professional liability insurance maintained by the Design Professional and available at the time of determination of liability. The Client agrees not to personally charge any employee of WEC with any liability arising out of the performance of this Agreement.

ENGINEER shall not be responsible for failure of any Contractor to perform or furnish the Work in accordance with the Contract Documents.

EXHIBIT D

Resident Project Representative

A. ENGINEER shall furnish a Resident Project Representative ("RPR"), assistants, and other field staff to assist ENGINEER in observing progress and quality of the Work. The RPR, assistants, and other field staff under this Exhibit D may provide full time representation or may provide representation to a lesser degree.

B. Through such additional observations of Contractor's work in progress and field checks of materials and equipment by the RPR and assistants, ENGINEER shall endeavor to provide further protection for KLWTD against defects and deficiencies in the Work. However, ENGINEER shall not, during such visits or as a result of such observations of Contractor's work in progress, supervise, direct, or have control over the Contractor's Work nor shall ENGINEER have authority over or responsibility for the means, methods, techniques, sequences, or procedures selected by Contractor, for safety precautions and programs incident to the Contractor's work in progress, for any failure of Contractor to comply with Laws and Regulations applicable to Contractor's performing and furnishing the Work, or responsibility of construction for Contractor's failure to furnish and perform the Work in accordance with the Contract Documents.

C. The duties and responsibilities of the RPR are limited to those of ENGINEER in the Agreement with the KLWTD and in the Contract Documents, and are further limited and described as follows:

1. *General:* RPR is ENGINEER's agent at the Site, will act as directed by and under the supervision of ENGINEER, and will confer with ENGINEER regarding RPR's actions. RPR's dealings in matters pertaining to the Contractor's work in progress shall in general be with ENGINEER and Contractor, keeping KLWTD advised as necessary. RPR's dealings with subcontractors shall only be through or with the full knowledge and approval of Contractor. RPR shall generally communicate with KLWTD with the knowledge of and under the direction of ENGINEER.

2. *Schedules:* Review the progress schedule, schedule of Shop Drawing and Sample submittals, and schedule of values prepared by Contractor and consult with ENGINEER concerning acceptability.

3. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings, and prepare and circulate copies of minutes thereof.

4. *Liaison:*
   a. Serve as ENGINEER's liaison with Contractor, working principally through Contractor's superintendent and assist in understanding the intent of the Contract Documents.

b. Assist ENGINEER in serving as KLWTD's liaison with Contractor when Contractor's operations affect KLWTD's on-Site operations.

c. Assist in obtaining from KLWTD additional details or information, when required for proper execution of the Work.

5. *Interpretation of Contract Documents:* Report to ENGINEER when clarifications and interpretations of the Contract Documents are needed and transmit to Contractor clarifications and interpretations as issued by ENGINEER.

6. *Shop Drawings and Samples:*
   a. Record date of receipt of Samples and approved Shop Drawings.

   b. Receive Samples which are furnished at the Site by Contractor, and notify ENGINEER of availability of Samples for examination.

   c. Advise ENGINEER and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal for which RPR believes that the submittal has not been approved by ENGINEER.

7. *Modifications:* Consider and evaluate Contractor's suggestions for modifications in Drawings or Specifications and report with RPR's recommendations to ENGINEER. ~~Transmit to Contractor in writing decisions as issued by ENGINEER.~~

8. *Review of Work and Rejection of Defective Work:*
   a. Conduct on-Site observations of Contractor's work in progress to assist ENGINEER in determining if the Work is in general proceeding in accordance with the Contract Documents.

   b. Report to ENGINEER whenever RPR believes that any part of Contractor's work in progress will not produce a completed Project that conforms generally to the Contract Documents or will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated in the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made; and advise ENGINEER of that part of work in progress that RPR believes should be corrected or rejected or should be uncovered for observation, or requires special testing, inspection or approval.

9. *Inspections, Tests, and System Startups:*
   a. Consult with ENGINEER in advance of scheduled major inspections, tests, and systems startups of important phases of the Work.

b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate KLWTD's personnel, and that Contractor maintains adequate records thereof.

c. Observe, record, and report to ENGINEER appropriate details relative to the test procedures and systems startups.

d. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Project, record the results of these inspections, and report to ENGINEER.

10. *Records:*

a. Maintain at the Site orderly files for correspondence, reports of job conferences, reproductions of original Contract Documents including all Change Orders, Field Orders, Work Change Directives, Addenda, additional Drawings issued subsequent to the execution of the Contract, ENGINEER's clarifications and interpretations of the Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project related documents.

b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, Site visitors, daily activities, decisions, observations in general, and specific observations in more detail as in the case of observing test procedures; and send copies to ENGINEER.

c. Record names, addresses and telephone numbers of all Contractors, subcontractors, and major suppliers of materials and equipment.

d. Maintain records for use in preparing Project documentation.

e. Upon completion of the Work, furnish original set of all RPR Project documentation to ENGINEER.

11. *Reports:*

a. Furnish to ENGINEER periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

b. Draft and recommend to ENGINEER proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.

c. Furnish to ENGINEER and KLWTD copies of all inspection, test, and system startup reports.

d. Report immediately to ENGINEER the occurrence of any Site accidents, any Hazardous Environmental Conditions, emergencies, or acts of God endangering the Work, and property damaged by fire or other causes.

12. *Payment Requests:* Review Applications for Payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to ENGINEER, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

13. *Certificates, Operation and Maintenance Manuals:* During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Specifications to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Contract Documents, and have these documents delivered to ENGINEER for review and forwarding to KLWTD prior to payment for that part of the Work.

14. *Completion:*

a. Before ENGINEER issues a Certificate of Substantial Completion, submit to Contractor a list of observed items requiring completion or correction.

b. Observe whether Contractor has arranged for inspections required by Laws and Regulations, including but not limited to those to be performed by public agencies having jurisdiction over the Work.

c. Participate in a final inspection in the company of ENGINEER, KLWTD, and Contractor and prepare a final list of items to be completed or corrected.

d. Observe whether all items on final list have been completed or corrected and make recommendations to ENGINEER concerning acceptance and issuance of the Notice of Acceptability of the Work.

D. Resident Project Representative shall not:

1. Authorize any deviation from the Contract Documents or substitution of materials or equipment (including "or-equal" items).

2. Exceed limitations of ENGINEER's authority as set forth in the Agreement or the Contract Documents.

3. Undertake any of the responsibilities of Contractor, subcontractors, suppliers, or Contractor's superintendent.

4. Advise on, issue directions relative to or assume control over any aspect of the means, methods, techniques, sequences or procedures of Contractor's work unless such advice or directions are specifically required by the Contract Documents.

5. Advise on, issue directions regarding, or assume control over safety precautions and programs in connection with the activities or operations of KLWTD or Contractor.

6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by ENGINEER.

7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.

8. Authorize KLWTD to occupy the Project in whole or in part.

THE WEILER ENGINEERING CORPORATION

FEE SCHEDULE - EFFECTIVE JULY 2003

HOURLY RATES FOR SERVICES ON THE DATE OF THE CONTRACT ARE:

Principal	$125.00	Per hour
Registered Professional Engineer	$105.00	Per hour
Professional Landscape Architect	$ 95.00	Per hour
Certified Building Inspector	$ 85.00	Per hour
Certified Plans Examiner	$ 85.00	Per hour
Registered Engineer Intern (E.I.T.)	$ 85.00	Per hour
Structural Manager	$ 75.00	Per hour
Structural Technician	$ 65.00	Per hour
Senior Designer	$ 75.00	Per hour
Designer / Technician	$ 65.00	Per hour
Resident Project Representative / Inspector	$ 85.00	Per hour
Field Technician	$ 55.00	Per hour
Draftsperson (manual)	$ 50.00	Per hour
Clerical	$ 35.00	Per hour

REIMBURSABLE EXPENSES SCHEDULE

Blue Print Copies	$ 2.50	/ Each
Reproducible Copies (Mylar)	$ 25.00	/ Each
Reproducible Paper	$ 10.00	/ Each
~~Mileage (auto)~~	~~$ 0.35~~	~~Per Mile~~
Mileage (Field Truck	$ 0.35	Per Mile
Meals and Lodging		At cost + 15%
Travel		At cost + 15%

Outside services, if required, will be billed at invoice plus 15% handling and are not included in lump sum fees or estimates. This proposal/contract does not include structural design, architectural services, permit application filing fees, reproduction costs, surveying fees, construction supervision, aerial photography services, costs incurred as a result of manipulation or encroachment of easements, alleys or right-of-ways, off-site improvements, environmental impacts, wetland mitigation submittals, costs associated with traffic engineering or studies or costs incurred as a result of non-compliance on the Owner's part.

ACORD. CERTIFICATE OF LIABILITY INSURANCE

OP ID SM WEILE-1 | DATE (MM/DD/YYYY) 04/29/03

PRODUCER

Key Agency Inc.
1201 South McCall Road
Englewood FL 34223
Phone: 941-474-9511 Fax: 941-474-7283

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Weiler Engineering Corp
20020 Veterans Blvd Suite 7-9
Pt Charlotte FL 33954

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Service Insurance Company	
INSURER B: Continental Casualty Insurance	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY [X] COMMERCIAL GENERAL LIABILITY [ ] CLAIMS MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [ ] PRO-JECT [ ] LOC	SMP108792	02/01/03	02/01/04	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ 1000000 $ 1000000 $ 1000 $ 1000000 $ 3000000 $ 3000000
		AUTOMOBILE LIABILITY [ ] ANY AUTO [ ] ALL OWNED AUTOS [ ] SCHEDULED AUTOS [ ] HIRED AUTOS [ ] NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $
		GARAGE LIABILITY [ ] ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $
		EXCESS/UMBRELLA LIABILITY [ ] OCCUR [ ] CLAIMS MADE [ ] DEDUCTIBLE [ ] RETENTION $				EACH OCCURRENCE AGGREGATE	$ $
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				[ ] WC STATU-TORY LIMITS [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ $ $
A		OTHER Professional Liability	AEA113827486	09/21/02	09/21/03	Per Claim Aggregate	$500,000 $1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

All Operations State of Florida

CERTIFICATE HOLDER

KEYLA01

Key Largo Waste Water
Treatment District
614 N Wymore Rd
Winter Park FL 32789

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 198

KLWTD Board Meeting
July 30, 2003

Item E – 4

Approval of the Key Largo Wastewater Treatment District External Auditor Contract

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

TO: Key Largo Wastewater Treatment District Board Members

CC: Robert E. Sheets, General Manager
Faith Doyle, Clerk to the Board
Charles Sweat, Director of Operations
Terry Lewis, Board Attorney
Amy Dukes, Board Attorney

FROM: David R. Miles, Chief Financial Officer

DATE: July 21, 2003

RE: Key Largo Wastewater Treatment District External Auditor Contract Approval

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Dear Directors:

On June 25, 2003, the Board of Directors approved the staff ranking of three qualified audit firms and authorized staff to open negotiations with the top ranked firm. Staff was further directed to attempt to negotiate a satisfactory contract by July 31, 2003 with the top ranked firm. In the event agreement was not reached the next ranked firms would be contacted in turn. The firm ranking was as follows:

1. Mull & Associates, P.A., Tavernier, FL.

2. Rachlin Cohen & Holtz, LLP, Miami, FL

3. Valiente Hernandez, P.A., Tampa, FL

Staff is happy to report that a satisfactory agreement has been reached with the top ranked firm, Mull & Associates, P.A. During the negotiations, the amount for the Single Audit fee was reduced from $6,600 per year to $1,500per year. Their base fee proposal of $8,500 was the lowest of the proposing firms. The hourly rates for use of the audit firm for engagements outside of the scope of the audit (such as bond comfort letters) were also reduced as follows:

	Proposal	Negotiated Rate
Partners	$ 225.00	$ 200.00
Managers	175.00	150.00
Supervisory Staff	125.00	125.00
Staff	100.00	90.00

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

In the FY 2003 audit, a base fee of $8,500.00 is anticipated. Staff does not expect to reach the $300,000 threshold in federal or state grant revenue for conduct of a single audit. This compares favorably to the budget of $10,000 set last spring. In the FY 2004 audit, which would be year two of the engagement, subject to Board renewal, a single audit is expected to be required. The audit fee would then be $10,000 total, plus a small CPI adjustment.

The proposed contract with Mull & Associates, P.A. is attached at "Exhibit A." The Board Attorneys have reviewed and approved this draft contract. Three signed copies have been prepared and signed by Ms. Patricia B. Mull, President of the firm. Ms. Mull and her audit manager, Mr. Dave Andrews will be present to respond to any Board questions.

Staff recommends the Board of Directors approve the attached contract and authorize the Board Chairman to sign the contract on behalf of the District.

"Exhibit A"

AGREEMENT

Between

Key Largo Wastewater Treatment District

And

Mull & Associates, P.A.
Certified Public Accountants

for

Professional Auditing Services

This is an agreement between the Key Largo Wastewater Treatment District, an Independent Special District of the State of Florida, (hereinafter the "DISTRICT", through its Board of Directors;

AND

Mull & Associates, P.A., its successors and assigns, (hereinafter the "FIRM").

WITNESSETH, in consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, DISTRICT and FIRM agree as follows:

ARTICLE I

SCOPE OF SERVICES

The FIRM shall perform the services as specifically stated in the Scope of Services attached hereto as Attachment "A", and by this reference made a part hereof and as may be specifically designated and additionally authorized by the DISTRICT. Such additional authorizations will be in the form of a Purchase Order. Each Purchase Order will set forth a specific Scope of Services, amount of compensation and completion date.

ARTICLE II

TERM

The term of this Agreement shall be for one (1) year beginning August 1, 2003 and ending July 31, 2004. At the end of each one (1) year period, this Agreement may, at the DISTRICT'S sole option, be extended for up to four (4) additional one (1) year terms upon sixty (60) days prior written notice to the FIRM.

ARTICLE III

COMPENSATION

The DISTRICT shall pay FIRM in accordance with Attachment B, Fee Schedule, which is attached hereto and incorporated by reference as part of this Agreement. Prices will be adjusted annually based on the Consumer Price Index, all urban consumers, May to May, for Miami, Florida, cities less than 50,000 population, Bureau of Labor Statistics, Southeastern Regional Office, for succeeding contract years.

ARTICLE IV

STANDARD OF CARE

FIRM shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a professional auditor under similar circumstances and FIRM shall, at no additional cost of the DISTRICT, re-perform services which fail to satisfy the foregoing standard of care.

ARTICLE V

RECORDS

FIRM shall keep such records and accounts and require any and all agencies and sub-agencies to keep records and accounts as may be necessary in order to record complete and correct entries as to the services rendered hereunder. Such books and records will be available at all reasonable times for examination and audit by DISTRICT and shall be kept for a period of three (3) years after the completion of all work to be performed pursuant to this Agreement. Incomplete and incorrect entries in such books and records will be grounds for DISTRICT'S disallowance of any fees based upon such entries.

ARTICLE VI

MISCELLANEOUS

6.1 OWNERSHIP OF DOCUMENTS

All documents and other data provided in connection with this Agreement are and shall remain the property of DISTRICT whether or not the services provided hereunder are fully completed.

6.2 TERMINATION

This Agreement may be terminated by either party for cause, or by DISTRICT for convenience, upon thirty (30) days written notice from the terminating party to other party. In the event of such termination, FIRM shall be paid its compensation for services performed to termination date. In the event that FIRM abandons this Agreement or causes it to be terminated by DISTRICT, FIRM shall indemnity DISTRICT against any loss pertaining to this termination. All finished or unfinished documents, data and reports prepared by FIRM shall become the property of DISTRICT and shall be delivered within five (5) calendar days by FIRM to DISTRICT.

For purposes of this Agreement, termination by DISTRICT for cause includes, but is not limited to, the following:

1. FIRM'S failure to keep, perform and observe each and every provision of this Agreement and such failure continues for a period of more than seven (7) days after delivery to FIRM of a written notice of such breach or default; or

2. FIRM'S occupational business license terminates for any reason; or

3. FIRM becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its reorganization, or the readjustment of its indebtedness under the Federal Bankruptcy laws, or under any other law or statute of the United States or any state thereof, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property, or has a petition under any present or future insolvency laws or statute, filed against it, which petition is not dismissed within thirty (30) days after the filing thereof; or

FIRM recognizes and agrees that in the event of the termination or expiration of this Agreement, it will be necessary to assist the DISTRICT and/or a selected successor to FIRM with an orderly transition and disposition of all records previously presented by the DISTRICT to FIRM. FIRM shall be paid in accordance with Article II for all audit services rendered through the date of

termination and for any accounts authorized to continue beyond the date of termination during any transition period.

6.3 EQUAL OPPORTUNITY EMPLOYMENT

FIRM agrees that it will not discriminate against any employee or applicant for employment for work under this Agreement, because of race, color, religion, sex, age, national origin, disability and will take affirmative steps to ensure that applicants are employed and employees are treated during employment without regard to race, color, religion, sex, age, national origin or disability. This provision shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships.

6.4 PUBLIC ENTITY CRIMES ACT

In accordance with Section 287.133, Florida Statutes, FIRM verifies that it is not listed on the convicted vendors list maintained by the State of Florida Department of General Services.

6.5 ASSIGNMENT

This Agreement, or any interest herein, shall not be assigned, transferred or otherwise encumbered by FIRM, under any circumstances, without the prior written consent of DISTRICT.

6.6 INDEMNIFICATION OF DISTRICT

6.6.1 FIRM shall at all times hereafter, indemnify, hold harmless and defend DISTRICT, its agents, and employees from and against any claim, demand or cause of action of any kind or nature arising out of error, omission or negligent act of FIRM, its agents, or employees in the performance of services under this Agreement.

6.6.2 FIRM further agrees, at all times hereafter, to indemnify, hold harmless and defend DISTRICT, its agents, and employees from and against any claim, demand or cause of action or any kind or nature arising out of any conduct or misconduct of FIRM resulting from the performance of services under this Agreement and for which , its agents, or employees are alleged to be liable.

6.6.3 FIRM acknowledges and agrees that DISTRICT would not enter into this Agreement without this indemnification of DISTRICT by FIRM, and that DISTRICT'S entering into this Agreement shall constitute good and sufficient consideration for this indemnification. These provisions shall

survive the expiration or earlier termination of this Agreement. Nothing in this Agreement shall be construed to affect in any way the DISTRICT'S rights, privileges, and immunities as set forth in Florida Statutes 768.28.

6.7 INSURANCE

FIRM shall provide, pay for and maintain in force at all times during the services to be performed, such insurance, including Workers' Compensation Insurance, Employer's Liability Insurance, Comprehensive General Liability Insurance and Professional Liability Insurance.

Such policy or policies shall be issued by United States Treasury approved companies authorized to do business in the State of Florida and having agents upon whom service of process may be made in the State of Florida. FIRM shall specifically protect DISTRICT by naming the Key Largo Wastewater Treatment District as an additional insured under the Comprehensive General Liability insurance Policy hereinafter described. The Professional Liability Insurance Policy or certificate shall reference this Agreement.

6.7.1 Professional Liability Insurance: The limits of liability provided by such policy shall be no less than Five Hundred Thousand Dollars ($500,000.00).

6.7.2 Worker's Compensation Insurance to apply for all employees in compliance with the Workers Compensation Law of the State of Florida and all applicable federal laws.

Notice of Cancellation and/or Restriction: The policy(ies) must be endorsed to provide DISTRICT with thirty (30) days notice of cancellation and/or restriction.

6.7.3 Comprehensive General Liability Insurance with minimum limits of Five Hundred Thousand Dollars ($500,000.00) per occurrence combined single limit for Bodily Injury Liability and Property Damage Liability. Coverage must be afforded on a form no more restrictive than the latest edition of the Comprehensive General Liability Policy, without restrictive endorsements, as filed by the Insurance Service Office, and must include:

Premises and/or Operations.

Independent Contractors.

Broad Form Property Damage.

Broad Form Contractual Coverage applicable to this specific Agreement.

Personal Injury Coverage with Employee and Contractual Exclusions removed with minimum limits of coverage equal to those required for Bodily Injury Liability and Property Damage Liability.

The Key Largo Wastewater Treatment District is to be named as additional insured with respect to liability arising out of operations performed for DISTRICT by or on behalf of FIRM or acts or omissions of FIRM in connection with such operation.

Notice of Cancellation and/or Restriction: The policy(ies) must be endorsed to provide DISTRICT with thirty (30) days notice of cancellation and/or restriction.

6.7.4 Business Automobile Liability Insurance with minimum limits of Five Hundred Thousand Dollars ($500,000.00) per occurrence combined single limit for Bodily Injury Liability and Property Damage Liability. Coverage must be afforded on a form no more restrictive than the latest edition of the Business Automobile Liability Policy, without restrictive endorsements, as filed by the Insurance Services Office and must include:

Owned vehicles.
Hired and non-owned vehicles.
Employer's non-ownership.

Notice of Cancellation and/or Restriction: The policy(ies) must endorsed to provide with thirty (30) days notice of cancellation and/or restriction.

6.7.5 FIRM shall provide to DISTRICT prior to the effective date of this Agreement a Certificate of Insurance or a copy of all insurance policies required by Section 6.7 including any subsection thereunder. DISTRICT reserves the right to require a certified copy of such policies upon request. All endorsements and certificates shall state that DISTRICT shall be given thirty (30) days notice prior to expiration or cancellation of the policy.

6.8 PERFORMANCE OF WORK BY FIRM

It is expressly agreed that FIRM is and shall be in the performance of all work, services and activities under this Agreement an independent contractor and not an employee, agent, or servant of the DISTRICT. All persons engaged in any work, service or activity performed pursuant to this Agreement shall at all times and in all places be subject to FIRM'S sole direction, supervision and control. FIRM shall exercise control over the means and manner in which it and its employees perform and work, and in all manner in which it and its employees perform the work, and in all respects FIRM'S relationship and the relationship of

its employees to the DISTRICT shall be that of an independent contractor and not as employees or agents of the DISTRICT.

6.9 LAWS AND REGULATIONS

It is further understood by the parties that FIRM will, in carrying out its duties and responsibilities under this Agreement, abide by all federal, state and local laws, rules, regulations, orders, codes, criteria and standards.

6.10 CONTRACT ADMINISTRATOR

The DISTRICT'S Contractor Administrator during the performance of services pursuant to this Agreement shall be the DISTRICT'S Chief Financial Officer.

6.11 NO CONTINGENT FEE

Firm warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for FIRM to solicit or secure this Agreement 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 FIRM any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement.

6.12 GOVERNING LAW AND VENUE

The Agreement shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Agreement will be held in Monroe County and the agreement will be interpreted according to the laws of Florida. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party or any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

6.13 ATTORNEY'S FEES

In action brought by either party for the enforcement of the obligations of the other party, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

6.14 AUTHORITY TO ENGAGE IN BUSINESS

FIRM hereby represents and warrants that it has and will continue to maintain all licenses and approvals required to conduct its business, and that it will at all times conduct its business activities in a reputable manner. Proof of such

licenses and approvals shall be submitted to the DISTRICT'S representative upon request.

6.15 ALL PRIOR AGREEMENTS SUPERSEDED

This document incorporates and includes all prior negotiations, correspondence, conversations, agreements or understandings applicable to the matters contained herein; and the parties agree that there are no commitments, agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements whether oral or written.

It is further agreed that no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document.

6.16 DISTRICT'S RESPONSIBILITIES

The DISTRICT shall be responsible for all providing access to all project sites, and providing information on hand including:
all accounting records, paid invoices, bank deposits and reconciliations, and other data that are available in the files of the DISTRICT.

6.17 NONDISCLOSURE OF PROPRIETARY INFORMATION

FIRM shall consider all information provided by DISTRICT and all reports, studies, calculations, and other documentation resulting from the FIRM'S performance of the Services to be proprietary unless such information is available from public sources. FIRM shall not publish or disclose proprietary information for any purpose other than the performance of the Services without the prior written authorization of DISTRICT, or in response to a court ordered subpoena.

6.18 NOTICES

Whenever either party desires to give notice unto the other, such notice must be in writing, sent by certified United States mail, return receipt requested, addressed to the party for whom it is intended at the place last specified; and the place for giving of notice shall remain such until it shall have been changed by written notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective places for giving of notice:

FOR KEY LARGO WASTEWATER DISTRICT:

CHIEF FINANCIAL OFFICER
KEY LARGO WASTEWATER TREATMENT DISTRICT
1500 MAHAN DRIVE, SUITE 250
TALLAHASSEE FL 32308

FOR THE FIRM:

MULL & ASSOCIATES, P.A.
91760 OVERSEAS HIGHWAY
TAVERNIER, FL 33070

Balance of this page intentionally left blank.

IN WITNESS WHEREOF, the parties hereto have set their hands and official seals the ____ day of _____, 2003.

Key Largo Wastewater District
An Independent Special District

ATTEST: BY: _____
Andrew Tobin
Chairman, Board of Directors

_____
Clerk to the Board
Faith Doyle

ENDORSED AS TO FORM & LEGALITY:

_____
Amy Dukes, Board Attorney

FIRM:

_____
COMPANY NAME

(CORPORATE SEAL)

BY: _____
SIGNATURE

WITNESSES:

_____
TYPED NAME

_____

_____
TITLE

SWORN TO and SUBSCRIBED before me this ____ day of _____, 2003.

(Seal)

_____
NOTARY PUBLIC

My Commission Expires:

"Attachment A"

KEY LARGO WASTEWATER TREATMENT DISTRICT

REQUEST FOR PORPOSALS

FOR

PROFESSIONAL AUDITING SERVICES

April 30, 2003

1500 MAHAN DRIVE, SUITE 250

TALLAHASSEE, FLORIDA 32308

Key Largo Wastewater Treatment District

Advertisement for Proposals

Sealed proposals for the Key Largo Wastewater Treatment District (KLWWTD), consisting of Professional Auditing Services will be received by the Chief Financial Officer, Key Largo Wastewater Treatment District, 1500 Mahan Drive, Suite 250, Tallahassee, FL 32308 until 3:00 p.m. on May 28, 2003. At that time, all proposals received will be publicly opened. Any proposal received after the designated closing time will be returned unopened.

A non-mandatory pre-proposal conference for all firms interested in submitting a proposal will be held at 9:00 a.m. on May 14, 2003 at the Westin Beach Resort, 97000 Overseas Highway, in the Bay Room, Key Largo, Florida.

All proposals shall be submitted in ten (10) copies in a sealed package addressed to the Chief Financial Officer, Key Largo Wastewater Treatment District, 1500 Mahan Drive, Suite 250, Tallahassee, FL 32308, and marked "Sealed Proposal- KLWWTD Professional Auditing Services". Proposers desiring specifications for use in preparing proposals may obtain a set of such documents from the Chief Financial Officer, 1500 Mahan Drive, Suite 250, Tallahassee, FL 32308, telephone (850) 681-3717.

The KLWWTD reserves the right to accept or reject all proposals and to waive any technicalities or irregularities therein. The KLWWTD further reserves the right to award the contract to that firm whose proposal best complies with the specifications, at its sole determination.

David R. Miles
Chief Financial Officer

Publish: May 2, 2003
The Reporter, Tavernier, FL 33070

April 30, 2003
Key West Citizen

KEY LARGO WASTEWATER TREATMENT DISTRICT
REQUEST FOR PROPOSALS

Table of Contents

I. INTRODCTION
A. General Information 1
B. Term of Engagement 2

II. NATURE OF SERVICES REQUIRED
A. General 2
B. Scope of Work to be Performed 2
C. Auditing Standards to be Followed 2
D. Reports to be Issued 2
E. Special Considerations 4
F. Working with Paper Retention and Access to Working Papers 4

III. DESCRIPTION OF THE GOVERNMENT
A. Name and Telephone Number of Contact Persons/Organizational Chart/Location of Offices 4
B. Background Information 5
C. Fund Structure 5
D. Budgetary Basis of Accounting 5
E. Federal and State Financial Assistance 5
F. Pension Plans 6
G. Component Units 6
H. Joint Ventures 6
I. Magnitude of Finance Operations 6
J. Computer Systems 6
K. Availability of Prior Reports and Working Papers 6

IV. TIME REQUIREMENTS
A. Proposal Calendar 7
B. Notification and Contract Dates 7
C. Date Audit May Commence 7
D. Schedule for the 2003 Fiscal Year Audit 7
1. Interim Work 7
2. Detailed Audit Plan 7
3. Fieldwork 7
4. Draft Reports 8
E. Entrance Conferences, Progress Reporting and Exit Conferences 8
F. Date Final Report is Due 8

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION
A. Finance Department 9
B. Statements and Schedules to be Prepared By Staff 9
C. Work Area, Telephone, Photocopying and FAX Machines 9
D. Report Preparation 9

VI. PROPOSAL REQUIREMENTS
A. General Requirements 9
1. Pre-proposal Conference 9
2. Inquiries 10
3. Submission of Proposals 10
B. Technical Proposal 11
1. General Requirements 11
2. Independence 11
3. License to Practice in Florida 12
4. Firm Qualifications and Experience 12
5. Partner, Supervisory and Staff Qualifications and Experience 12
6. Similar Engagements with Other Government Entities 13
7. Specific Audit Approach 13
8. Identification of Anticipated Potential Audit Problems 14
9. Travel Requirements 14
10. Report Format 14
C. Sealed Dollar Cost Bid 14
1. Total All-Inclusive Maximum Price 14
2. Rates by Partner, Specialist, Supervisory and Staff Level Times Hours Anticipated for Each 15
3. Out-of-pocket Expenses in the Total All-inclusive Maximum Price and Reimbursement Rates 15
4. Rates for Additional Professional Services 15
5. Manner for Payment 15

VII. EVALUATION PROCEDURES
~~A. Reviewer ..... 15~~
B. Review of Proposals 16
C. Evaluation Criteria 16
1. Mandatory Elements 16
2. Technical Qualifications 16
3. Price 17
D. Oral Presentations 17
E. Final Selection 17
F. Right to Reject Proposals 17
G. Draft Contract 17

VIII APPENDICES
A. KLWWTD Organization Chart 18
B. List of Key Operating Officials 19
C. Proposer Guarantees 20
D. Proposer Warrantees 21
E. Schedule of Fees 22
F. Draft Agreement 23

KEY LARGO WASTEWATER TREATMENT DISTRICT

REQUEST FOR PROPOSALS

I. INTRODUCTION

A. General Information

The Key Largo Wastewater Treatment District (KLWWTD) is requesting proposals from qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2003 with the option of auditing its financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with generally accepted auditing standards.

All costs and expenses of preparation and submission of a proposal are the responsibility of the proposer.

A pre-proposal conference for all the firms interested in submitting a proposal will be held at 9:00 a.m. on May 14, 2003 at Westin Beach Resort, 97000 Overseas Highway, in the Bay Room, Key Largo, Florida, to answer questions about the engagement. After this preproposal conference, any inquiries concerning the request for proposals should be addressed to David R. Miles, Chief Financial Officer at (850) 681-3717.

To be considered, ten identical copies of a proposal must be received by the Chief Financial Officer at 1500 Mahan Drive, Suite 250, Tallahassee, Florida 32308 by 3:00 p.m. on May 28, 2003. The KLWWTD reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by the Chief Financial Officer. During the evaluation process, the KLWWTD reserves the right, where it may serve the KLWWTD' best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. At the discretion of the KLWWTD or the Chief Financial Officer, firms submitting proposals may be requested to make oral presentations as part of the evaluation process. The recommendations of the Chief Financial Officer shall be forwarded to the KLWWTD Board of Directors for final selection.

KLWWTD reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of proposal indicates acceptance by the firm of the conditions continued in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the KLWWTD and the firm selected.

It is anticipated the selection of a firm will be completed by June 30, 2003. Following the notification of the selected firm it is expected a contract will be executed between both parties by July 31, 2003.

B. Term of Engagement

A five year contract is contemplated, subject to the annual review and recommendation of the Chief Financial Officer, the satisfactory negotiation of terms (including a price acceptable to both the KLWWTD and the selected firm), the concurrence of the KLWWTD Board of Directors and the annual availability of an appropriation.

II. NATURE OF SERVICES REQUIRED

A. General

The KLWWTD is soliciting the services of qualified firms of certified public accountants to audit its financial statements for the fiscal year ending September 30, 2003 with the option to audit the KLWWTD financial statements for each of the four subsequent fiscal years. These audits are to be performed in accordance with the provisions contained in this request for proposals.

B. Scope of Work to be Performed

The KLWWTD desires the auditor to express an opinion on the fair presentation of its general-purpose financial statements in conformity with generally accepted accounting principles.

The auditor is not required to audit the combining and individual fund and account group financial statements and supporting schedules. However, the auditor is to provide an "in-relation-to" report on the combining and individual fund financial statements and supporting schedules based on the auditing procedures applied during the audit of the general-purpose financial statements. The auditor is not required to audit the statistical section of the report.

The auditor will be required to determine if a Federal and/or State Single Audit is required and to perform such audit in those years the City meets the minimum threshold.

C. Auditing Standards to be Followed

To meet the requirements of this request for proposals, the audit shall be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants, and Government Auditing Standards, issued by the Comptroller General of the United States.

D. Reports to be Issued

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

1. A report of the fair presentation of the financial statements in conformity with generally accepted accounting principles.

2. A report on the internal control structure based on the auditor's understanding of the control structure and assessment of control risk.

3. A report on compliance with applicable laws and regulations.

4. A management letter detailing deficiencies discovered during the course of the audit.

5. Schedules of federal and state financial assistance and related reports on the administering of federal and state financial assistance programs.

In the required report on internal controls, the auditor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organizations' ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report.

Nonreportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report on internal controls. The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance.

Irregularities and illegal acts. Auditors shall be required to make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties:

Chief Financial Officer
General Manager

Board of Directors

Reporting. Auditors shall assure themselves that the KLWWTD Chief Financial Officer, General Manager, and Board of Directors is informed by each of the following:

1. The auditor's responsibility under generally accepted auditing standards.
2. Significant accounting policies.
3. Management judgments and accounting estimates.
4. Significant audit adjustments.
5. Other information in documents containing audited financial statements.
6. Disagreements with management.
7. Management consultation with other accountants.
8. Major issues discussed with management prior to retention.
9. Difficulties encountered in performing the audit.

E. Special Considerations

1. The KLWWTD will send its comprehensive annual financial report to the Government Finance Officers Association of the United States and Canada for review in its Certificate of Achievement for Excellence in Financial Reporting program. It is anticipated that the auditor will be required to provide special assistance to the KLWWTD to meet the requirements of that program in all years of the engagement.

2. The KLWWTD currently anticipates it will prepare one or more official statements in connection with the sale of debt securities, which will contain the general-purpose financial statements and the auditor's report therein. The auditor shall be required, if requested by the fiscal advisor and/or the underwriter, to issue a "consent and citation of expertise" as the auditor and any necessary "comfort letters".

3. FY 2003 is the first year of existence of the KLWWTD, so there are no prior year audit findings.

F. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at the auditor's expense, for a minimum of three (3) years, unless the firm is notified in writing by the KLWWTD of the need to extend the retention period. The auditor will be required to make working papers available, upon request, to the following parties or their designees:

KLWWTD
STATE OF FLORIDA
U.S. GENERAL ACCOUNTING OFFICE (GAO)
AUDITOR OF ENTITIES OF WHICH KLWWTD IS A RECIPIENT OR SUBRECIPIENT OF GRANT FUNDS

In addition, the firm shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.

III. DESCRIPTION OF THE GOVERNMENT

A. Name and Telephone Number of Contact Persons/Organizational Chart/Location of Offices

An organizational chart (Appendix A) and a list of key personnel with the location of their principal offices (Appendix B) are attached.

B. Background Information

The KLWWTD serves an area of 34 square miles located on Key Largo, Monroe County, Florida, with a population of 16,000. The KLWWTD' fiscal year begins on October 1, and ends on September 30.

The KLWWTD is a special purpose Independent District and provides the following services to its citizens:

Wastewater collection, treatment and reuse.

The KLWWTD has a board of members who are compensated based on Florida Statutes. All other functions are currently contracted out.

The KLWWTD is a new governmental entity that is constructing new facilities, primarily through Federal, State and local grant funding, for future operation and delivery of wastewater collection, treatment and reuse.

C. Fund Structure

The KLWWTD uses the following fund types and account groups in its financial reporting:

Fund/Type Account Group	Number of Individual Funds	Number with Legally Adopted Annual Budgets
Enterprise fund	1	1

D. Budgetary Basis of Accounting

KLWWTD prepares its budgets on a basis consistent with generally accepted accounting principles.

E. Federal and State Financial Assistance

During the first fiscal year to be audited, KLWWTD received the following financial assistance:

GRANTS FROM:

Federal Emergency Management Agency
Florida Department of Environmental Protection
Florida Department of Community Affairs
South Florida Water Management District
Monroe County

LOANS FROM:

Monroe County

F. Pension Plan

KLWWTD currently does not participate in pension plans.

G. Components Units

KLWWTD is defined, for financial reporting purposes, in conformity with the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, Section 2100. Using these criteria, no component unit is included in KLWWTD' financial statements.

H. Joint Ventures

KLWWTD is not participating in joint ventures with other governments at this time.

I. Magnitude of Finance Operations

The Finance Department is headed by David R. Miles, Chief Financial Officer, and consists of three (3) employees.

J. Computer Systems

Hardware

Type of Equipment	Number	Make of Equipment	Networked?
PC Server	1	Dell	Yes, on Ethernet
Personal Computers	3	Dell	Yes, on Ethernet

Software

Make	Vendor	Major Applications
N/A	MIP	General Ledger Fixed Assets Accounts Payable
	PC Applications Include:	
	1. Microsoft	Office/Word, Excel, Access, Outlook, Power Point

K. Availability of Prior Audit Reports and Working Papers: Not Applicable.

IV. TIME REQUIREMENTS

A. Proposed Calendar

The following is a list of key dates up to and including the date proposals are due to be submitted:

Request for proposals issued..... April 30, 2003

Pre-proposal conference.....May 14, 2003

Due date for proposals..... May 28, 2003

B. Notification and Contract Dates

Selected firm notified..... June 30, 2003

Contract date.....NLT July 31, 2003

C. Date Audit May Commence

KLWWTD will have all records ready for audit and all management personnel available to meet with the firm's personnel as of July 31, 2003 for interim work.

D. Schedule for the 2003 Fiscal Year Audit (a similar schedule will be developed for audits of future fiscal years if KLWWTD exercises its option for additional audits).

Each of the following shall be completed by the auditor no later than the dates indicated.

1. Interim Work

   The auditor shall complete all interim work by October 13, 2003.

2. Detailed Audit Plan

   The auditor shall provide the KLWWTD, by August 31, 2003, both a detailed audit plan and a list of all schedules to be prepared by the KLWWTD personnel.

3. Fieldwork

   The auditor shall complete all fieldwork by November 20, 2003.

4. Draft Reports

The auditor shall have drafts of the audit report(s) recommendations to management available for review by the chief financial officer by December 12, 2003.

E. Entrance Conferences, Progress Reporting and Exit Conferences (a similar time schedule will be developed for audits of future fiscal years if KLWWTD exercises its option for additional audits).

At a minimum, the following conferences should be held by the dates indicated on the schedule:

	WEEK OF
Entrance conference with Chief Financial Officer	August 25, 2003

--The purpose of this meeting will be to discuss audit schedule and the interim work to be performed. This meeting will also be used to establish overall liaison for the audit and to make arrangements for workspace and other needs of the auditor.

Exit conference with Director of Finance.....December 1, 2003

--The purpose of this meeting will be to summarize the results of the fieldwork and to review significant findings.

F. Date Final Report is due

~~A draft auditor's report shall be delivered to the Director of Finance by December 12,~~ 2003.

The Chief Financial Officer will complete their review of the draft report as expeditiously as possible. It is not expected that this process should exceed two weeks. During that period, the auditor should be available for any meetings that may be necessary to discuss the audit reports. Once all issues for discussion are resolved, the final signed report shall be delivered to the Director of Finance within ten working days. It is anticipated that this process will be completed and the final report delivered by January 9, 2004.

The final report and forty (40) signed copies should be delivered to the Chief Financial Officer, KLWWTD, 1500 Mahan Drive, Suite 250, Tallahassee, FL 32308. The auditors will be required to present the results of the audit orally to the Board of Directors at a regular meeting to be scheduled in January or February 2004.

V. ASSISTANCE TO BE PROVIDED TO THE AUDITOR AND REPORT PREPARATION

A. Finance Department

The Finance Department staff and responsible management personnel will be available during the audit to assist the firm by providing information, documentation, and explanations. The preparation of confirmations will be the responsibility of the auditor. All financial records are maintained at the offices of the KLWWTD General Manager, Government Services Group, Inc., 1500 Mahan Drive, Suite 250, Tallahassee, FL 32308.

B. Statements and Schedules to be Prepared by the Staff of the KLWWTD

The staff of the KLWWTD will prepare the following statements and schedules for the auditor by the dates indicated:

1. Final Trial Balance, Year End.....	October 31, 2003
2. Statement of Revenue & Expense.....	October 31, 2003
3. Fixed Asset Report.....	October 31, 2003
4. Accounts Payable Listing as of September 30, 2003.....	October 20, 2003

C. Work Area, Telephones, Photocopying and FAX Machines

~~KLWWTD will provide the auditor with reasonable workspace, desks, and chairs.~~ The auditor will also be provided with access to one telephone line, photocopying facilities, and FAX machines subject to the following restrictions:

Local telephone calls only

D. Report Preparation

Report preparation, editing and printing shall be the responsibility of the auditor. The KLWWTD will provide covers and tabs for the 40 copies of the C.A.F.R.

VI. PROPOSAL REQUIREMENTS

A. General Requirements

1. Pre-proposal Conference

A conference for firms interested in submitting proposals will be held at 9:00 a.m. May 14, 2003, at Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, Florida. Both oral and written questions will be accepted during the conference.

2. Inquiries

Inquiries concerning the request for proposals and the subject of the request for proposals must be made to:

Chief Financial Officer
Key Largo Wastewater Treatment District
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

3. Submission of Proposals

The following material is required to be received by May 28, 2003 for a proposing firm to be considered:

a. A master copy (so marked) of a Technical Proposal and nine copies to include the following:

i. Title Page

Title page showing the request for proposals' subject; the firm's name; the name, address, and telephone number of a contact person; and the date of the proposal.

ii. Table of Contents

iii. Transmittal Letter

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the engagement and a statement that the proposal is a firm and irrevocable offer for sixty days.

iv. Detailed Proposal

The detailed proposal should follow the order set forth in Section VI B of this request for proposals.

v. Executed copies of Proposer Guarantees and Proposer Warranties, attached to this request for proposals. (Appendix C and Appendix D)

b. The proposer shall submit an original and one copy of a dollar cost bid in a separate sealed envelope marked as follows. This dollar cost bid shall be a complete firm, all-inclusive price to include all travel and reproduction costs. A separate amount should be provided as a potential deduction from the all-inclusive price in the event no federal or State of Florida single audit is required in a particular audit year.

c. Proposers should send the completed proposal consisting of the two separate envelopes, both enclosed in a single package, to the following address:

Chief Financial Officer
Key Largo Wastewater Treatment District
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

B. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake an independent audit of the KLWWTD in conformity with the requirements of this request for proposals. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an audit approach that will meet the request for proposal requirements.

THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The technical proposal should address all the points outlined in the request for proposals (excluding any cost information which should only be included in the sealed, dollar cost bid). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the request for proposals. While additional data may be presented, the following subjects, items No's. 2 through 10, must be included. They represent the criteria against which the proposal will be evaluated.

2. Independence

The firm should provide an affirmative statement that it is independent of the KLWWTD as defined by generally accepted auditing standards. The firm should also list and describe the firm's (or proposed subcontractors') professional relationships involving the KLWWTD for the past year, together 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 KLWWTD written notice of any professional relationships entered into during the period of this agreement.

3. License to Practice in Florida

   An affirmative statement should be included indicating that the firm and all assigned key professional staff are properly licensed to practice in Florida. If the business entity is a corporation or partnership, evidence of good standing in the form of a current certificate from the Florida Department of State and the name of a responsible officer of the entity must be provided.

4. Firm Qualifications and Experience

   The proposal should state the size of the firm, the size of the firm's governmental audit staff, the location of the office from which the work on this engagement is to be performed and the number and nature of the professional staff to be employed in this engagement on a full-time basis and the number and nature of the staff to be so employed on a part-time basis.

   If the proposer is a joint venture or consortium, the qualifications of each firm comprising the joint venture or consortium should be separately identified and the firm that is to serve as the principal auditor should be noted, if applicable.

   The firm is also required to submit a copy of the report on its most recent external quality control review, with a statement whether that quality control review included a review of specific government engagements.

   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 (3) years. In addition, the firm shall provide information on the circumstances and status of any disciplinary action taken or pending against the firm during the past three (3) years with state regulatory bodies or professional organizations.

5. Partner, Supervisory and Staff Qualifications and Experience

   The firm should identify the principal supervisory and management staff, including engagement partners, managers, other supervisors and specialists, who would be assigned to the engagement and indicate whether each such person is licensed to practice as a certified public accountant in Florida. The firm also should provide information on the government auditing experience of each person, including information on relevant continuing professional education for the past three (3) years and membership in professional organizations relevant to the performance of this audit.

The firm should provide as much information as possible regarding the number, qualifications, experience, and training, including relevant continuing professional education, of the specific staff to be assigned to this engagement. The firm also should indicate how the quality of staff over the term of the agreement will be assured.

Engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of the KLWWTD. However, in either case, KLWWTD retains the right to approve or reject replacements.

Other audit personnel may be changed at the discretion of the proposer provided that replacements have substantially the same or better qualifications or experience.

6. Similar Engagements with Other Government Entities

For the firm's office that will be assigned responsibility for the audit, list the most significant engagements (maximum of 5) performed in the last five years that are similar to the engagement described in this request for proposals. These engagements should be ranked on the basis of total staff hours. Indicate the scope of work, date, engagement partners, total hours, and the name and telephone number of the principal client contact.

7. Specific Audit Approach

The proposal should set forth a work plan, including an explanation of the audit methodology to be followed, to perform the services required in Section II of this request for proposals. In developing the work plan, reference should be made to such sources of information as KLWWTD' budget and related materials, organizational charts, manuals and programs, and financial and other management information systems.

Proposers will be required to provide the following information on their audit approach:

a. Proposed segmentation of the engagement.

b. Level of staff and number of hours to be assigned to each proposed segment of the engagement.

c. Sample sizes and the extent to which statistical sampling is to be used in the engagement.

d. Extent of use of EDP software in the engagement.

e. Type and extent of analytical procedures to be used in the engagement.

f. Approach to be taken to gain and document an understanding of the KLWWTD internal control structure.

g. Approach to be taken in determining laws and regulations that will be subject to audit test work.

h. Approach to be taken in drawing audit samples for purposes of tests of compliance.

8. Identification of Anticipated Potential Audit Problems

The proposal should identify and describe any anticipated potential audit problems, the firm's approach to resolving these problems and any special assistance that will be requested from the KLWWTD.

9. The proposal should address how the firm will address travel requirements due to the location of financial records in Tallahassee, FL.

10. Report Format

The proposal should include sample formats for required reports.

NO DOLLARS SHOULD BE INCLUDED IN THE TECHNICAL PROPOSAL

C. Sealed Dollar Cost Bid

1. Total All-inclusive Maximum Price

The sealed dollar cost bid should contain all pricing information relative to performing the audit engagement as described in this request for proposal. The total all-inclusive maximum price to be bid is to contain all direct and indirect costs including all out-of-pocket expenses.

KLWWTD will not be responsible for expenses incurred in preparing and submitting the technical proposal or the sealed dollar cost bid. Such costs should not be included in the proposal.

The first page of the sealed dollar cost bid should include the following information:

a. Name of Firm.

b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid and authorized to sign a contract with the KLWWTD.

c. A total All-inclusive Maximum Price for the FY 2003 engagement, including the cost of a single audit for federal and/or State of Florida grant assistance.

2. Rates by Partner, Specialist, Supervisor and Staff Level Times Hours Anticipated for Each

   The second page of the sealed dollar cost bid should include a schedule of professional fees and expenses, presented in the format provided in the attachment (Appendix F, part 1), that supports the Total all-inclusive maximum price. The cost of special services described in Section II E of this request for proposals should be disclosed as separate components of the total all inclusive maximum price using the format provided in Appendix F, parts 2 and 3.

3. Out-of-pocket Expenses Included in the Total All-inclusive Maximum Price and Reimbursement Rates.

   Out-of-pocket expenses for firm personnel (e.g., travel, lodging, and subsistence) will be reimbursed at the rates used by the KLWWTD for its employees. All estimated out-of-pocket expenses to be reimbursed should be presented in the sealed dollar cost bid in the format provided in the attachment (Appendix E). All expense reimbursements will be charged against the total all-inclusive maximum price submitted by the firm.

   In addition, a statement must be included in the sealed dollar cost bid stating the firm will accept reimbursement for travel, lodging, and subsistence at prevailing KLWWTD' rates for its employees. The District currently pays per diem of $21 per day, mileage of 29.0 cents per mile and actual cost of lodging for its employees, as provided for in FS 112.61.

4. ~~Rates for Additional Professional Services~~

   If it should become necessary for the KLWWTD to request the auditor to render any additional services to either supplement the service requested in this Request for Proposal or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the KLWWTD and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included in the sealed dollar cost bid.

5. Manner of Payments

   Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's dollar cost bid proposal. Interim billings shall cover a period of not less than a calendar month. Ten percent (10%) will be withheld from each billing pending delivery of the firm's final reports.

VII. EVALUATION OF PROCEDURES

A. Reviewer

Proposals submitted will be evaluated by the Chief Financial Officer (CFO).

B. Review of Proposals

The CFO will use a point formula during the review process to score proposals. The CFO will first score each technical proposal by each of the criteria described in Section VII C below. At this point, firms with an unacceptably low technical score will be eliminated from further consideration.

After the composite technical score for each firm has been established, the sealed dollar cost bid will be opened and additional points will be added to the technical score based on the price bid. The maximum score for price will be assigned to the firm offering the lowest total all-inclusive maximum price.

The KLWWTD reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.

C. Evaluation Criteria

Proposals will be evaluated using three sets of criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both technical qualifications and price. The following represent the principal selection criteria, which will be considered during the evaluation process.

1. Mandatory Elements

   a. The audit firm is independent and licensed to practice in Florida.

   b. The audit firm's professional personnel have received adequate continuing professional education within the preceding two years.

   c. The firm has no conflict of interest with regard to any other work performed by the firm for the KLWWTD.

   d. The firm submits a copy of its most recent external quality control review report and the firm has a record of quality audit work.

   e. The firm adheres to the instructions in this request for proposals on preparing and submitting the proposal.

2. Technical Qualifications: (Maximum Points – 70%)

   a. Expertise and Experience (Maximum Points – 40%)

      (1) The firm's past experience and performance on comparable government engagements.

      (2) The quality of the firm's professional personnel to be assigned to the engagement and the quality available for technical consultation.

(3) Computer expertise.

b. Audit Approach (Maximum Points – 30%)

(1) Adequacy of proposed staffing plan for various segments of the engagement.

(2) Adequacy of sampling techniques.

(3) Adequacy of analytical procedures.

(4) Adequacy of audit plan for electronic data processing applications.

3. Price: (Maximum Points – 30%) COST WILL NOT BE THE PRIMARY FACTOR IN THE SELECTION OF AN AUDIT FIRM

D. Oral Presentations

During the evaluation process, the CFO may, at his discretion, request any one or all firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions the CFO may have on a firm's proposal. Not all firms may be asked to make such oral presentations.

E. Final Selection

The KLWWTD Board of Directors will select a firm based upon the recommendation of the CFO. Up to five firms will be forwarded to the Board for final selection.

It is anticipated that a firm will be selected by June 30, 2003. Following notification of the firm selected, it is expected a contract will be executed between both parties by July 31, 2003.

F. Right to Reject Proposals

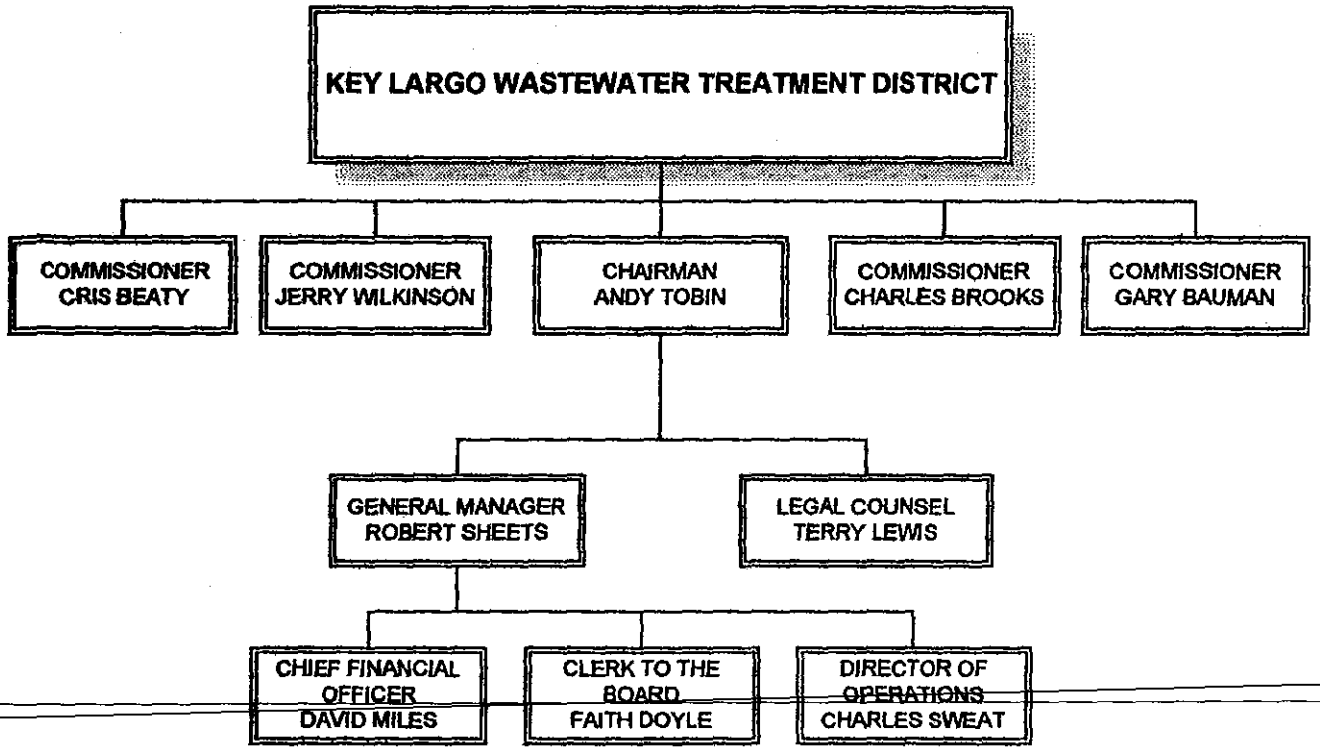
Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the KLWWTD and the firm selected.

The KLWWTD reserves the right without prejudice to reject any or all proposals.

G. A draft of the proposed contractual agreement between the auditor and the KLWWTD is provided at Appendix F.

APPENDIX A

Key Largo Wastewater Treatment District Organizational Chart



Appendix B

List of Key Operating Officials

Key Largo Wastewater District Board of Directors:

Chairman.....Andrew Tobin
Member.....Gary Bauman
Member.....Chris Beaty
Member.....Charles Brooks
Member.....Jerry Wilkinson

General Manager:.....Robert E. Sheets

Director of Operations:.....Charles L. Sweat

Chief Financial Officer:.....David R. Miles

Appendix C

PROPOSER GUARANTEES

The proposer certifies it can and will provide and make available, at a minimum, all services set forth in Section II, Nature of Services Required.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____

Appendix D

PROPOSER WARRANTIES

A. Proposer warrants that it is willing and able to comply with State of Florida laws with respect to foreign (non-state of Florida) corporations.
B. Proposer warrants that it is willing and able to obtain an errors and omissions insurance policy providing a prudent amount of coverage for the willful or negligent acts, or omissions of any officers, employees or agents thereof as provided for in the draft agreement at Appendix F.
C. Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Key Largo Wastewater Treatment District.
D. Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name: _____

Title: _____

Firm: _____

Date: _____

APPENDIX E
SCHEDULE OF FEES

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES FOR THE AUDIT OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT 2003 FINANCIAL S STATEMENTS

NAME OF PROPOSING FIRM: _____

	Hours	Quoted Hourly Rates	Total
Partners	_____	$ _____	$_____
Managers	_____	$ _____	$_____
Supervisory Staff	_____	$ _____	$_____
Staff	_____	$ _____	$_____
Other (specify): _____	_____	$ _____	$_____
Subtotal	_____	$ _____	$_____

Total for services described in the Request for Proposals $_____

Out-of-pocket expenses:
- Meals and lodging $_____
- Transportation $_____
- Other (specify): _____ $_____

Total all-inclusive maximum price for 2003 audit $_____

Deduction amount if no Federal or State single audit is required: ($_____)

Authorized Representative Signature: _____

Typed Name and Title: _____

Date: _____

APPENDIX F

DRAFT
SUBJECT TO CHANGE

AGREEMENT

Between

Key Largo Wastewater Treatment District

And

_____

for

Professional Auditing Services

This is an agreement between the Key Largo Wastewater Treatment District, an Independent Special District of the State of Florida, (hereinafter the "DISTRICT", through its Board of Directors;

AND

_____, its successors and assigns, (hereinafter the "FIRM").

WITNESSETH, in consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, DISTRICT and FIRM agree as follows:

ARTICLE I

SCOPE OF SERVICES

The FIRM shall perform the services as specifically stated in the Scope of Services attached hereto as Attachment "A", and by this reference made a part hereof and as may be specifically designated and additionally authorized by the DISTRICT. Such additional authorizations will be in the form of a Purchase Order. Each Purchase Order will set forth a specific Scope of Services, amount of compensation and completion date.

ARTICLE II

TERM

The term of this Agreement shall be for one (1) year beginning _____ and ending _____. At the end of each one (1) year period, this Agreement may, at the DISTRICT'S sole option, be extended for up to four (4) additional one (1) year terms upon sixty (60) days prior written notice to the FIRM.

ARTICLE III

COMPENSATION

The DISTRICT shall pay FIRM in accordance with Attachment B, Fee Schedule, which is attached hereto and incorporated by reference as part of this Agreement. Prices will be adjusted annually based on the Consumer Price Index, all urban consumers, May to May, for Miami, Florida, cities less than 50,000 population, Bureau of Labor Statistics, Southeastern Regional Office, for succeeding contract years.

ARTICLE IV

STANDARD OF CARE

FIRM shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a professional auditor under similar circumstances and FIRM shall, at no additional cost of the DISTRICT, re-perform services which fail to satisfy the foregoing standard of care.

ARTICLE V

RECORDS

FIRM shall keep such records and accounts and require any and all agencies and sub-agencies to keep records and accounts as may be necessary in order to record complete and correct entries as to the services rendered hereunder. Such books and records will be available at all reasonable times for examination and audit by DISTRICT and shall be kept for a period of three (3) years after the completion of all work to be performed pursuant to this Agreement. Incomplete and incorrect entries in such books and records will be grounds for DISTRICT'S disallowance of any fees based upon such entries.

ARTICLE VI

MISCELLANEOUS

6.1 OWNERSHIP OF DOCUMENTS

All documents and other data provided in connection with this Agreement are and shall remain the property of DISTRICT whether or not the services provided hereunder are fully completed.

6.2 TERMINATION

This Agreement may be terminated by either party for cause, or by DISTRICT for convenience, upon thirty (30) days written notice from the terminating party to other party. In the event of such termination, FIRM shall be paid its compensation for services performed to termination date. In the event that FIRM abandons this Agreement or causes it to be terminated by DISTRICT, FIRM shall indemnity DISTRICT against any loss pertaining to this termination. All finished or unfinished documents, data and reports prepared by FIRM shall become the property of DISTRICT and shall be delivered within five (5) calendar days by FIRM to DISTRICT.

For purposes of this Agreement, termination by DISTRICT for cause includes, but is not limited to, the following:

1. FIRM'S failure to keep, perform and observe each and every provision of this Agreement and such failure continues for a period of more than seven (7) days after delivery to FIRM of a written notice of such breach or default; or

2. FIRM'S occupational business license terminates for any reason; or

3. FIRM becomes insolvent, or takes the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its reorganization, or the readjustment of its indebtedness under the Federal Bankruptcy laws, or under any other law or statute of the United States or any state thereof, or consents to the appointment of a receiver, trustee or liquidator of all or substantially all of its property, or has a petition under any present or future insolvency laws or statute, filed against it, which petition is not dismissed within thirty (30) days after the filing thereof; or

FIRM recognizes and agrees that in the event of the termination or expiration of this Agreement, it will be necessary to assist the DISTRICT and/or a selected successor to FIRM with an orderly transition and disposition of all records previously presented by the DISTRICT to FIRM. FIRM shall be paid in accordance with Article II for all audit services rendered through the date of termination and for any accounts authorized to continue beyond the date of termination during any transition period.

6.3 EQUAL OPPORTUNITY EMPLOYMENT

FIRM agrees that it will not discriminate against any employee or applicant for employment for work under this Agreement, because of race, color, religion, sex, age, national origin, disability and will take affirmative steps to ensure that applicants are employed and employees are treated during employment without

regard to race, color, religion, sex, age, national origin or disability. This provision shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships.

6.4 PUBLIC ENTITY CRIMES ACT

In accordance with Section 287.133, Florida Statutes, FIRM verifies by means of Attachment "C", attached hereto and made a part hereof, that it is not listed on the convicted vendors list maintained by the State of Florida Department of General Services.

6.5 ASSIGNMENT

This Agreement, or any interest herein, shall not be assigned, transferred or otherwise encumbered by FIRM, under any circumstances, without the prior written consent of DISTRICT.

6.6 INDEMNIFICATION OF DISTRICT

6.6.1 FIRM shall at all times hereafter, indemnify, hold harmless and defend DISTRICT, its agents, and employees from and against any claim, ~~demand or cause of action of any kind or nature arising out of error,~~ omission or negligent act of FIRM, its agents, or employees in the performance of services under this Agreement.

6.6.2 FIRM further agrees, at all times hereafter, to indemnify, hold harmless and defend DISTRICT, its agents, and employees from and against any claim, demand or cause of action or any kind or nature arising out of any conduct or misconduct of FIRM resulting from the performance of services under this Agreement and for which , its agents, or employees are alleged to be liable.

6.6.3 FIRM acknowledges and agrees that DISTRICT would not enter into this Agreement without this indemnification of DISTRICT by FIRM, and that DISTRICT'S entering into this Agreement shall constitute good and sufficient consideration for this indemnification. These provisions shall survive the expiration or earlier termination of this Agreement. Nothing in this Agreement shall be construed to affect in any way the DISTRICT'S rights, privileges, and immunities as set forth in Florida Statutes 768.28.

6.7 INSURANCE

FIRM shall provide, pay for and maintain in force at all times during the services to be performed, such insurance, including Workers' Compensation Insurance,

Employer's Liability Insurance, Comprehensive General Liability Insurance and Professional Liability Insurance.

Such policy or policies shall be issued by United States Treasury approved companies authorized to do business in the State of Florida and having agents upon whom service of process may be made in the State of Florida. FIRM shall specifically protect DISTRICT by naming the Key Largo Wastewater Treatment District as an additional insured under the Comprehensive General Liability insurance Policy hereinafter described. The Professional Liability Insurance Policy or certificate shall reference this Agreement.

6.7.1 Professional Liability Insurance: The limits of liability provided by such policy shall be no less than Five Hundred Thousand Dollars ($500,000.00).

6.7.2 Worker's Compensation Insurance to apply for all employees in compliance with the Workers Compensation Law of the State of Florida and all applicable federal laws.

Notice of Cancellation and/or Restriction: The policy(ies) must be endorsed to provide DISTRICT with thirty (30) days notice of cancellation and/or restriction.

6.7.3 ~~Comprehensive General Liability Insurance with minimum limits of Five~~ Hundred Thousand Dollars ($500,000.00) per occurrence combined single limit for Bodily Injury Liability and Property Damage Liability. Coverage must be afforded on a form no more restrictive than the latest edition of the Comprehensive General Liability Policy, without restrictive endorsements, as filed by the Insurance Service Office, and must include:

Premises and/or Operations.

Independent Contractors.

Broad Form Property Damage.

Broad Form Contractual Coverage applicable to this specific Agreement.

Personal Injury Coverage with Employee and Contractual Exclusions removed with minimum limits of coverage equal to those required for Bodily Injury Liability and Property Damage Liability.

The Key Largo Wastewater Treatment District is to be named as additional insured with respect to liability arising out of operations

performed for DISTRICT by or on behalf of FIRM or acts or omissions of FIRM in connection with such operation.

Notice of Cancellation and/or Restriction: The policy(ies) must be endorsed to provide DISTRICT with thirty (30) days notice of cancellation and/or restriction.

6.7.4 Business Automobile Liability Insurance with minimum limits of Five Hundred Thousand Dollars ($500,000.00) per occurrence combined single limit for Bodily Injury Liability and Property Damage Liability. Coverage must be afforded on a form no more restrictive than the latest edition of the Business Automobile Liability Policy, without restrictive endorsements, as filed by the Insurance Services Office and must include:

Owned vehicles.
Hired and non-owned vehicles.
Employer's non-ownership.

Notice of Cancellation and/or Restriction: The policy(ies) must endorsed to provide with thirty (30) days notice of cancellation and/or restriction.

6.7.5 FIRM shall provide to DISTRICT prior to the effective date of this Agreement a Certificate of Insurance or a copy of all insurance policies required by Section 6.7 including any subsection thereunder. CITY reserves the right to require a certified copy of such policies upon request. All endorsements and certificates shall state that DISTRICT shall be given thirty (30) days notice prior to expiration or cancellation of the policy.

6.8 PERFORMANCE OF WORK BY FIRM

It is expressly agreed that FIRM is and shall be in the performance of all work, services and activities under this Agreement an independent contractor and not an employee, agent, or servant of the DISTRICT. All persons engaged in any work, service or activity performed pursuant to this Agreement shall at all times and in all places be subject to FIRM'S sole direction, supervision and control. FIRM shall exercise control over the means and manner in which it and its employees perform and work, and in all manner in which it and its employees perform the work, and in all respects FIRM'S relationship and the relationship of its employees to the DISTRICT shall be that of an independent contractor and not as employees or agents of the DISTRICT.

6.9 LAWS AND REGULATIONS

It is further understood by the parties that FIRM will, in carrying out its duties and responsibilities under this Agreement, abide by all federal, state and local laws, rules, regulations, orders, codes, criteria and standards.

6.10 CONTRACT ADMINISTRATOR

The DISTRICT'S Contractor Administrator during the performance of services pursuant to this Agreement shall be the DISTRICT'S Chief Financial Officer.

6.11 NO CONTINGENT FEE

Firm warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for FIRM to solicit or secure this Agreement 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 FIRM any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement.

6.12 GOVERNING LAW AND VENUE

The Agreement shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Agreement will be held in Monroe County and the agreement will be interpreted according to the laws of Florida. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party or any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

6.13 ATTORNEY'S FEES

In action brought by either party for the enforcement of the obligations of the other party, the prevailing party shall be entitled to recover reasonable attorney's fees and costs.

6.14 AUTHORITY TO ENGAGE IN BUSINESS

FIRM hereby represents and warrants that it has and will continue to maintain all licenses and approvals required to conduct its business, and that it will at all times conduct its business activities in a reputable manner. Proof of such licenses and approvals shall be submitted to the DISTRICT'S representative upon request.

6.15 ALL PRIOR AGREEMENTS SUPERSEDED

This document incorporates and includes all prior negotiations, correspondence, conversations, agreements or understandings applicable to the matters contained herein; and the parties agree that there are no commitments,

agreements or understandings concerning the subject matter of this Agreement that are not contained in this document. Accordingly, the parties agree that no deviation from the terms hereof shall be predicated upon any prior representations or agreements whether oral or written.

It is further agreed that no modification, amendment or alteration in the terms or conditions contained herein shall be effective unless contained in a written document.

6.16 DISTRICT'S RESPONSIBILITIES

The DISTRICT shall be responsible for all providing access to all project sites, and providing information on hand including;

_____,
and other data that are available in the files of the DISTRICT.

6.17 NONDISCLOSURE OF PROPRIETARY INFORMATION

FIRM shall consider all information provided by DISTRICT and all reports, studies, calculations, and other documentation resulting from the FIRM'S performance of the Services to be proprietary unless such information is available from public sources. FIRM shall not publish or disclose proprietary information for any purpose other than the performance of the Services without the prior written authorization of DISTRICT, or in response to a court ordered subpoena.

6.18 NOTICES

Whenever either party desires to give notice unto the other, such notice must be in writing, sent by registered United States mail, return receipt requested, addressed to the party for whom it is intended at the place last specified; and the place for giving of notice shall remain such until it shall have been changed by written notice in compliance with the provisions of this paragraph. For the present, the parties designate the following as the respective places for giving of notice:

FOR KEY LARGO WASTEWATER DISTRICT

CHIEF FINANCIAL OFFICER
KEY LARGO WASTEWATER TREATMENT DISTRICT
1500 MAHAN DRIVE, SUITE 250
TALLAHASSEE FL 32308

IN WITNESS WHEREOF, the parties hereto have set their hands and official seals the ____ day of _____, 2003.

Key Largo Wastewater District
An Independent Special District

ATTEST: BY: _____
Andrew Tobin
Chairman, Board of Directors

_____
Clerk to the Board
Faith Doyle

ENDORSED AS TO FORM & LEGALITY:

_____
Amy Dukes, Board Attorney

FIRM:

(CORPORATE SEAL) _____
COMPANY NAME

BY: _____
SIGNATURE

WITNESSES:

_____
TYPED NAME

_____

_____
TITLE

SWORN TO and SUBSCRIBED before me this ____ day of _____, 2003.

(Seal)

_____
NOTARY PUBLIC

My Commission Expires:

ATTACHMENT B

COMPENSATION

Total all-inclusive maximum price for FY 2003 audit is eight thousand five hundred dollars ($8,500.00). No Federal or State of Florida Single Audit shall be required for this price. The price shall include all labor and travel expenses, meals and lodging, telephone expenses, express mail expenses and all other costs necessary to produce deliverable audit products as specified in Attachment A.

In the event a Federal and/or State of Florida Single Audit are required to be performed, an additional fee of one thousand five hundred dollars ($1,500.00) shall be paid.

In the event additional services are required outside the scope of the audit services identified in Article I of this agreement, and approved by the issuance of a purchase order, the following hourly rates shall apply:

CLASSIFICATION	HOURLY RATE
Partners	$200
Managers	$150
Supervisory Staff	$125
Accounting Staff	$90

Hourly rates are to include all required equipment, tools, machines, software, etc.

Clerical expenses are considered job overhead cost, and are not billable.

In the event of contract renewal for the second and successive years, the above amounts, to include hourly rates, shall be adjusted by the amount of Consumer Price Index changes as provided for in Article III.

May 19, 2003

Subject: Addendum #1 to Key Largo Wastewater Treatment District Request for Proposals for Professional Auditing Services

To: Potential Responders to Professional Auditing Services RFP:

A pre-proposal conference was held on May 14, 2003 at 9:00 a.m. at the Westin Beach Resort, 97000 Overseas Highway, in the Bay Room, Key Largo, FL. Three audit firms attended this non-mandatory pre-proposal conference. As a result of this meeting, questions were raised as to the size of the audit engagement. Since FY 2003 is the first year of existence of the Key Largo Wastewater Treatment District (KLWWTD), there are no prior year financial reports to provide. At the pre-proposal meeting, the KLWWTD agreed to provide copies of April 30, 2003 balance sheets and revenue and expense reports to all potential proposers. The reports are provided on a non-accrual basis. Financial reporting for the district was begun in March 2003, and include payments for expenses incurred beginning in November 2002. These documents provide information on KLWWTD operating revenues (and other credits) and operating expenses (and other debits).

In addition, a draft budget for the first two capital projects, which will construct the first phases of the treatment facilities of the KLWWTD during FY 2003-2005, is included to show the scope of the grant funding and the estimated cost of construction. These construction contracts are expected to be awarded in May 2003 and signed in June 2003.

No additional time is provided to respond to the RFP as a result of this Addendum. Responses must be submitted in ten (10) copies in a sealed package addressed to the Chief Financial Officer, Key Largo Wastewater Treatment District, 1500 Mahan Drive, Suite 250, Tallahassee, FL 32308 by 3:00 p.m. May 28, 2003. Any response received after the designated closing time will be returned unopened.

Sincerely,

David R. Miles
Chief Financial Officer

KLWTD Board Meeting
July 30, 2003

Item E – 5

Approval of the Key Largo Wastewater Treatment District Proposed FY2004 Budget for Advertisement

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

TO: Key Largo Wastewater Treatment District Board Members

CC: Robert E. Sheets, General Manager
Faith Doyle, Clerk to the Board
Charles Sweat, Director of Operations
Terry Lewis, Board Attorney
Amy Dukes, Board Attorney

FROM: Robert E. Sheets, General Manager

DATE: July 24, 2003

RE: Approval of FY 2004 Preliminary Budget for Purposes of Public Hearing Advertisement

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Dear Directors:

Enclosed is the third revision of the FY 2004 draft budget document for use for interim Budget approval on July 30, 2003 for the first full fiscal year of operation of the Key Largo Wastewater Treatment District (KLWWTD). Once approved for advertising, we propose to have a public hearing on the Board approved interim budget on August 13, 2003. This budget includes an operating budget sheet and discussions of the initial two capital projects to establish the wastewater treatment capability of the District. Staff has incorporated the changes suggested by the Board at the July 9, 2003 board meeting. Changes to the operating budget are highlighted in bold. There were no changes to the capital budget.

For purposes of reviewing the operating budget, staff has estimated the revenue and expenses to be incurred during the first partial year of District operations (FY 2003), and used this experience to project both revenue and expense in the budget year, FY 2004. For purposes of long range planning, estimated operating and debt service and renewal and replacement transfers have also been projected for the next four fiscal years (FY 2005-2008). This allows the Board to focus both on short-range budget issues, while seeing the long-range implications of their decisions.

The operating budget reflects that the two capital projects will be completed in FY 2005, with a full year of operations not taking place until FY 2006. Initial connection fees begin being received in FY 2005, with the majority being received in FY 2006. In the budget year three sources of revenue are shown, with the majority being received by an MSTU millage rate of 0.35. The MSTU revenue amounts assume a three (3) percent per year increase in assessed

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

Value, with the same 0.35 millage rate applied each year. The result has been reduced by five (5) percent, to reflect the reduction in actual proceeds expected after early payment discounts and uncollectable amounts are accounted for. Minor interest and miscellaneous revenues are also projected.

FY 2004 expenses have been re-computed. All changes made July 9 are balanced, so no net increase or decrease to the operating budget revenue and expenses resulted in FY 2004. Staff has proposed a balanced budget for FY 2004, with a surplus estimated at $77,209 for the year. Key expenditure considerations include an annual estimated three (3) percent increase in the cost living for most expense lines.

Changes on July 9th include splitting the legal expense line into two lines for general legal work and a litigation reserve, and revising the District Managers line to remove the contracted CPI increase and place that increase into the contingency line.

The Capital Budget projects the completion of the Key Largo Trailer Village project and as much of the Key Largo Park project as feasible within the available funding sources. It also provides for adequate resources for contract administration and engineering oversight during the construction. Currently total funds available for the two projects amount to $12,598,958. $12,582,144 is committed to the construction of the two projects, including $1,336,957 available for future construction in Key Largo Park. This leaves a balance of $16,814 uncommitted for the Key Largo Village Project, for contingencies.

I look forward to your approval to advertise this budget for public input at the August 13, 2003 meeting.

BUDGET WORKSHEET

FY 2004

Line No.	Account Name	Current Budget 2003	Draft Budget 2004	Comments	Recommended Budget 2004
	System Operating Revenues				
1	MSTU Revenue	$ -	$ 599,562		
2	Monthly System Fee ($35.00 per Mo/per Account)	-	-		
3	Interest Income	200	4,500		
4	Loan Proceeds	100,000	-		
5	Grant Proceeds	250,425	-		
6	Miscellaneous	2,000	2,000		
	Subtotal Operating Revenues	**$ 352,625**	**$ 606,062**		
7	Capital Recovery Fees	-	-		
	Subtotal Non-Operating Revenues	-	-		
	Total System Revenues	**$ 352,625**	**$ 606,062**		
	Operating Expenses				
	Board Expenses				
8	Commissioner's Fees	$ 36,900	$ 45,000		
9	Payroll Taxes	2,800	3,500		
10	Copy / Printing / Binding	8,000	8,000		
11	Postage and Delivery Expense	2,700	4,300		
12	Insurance Expense	7,500	11,500		
13	Bad Debt Expense	-	-		
14	Miscellaneous	1,200	1,800		
15	Legal Advertisements	1,800	2,880		
16	Office Supplies	500	800		
17	Dues and Subscriptions	175	300		
18	Travel	2,500	4,500		
19	Rents and Leases	-	7,200		
20	Telephone	300	600		
21	Utilities	-	2,160		
22	Regulatory / Permit Fees	500	2,000		
23	Reserve for Contingencies	40,500	3,888	Reduction in Management Contract Line included here.	
24	Customer Outreach / Marketing	-	-		
	Total Board Expenses	$ 105,375	$ 98,428		
	Operating and Management Services				
25	Operations and Maintenance Contract	$ -	$ -		
26	Billing and Customer Service Contract	-	-		
27	Management Contract	77,300	129,600	Reduced $3,888.	
	Total Operating and Management Services	77,300	129,600		
	Professional Services				
28	Legal - General Counsel	100,000	60,000	Split into General Counsel and Litigation Reserve lines.	
29	Legal- Litigation Reserve	-	48,000	New line approved July 9.	
30	Utility Rate Consultant	15,000	-		
31	Engineering Services	32,000	-		
32	Audit and Accounting Fees	10,000	10,300		
33	Lab Services	-	-		
34	Grant Specialist	-	27,000		
35	Special Projects	-	122,000		
36	Computer Support	-	5,000		
	Total Professional Services	157,000	272,300		
	Total Operating Expenses	**$ 339,675**	**$ 500,328**		

BUDGET WORKSHEET

FY 2004

Line No.	Account Name	Current Budget 2003	Draft Budget 2004	Comments	Recommended Budget 2004
	Non-Operating Expenses				
	Debt Service				
37	Local (County) Loan For Seed Money ($100,000)	$ -	$ 21,525		
38	County Land Value Repayment	-	-		
39	Other	-	-		
	Total Debt Service	$ -	$ 21,525		
40	Capital Expenditures From Operating Revenues	$ 5,000	$ 7,000		
41	Transfers to Renewal and Replacement Account	-	-		
	Total Non-Operating Expenses	**$ 5,000**	**$ 28,525**		
	Total Expenses	**$ 344,675**	**$ 528,853**		
	Net Surplus (Deficit)	**$ 7,950**	**$ 77,209**		

BUDGET WORKSHEET
FY 2004

			Current Budget 2003	Draft Budget 2004
1	Total Taxable Value	3.0%	$ 1,750,673,519	$ 1,803,193,725
2	Millage Rate	0.035%		
3	Total Municipal Services Taxable Unit Revenue		$ 612,736	$ 631,118
4	Percent Applied to Revenue Requirements		0%	100%
5	Total Applicable Municipal Services Taxable Unit Revenue		$ -	$ 631,118

Key Largo Wastewater Treatment District

Five Year Operating Forecast

	Estimate FY 2003		Forecast FY 2005	FY 2006	FY 2007	FY 2008
OPERATING REVENUE						
Wastewater System Fees	$ -		$ 6,300	$ 263,340	$ 263,340	$ 263,340
MSTU Revenue	-		617,548	636,075	655,157	674,803
Interest Income	200		5,300	12,100	20,400	20,800
Loan Proceeds	100,000		-	-	-	-
Grant Proceeds	250,425		-	-	-	-
Miscellaneous	2,000		3,000	3,500	4,000	4,500
Subtotal Operating Revenue	$ 352,625		$ 632,148	$ 915,015	$ 942,897	$ 963,443
NON-OPERATING REVENUE						
Capital Recovery (connection impact) Fees	-		81,000	1,611,900	-	-
Subtotal Non-Operating Revenue	-		81,000	1,611,900	-	-
Total Revenues	$ 352,625		$ 713,148	$ 2,526,915	$ 942,897	$ 963,443
OPERATING EXPENSES						
Board Expenses						
Board Meetings Compensation	36,900		45,000	45,000	45,000	45,000
Payroll Taxes	2,800		3,500	3,500	3,500	3,500
Copy/Delivery Charges	8,000		8,200	8,450	8,700	8,950
Postage	2,700		4,400	4,530	4,675	4,800
Insurance	7,500		12,000	12,360	12,730	13,110
Bad Debts	-		100	2,630	2,630	2,630
Miscellaneous	1,200		1,850	1,900	1,960	2,020
Newspaper Legal Ads	1,800		2,975	3,075	3,170	3,260
Office Supplies	500		825	850	875	900
Dues & Subscriptions	175		325	350	375	400
Travel	2,500		4,600	4,700	4,850	5,000
Rents & Leases	-		7,400	7,625	7,850	8,100
Telephone	300		620	640	660	680
Utilities	-		2,225	2,300	2,370	2,440
Regulatory/Permit Fees	500		2,000	2,000	2,000	2,000
Reserve for Contingencies	40,500		7,893	12,017	16,266	20,642
Operating and Management Services						
~~Operations & Maintenance Contract~~	-		~~4,500~~	~~130,850~~	~~186,575~~	~~202,475~~
Billing & Customer Service Contract	-		550	23,125	23,820	24,530
Management Contract	77,300		129,600	129,600	129,600	129,600
Professional Services						
Legal - General Counsel	100,000		61,800	63,654	65,564	67,531
Legal - Litigation Reserve	-		49,440	50,923	52,451	54,024
Utility Rate Consultant	15,000		-	-	-	-
Engineering Services	32,000		-	-	-	-
Audit Fees	10,000		10,600	10,900	11,200	11,560
Lab Services	-		1,000	5,000	5,150	5,300
Grant Specialist	-		27,810	28,644	29,504	30,389
Special Projects	-		125,660	129,430	133,313	137,312
Computer Support	-		5,000	5,000	5,000	5,000
Total Operating Expenses	339,675		519,873	749,054	769,787	791,153
NON-OPERATING EXPENSES						
Capital Expenditures from Operating Account	5,000		7,000	7,000	7,000	7,000
Renewal and Replacement Transfer	-		4,365	13,167	13,167	13,167
Debt Service Transfer (Monroe County $100,000 Loan)	-		21,525	21,525	21,525	21,525
Total Non-Operating Expenses Paid From Operating Revenue	5,000		32,890	41,692	41,692	41,692
Debt Service Transfer (Monroe County FEMA Match- $914,285)	-		-	-	91,429	91,429
Total Non-Operating Expenses Paid From Non-Operating Revenue	-		-	-	91,429	91,429
Total Non-Operating Expenses	5,000		32,890	41,692	133,121	133,121
Total Expenses	$ 344,675		$ 552,763	$ 790,746	$ 902,908	924,274
Total Operating Surplus	7,950		79,386	124,270	131,418	130,598
Total Non-Operating Surplus (Deficit)	-		81,000	1,611,900	(91,429)	(91,429)
Total Fund Surplus/(Deficit)	7,950		160,386	1,736,170	39,989	39,169
Cumulative Fund Surplus	7,950		245,545	1,981,715	2,021,704	2,060,873

Revised: July 24, 2003

Key Largo Capital Budget
FY 2003-FY 2005
Prepared June 16, 2003

	Key Largo Park	Key Largo Trailer Village	Total
Revenue (Sources of Funds):			
Federal:			
FEMA Phase I	-	1,097,143	1,097,143
FEMA Phase II	-	4,388,571	4,388,571
Subtotal Federal:	**$ -**	**$ 5,485,714**	**$ 5,485,714**
State:			
FDEP	1,660,000	-	1,660,000
FDEP II	187,312	-	187,312
SFWMD	-	100,000	100,000
DCA- Cess Pit Grant	690,445	535,155	1,225,600
DCA- Unmet Needs	-	914,286	914,286
Subtotal State:	**$ 2,537,757**	**$ 1,549,441**	**$ 4,087,198**
Local:			
304 Fund FEMA Phase 1&2 Match	-	914,285	914,285
148 Fund	356,000	-	356,000
304 Cess Pit Fund	705,200	224,327	929,527
304 Land Purchase	-	826,234	826,234
Subtotal Local:	**$ 1,061,200**	**$ 1,964,846**	**$ 3,026,046**
Total Funds Available:	**$ 3,598,957**	**$ 9,000,001**	**$ 12,598,958**
Expenses (Proposed Uses):			
Construction:			
Vacuum Collection System Construction	1,097,000	5,311,489	6,408,489
Tie-in To Trailer Village/Vacuum Valves	60,000	-	60,000
Proportion Share KL Village WWTP	600,000	2,058,511	2,658,511
Future Construction	1,336,957	-	1,336,957
Subtotal Construction	**$ 3,093,957**	**$ 7,370,000**	**$ 10,463,957**
Management/Design:			
Planning, Design, Permitting, & Bidding	355,000	386,953	741,953
Construction Management & Administration	150,000	400,000	550,000
Land Purchase	-	826,234	826,234
Subtotal Management/Design	**$ 505,000**	**$ 1,613,187**	**$ 2,118,187**
Total Estimated Project Costs	**$ 3,598,957**	**$ 8,983,187**	**$ 12,582,144**
Balance Available:	**$ -**	**$ 16,814**	**$ 16,814**

KLWTD Board Meeting
July 30, 2003

Item E – 6

Approval of the Key Largo Wastewater Treatment District Pending Payments list prepared July 21, 2003

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

TO: Key Largo Wastewater Treatment District Board Members

CC: Robert E. Sheets, General Manager
Faith Doyle, Clerk to the Board
Charles Sweat, Director of Operations
Terry Lewis, Board Attorney
Amy Dukes, Board Attorney

FROM: David R. Miles, Chief Financial Officer

DATE: July 30, 2003

RE: Pending Payments Key Largo Wastewater Treatment District

Dear Directors:

This agenda item is designed to provide an update on the financial status of the Key Largo Wastewater Treatment District. As of July 21, 2003, the District had $39,205.17 in its bank account. All payments authorized at the June 25, 2003 meeting have been disbursed, except one payroll payment. We have $57,415.08 in invoices in-hand for payment by June 30, 2003. Attached at exhibit A is the list of currently outstanding invoices pending payment. Assuming the payment to the one Board Director (and related payroll taxes) remains outstanding, the amount available is short by $12,073.86 of the amount due. This amount will be covered when draw #3 from the Monroe County grant is received. The Board is requested to designate the check or checks in an amount greater than $12,073.86 to have disbursement delayed until grant proceeds are received.

Payment of payroll checks which cover the month of June are included in this approval request. It should be noted that a travel disallowance of $13.41 on the May 2003 Lewis, Longman & Walker invoice will be deducted from their June invoice payment. This small deduction was determined appropriate when the Monroe County Grant Draw #3 was processed.

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

KLWTD Board Meeting
July 30, 2003

Item F – 1

Discussion of the recommended
Revised Disbursement Policy

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

TO: Key Largo Wastewater Treatment District Board Members

CC: Robert E. Sheets, General Manager
Faith Doyle, Clerk to the Board
Charles Sweat, Director of Operations
Terry Lewis, Board Attorney
Amy Dukes, Board Attorney

FROM: David R. Miles, Chief Financial Officer

DATE: July 23, 2003

RE: Key Largo Wastewater Treatment District Disbursement & Accounting Procedures

Dear Directors:

On February 5, 2003, the Key Largo Wastewater Treatment District Board of Directors approved Resolution 2003-11 (Exhibit A), which established Expenditure Approval and Disbursement of Funds procedures for the Key Largo Wastewater Treatment District. This policy was designed to establish an excellent set of internal controls to ensure that the district's funds are properly accounted for and disbursed in a manner consistent with the best interests of the constituents of the district.

In this policy the General Manager was charged with the following tasks:

1. Establishing an accounting system that fully complies with governing statutes of the State of Florida, the Uniform Chart of Accounts as promulgated by the State, and policies established by the Governmental Accounting Standards Board (GASB).

2. The General Manager, or his authorized designee, could approve expenditures up to $1,000 without recourse to the Board of Directors, as long as the amount was budgeted.

3. All expenditures above $1,000 require advance Board of Directors approval prior to disbursement.

4. All checks are to be signed by the General Manger or his designated representative.

Since this approval, two additional controls not included in the policy have been added:

1. All checks in excess of $2,500.00 require dual signatures.

2. All expenditures require advance approval from the Board of Directors, prior to disbursement unless an emergency exists. In an emergency the General Manager may approve the expenditure, but must obtain ratification from the Board of Directors as soon as practicable.

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

This existing set of internal controls is extraordinarily tight, the tightest the Chief Financial Officer has experienced in his 34 years as a disbursing officer for both the federal and local government. The tightness of the controls has created operational issues. The controls have resulted in minor interest expenses incurred by the district for late payment of utility bills, due to the length of time required for the approval process. The pre-approval controls have also slowed the payroll process for District employees.

The reliance on Monroe County loan and grant fund availability to fund basic operations costs in FY 2003 has contributed to cash flow issues since the inception of the District. During the construction phase, the cash flow issues will increase significantly. To address these issues, staff suggests the establishment of a Special Revenue Fund to account for any grant proceeds that may be received prior to related encumbrances and expenditures in the District's Enterprise Fund.

With the imminent start of construction of the two capital projects for Key Largo Park and Key Largo Trailer Village, with resultant grant accountability, cash flow considerations, and larger payments and receipts, a review of our accounting and disbursement control procedures is timely. Mr. Andrew Tobin, Chairman of the Board of Directors, has asked staff to review these procedures and prepare recommendations to the Board. Suggestions to further strengthen the Districts' internal controls have been advanced. These include the following:

- Requiring dual signatures on all checks issued by the district, regardless of amount.

- Requiring the General Manager through Government Services Group, Inc. to increase the amount of employee dishonesty insurance coverage above the current $50,000 per employee.

- Setting up a separate petty cash account for the General Manager to approve small payments with a limit of $2,000-$3,000.

- Requiring checks to be transported from the accounting office in Tallahassee to Key Largo for signature by two Board Members, the Chairman and the Secretary. The General Manager and CFO would be dropped as authorized signatories on District checks.

- The Board of Directors could obtain a Position Fiduciary Bond on the General Manager and Chief Financial Officer positions from the Florida League of Cities (District Insurers), to provide an additional layer of insurance in the event of an illegal act.

With the beginning of the construction phase, the District will have the conflicting issues of liquidity in order to pay the contractors, engineers, consultants, and administrators, while complying with the grant accountability requirements of five different grantor agencies. Most of this grant work is on a reimbursable basis, which will present additional challenges to the District's fiscal managers. Our procedures must provide the flexibility to conduct normal business, while insuring adequate internal controls are in place.

Attached as Exhibit B for discussion purposes is a Revised Policy on Expenditure Approval and Disbursement of Funds prepared by staff to incorporate a balanced set of internal controls that both protects the accountability interests of the Board and its constituents, while providing an environment that allows the fiscal functions of the district to be accomplished in a reasonably efficient fashion, that will support the construction and grant management process, along with the routine duties of District administration.

The suggestions to address strengthen internal controls have been addressed in the draft Revised Policy on Expenditure Approval and Disbursement of Funds as follows:

1. The suggestions to establish a petty cash fund for the General Manager, require dual signature on all checks, and obtain additional insurance have been considered in concert with one another, as they are related. The draft recommends the following:

    - The requirement for dual signature on all checks over $2,500.00 has been added to the revised policy.

    - The General Manager, or his designated representative, are authorized to sign checks up to $2,500.00 without prior Board approval. A list of checks so approved would be provided monthly to the Board for review. A single signature would be required on these small checks. This would allow routine bills such as telephone bills, legal advertisements, and District payroll checks to be paid on a timely basis, and eliminate late fee and minor interest costs now incurred. The ~~$50,000 in employee dishonesty coverage currently maintained by Government~~ Services Group, Inc. is sufficient to cover the potential for loss. Improper payments over $2,500.00 would require collusion, due to the dual signature requirement. All of the above could be accomplished in the one current bank account, eliminating the need for a petty cash bank account.

    - Transporting partially signed or unsigned checks from the accounting office in Tallahassee to the Board meetings for signature would generate more internal control concerns than it would solve. The accounting office makes copies of the signed checks, which are essential to the grant documentation and reimbursement process. The potential for a check to be lost, misplaced or stolen is increased significantly by the transport process. The temptation to provide the payee the signed check without obtaining copies for grant reimbursement would be present, increasing grant reimbursement and liquidity concerns of the District. If different signatories are desired, this issue can be resolved by use of signature stamps.

    - The issue of providing more protection to the District in the disbursement of large dollar checks is provided in several ways. All checks over $2,500.00 require signature by two different people. A third GSG employee stores and prepares the checks for signature, an important separation of duties. For an illegal act to occur, three separate GSG employees would be required to act in collusion. GSG maintains $50,000 in employee dishonesty coverage. The Board could require this limit to be raised for a modest cost. The Board's insurers, the Florida League of

Cities, offers fidelity bond coverage for check signatories. For a modest cost, the Board could obtain additional insurance coverage directly. The policy recommends $250,000 of coverage per signatory at an estimated annual cost of $1,181 per person.

RECOMMENDATION:

Staff recommends the Board of Director review the proposed policy at Exhibit B, make changes desired and direct its return at the August 13, 2003 meeting for approval.

EXHIBIT A

RESOLUTION 2003-11

A RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT APPROVING AN EXPENDITURE POLICY

WHEREAS, Key Largo Wastewater Treatment District currently has no Expenditure Policy in place;

WHEREAS, Key Largo Wastewater Treatment District requires an Expenditure Policy in order to pay certain debts that have arisen since the District was created;

WHEREAS, the District Manager has proposed an Expenditure Policy for the District to apply.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT:

1. The Expenditure Policy as proposed by the District Manager and attached hereto as Exhibit A is hereby adopted as District policy.

2. All expenditures by the District shall be made in accordance with the attached Expenditure Policy.

PASSED AND ADOPTED this 5th day of February, 2003.

FAILED this _____ day of February, 2003.

KEY LARGO WASTEWATER TREATMENT DISTRICT

Chair, Key Largo Wastewater Treatment District

Secretary

I:\Client Documents\Key Largo WTD\1724-000\Misc\Resolution re Expenditure Policy.doc

Key Largo Wastewater Treatment District
Policy on Expenditure Approval and Disbursement of Funds
Prepared: January 22, 2003

Purpose: This policy provides Board of Directors approval of those internal controls necessary to provide for the proper commitment and obligation of the Key Largo Wastewater Treatment District operations and capital project funds that have been appropriated for expenditure through the annual budget process.

Applicability: This policy pertains to all officials employed by or contracted by the Board of Directors for the purpose of providing management, procurement, budgeting and financial accounting and disbursing services to the Key Largo Wastewater Treatment District.

Definitions:

1. Appropriation: The legal authorization to spend the annual budget of the Key Largo Wastewater Treatment District, and any authorized amendments to the budget, duly passed by ordinance or resolution.
2. Disbursement: The act of paying properly approved bills, commitments and obligations of the Key Largo Wastewater Treatment District.
3. Encumbrance: The recording of liabilities to pay duly appropriated funds recorded in the accounting records of the Key Largo Wastewater Treatment District. The District requires the use of formal encumbrance accounting to assist in the management of available balances of appropriated operating and capital funds.
4. General Manager: The individual appointed by the Key Largo Wastewater District to act as the Chief Executive Officer to direct the execution of those programs approved by the Board of Directors.

Policy Direction:

The Board of Directors desires to insure that all funds made available to the Board are properly accounted for consistent with Florida Statutes and that all encumbrances and disbursements from these funds are approved as provided for in this policy.

The General Manager is charged with establishing an accounting system that fully complies with the governing statutes and rules established by the State of Florida for independent districts. Such accounting system shall be consistent with the Uniform Chart of Accounts of the State of Florida. Accounting procedures shall be consistent with those policies established by the Governmental Accounting Standards Board (GASB) as applies to enterprise funds. The General Manager, or his approved designee, shall be authorized to approve the encumbrance or expenditure of amounts not to exceed One Thousand Dollars ($1,000.00) per transaction without further approval of the Board of Directors. This approval is contingent on the General Manager, or his approved designee, insuring that the total amount encumbered or expended does not exceed the amount

appropriated for that purpose. All encumbrances or expenditures in excess of One Thousand Dollars ($1,000.00) require prior approval by a majority vote of the Board of Directors.

Once an encumbrance or expenditure is approved, by the General Manager or the Board of Directors pursuant to this policy, the disbursement of funds of the District by the General Manager, or his designee, shall not require further approval. All checks for the Key Largo Wastewater Treatment District shall be signed by the General Manager or his authorized designee.

Approval:

Approved as to form:

General Counsel

Recorded this 5th of ~~January~~ February, 2003:

~~Clerk to the Board~~
Secretary

Chairman

EXHIBIT B

RESOLUTION 2003-_____

A RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT APPROVING A REVISED EXPENDITURE POLICY

WHEREAS, Key Largo Wastewater Treatment District approved Resolution 2003-11 on February 5, 2003 to establish an Expenditure Policy;

WHEREAS, the approval of the District's capital projects for Key Largo Park and Key Largo Trailer Village and the need to provide appropriate grant accountability to five different grantor agencies changes the scope of Key Largo Wastewater District's expenditure procedures;

WHEREAS, The District General Manager has proposed a revised Expenditure Policy for the District to apply.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT:

1. The Expenditure Policy as proposed by the District General Manager and attached hereto as Attachment A is hereby adopted as District Policy.

2. All expenditure by the District shall be made in accordance with the attached Expenditure Policy.

PASSED AND ADOPTED this _____ day of August, 2003.

FAILED this _____ day of August, 2003.

KEY LARGO WASTEWATER TREATMENT DISTRICT

_____

Chair, Key Largo Wastewater Treatment District

_____

Secretary

Attachment A

Key Largo Wastewater Treatment District
Policy on Expenditure Approval and Disbursement of Funds
Prepared: July 23, 2003

Purpose: This policy provides Board of Directors approval of those internal controls necessary to provide for the proper commitment and obligation of the Key Largo Wastewater Treatment District operations and capital project funds that have been appropriated for expenditure through the annual budget process.

Applicability: This policy pertains to all officials employed by or contracted by the Board of Directors for the purpose of providing management, procurement, budgeting and financial accounting and disbursing services to the Key Largo Wastewater Treatment District.

Definitions:

1. Appropriation: The legal authorization to spend the annual budget of the Key Largo Wastewater Treatment District, and any authorized amendments to the budget, duly passed by ordinance or resolution.
2. Disbursement: The act of paying properly approved bills, commitments and obligations of the Key Largo Wastewater Treatment District.
3. Encumbrance: The recording of liabilities to pay duly appropriated funds recorded in the accounting records of the Key Largo Wastewater Treatment District. The District requires the use of formal encumbrance accounting to assist in the management of available balances of appropriated operating and capital funds.
4. General Manager: The individual appointed by the Key Largo Wastewater District to act as the Chief Executive Officer to direct the execution of those programs approved by the Board of Directors.

Policy Direction:

The Board of Directors desires to insure that all funds made available to the Board are properly accounted for consistent with Florida Statutes and that all encumbrances and disbursements from these funds are approved as provided for in this policy.

The General Manager is charged with establishing an accounting system that fully complies with the governing statutes and rules established by the State of Florida for independent districts. Such accounting system shall be consistent with the Uniform Chart of Accounts of the State of Florida. Accounting procedures shall be consistent with those policies established by the Governmental Accounting Standards Board (GASB) as applies to governmental and proprietary funds.

The General Manager shall establish one Special Revenue Fund for the purpose of accounting for any grant proceeds received in advance of expenditure. Each grant shall be established as a separate account within this special revenue fund and accounted for separately. The cash deposited upon receipt from each grantee may be deposited in a single bank account as long as adequate accounting records are maintained to separately account for each grant and each fund of the District.

The General Manager shall establish one Enterprise Fund to account for the revenue and expenditures necessary to construct, operate and maintain, and pay debt service needs of the District. The cash deposited for this fund may be deposited into a single bank account as long as adequate accounting records are maintained to separately account for each fund, debt service issue and capital project of the District.

The General Manager, or his approved designee, shall be authorized to approve the encumbrance or expenditure of amounts not to exceed Two Thousand Five Hundred Dollars ($2,500.00) per transaction without prior approval of the Board of Directors. This approval is contingent on the General Manager, or his approved designee, insuring that the total amount encumbered or expended does not exceed the amount appropriated for that purpose. All encumbrances or expenditures in excess of Two Thousand Five Hundred Dollars ($2,500.00) require prior approval by a majority vote of the Board of Directors. The General Manager shall provide a listing of all encumbrances and payments approved by him to the Board of Directors on a monthly basis for review.

Once an encumbrance or expenditure is approved by the General Manager or the Board of Directors, pursuant to this policy, the disbursement of funds of the District by the General Manager, or his designee, shall not require further approval. All checks under Two Thousand Five Hundred Dollars ($2,500.00) for the Key Largo Wastewater Treatment District shall be signed by the General Manager or his authorized designee, who are authorized signatories on the District's bank account(s). All checks for Two Thousand Five Hundred Dollars ($2,500.00) or more, shall be signed by two authorized signatories on the District's bank account(s).

To insure adequate protection of District assets is maintained, the General Manager is directed to obtain Fidelity Bonds in the amount of $250,000 each for the General Manager and the Chief Financial Officer from the District's insurer. In addition, the General Manager shall name the Key Largo Wastewater Treatment District as an additional insured on the Employee Dishonesty Coverage in the liability policy maintained by the General Manager.

Approval:

Approved as to form:

Recorded this _____ of August, 2003:

_____
General Counsel

_____
Clerk to the Board

_____
Chairman

KLWTD Board Meeting
July 30, 2003

Item F – 2

Interim Financial Reports through
June 30, 2003

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

TO: Key Largo Wastewater Treatment District Board Members

CC: Robert E. Sheets, General Manager
Faith Doyle, Clerk to the Board
Charles Sweat, Director of Operations
Terry Lewis, Board Attorney
Amy Dukes, Board Attorney

FROM: David R. Miles, Chief Financial Officer

DATE: July 21, 2003

RE: Interim Financial Reports for Key Largo Wastewater Treatment District, June 30, 2003

Dear Directors:

Attached are two financial reports from the Key Largo Wastewater Treatment District accounting records. The first is a Statement of Revenues and Expenses for the Key Largo Operating Budget. It shows a total revenue and expense budget, each of $350,425 for FY 2003. It includes $231,984.52 in revenue received and $209,262.12 in expenses incurred through June 30, 2003. A surplus is shown of $22,722.40. This is on an accrual basis.

The Monroe County grant proceeds for the second draw of $80,200.74 were received June 12, 2003 and are included in this statement. The third draw request was forwarded to Monroe County on July 14, 2003 in the amount of $86,031.65. It is not included in this statement. A grant balance of $31,167.61 remains unbilled. The remaining amount will be billed in August 2003.

The second report is a trial balance as of June 30, 2003. The first line on it is the balance in the KLWWTD bank account as of June 30, 2003 of $39,205.17.

We are trying to resolve our cash flow issues to insure all district payments are made on a timely basis in the future and sufficient funds are available at time of payment. Receipt of the third grant draw request will be required to pay all known obligations on the payment schedule for July 30, 2003.

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

Key Largo Wastewater Treatment District

Statement of Revenues and Expenditures
From 6/1/2003 Through 6/30/2003

		Total Budget	Current Period Actual	Current Year Actual	Budget Remaining	Total Budget Variance
Revenues						
Monroe County FY 2003	337301	250,425.00	80,200.74	130,285.74	(47.97)	(120,139.26)
Other Revenues	343614	0.00	0.00	1,332.00	0.00	1,332.00
Investment Earnings	361001	0.00	7.10	66.78	0.00	66.78
Monroe County Loan FY	384004	100,000.00	0.00	100,000.00	0.00	0.00
Contributions from Citizens	389401	0.00	0.00	300.00	0.00	300.00
Total Revenues		**$ 350,425.00**	**$ 80,207.84**	**$ 231,984.52**	**(33.80)**	**$ (118,440.48)**
Expenses						
Board Expenses						
Board Meeting Expense	511001	45,000.00	3,600.00	19,200.00	57.33	25,800.00
Copy/Delivery Charges	511002	2,250.00	616.80	4,829.70	(114.65)	(2,579.70)
Postage Expense	511003	2,700.00	273.62	817.89	69.71	1,882.11
Insurance Expense	511004	5,000.00	0.00	7,500.00	(50.00)	(2,500.00)
Miscellaneous Expenses	511006	750.00	10.00	692.29	7.69	57.71
Legal Newspaper Ads	511007	1,800.00	0.00	1,259.13	30.05	540.87
Office Supplies	511008	500.00	0.00	0.00	100.00	500.00
Dues & Subscriptions	511009	175.00	0.00	175.00	0.00	0.00
Travel	511010	4,500.00	432.20	490.85	89.09	4,009.15
Rents & Leases	511011	9,000.00	0.00	0.00	100.00	9,000.00
Telephone	511012	900.00	96.71	520.77	42.14	379.23
Utilities	511013	1,350.00	0.00	0.00	100.00	1,350.00
P/R Tax-FICA	511211	0.00	223.20	1,190.40	0.00	(1,190.40)
P/R Tax-Medicare	511212	0.00	52.20	278.40	0.00	(278.40)
P/R Tax-FUTA	511213	0.00	(129.60)	0.00	0.00	0.00
Regulatory/Permit Fees	515002	0.00	0.00	500.00	0.00	(500.00)
Reserve for Contingencies	515003	40,500.00	0.00	0.00	100.00	40,500.00
Total Board Expenses		114,425.00	5,175.13	37,454.43	67.27	76,970.57
Operating & Management Services						
Management Contract	512005	74,000.00	10,800.00	44,900.00	39.32	29,100.00
Total Operating & Management		74,000.00	10,800.00	44,900.00	39.32	29,100.00
Professional Services						
Legal - General Counsel	514001	100,000.00	15,102.12	74,684.69	25.32	25,315.31
Utility Rate Consultant	514003	15,000.00	0.00	5,223.00	65.18	9,777.00
Engineering Services	514005	32,000.00	16,000.00	47,000.00	(46.88)	(15,000.00)
Audit & Accounting Services	514006	10,000.00	0.00	0.00	100.00	10,000.00
Total Professional Services		157,000.00	31,102.12	126,907.69	19.17	30,092.31
Transfers Out						
Capital Program Transfer	591004	5,000.00	0.00	0.00	100.00	5,000.00
Total Transfers Out		5,000.00	0.00	0.00	100.00	5,000.00
Total Expenses		**$ 350,425.00**	**$ 47,077.25**	**$ 209,262.12**	**40.28**	**$ 141,162.88**
Increase (Decrease)		**$ -**	**$ 33,130.59**	**$ 22,722.40**	**0.00**	**$ 22,722.40**

Key Largo Wastewater Treatment District

Normal Trial Balance - DM By Fund
From 10/1/2002 Through 6/30/2003

Account Code	Account Title	Debit Balance	Credit Balance
101001	Key Largo WWTD TIB	39,205.17	
202000	Accounts Payable		16,482.77
337301	Monroe County FY 2003		130,285.74
343614	Other Revenues		1,332.00
361001	Investment Earnings		66.78
384004	Monroe County Loan FY		100,000.00
389401	Contributions from Citizens		300.00
511001	Board Meeting Expense	19,200.00	
511002	Copy/Delivery Charges	4,829.70	
511003	Postage Expense	817.89	
511004	Insurance Expense	7,500.00	
511006	Miscellaneous Expenses	692.29	
511007	Legal Newspaper Ads	1,259.13	
511009	Dues & Subscriptions	175.00	
511010	Travel	490.85	
511012	Telephone	520.77	
511211	P/R Tax-FICA	1,190.40	
511212	P/R Tax-Medicare	278.40	
512005	Management Contract	44,900.00	
514001	Legal - General Counsel	74,684.69	
514003	Utility Rate Consultant	5,223.00	
514005	Engineering Services	47,000.00	
515002	Regulatory/Permit Fees	500.00	
Report Total		$ 248,467.29	$ 248,467.29
Report Difference	Balance 01KL - Key Largo Wastewater Treatment District		0.00

KLWTD Board Meeting
July 30, 2003

Item F – 3

Revisions to the KLWTD Board Meeting Schedule

KLWTD Calendar

August

Sun	*Mon*	*Tue*	*Wed*	*Thu*	*Fri*	*Sat*
					1	**2**
3	**4** *Haskell Schedule B if contract awarded by 6/2/03 – KLWTD reviews Concept Review Submittal*	**5**	**6**	**7**	**8**	**9**
10 Advertise public hearing on FY 2004 Budget	**11**	**12**	**13** Regular Meeting 4:00 p.m. Civic Club ***(Planning Commission)***	**14**	**15**	**16**
17	**18**	**19**	**20** ***BOCC***	**21** ***BOCC***	**22**	**23**
24	**25**	**26**	**27** Regular Meeting 4:00 p.m. Civic Club ***(Planning Commission)***	**28** (Islamorada Council)	**29**	**30**
31						

2003

KLWTD Calendar

September

Sun	*Mon*	*Tue*	*Wed*	*Thu*	*Fri*	*Sat*
	1 ←- - - - - - Rate Hearings if applicable *Haskell Schedule B if contract approved 6/2/03 – 30% design submittal*	**2** - - - - - - - - - - - - - -	**3** **requested new meeting date by AT	**4** - - - - - - - - - - - - - -	**5** - - - - - - - - - - →	**6**
7	**8**	**9**	**10** Regular Meeting & Public Hearing (Budget Resolution) 4:00 p.m. Civic Club (Planning Commission)	**11** **tentative new meeting date per 7-9-03 meeting	**12**	**13**
14	**15** *Haskell Schedule B if contract approved 6/2/03 – KLWTD reviews 30% design development*	**16**	**17** **requested new meeting date by AT ***BOCC***	**18** ***BOCC***	**19**	**20**
21	**22**	**23**	**24** Regular Meeting 4:00 p.m. Civic Club (Planning Commission)	**25** **tentative new meeting date per 7-9-03 meeting (Islamorada Council)	**26** rh	**27**
28	**29**	**30**				

2003

KLWTD Calendar

October

Sun	*Mon*	*Tue*	*Wed*	*Thu*	*Fri*	*Sat*
			1 ** requested new meeting date by AT	**2**	**3**	**4**
5 yk	**6**	**7**	**8** Regular Meeting 4:00 p.m. Civic Club NOT ADVERTISED (Planning Commission)	**9** **tentatively approved meeting date per 7-9-03 meeting	**10**	**11**
12	**13** *Haskell Schedule B if contract signed by 6/2/03 – 60% design submittal*	**14**	**15** ** requested new meeting date by AT ***BOCC***	**16** ***BOCC***	**17**	**18**
19	**20**	**21**	**22** Regular Meeting 4:00 p.m. Civic Club NOT ADVERTISED (Planning Commission)	**23** ** tentatively approved meeting date per 7-9-03 meeting	**24**	**25**
26	**27** *Haskell Schedule B if contract signed by 6/2/03 – KLWTD review of 60% design submittal*	**28**	**29**	**30**	**31**	

2003

KLWTD Calendar

November

Sun	*Mon*	*Tue*	*Wed*	*Thu*	*Fri*	*Sat*
						1
2	3	4	5 ** requested new meeting date by AT (Planning Commission)	6	7	8
9	10	11	12	13 **tentatively approved meeting date per 7-9-03 meeting	14	15
16	17	18 (Planning Commission)	19 ** requested new meeting date by AT *BOCC*	20 *BOCC*	21	22
23	24	25	26	27 Thanksgiving **tentatively approved meeting date per 7-9-03 meeting	28	29

2003

KLWTD Calendar

December

Sun	*Mon*	*Tue*	*Wed*	*Thu*	*Fri*	*Sat*
	1	2	3 ** requested new meeting date by AT (Planning Commission)	4	5	6
7	8	9	10	11 **tentatively approved meeting date per 7-9-03 meeting	12	13
14	15	16 (Planning Commission)	17 ** requested new meeting date by AT ***BOCC***	18 ***BOCC***	19 Hanukah	20
21	22	23	24	25 Christmas **tentatively approved meeting date per 7-9-03 meeting	26	27
28	29	30	31			

2003

Monroe County and the Fabulous Florida Keys
Southernmost County in the United States

2003 BOCC Meeting Dates

MEETING DATES	AGENDA DEADLINE	LOCATION
12/18/02 - 12/19/02	12/4/02	Marathon Government Center
1/15/03 - 1/16/03	12/31/02	Harvey Government Center
2/19/03 - 2/20/03	2/5/03	Key Largo Library
3/19/03 - 3/20/03	3/5/03	Marathon Government Center
4/16/03 - 4/17/03	4/2/03	Harvey Government Center
5/21/03 - 5/22/03	5/6/03	Key Largo Library
6/18/03 - 6/19/03	6/3/03	Marathon Government Center
7/15/03 - 7/16/03	6/30/03 Deadline is a Monday	Harvey Government Center
8/20/03 - 8/21/03	8/5/03	Key Largo Library
9/17/03 - 9/18/03	9/2/03	Marathon Government Center
10/15/03 - 10/16/03	9/30/03	Harvey Government Center
11/19/03 - 11/20/03	11/4/03	Key Largo Library
12/17/03 - 12/18/03	12/2/03	Marathon Government Center

All meetings in all areas begin at 9:00 a.m.

Harvey Gov't Center Second Floor **1200 Truman Ave** **Key West, FL**	**Marathon Gov't Center** **2798 Overseas Highway MM 47.5 (Gulf)** **Marathon, FL**	Key Largo Library Tradewinds Shopping Pl 101485 Overseas Hwy Key Largo, FL

Approved at the November 20, 2002 BOCC meeting. Revised April 16,2003 BOCC meeting.

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2003 PLANNING COMMISSION HEARING SCHEDULE

HEARING DATE	LOCATION
January 8	MARATHON
January 22	KEY LARGO
February 12	MARATHON
February 26	KEY LARGO
March 12	MARATHON
March 26	KEY LARGO
April 9	MARATHON
April 23	KEY LARGO
May 7	MARATHON
May 28	KEY LARGO
June 11	MARATHON
June 25	KEY LARGO
July 9	MARATHON
July 23	KEY LARGO
August 13	MARATHON
August 27	KEY LARGO
September 10	MARATHON
September 24	KEY LARGO
October 8	MARATHON
October 22	KEY LARGO
November 5	MARATHON
✓November 18	KEY LARGO
December 3	MARATHON
✓December 16	KEY LARGO

Hearings begin at 10 AM

✓ These dates are TUESDAYS, all others are Wednesdays

Locations: Marathon Gov't. Center
2798 Overseas Hwy., MM 47.5

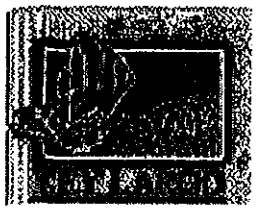
Key Largo Library
Tradewinds Shopping Ctr., MM 101.4

KLWTD Board Meeting
July 30, 2003

Item J

DRAFT July 9, 2003 Meeting Minutes

DRAFT



Key Largo Wastewater Treatment District
Board of Commissioners Meeting Minutes
4:00 PM Wednesday, July 9, 2003
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

COMMISSIONERS PRESENT

Chairman Andrew Tobin
Commissioner Gary Bauman
Commissioner Cris Beaty
Commissioner Charles Brooks
Commissioner Jerry Wilkinson

STAFF PRESENT

Robert Sheets, General Manager, Government Services Group
Amy Dukes, Legal Counsel, Lewis Longman & Walker, P.A. (via telephone-for the meeting only)
~~Faith Doyle, KLWTD Board Clerk~~

GUESTS PRESENT

Robert E. Burt, Key Largo Resident
Steve Gibbs, Reporter for the Free Press

A. Call to Order

Chairman Andrew Tobin called the meeting to order at 4:05 p.m.

B. Pledge of Allegiance

The Pledge of Allegiance was recited.

C. Budget Workshop

Chairman Tobin requested that Mr. Sheets conduct the workshop. Mr. Sheets stated that discussion regarding several budget items from the previous workshop had been incorporated into the documents presented.

Mr. Sheets stated that Line 19 "Rents and Leases" was reduced by 50%. It was the consensus of the Board that the amount allocated for rent and leases was greater than necessary and there could be funds left if a local office is not opened before the end of the fiscal year. The Board expressed a desire to have a district facility for meeting with citizens, holding Board meetings and to store copies of the official documents of the District.

Mr. Sheets stated that at the Board's direction the contingency line 23 and line 30 were combined for special projects such as the planning study and customer outreach programs.

Mr. Sheets stated that because of the Board's discussion in reference to professional services fees there was a $28,000 reduction to legal expenses and that $12,000 of those funds were reserved for a grant specialist. Mr. Sheets stated that legal expenses thus far have been greater because of the birth of district and that the drafting of initial contracts (professional services, Inter-local Agreement, County Loan Agreement) and resolutions have added to the expense. Mr. Sheets believes these expenses should decrease to $7-8,000 a month for general legal expenses during FY2004. Mr. Sheets noted that legal issues directly related to the capital projects should come from capital project funds. Chairman Tobin suggested that $5,000 a month for general legal counsel and a second line item for litigation reserve would be appropriate. Mr. Sheets agreed that a litigation reserve is an option or another option would be to have two lawyers one for general District issues and one as special utility legal counsel for more utility specific needs. Mr. Sheets stated that to revise the budget a consensus must be expressed.

Chairman Tobin asked the other member's view on the issue. Commissioner Bauman agrees that legal fees are to high and asked what Mr. Sheets believes are the legal needs in FY2004 above and beyond the review of routine agendas. Mr. Sheets believes that during FY2004 the affairs of the District should become less intensive and that Chairman Tobin's suggested $5,000 per month would equate to approximately 30 hours of legal services a month at $175 per hour, or 15 hours a meeting. Chairman Tobin stated that he believes it is not necessary to have extensive legal review for every agenda item. Commissioner Bauman believes that 15 hours a meeting is sufficient. Mr. Sheets suggested that legal counsel be presented with the option of an agreement with a fixed fee. This would be another option to reduce costs for routine matters and if there are specific issues to be explored it would be at the direction of the Board. Commissioner Beaty stated that $5,000 a month would be adequate in his opinion for review of the basic items and he would like to see a litigation contingency line item. Commissioner Brooks stated that he had been concerned with legal expenses from the inception of the District and was disturbed when the Inter-local Agreement, which was a County project, became bogged down and the KLWTD accomplished the task and absorbed the expense of approximately $9,000. Commissioner Brooks believes that having general counsel and utility counsel would be of benefit. Commissioner Brooks would like a local attorney for general work and suggested Lewis, Longman and Walker for specific utility work. Commissioner Brooks has attempted to ascertain specific costs for different tasks by reviewing the current legal expenses. He stated that it is difficult to extrapolate the information. Discussion ensued on the specific amounts to be budgeted for general legal expense and if there should be a legal utility expense line added or a litigation contingency line added. Commissioner Wilkinson stated that he would prefer a local attorney for general

issues and would like to retain Lewis, Longman and Walker for specific issues. Chairman Tobin directed the Manager to appropriated $60,000 for general counsel and $48,000 for litigation reserve.

Chairman Tobin stated that he had brought it to the attention of Ms. Dukes that there is a need for more detailed time entries on legal invoices. Chairman Tobin suggested that all contracts entered into by the District stipulate that all invoices be itemized.

Chairman Tobin directed the Manager to convey these wishes to Lewis, Longman and Walker and that if the itemized billing indicates that the expense is approaching $5,000 a month and if it is believed that the amount will exceed the budget for the month the Manager should be contacted concerning the overage. The Manager could then prepare a budget adjustment if necessary.

Commissioner Brooks asked if obtaining local legal counsel was on the floor for discussion. Chairman Tobin stated that he believes it is not appropriate to discuss the issue during the workshop but at some point in time it should be discussed. Commissioner Beaty agreed that it should be an issue for a future agenda. Commissioner Beaty asked if a request for qualification (RFQ) is necessary when contracting for legal services. Mr. Sheets stated that an RFQ is not required for legal services, but the issue of seeking other counsel should be for a valid reason, for example, if you are not receiving competent counsel, if you are being billed excessively, or if the workload is so great that additional counsel is required. Mr. Sheets believes this issue is an extremely important discussion item and needs to be thought out completely prior to action being taken. Chairman Tobin does not want to limit discussion but does have concerns with the issue being discussed at the present time. Commissioner Bauman stated that he desires discussing the matter in greater detail but believes it should not be at present. Commissioner Brooks requested that the item be added to a future meeting agenda as a discussion item. Chairman Tobin directed the Clerk to include the item for discussion on the agenda for the second meeting in August.

Mr. Sheets continued with the budget workshop and stated that line 29 was originally budgeted for a rate consultant was reduced to zero because a rate study is not warranted for FY2004. The funds were transferred to line 33 for a grant specialist as requested by the Board. Commissioner Wilkinson asked Mr. Sheets view on the need for a rate consultant. Mr. Sheets stated that the rates have been set for monthly service charges ($35) and the initial capacity fee ($2,700) and that until the contract operators come online it cannot be determined if increased rates are required to meet future budgets. The rate study would be necessary at that point.

Commissioner Brooks asked when rules for connection procedures and deposit collections would be enacted. Mr. Sheets stated that these procedures would fall under the mandatory connection procedure. The development of the mandatory connection procedure would be charged and paid for from the connection fees because it is an administrative expense of a capital project. Mr. Sheets stated that because the District is not under Chapter 120 administrative codes the Boards rules, the FKAA rules that were adopted by the KLWTD could

be used or they could choose to modify them, however there is no budgetary impact for FY2004.

Mr. Sheets noted that if the budget would be approved as discussed today there would be a $70,000 reserve. The reserve needs to be protected and over the next few years it is critical to have reserves for emergencies. The funds could not be re-appropriated without going through a specific procedure. Commissioner Brooks asked when final approval on the budget would be required and when it would be decided that the .35 MSTU rate would be utilized. Mr. Sheets stated that the budget would need to be approved in September and that the County has the millage of .35 and to reduce it would reduce the reserve. Mr. Sheets stated that a public hearing on the budget is necessary prior to adoption and the public hearing MUST be advertised 30 days in advance. Mr. Sheets stated that for the public to have time to review and respond to the budget it was suggested that a public input hearing be held in August. It was the consensus of the Board to have a public input hearing in August. It was suggested that copies of the budget be provided to the Key Largo Federation of Homeowners and the Key Largo Trailer Village Homeowners Association.

Commissioner Bauman requested budget to actual expenditure figures. Mr. Sheets suggested that the Board be provided with a quarterly financial status report. The chief financial officer, David Miles would present the current budget status and identify any shortfalls and recommend budget adjustments if warranted. The Board agreed with the suggestion.

Commissioner Wilkinson asked about the collection costs for the MSTU. Mr. Sheets stated the budget reflects a 95% collection rate for MSTU receivables. The balance of 5% should cover the cost of collection. Commissioner Wilkinson expressed concerned with the cost of collection and the timing of transferring funds from the County to the KLWTD. Mr. Sheets stated that a liquidity analysis to verify funding requirements would be conducted by the CFO and that research is being conducted to establish a line of credit with TIB Bank to cover any cash flow difficulties.

Chairman Tobin questioned line 27 "Management" and the difference between the 2003 amount and 2004 management contract. Chairman Tobin also requested that the general manager keep time records. Mr. Sheets stated that the amount reflects the 3% annual increase as indicated by the management contract that would not be in effect until April 2004. Chairman Tobin would like to see the actual amount of $129,600, or 12 months x $10,800, in the budget.

Mr. Sheets stated that a revised budget would be presented at the next meeting prior to the advertisement being placed for the public hearings.

The workshop concluded and Chairman Tobin recessed the meeting at 5:10 p.m.

Chairman Tobin reconvened the meeting at 5:20 p.m.

D. Additions, Deletions or Corrections to the Agenda

There were no additions, deletions or corrections to the Agenda.

Ms. Amy Dukes joined the meeting via telephone at 5:25 p.m.

E. Action Items

1. Approval of the Revised Monroe County/ Key Largo Wastewater Treatment District Loan Agreement

Chairman Tobin brought Item E1 to the floor. **COMMISSIONER BROOKS MOTIONED TO APPROVE THE REVISED MONROE COUNTY/KEY LARGO WASTEWATER TREATMENT DISTRICT LOAN AGREEMENT. COMMISSIONER BAUMAN SECONDED THE MOTION. COMMISSONER WILKINSON WAS NOT IN FAVOR OF THE MOTION AND VOTED NO. ALL OTHER MEMBERS WERE IN FAVOR. THE MOTION WAS APPROVED BY A VOTE OF FOUR TO ONE.**

Legal Counsel Report

Ms. Dukes stated that she has been working on various projects in conjunction with the Manager and CFO since the last meeting including the Standard Professional Consultant Contract, the Auditors Service Contracts and the check writing policy. Chairman Tobin stated that the Standard Professional Consultant Contract was on the agenda and asked Ms. Dukes if it required any additional work. Ms. Dukes stated that it was complete. Ms. Dukes stated that the Auditors Service Contract needed minor changes.

Chairman Tobin informed the Board that as a result of communications with Danny Kolhage, Monroe County Clerk of Courts, concerns were raised in reference to the present KLWTD Expenditure Policy (Resolution 2003-11). The results are covered in a memo drafted by Lewis Longman and Walker. Mr. Kolhage questioned the General Manager's check writing authority. Chairman Tobin noted that the FKAA requires the chairman and one board member's signature on all disbursement checks and noted that law does not mandate this requirement. Mr. Sheets stated that under the current policy funds can't be disbursed without approval by the Board and that the emergency provision gives approval for items under $1,000 and that any emergency expenditures must be reported to the Board immediately. Mr. Sheets suggested that the Chairman or the Secretary/Treasurer sign the disbursement approval document if one is developed and approved by the Board.

Discussion ensued concerning different expenditure procedures. Mr. Sheets stated that he would present a management recommendation on a procedure. Chairman Tobin suggested that separate procedures be developed for each fund in the future. Ms. Dukes stated that if the procedure changes, there would need to be a new resolution to enact it. Chairman Tobin agrees that a new resolution is required to change the procedure, which would include the suggested disbursement approval document. Chairman Tobin requested that the resolution be drafted and the disbursement approval document. Chairman Tobin stated that Resolution 2003-11 was conditioned on having errors and omissions insurance or wrongful acts coverage and that GSG had not included this specific coverage. Ms. Dukes stated that she would

amend the resolution once the policy is changed. Chairman Tobin stated that he would like to review Resolution 2003-11 to verify if the changes could be made without Ms. Dukes' assistance.

Commissioner Brooks requested copies of the insurance documents for review that the Chairman had referred to. Chairman Tobin requested the Clerk to distribute copies of the GSG insurance certificates. Commissioner Brooks questioned the authorization of changing the check writing process. Chairman Tobin stated that at present the only action being explored was to have the Chairman and Secretary/Treasurer sign authorizing disbursements. Mr. Sheets suggested that a wrongful act rider be added to the current GSG insurance policy. The Board requested that a copy of the present KLWTD Expenditure Policy (Resolution 2003-11) be forwarded to them.

Chairman Tobin requested that the Auditor Services Contract be distributed to the Board and that it be placed on a future agenda.

Chairman Tobin brought to the floor for discussion the need to explore changing the Board meeting schedule due to conflicts with the Monroe County Planning Commission and County Commissioners meetings. The 2nd and 4th Thursday was suggested. Commissioner Brooks stated that the Civic Club schedule should be checked for availability and that he would take the new dates to the Civic Club Board for consideration on July 22. Commissioner Bauman requested the meetings be held the third Thursday. Commissioner Beaty would prefer Thursday meetings. Chairman Tobin stated that the August meetings are to be kept as scheduled and the switch would take place in September.

Discussion ensued concerning the rescheduling of the July 23 meeting to July 30. Chairman Tobin and Mr. Sheets have conflicts on July 23 and Ms. Dukes has a conflict on July 30. Mr. Sheets stated that the items of importance for the upcoming agenda include the scopes from Weiler Engineering Corporation (WEC) for construction management and the GSG construction administration work authorization. Mr. Sheets suggested that staff and WEC meet with individual Board members on July 21 and 22 on the scope of services so that revisions could be made to the scope so that it could be considered for Board authorization on July 30. Mr. Sheets stated that a formal presentation by WEC would be made on July 30 and that GSG would conduct a general construction management presentation illustrating the difference between A.6 and A.7 services.

Chairman Tobin suggested that Brown and Caldwell as design engineer on the Haskell team have a round table discussion along with WEC and GSG staff to understand what the KLWTD Board expects from project management. Chairman Tobin suggested the discussion be held at the July 30 meeting and that it be video taped in the event that negotiations with WEC fail. Chairman Tobin believes videotape would facilitate the process if the Board proceeds to the next engineering firm.

Discussion ensued on involving Brown and Caldwell in the process prior to WEC being under contract with KLWTD.

Commissioner Wilkinson asked how contract section E.2 ties into the 'scope of service'. Mr. Sheets stated that the general contract needs to be signed with general terms then a request for a scope of service, which results in a work authorization needs to be approved by the Board. Discussion ensued on redesign of the Park. Mr. Sheets stated that the present cost would include the redesign of the project at a price specified by WEC and that additional engineering work for KLP would require an additional engineer.

Commissioner Bauman asked if Brown and Caldwell were contractually bound to attend KLWTD meetings. Chairman Tobin stated that the cooperation clause in the Haskell contract was requested for this purpose. Ms. Dukes stated that her understanding is that under the cooperation clause, Haskell would need to request that Brown and Caldwell attend as part of the Haskell team. Mr. Sheets suggested that WEC, Haskell and Brown and Caldwell discuss the project management plan prior to the public meeting. Chairman Tobin, Commissioner Bauman and Commissioner Wilkinson agreed with Mr. Sheets' suggestion adding that Higgins also needs to be involved. Mr. Sheets stated that his goal is to educate the Board during this first experience with project management and daily engineering activities. Chairman Tobin believes that the engineering fees are out of hand and need to be controlled. Mr. Sheets stated that he would initiate whatever action the Board requests. Discussion ensued. Commissioner Brooks believes the Board needs to act on a management plan and that when professionals are hired with specific expertise to oversee projects the Board needs to place confidence in them and in the case of WEC, Haskell had enough confidence in them to potentially have them on their team. Commissioner Beaty agrees that after an agreement has been reached with WEC on a scope of service all parties should meet to develop a management plan for the Board's approval. Commissioners Brooks, Beaty, Bauman and Chairman Tobin agreed. Commissioner Wilkinson agreed but has concerns that he believes will be addressed during the meeting with WEC.

COMMISSIONER BROOKS MADE A MOTION TO RESCHEDULE THE JULY 23RD MEETING TO JULY 30TH AT 3:00 P.M. AND TO ADVERTISE THE CHANGE AND TO HAVE WEC MAKE A PRESENTATION ON CONSTRUCTION MANAGEMENT AND GSG MAKE A PRESENTATION ON CONSTRUCTION ADMINISTRATION. COMMISSIONER BEATY SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

It was the consensus of the Board that the WEC and GSG presentations, the pending payments and disbursement approval document (revised Resolution 2003-11) be the only items on the July 30, 2003 agenda.

2. Approval of the Standard Contract for Consulting/Professional Services

Chairman Tobin brought the item to the floor for discussion. Mr. Sheets stated that the contract had been approved by virtue of the issuance of the RFP and that this was being presented for ratification. Chairman Tobin believes that due to the potential for requested changes from the engineering firms, the contracts should be considered on an individual basis. Commissioner Brooks stated he has concerns with section 6.A and the several other statements in the contract. It was the consensus of the Board to table the item and to

consider the individual contracts that are received from the responding top eight engineering firms.

Mr. Sheets informed the Board that the Notice to Proceed (NTP) has been sent to the Haskell Company for the KLTV project. The Clerk was instructed to forward copies to the Board. Chairman Tobin stated concern over the issuance of the NTP being premature. Mr. Sheets stated that it was necessary to trigger an updated Schedule B and a meeting with the DCA to rework the draw down schedule. Discussion ensued on the issuance of the NTP and the ramifications of the action. The Manager and Legal Counsel were directed to review the ramifications and rescind the NTP if necessary. Commissioner Bauman asked what the first task is to be. Mr. Sheets stated that it would be the preliminary design. Commissioner Bauman believes the action was not premature and does not want the preliminary design delayed. Chairman Tobin requested that Mr. Sheets review the situation and to advise the Board of any areas of concern.

Commissioner Bauman asked if there has been any response to the letter that was forwarded to the FDEP. Mr. Sheets noted that no responses have been received.

COMMISSIONER BAUMAN MOTIONED TO APPROVE THE JUNE 25, 2003 MINUTES WITH THE ADDITION OF CHAIRMAN TOBIN'S YES VOTE ON PAGE 9. COMMISSIONER BEATY SECONDED THE MOTION. THE MOTION WAS UANANIMOUSLY APPROVED.

Mr. Sheets stated that a revised FY2004 Budget would be provided for the Board's review at the July 30 meeting in preparation for advertisement.

Chairman Tobin adjourned the meeting at 6:42 p.m.

fixed fee

KLWTD Board Meeting
July 30, 2003

Item E – 3

Approval of the Scope of Service for Capital Project and Grant Management and Administration with Government Services Group, Inc. for the KLTV & KLP Projects

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

TO: Key Largo Wastewater Treatment District Board Members

CC: Charles Sweat, Director of Operations
Faith Doyle, Clerk to the Board
David Miles, Chief Financial Officer
Terry Lewis, Board Attorney
Amy Dukes, Board Attorney

FROM: Robert E. Sheets, General Manager

DATE: July 23, 2003

RE: Capital Project Construction Management and Grants Administration By Government Services Group, Inc.

Dear Directors:

In the management of the capital projects recently awarded for construction of the wastewater treatment plant and collection system in Key Largo Trailer Village and the collection system in Key Largo Park, there are three major areas of concern for the Board of Directors to consider to ensure successful completion of the construction phase of the two projects.

- Design monitoring and technical supervision of the construction process and resultant products for quality of workmanship.

- Construction management to ensure the owner is getting the product desired, in a timely basis, and within the budgetary constraints established.

- Grant and financial management to complete the objectives sought by the grantor agencies, compile all necessary reports, comply with financial constraints placed on the District by the grantors, record the receipt and disbursement of funds in our accounting records, and insure the audit ability of District records.

To meet these needs, staff is submitting a companion agenda item containing two scope of work documents for the Board of Directors' consideration from Weiler Engineering Corporation to act as the District's Engineer of Record during the construction phase. There is one scope document for each of the two capital projects. The work to be performed by Weiler is designed to meet the first of the three concerns addressed above, construction design monitoring and technical quality assurance supervision. It also shares the function of construction management and observation with the District Manager proposal as addressed below.

The attached documents provide two alternatives, Time and Materials (Exhibit A) and Fixed Fee (Exhibit B), of a proposal from Government Services Group, Inc. (GSG) (the District Manager) to perform the construction management and all of the financial and grant management. While Weiler Engineering Corporation will provide the bulk of the inspection and observation services, it will be under the direction of the District Manager, who will be responsible for the operation of the completed wastewater system. The GSG proposal addresses the construction management needs of the District, as the owner's authorized representative. This includes functions such as accepting completed work and reviewing and approving invoices for payment. It involves having a representative that the construction contractors and engineer can go to in order to resolve minor construction issues, that if left unresolved could result in time delays and increased costs. It includes having a technically sophisticated representative on site periodically (about 20 hours per month) to review the project completion with the contractor and the Engineer of Record, to ensure that it will be functional for the ultimate plant operator and constructed in a manner to preclude extra costs from being incurred once the completed plant is operational. It is essential that the District Manager as the ultimate operator of the completed system have accurate first-hand knowledge of the projects, which he will oversee when operations commence.

The GSG staff will minimize the need for change orders, often with resultant cost increases, through coordination with the engineer and construction contractor. They will negotiate any change orders necessary, for example to complete connection of all properties in Key Largo Park. Ultimately, they act as the agent for the owner to ensure the District receives a quality wastewater treatment plant and collection system that serves Key Largo Park and Key Largo Trailer Village.

In addition, GSG, is tasked as District Manager, with the complete grant and financial management function for the two projects through their duration and final construction, contractual, and grant programmatic and financial closeout, including post closure audit. This involves payment of correct invoices submitted by the contractors and reviewed by the engineers and technical staff. It includes submitting grant reimbursement requests to the five grantor agencies and responding to any inquiries from them. This proposal involves monitoring and coordinating grants execution and reporting for Monroe County, Florida Department of Community Affairs (FDCA), Florida Department of Environmental Protection (FDEP), Federal Emergency Management Agency (FEMA), and the South Florida Water Management District (SFWMD). Proper accounting for grant proceeds received and all revenue and expenses, as mandated by the grant documents and generally accepted accounting principles, is also included. Preparing the accounting records, preparing programmatic and financial reports and dealing with auditors, both the District's external auditors and auditors from the grantor agencies, are responsibilities of GSG. Please keep in mind that any disallowance of expenses by a grantor will result in the District using its limited operational budget to absorb such costs. Accuracy of programmatic and financial reporting is therefore essential.

The closeout of the construction contracts and the numerous grant documents to the satisfaction of the District and all grantor agencies is an important final step in this process.

Both GSG proposals include a total not to exceed expense of $49,950.00 for the Key Largo Park project, inclusive of all travel and other expenses. The Key Largo Trailer Village project proposal is not to exceed $100,050.00, inclusive of all travel and other expenses. The total of all costs for GSG's services is not to exceed $150,000.00.

Please note that all hours incurred by the District Manager in support of these efforts, including discussions with benefiting neighborhood groups and appraising the Board of Directors of project status, will not be billed as part of this process, but are part of added services the District Manager provides to ensure the long-term viability of the Key Largo Wastewater Treatment District.

RECOMMENDATION:

The scope of service proposed by Government Services Group, Inc. provides for the overall construction management and administration and grant programmatic and financial oversight, to ensure all work on the two projects is completed correctly within grant guidelines and in a fiscally responsible manner. The Board of Directors is requested to approve this scope of work and select whether to use the time and materials (exhibit A) or fixed fee (exhibit B) method for payment of Government Services Group.

GSG
Government Services Group, Inc.

Government Services Group, Inc.
Dedicated to solving funding and service delivery issues in the public sector

1500 Mahan Drive, Suite 250 • Tallahassee, FL 32308 • Phone (850) 681-3717 • Fax (850) 224-7206 • E-mail: gsg@govserv.com

EXHIBIT A

SCOPE OF SERVICE
CAPITAL PROJECT AND GRANTS ADMINISTRATION AND MANAGEMENT
Time and Materials Basis

This Scope of Service will set forth the intentions and agreements between the Key Largo Wastewater Treatment District (the "District") and Government Services Group, Inc. ("GSG") acting as a District Manager ("Manager") in regard to the provisions by GSG of Capital Project and Grants Administration Management and other "Additional Services" contemplated in Article III of the Management Services Agreement entered between the parties in March 2003.

The Parties agree as follows:

GSG shall perform the Capital Project Administration Services described in this Memorandum for Key Largo Park ("KLP") and Key Largo Trailer Village ("KLTV") authorized by the District. Fees for services provided by the Manager on behalf of the District pursuant to this agreement shall be on a time and materials basis ~~consistent with the standard hourly rates described in this agreement~~

Services Provided: As part of the project and construction administration fee, GSG shall perform the following tasks:

- Financial Management: As part of the grant administration and financial management functions to be performed by the Manager, GSG will perform the following financial administration and reporting tasks:

    a. Review payment requests and change orders from contractors, engineers, and consultants as the "owner's" representative and approve correct invoices for payment that are within the delegated approval authority of the District Manager, or recommend approval/disapproval to the Board of Directors for those items in excess of the delegated approval authority. *(Task FM 1)*

    b. Disburse funds on behalf of the District in payment of correct invoices, after securing appropriate disbursement authorization from the Board of Directors or District Manager. All disbursements will be conducted in accordance with District policy. This includes preparation of all documentation to place approval authorizations on Board of Director's agendas. *(Task FM 2)*

c. Prepare grant reimbursement requests and reports, to include assembling back-up documentation and obtaining necessary signatures of contractors, engineers, District Manager and operating officials, and District elected officials. Submit grant reimbursement documentation, respond to inquiries, prepare supplemental data and reports, and meet with grant representatives of Federal, State of Florida, Monroe County, South Florida Water Management District and other government entities as required. *(Task FM 3)*

d. Post grant receipts to accounting records and deposit receipts in District bank account(s). *(Task FM 4)*

e. Prepare monthly, quarterly, and annual programmatic and financial reports for grantor governments (including, but not limited to FEMA, FDEP, FDCA, SFWMD) and the Board of Directors, as stated in grant documents. *(Task FM 5)*

f. Prepare accounting records and reports for District external auditors, and to meet the federal and State of Florida single audit act requirements. Insure grant documentation is maintained consistent with statute and governing grant agreements. Meet with and provide documentation to auditors from grantor governments, as required. *(Task FM 6)*

g. Maintain cash liquidity of the Key Largo Wastewater Treatment District construction projects, and recommend interim financial funding sources to the Board of Directors for approval, to insure construction completion is not inhibited by funding shortfalls. *(Task FM 7)*

h. Prepare financial closeout of all grant funds and prepare final grant reports to all grantors and Board of Directors, enter fixed assets in accounting records, set up depreciation schedules, and complete all financial activity to close projects. *(Task FM 8)*

- Construction Management: As part of the construction management functions, GSG will manage activities of the consulting engineers, contractors and other professionals to facilitate timely completion and permitting of Key Largo Park and Key Largo Trailer Village. In addition, any issues regarding easements and right of ways will be reviewed and dealt with by GSG under direction of the Board of Directors. These following tasks will be conducted as necessary and reasonably required with regard to construction of capital projects.

  a. Issue interpretations and clarifications of contract documents during construction. *(Task CM 1)*

b. Evaluate a request for substitutions or deviations there from. *(Task CM 2)*

c. Prepare any additional work orders. *(Task CM 3)*

d. Monitor any required project records. *(Task CM 4)*

e. Conduct comprehensive inspections of projects. *(Task CM 5)*

(*Note*) *These efforts will be coordinated with the District's Engineer of Record to insure that there is no overlap or redundancy of efforts.*

f. Develop list of items needing completion or correction. *(Task CM 6)*

g. Negotiate all contact with engineers and other consultants regarding scope and costs of necessary change orders. *(Task CM 7)*

h. Provide proof of compliance to State and Federal grant funding entities. *(Task CM 8)*

i. Meet with, on an ongoing basis, the professional selected by the District to insure that design concepts, construction standards, timeframes and budgets are adhered to according to contract commitments. *(Task CM 9)*

j. Assist in the resolution of conflicts, problems or other activities relative to projects authorized by the District. The disputes may include, contract issues, change orders, service interruption issues, coordination with other utilities for government entities and customer relations. *(Task CM 10)*

k. Coordinate and maintain involvement with a community information program regarding the KLP and KLTV. This will include meetings and discussions with the residents to insure that they are continually informed as to the progress of the projects. *(Task CM 11)*

l. Conduct close out procedures at the conclusion of each capital project. Including, a report to the District outlining the logical costs of these facilities, impact on operations and maintenance, customer service, wastewater capacity, storage facilities, distribution facilities, buildings and other infrastructure. This report will be prepared in concert with the District's Engineer and the Contractor. *(CM 12)*

- Presentations: The District Manager will attend and participate in all presentations required to insure that the District's projects are on schedule and that appropriate information is being maintained to track and monitor such compliance. Periodic meetings within the neighborhood groups with the engineers and contract managers to explain the purpose of the project, interruptions that may occur and a point of contact for customer complaints or anticipated concerns. In addition, the District Manager anticipates presentations and meetings with local governmental entities and other interested parties to provide necessary information regarding the progress of these projects.

- Reimbursement to Government Services Group, Inc.: Payment for services rendered consistent with this agreement shall be based on time and materials. The reimbursement rates for labor shall be consistent with the hourly rates below. All travel expenses will be in accordance with Section 112.061, Florida Statutes. Copy expenses are $0.15 per page. Other expenses will be based on actual cost.

The following hourly rates shall apply to work completed by Government Services Group, Inc. employees in the performance of this agreement:

1. Director of Operations	$150.00/hr
2. Chief Financial Officer	$130.00/hr
3. Project Manager	$90.00/hr
4. Accountant	$85.00/hr
5. Secretarial & Administrative Support Staff	$40.00/hr

- Estimated costs by functions described above are as follows, not to exceed $150,000.00 without prior written approval by the Board of Directors. The functions performed under this scope of effort apply jointly to the Key Largo Park and the Key Largo Trailer Village projects. For purposes of accounting each ERC of benefiting property will share equally in these costs. Key Largo Park with 283 out of 850 total ERC's would be assigned 33.3 percent of costs. Key Largo Trailer Village with 567 out of 850 total ERC's would be assigned 66.7 percent of costs.

Government Service Group Estimated Fees

Key Largo Park

Based on 13 month construction period with both projects running concurrently

Task No.	Task Description	Dir. Opns.	CFO	Proj Mgr	Accountant	Admin Staff	Total Hrs	Cost
Rates		$150.00	$130.00	$90.00	$85.00	$40.00		
FM 1	Review Payment Request/Change Orders	8	8				16	$1,200.00
FM 2	Disburse funds		8		8		16	$1,720.00
FM 3	Prepare grant rimbursement requests		27		13	3	43	$4,735.00
FM 4	Post grant receipts & deposit				8		8	$680.00
FM 5	Prepare programmatic and financial reports		27		5	5	37	$4,135.00
FM 6	Prepare accounting records for audit		13		7	1	21	$2,325.00
FM 7	Maintain cash liquidity		13				13	$1,690.00
FM 8	Grant and financial closeout		27		8	5	40	$4,390.00
Subtotal		8	123	0	49	14	194	$21,915.00
CM 1	Clarify contract documents	2		1		1	4	$430.00
CM 2	Evaluate substitutions/deviations	2		3		1	6	$610.00
CM 3	Prepare work orders	1	1	1		1	4	$410.00
CM 4	Monitor project records	1	1	4	1	2	9	$805.00
CM 5	Conduct owner's inspection of projects	16		69		10	95	$9,010.00
CM 6	Prepare list of corrections	3		3		1	7	$760.00
CM 7	Negotiate scope of work changes	6		7		1	14	$1,670.00
CM 8	Document grant compliance	3	7			1	11	$1,400.00
CM 9	Meet with engineer & contractors	7		7		1	15	$1,720.00
CM 10	Conflict resolution	7		7		1	15	$1,720.00
CM 11	Community information	10	2	7		3	22	$2,510.00
CM 12	Close out	13		7		1	21	$2,620.00
Subtotal		71	11	116	1	24	223	$23,565.00
Grand Total		79	134	116	50	38	417	$ 45,480.00

Government Service Group Estimated Fees

Key Largo Village

Based on 13 month construction period with both projects running concurrently

Task No.	Task Description	Dir. Opns.	CFO	Proj Mgr	Accountant	Admin Staff	Total Hrs	Cost
Rates		$150.00	$130.00	$90.00	$85.00	$40.00		
FM 1	Review Payment Request/Change Orders	18	18				36	$2,700.00
FM 2	Disburse funds		18		18		36	$3,870.00
FM 3	Prepare grant rimbursement requests		53		27	5	85	$9,385.00
FM 4	Post grant receipts & deposit				18		18	$1,530.00
FM 5	Prepare programmatic and financial reports		53		11	11	75	$8,265.00
FM 6	Prepare accounting records for audit		27		13	3	43	$4,735.00
FM 7	Maintain cash liquidity		27				27	$3,510.00
FM 8	Grant and financial closeout		53		17	11	81	$8,775.00
Subtotal		18	249	0	104	30	401	$45,110.00
CM 1	Clarify contract documents	4		3		1	8	$910.00
CM 2	Evaluate substitutions/deviations	4		7		1	12	$1,270.00
CM 3	Prepare work orders	2	1	4		1	8	$830.00
CM 4	Monitor project records	3	1	8	3	4	19	$1,715.00
CM 5	Conduct owner's inspection of projects	31		139		22	192	$18,040.00
CM 6	Prepare list of corrections	5		7		1	13	$1,420.00
CM 7	Negotiate scope of work changes	10		13		1	24	$2,710.00
CM 8	Document grant compliance	7	13			1	21	$2,780.00
CM 9	Meet with engineer & contractors	13		13		1	27	$3,160.00
CM 10	Conflict resolution	13		13		1	27	$3,160.00
CM 11	Community information	20	3	13		7	43	$4,840.00
CM 12	Close out	27		13		1	41	$5,260.00
Subtotal		139	18	233	3	42	435	$46,095.00
Grand Total		157	267	233	107	72	836	$ 91,205.00

Reimbursable expenses for travel and materials will be in addition to the labor expenses in the above table and are estimated to be $13,315.00. $4,470.00 would be allocated to Key Largo Park and $8,845.00 would be allocated to Key Largo Village.

IN WITNESS WHEREOF, the parties hereto have set their hands and official seals the ____ day of _____, 2003.

Key Largo Wastewater District
An Independent Special District

ATTEST:

BY: _____
Andrew Tobin
Chairman, Board of Directors

_____
Clerk to the Board
Faith Doyle

ENDORSED AS TO FORM & LEGALITY:

_____
Amy Dukes, Board Attorney

FIRM:

_____
Government Services Group, Inc.

(CORPORATE SEAL)

BY: _____
SIGNATURE

WITNESSES:

_____
TYPED NAME

_____

_____
TITLE

SWORN TO and SUBSCRIBED before me this ____ day of _____, 2003.

(Seal)

_____
NOTARY PUBLIC

My Commission Expires:

Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda
3:00 PM Wednesday, July 30, 2003
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. Construction Administration/Project Management Workshop

1. Presentation by Weiler Engineering Corporation on Construction Management

2. Presentation by Government Services Group, Inc. on Project Management and Administration

D. Additions, Deletions or Corrections to the Agenda

E. Action Items

1. Approval of the Weiler Engineering Corporation Contract for Consulting/Professional Services

2. a. ~~Approval of KLWTD Work Authorization WEC 03-01 with Weiler~~ Engineering Corporation for engineering services for the KLTV Project

b. Approval of KLWTD Work Authorization WEC 03-02 with Weiler Engineering Corporation for engineering services for the KLP Project

3. Approval of Scope of Service for Capital Project and Grant Management and Administration with Government Services Group, Inc. for the KLTV and KLP projects

4. Approval of the External Auditor Contract

5. Approval of the Proposed FY2004 KLWTD Budget for Advertisement

6. Approval of Pending Payment List for July 30, 2003

F. General Manager's Report

1. Discussion of the recommended Revised Disbursement Policy

2. Interim Financial Reports through June 30, 2003

3. Revisions to the KLWTD Board Meeting Schedule

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

needs to be separated

TO: Key Largo Wastewater Treatment District Board Members

CC: Charles Sweat, Director of Operations
Faith Doyle, Clerk to the Board
David Miles, Chief Financial Officer
Terry Lewis, Board Attorney
Amy Dukes, Board Attorney

FROM: Robert E. Sheets, General Manager

DATE: July 17, 2003

RE: Capital Project Construction Management and Grants Administration

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Dear Directors:

In the management of the capital projects recently awarded for construction of the wastewater treatment plant and collection system in Key Largo Trailer Village and the collection system in Key Largo Park, there are three major areas of concern for the Board of Directors to consider to ensure successful completion of the construction phase of the two projects.

- Design monitoring and technical supervision of the construction process and resultant products for quality of workmanship.

- Construction management to ensure the owner is getting the product desired, in a timely basis, and within the budgetary constraints established.

- Grant and financial management to complete the objectives sought by the grantor agencies, compile all necessary reports, comply with financial constraints placed on the District by the grantors, record the receipt and disbursement of funds in our accounting records, and insure the audit ability of District records.

To meet these needs, staff is presenting three scope of work documents for the Board of Directors' consideration. The first two are proposals from Weiler Engineering Corporation to act as the District's Engineer of Record during the construction phase. There is one document for each of the two capital projects. The work to be performed by Weiler is designed to meet the first of the three concerns addressed above, construction design monitoring and technical quality assurance supervision. It also shares the function of construction management and observation with the District Manager proposal as addressed below.

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

DRAFT

Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda

3:00 PM Wednesday, July 30, 2003
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. Construction Administration/Project Management Workshop

1. Presentation by Weiler Engineering Corporation on Construction Management

2. Presentation by Government Services Group, Inc. on Project Management and Administration

D. Additions, Deletions or Corrections to the Agenda

E. Action Items

0? 1. Approval of the Weiler Engineering Corporation Contract for Consulting/Professional Services Will follow under seperate cover.

0? 2. ~~Approval of KLWTD Work Authorization WEC 03-01 with Weiler~~ Engineering Corporation for engineering services for the KLTV and KLP projects. -02 weiler changes ?

1 ? 3. Approval of KLWTD Work Authorization GSG 03-01 with Government Services Group, Inc. for contract administration services for the KLTV and KLP projects 15 ~~mo~~ fixed fee

4. Approval of the External Auditor Contract

5. Approval of the Resolution 2003-18 Revised Disbursement Policy W/ DM & AT'S

6. Approval of the Proposed KLWTD FY2004 Budget for advertising purposes

7. Approval of Pending Payment List for July 30, 2003

F. General Manager's Report

1. Interim Financial Reports ~~for~~ through June 30, 2003
2. Revisions to the KLWTD Board Meeting Schedule

3. Status Report on the Haskell Company's KLTV Preliminary Project Schedule (Notice to Proceed update?!?!!?)

0+ andy's 2

~~0+ SWFMO site access~~

G. Legal Counsel's Report

H. Engineer's Report

I. Commissioner's Items

J. Minutes – Draft July 9, 2003

K. Meeting Adjournment

WORK AUTHORIZATION NO. _____

a

(Construction or Contract for Consulting/Professional Services) Agreement Between the

Key Largo Wastewater Treatment District (KLWTD),
a legal entity and public body created by
Chapter 02-337, Laws of Florida, 2003

and

(contractor or consultant)

A. SCOPE OF SERVICE

B. PROJECT COST Project No. _____

C. PROJECT SCHEDULE

D. ~~Administrative Fee to Government Services Group, Inc. (3% if applicable)~~ ?

E. NOTICE/PROJECT MANAGER OF CONSULTANT

(Contractors Name and Title) (Contractors address)	Chairman / System Manager KLWTD Post Office Box 491 Key Largo, FL 33037

Certification that Sufficient Funds are Available:

Chief Financial Officer	Director of Operations

Dated this ____ day of _____, 2003.

saved as F://Key Largo Wastewater Treatment District //KLWTD Bland work auth.doc

Faith Doyle

From: Andrew M. Tobin [Tobinlaw@terranova.net]
Sent: Thursday, July 10, 2003 4:21 PM
To: Faith Doyle
Cc: Andrew Tobin; Gary Bauman; Jerry Wilkinson; Charlie Brooks; Cris Beaty; SHEETS, ROBERT
Subject: check writing

Hello Faith;

Please add the following as an action item;

Resolution requiring 2 signatures for drafts/checks written on District Checking Accounts.

Resolution authorizing Manager to open Petty Cash checking account and authorizing Manager to sign drafts/checks on said account.

Thank you.

Andrew M. Tobin, P.A.
Attorney at Law
P.O. Box 620
Tavernier, FL 33070
Tele: 305-852-3388 email: Tobinlaw@terranova.net

Project Organization & Construction Management

for

Key Largo Trailer Vill

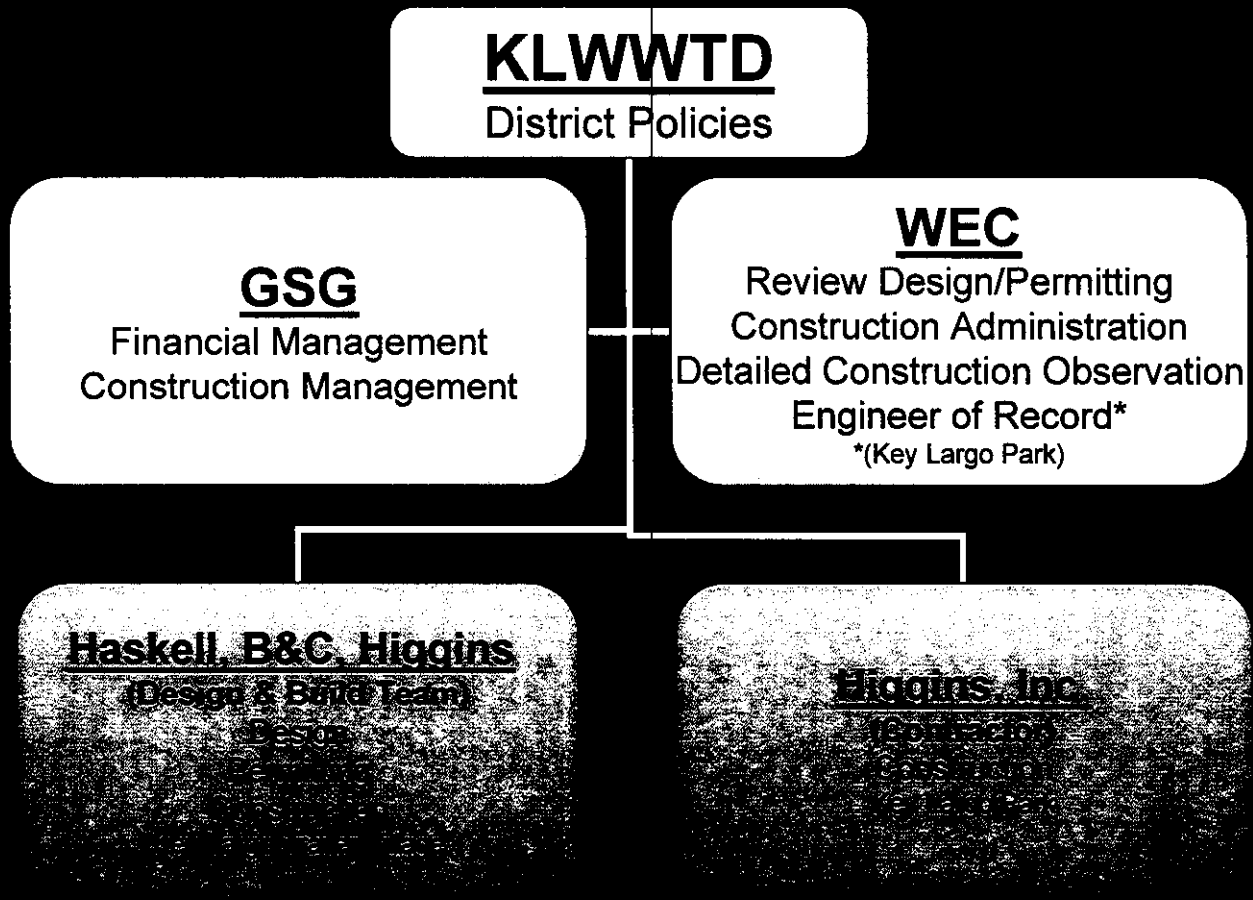
and

Key Largo Park

7/30/03

Wastewater Collection Systems and Treatment Facility Construction

Project Organization



KLWWTD

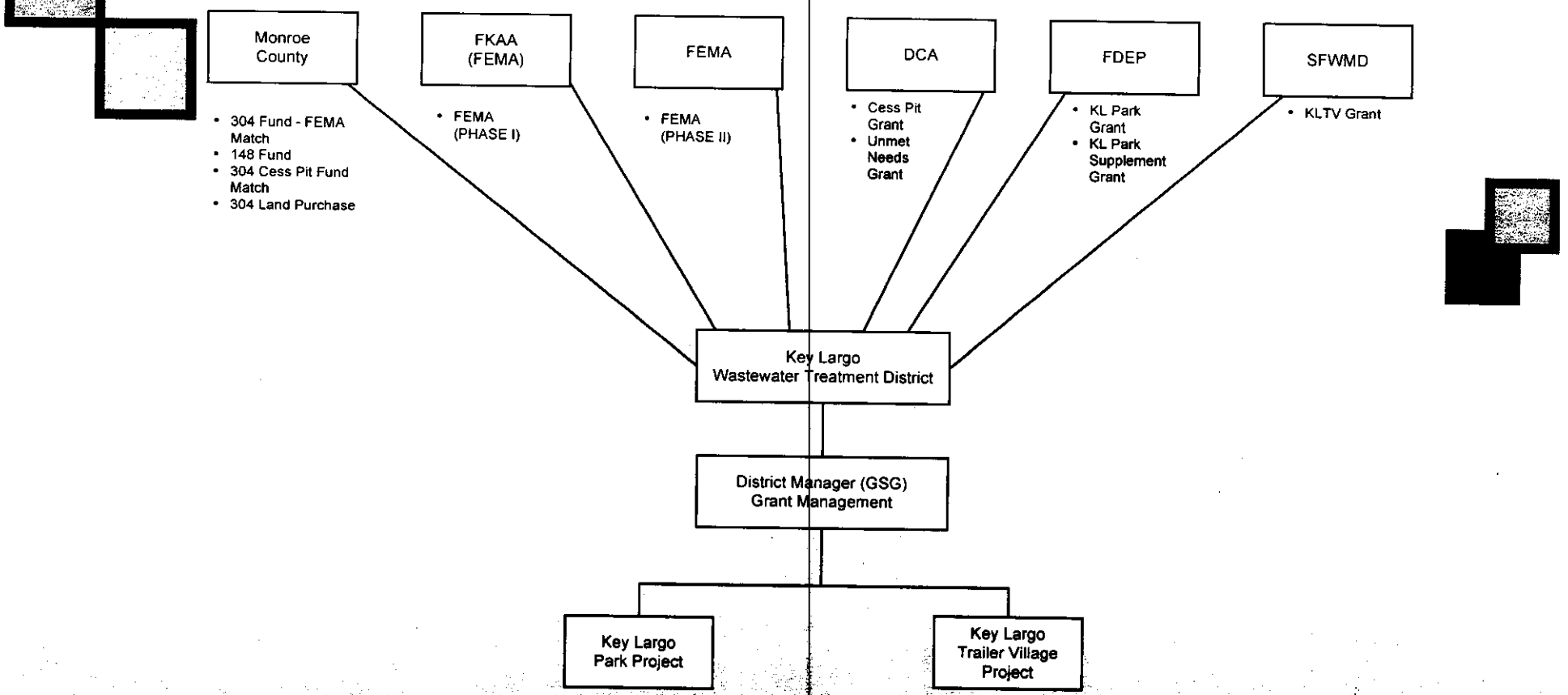
-Board Responsibilities-

- Establish policies that foster the long-term stability of the District.
- Establish policy direction for the District Manager that will insure completion of the projects.
- Establish policy that assures residents the most cost effective service.
- Establish policy direction on services to be offered to residents.

GSG
Government Services Group, Inc.

GSG Scope of Services

KEY LARGO WASTEWATER TREATMENT DISTRICT
GRANT FINANCIAL WORK FLOW



GSG Scope of Services

Financial Management

Review payment requests and change orders for grant compliance.
Disburse funds on behalf of the District.
Prepare grant reimbursement requests and reports.
Post grant receipts to accounting records and deposit receipts in District bank account(s).
Prepare monthly, quarterly and annual programmatic and financial reports for grantor governments.
Prepare accounting records and reports for District external auditors.
Maintain cash liquidity of the Key Largo Wastewater Treatment District construction projects, and recommend interim financial funding sources.
Prepare financial closeout of all grant funds and prepare final grant reports to all grantors and Board of Directors.

GSG
Government Services Group, Inc.

GSG Scope of Services

Construction Management

Issue interpretations and clarifications of contract documents related to funding.
Evaluate requests for substitutions or deviations for compliance with funding.
Monitor any required project records as required by funding agencies.
Conduct inspections of projects periodically.
Negotiate all contracts with engineers and other consultant regarding scope and costs of necessary change orders.
Provide proof of compliance to State and Federal grant funding entities.
Meet with, on an ongoing basis, the professional selected by the District to insure that design concepts, construction standards, time frames and budgets are adhered to according to contract commitments.
Assist in the resolution of conflicts, problems or other activities relative to projects authorized by the District.
Coordinate and maintain involvement with a community information program.
Conduct closeout procedures at the conclusion of each capital project.
The District Manager will attend and participate in all presentations required to insure that the District's projects are on schedule.

THE WEILER ENGINEERING CORPORATION

WEC Scope of Services

Review Design and Permitting

- Serve as liaison with GSG between KLWWTD and Design/Build Team.
- Review design report.
- Review preliminary design.
- Review final design and permit submittals.
- Attend design and permit agency meetings.

THE WEILER ENGINEERING CORPORATION

WEC Scope of Services

Construction Administration

Participate in field management meetings. *(Preconstruction, Monthly and Final.)*
Review materials and workmanship.
Recommend acceptance or denial of work.
Monitor progress and testing.
Facilitate with design engineer to provide clarification and interpretation as required.
Provide monthly reports of construction progress.
Review shop drawings for conformance with contract and technical documents.
Review Contractor's progress payment requests for quantities/materials stored/costs.
Review Contractor's change order requests and claims.
Conduct inspections upon substantial and final completions and prepare defects list.
Maintain daily log and construction records and obtain accurate field measurements daily for record drawing and payment request review.
Prepare final report upon completion and review closing document submittals

THE WHEELER ENGINEERING CORPORATION

WEC Scope of Services

Detailed Construction Observation

On-site observation/Resident Project Representative.
Physically inspect all construction as required.
Monitor work in progress and reject defective work.
Observe all Contractor tests.
Maintain daily log and construction records.
Monitor Contractor's progress in keeping daily record/asbuilt drawings.
Obtain accurate field measurements daily for unit-cost items.
Verify Contractor's monthly work quantities.
Check and verify Contractor's record drawing data.
Coordinate with Contractor's surveyor to establish baselines and benchmarks.
Report field conditions that prevent construction as designed per contract documents.
Assist in scheduling and ordering required field services. *(testing and surveying.)*
Conduct inspections upon substantial and final completions.
Participate in final walk-through and close-out of projects.

THE WEILER ENGINEERING CORPORATION

WEC Scope of Services

Engineer of Record *(Key Largo Park-250 ERC's)*

Review Design Engineer's project concept, design and criteria.
Accept liability and responsibility for engineering of project.
Facilitate to resolve issues related to project engineering and construction.
Serve as a liaison between Owner and permit agencies.
Participate in meetings with permit agencies.
Provide clarification/interpretation of design during construction.
Design as necessary, any revisions, conflicts or other items related to construction, such as unforeseen conditions.
Provide drawings and specifications for construction changes and permit revisions.
Prepare record drawings and certify upon completion of project.

Design/Build Team Scope of Services

-The Haskell Company, Brown and Caldwell & Higgins, Inc.-

(Key Largo Trailer Village)

Design of the project and preparation of all plans, technical specifications, drawings, blue prints or other design documents necessary to construct work of the Key Largo Trailer Village.
Construct the Key Largo Trailer Village.
Re-route or replace any underground utilities.
Dispose of any demolition or construction debris, including excavated soil.
Conduct all tests and inspections, including acceptance tests.
Develop and maintain a safety program.
Develop a traffic maintenance and control plan.
Secure and deliver all required certificates of inspection, test reports, work logs, certified payrolls or approvals with respect to the construction required by the scope of work.
Cooperate fully with the District's project manager in providing information relating to construction progress, payments and procedures.

Design/Build Team Scope of Services

-The Haskell Company, Brown and Caldwell & Higgins, Inc.-

(Key Largo Trailer Village)

Perform all construction within generally accepted construction principals.

Provide a monthly progress report and monthly meetings with the District detailing work accomplished and an updated schedule.

Prepare and pay for necessary permits on the District's behalf, included in total project cost.

Provide the District's manager every reasonable opportunity for observing all construction.

Submission for approval by the District of all documents, reports and drawings.

Reply to all of the District's verbal or written inquiries.

Public involvement/communication plan.

Contractor Scope of Services

- Higgins, Inc.-

(Key Largo Park)

Construct, as designed, the Key Largo Trailer Park wastewater collection system.
Submit to the District, at least 7 days prior to the preconstruction meeting, a proposed progress schedule indicating the starting and completion dates of the various stages of work.
Develop a traffic maintenance and control plan.
Attend meetings as required by the District.
Provide and pay for all required materials necessary for the completion of work.
Provide a competent employee to assist the District in checking lines and elevations.
Conduct all tests and inspections, including acceptance tests.
Dispose of all construction debris.
Develop and maintain a safety program.

Coordination Items to Follow...

- Work Authorization by KLWWTD to complete Key Largo Park construction. (250 ERC's and additional subdivision.)
- Permits issued for Key Largo Park.
- Confirm schedule for projects.
- Project Team meetings.
- Confirm schedule of funding resources.
- Summary status report to District end of August.

GSG
Government Services Group, Inc.

THE WEILER ENGINEERING CORPORATION
WEC

GSG
Government Services Group, Inc.

Government Services Group, Inc.
Dedicated to solving funding and service delivery issues in the public sector

1500 Mahan Drive, Suite 250 • Tallahassee, FL 32308 • Phone (850) 681-3717 • Fax (850) 224-7206 • E-mail: gsg@govserv.com

EXHIBIT A

SCOPE OF SERVICE
CAPITAL PROJECT AND GRANTS ADMINISTRATION AND MANAGEMENT
Time and Materials Basis

This Scope of Service will set forth the intentions and agreements between the Key Largo Wastewater Treatment District (the "District") and Government Services Group, Inc. ("GSG") acting as a District Manager ("Manager") in regard to the provisions by GSG of Capital Project and Grants Administration Management and other "Additional Services" contemplated in Article III of the Management Services Agreement entered between the parties in March 2003.

The Parties agree as follows:

GSG shall perform the Capital Project Administration Services described in this Memorandum for Key Largo Park ("KLP") and Key Largo Trailer Village ("KLTV") authorized by the District. Fees for services provided by the Manager on behalf of the District pursuant to this agreement shall be on a time and materials basis consistent with the standard hourly rates described in this agreement

Services Provided: As part of the project and construction administration fee, GSG shall perform the following tasks:

- Financial Management: As part of the grant administration and financial management functions to be performed by the Manager, GSG will perform the following financial administration and reporting tasks:

    a. Review payment requests and change orders from contractors, engineers, and consultants as the "owner's" representative and approve correct invoices for payment that are within the delegated approval authority of the District Manager, or recommend approval/disapproval to the Board of Directors for those items in excess of the delegated approval authority. *(Task FM 1)*

    b. Disburse funds on behalf of the District in payment of correct invoices, after securing appropriate disbursement authorization from the Board of Directors or District Manager. All disbursements will be conducted in accordance with District policy. This includes preparation of all documentation to place approval authorizations on Board of Director's agendas. *(Task FM 2)*

c. Prepare grant reimbursement requests and reports, to include assembling back-up documentation and obtaining necessary signatures of contractors, engineers, District Manager and operating officials, and District elected officials. Submit grant reimbursement documentation, respond to inquiries, prepare supplemental data and reports, and meet with grant representatives of Federal, State of Florida, Monroe County, South Florida Water Management District and other government entities as required. *(Task FM 3)*

d. Post grant receipts to accounting records and deposit receipts in District bank account(s). *(Task FM 4)*

e. Prepare monthly, quarterly, and annual programmatic and financial reports for grantor governments (including, but not limited to FEMA, FDEP, FDCA, SFWMD) and the Board of Directors, as stated in grant documents. *(Task FM 5)*

f. Prepare accounting records and reports for District external auditors, and to meet the federal and State of Florida single audit act requirements. Insure grant documentation is maintained consistent with statute and governing grant agreements. Meet with and provide documentation to auditors from grantor governments, as required. *(Task FM 6)*

g. ~~Maintain cash liquidity of the Key~~ Largo Wastewater Treatment District construction projects, and recommend interim financial funding sources to the Board of Directors for approval, to insure construction completion is not inhibited by funding shortfalls. *(Task FM 7)*

h. Prepare financial closeout of all grant funds and prepare final grant reports to all grantors and Board of Directors, enter fixed assets in accounting records, set up depreciation schedules, and complete all financial activity to close projects. *(Task FM 8)*

- Construction Management: As part of the construction management functions, GSG will manage activities of the consulting engineers, contractors and other professionals to facilitate timely completion and permitting of Key Largo Park and Key Largo Trailer Village. In addition, any issues regarding easements and right of ways will be reviewed and dealt with by GSG under direction of the Board of Directors. These following tasks will be conducted as necessary and reasonably required with regard to construction of capital projects.

  a. Issue interpretations and clarifications of contract documents during construction. *(Task CM 1)*

Government Service Group Estimated Fees

Key Largo Park

Based on 13 month construction period with both projects running concurrently

Task No.	Task Description	Dir. Opns.	CFO	Proj Mgr	Accountant	Admin Staff	Total Hrs	Cost
Rates		$150.00	$130.00	$90.00	$85.00	$40.00		
FM 1	Review Payment Request/Change Orders	8	8				16	$1,200.00
FM 2	Disburse funds		8		8		16	$1,720.00
FM 3	Prepare grant rimbursement requests		27		13	3	43	$4,735.00
FM 4	Post grant receipts & deposit				8		8	$680.00
FM 5	Prepare programmatic and financial reports		27		5	5	37	$4,135.00
FM 6	Prepare accounting records for audit		13		7	1	21	$2,325.00
FM 7	Maintain cash liquidity		13				13	$1,690.00
FM 8	Grant and financial closeout		27		8	5	40	$4,390.00
Subtotal		8	123	0	49	14	194	$21,915.00
CM 1	Clarify contract documents	2		1		1	4	$430.00
CM 2	Evaluate substitutions/deviations	2		3		1	6	$610.00
CM 3	Prepare work orders	1	1	1		1	4	$410.00
CM 4	Monitor project records	1	1	4	1	2	9	$805.00
CM 5	Conduct owner's inspection of projects	16		69		10	95	$9,010.00
CM 6	Prepare list of corrections	3		3		1	7	$760.00
CM 7	Negotiate scope of work changes	6		7		1	14	$1,570.00
CM 8	Document grant compliance	3	7			1	11	$1,400.00
CM 9	Meet with engineer & contractors	7		7		1	15	$1,720.00
CM 10	Conflict resolution	7		7		1	15	$1,720.00
CM 11	Community information	10	2	7		3	22	$2,510.00
CM 12	Close out	13		7		1	21	$2,620.00
Subtotal		71	11	116	1	24	223	$23,565.00
Grand Total		79	134	116	50	38	417	$ 45,480.00

Government Service Group Estimated Fees

Key Largo Village

Based on 13 month construction period with both projects running concurrently

Task No.	Task Description	Dir. Opns.	CFO	Proj Mgr	Accountant	Admin Staff	Total Hrs	Cost
Rates		$150.00	$130.00	$90.00	$85.00	$40.00		
FM 1	Review Payment Request/Change Orders	18	18				36	$2,700.00
FM 2	Disburse funds		18		18		36	$3,870.00
FM 3	Prepare grant rimbursement requests		53		27	5	85	$9,385.00
FM 4	Post grant receipts & deposit				18		18	$1,530.00
FM 5	Prepare programmatic and financial reports		53		11	11	75	$8,265.00
FM 6	Prepare accounting records for audit		27		13	3	43	$4,735.00
FM 7	Maintain cash liquidity		27				27	$3,510.00
FM 8	Grant and financial closeout		53		17	11	81	$8,775.00
Subtotal		18	249	0	104	30	401	$45,110.00
CM 1	Clarify contract documents	4		3		1	8	$910.00
CM 2	Evaluate substitutions/deviations	4		7		1	12	$1,270.00
CM 3	Prepare work orders	2	1	4		1	8	$830.00
CM 4	Monitor project records	3	1	8	3	4	19	$1,715.00
CM 5	Conduct owner's inspection of projects	31		139		22	192	$18,040.00
CM 6	Prepare list of corrections	5		7		1	13	$1,420.00
CM 7	Negotiate scope of work changes	10		13		1	24	$2,710.00
CM 8	Document grant compliance	7	13			1	21	$2,780.00
CM 9	Meet with engineer & contractors	13		13		1	27	$3,160.00
CM 10	Conflict resolution	13		13		1	27	$3,160.00
CM 11	Community information	20	3	13		7	43	$4,840.00
CM 12	Close out	27		13		1	41	$5,260.00
Subtotal		139	18	233	3	42	435	$46,095.00
Grand Total		157	267	233	107	72	836	$ 91,205.00

Reimbursable expenses for travel and materials will be in addition to the labor expenses in the above table and are estimated to be $13,315.00. $4,470.00 would be allocated to Key Largo Park and $8,845.00 would be allocated to Key Largo Village.

IN WITNESS WHEREOF, the parties hereto have set their hands and official seals the ____ day of _____, 2003.

Key Largo Wastewater District
An Independent Special District

ATTEST:

BY: _____
Andrew Tobin
Chairman, Board of Directors

_____
Clerk to the Board
Faith Doyle

ENDORSED AS TO FORM & LEGALITY:

_____
Amy Dukes, Board Attorney

FIRM:

_____
Government Services Group, Inc.

(CORPORATE SEAL)

BY: _____
SIGNATURE

WITNESSES:

_____
TYPED NAME

_____

_____
TITLE

SWORN TO and SUBSCRIBED before me this ____ day of _____, 2003.

(Seal)

_____
NOTARY PUBLIC

My Commission Expires:

PAYMENT OPTION A

Payments to ENGINEER for Services and Reimbursable Expenses - Hourly

PAYMENTS TO THE ENGINEER --

For Basic Services Having a Determined Scope -- Standard Hourly Rates Method of Payment

A. OWNER shall pay ENGINEER for Basic Services set forth in Exhibit A, except for services of ENGINEER's Resident Project Representative and Post-Construction Phase services, if any, as follows:

1. An amount equal to the cumulative hours charged to the Project by each class of ENGINEER's employees times Standard Hourly Rates for each applicable billing class for all services performed on the Project, plus Reimbursable Expenses and ENGINEER's Consultant's charges, if any.

2. ENGINEER's Reimbursable Expenses Schedule and Standard Hourly Rates are attached to this Exhibit .

3. The total compensation for services is estimated to be $216,615 based on the following assumed distribution of compensation:

a. Design Phase $22,030
b. Construction Administration $57,355
c. Detailed Observation $137,230

4. ENGINEER may alter the distribution of compensation between individual phases of the work noted herein to be consistent with services actually rendered, but shall not exceed the total estimated compensation amount unless approved in writing by OWNER.

5. The total estimated compensation for ENGINEER's services included in the breakdown by phases as noted incorporates all labor, overhead, profit, Reimbursable Expenses and ENGINEER's Consultant's charges.

6. The amounts billed for ENGINEER's services will be based on the cumulative hours charged to the Project during the billing period by each class of ENGINEER's employees times Standard Hourly Rates for each applicable billing class, plus Reimbursable Expenses and ENGINEER's Consultant's charges.

7. The Standard Hourly Rates and Reimbursable Expenses Schedule will be adjusted annually to reflect equitable changes in the compensation payable to ENGINEER.

8. The Standard Hourly Rates Method of Payment is conditioned on Contract Times to complete the Work running concurrently with the Key Largo Trailer Village project and not exceeding 13 months for construction and 18 months through closeout. Should the Contract Times to complete the Work be extended beyond this period, the total compensation to ENGINEER shall be appropriately adjusted.

9. If more prime contracts are awarded for Work designed or specified by ENGINEER for this Project, the ENGINEER shall be compensated an additional amount commensurate with the work completed.

PAYMENT OPTION B

Payments to ENGINEER for Services and Reimbursable Expenses – Lump Sum

PAYMENTS TO THE ENGINEER

For Basic Services Having a Determined

Scope --Lump Sum Method of Payment

A. OWNER shall pay ENGINEER for Basic Services, including services of ENGINEER's Resident Project Representative and Post-Construction Phase services, if any, as follows:

1. A Lump Sum amount of $216,615 based on the following assumed distribution of compensation:

a. Design Phase $22,030
b. Construction Administration $57,355
c. Detailed Observation $137,230

2. ENGINEER may alter the distribution of compensation between individual phases noted herein to be consistent with services actually rendered, but shall not exceed the total Lump Sum amount unless approved in writing by the OWNER.

3. The Lump Sum includes compensation for ENGINEER's services and services of ENGINEER's Consultants, if any. Appropriate amounts have been incorporated in the Lump Sum to account for labor, overhead, profit, and Reimbursable Expenses.

4. The portion of the Lump Sum amount billed for ENGINEER's services will be based upon ENGINEER's estimate of the proportion of the total services actually completed during the billing period to the Lump Sum.

5. The Lump Sum is conditioned on Contract Times to complete the Work running concurrently with the Key Largo Trailer Village project and not exceeding 13 months for construction and 18 months through closeout. Should the Contract Times to complete the Work be extended beyond this period, the total compensation to ENGINEER shall be appropriately adjusted.

6. If more prime contracts are awarded for Work designed or specified by ENGINEER for this Project than identified herein, the ENGINEER shall be compensated.

PAYMENT OPTION A

Payments to ENGINEER for Services and Reimbursable Expenses - Hourly

The Agreement is amended and supplemented to include the following agreement of the parties:

PAYMENTS TO THE ENGINEER --

For Basic Services Having a Determined Scope -- Standard Hourly Rates Method of Payment

A. OWNER shall pay ENGINEER for Basic Services set forth in Exhibit A, except for services of ENGINEER's Resident Project Representative and Post-Construction Phase services, if any, as follows:

1. An amount equal to the cumulative hours charged to the Project by each class of ENGINEER's employees times Standard Hourly Rates for each applicable billing class for all services performed on the Project, plus Reimbursable Expenses and ENGINEER's Consultant's charges, if any.

2. ENGINEER's Reimbursable Expenses Schedule and Standard Hourly Rates are attached to this Exhibit .

3. The total compensation for services is estimated to be $128,010 based on the following assumed distribution of compensation:

a. Design Phase $10,500
b. Construction Administration $62,070
c. Detailed Observation $55,440

4. ENGINEER may alter the distribution of compensation between individual phases of the work noted herein to be consistent with services actually rendered, but shall not exceed the total estimated compensation amount unless approved in writing by OWNER.

5. The total estimated compensation for ENGINEER's services included in the breakdown by phases as noted incorporates all labor, overhead, profit, Reimbursable Expenses and ENGINEER's Consultant's charges.

6. The amounts billed for ENGINEER's services will be based on the cumulative hours charged to the Project during the billing period by each class of ENGINEER's employees times Standard Hourly Rates for each applicable billing class, plus Reimbursable Expenses and ENGINEER's Consultant's charges.

7. The Standard Hourly Rates and Reimbursable Expenses Schedule will be adjusted annually to reflect equitable changes in the compensation payable to ENGINEER.

8. The Standard Hourly Rates Method of Payment is conditioned on Contract Times to complete the Work running concurrently with the Key Largo Trailer Village project and not exceeding 9 months for construction and 18 months through closeout. Should the Contract Times to complete the Work be extended beyond this period, the total compensation to ENGINEER shall be appropriately adjusted.

9. If more prime contracts are awarded for Work designed or specified by ENGINEER for this Project, the ENGINEER shall be compensated an additional amount commensurate with the work completed.

PAYMENT OPTION B

Payments to ENGINEER for Services and Reimbursable Expenses – Lump Sum

The Agreement is amended and supplemented to include the following agreement of the parties:

PAYMENTS TO THE ENGINEER

For Basic Services Having a Determined

Scope --Lump Sum Method of Payment

A. OWNER shall pay ENGINEER for Basic Services, including services of ENGINEER's Resident Project Representative and Post-Construction Phase services, if any, as follows:

1. A Lump Sum amount of $128,010 based on the following assumed distribution of compensation:

a.	Design Phase	$10,500
b.	Construction Administration	$62,070
c.	Detailed Observation	$55,440

2. ENGINEER may alter the distribution of compensation between individual phases noted herein to be consistent with services actually rendered, but shall not exceed the total Lump Sum amount unless approved in writing by the OWNER.

3. The Lump Sum includes compensation for ENGINEER's services and services of ENGINEER's Consultants, if any. Appropriate amounts have been incorporated in the Lump Sum to account for labor, overhead, profit, and Reimbursable Expenses.

4. The portion of the Lump Sum amount billed for ENGINEER's services will be based upon ENGINEER's estimate of the proportion of the total services actually completed during the billing period to the Lump Sum.

5. The Lump Sum is conditioned on Contract Times to complete the Work running concurrently with the Key Largo Trailer Village project and not exceeding 9 months for construction and 18 months through closeout. Should the Contract Times to complete the Work be extended beyond this period, the total compensation to ENGINEER shall be appropriately adjusted.

6. If more prime contracts are awarded for Work designed or specified by ENGINEER for this Project than identified herein, the ENGINEER shall be compensated.

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

TO: Key Largo Wastewater Treatment District Board Members

CC: Charles Sweat, Director of Operations
Faith Doyle, Clerk to the Board
David Miles, Chief Financial Officer
Terry Lewis, Board Attorney
Amy Dukes, Board Attorney

FROM: Robert E. Sheets, General Manager

DATE: July 23, 2003

RE: Capital Project Construction Management and Grants Administration By Government Services Group, Inc.

Dear Directors:

In the management of the capital projects recently awarded for construction of the wastewater treatment plant and collection system in Key Largo Trailer Village and the collection system in Key Largo Park, there are three major areas of concern for the Board of Directors to consider to ensure successful completion of the construction phase of the two projects.

- Design monitoring and technical supervision of the construction process and resultant products for quality of workmanship.

- Construction management to ensure the owner is getting the product desired, in a timely basis, and within the budgetary constraints established.

- Grant and financial management to complete the objectives sought by the grantor agencies, compile all necessary reports, comply with financial constraints placed on the District by the grantors, record the receipt and disbursement of funds in our accounting records, and insure the audit ability of District records.

To meet these needs, staff is submitting a companion agenda item containing two scope of work documents for the Board of Directors' consideration from Weiler Engineering Corporation to act as the District's Engineer of Record during the construction phase. There is one scope document for each of the two capital projects. The work to be performed by Weiler is designed to meet the first of the three concerns addressed above, construction design monitoring and technical quality assurance supervision. It also shares the function of construction management and observation with the District Manager proposal as addressed below.

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

The attached documents provide two alternatives, Time and Materials (Exhibit A) and Fixed Fee (Exhibit B), of a proposal from Government Services Group, Inc. (GSG) (the District Manager) to perform the construction management and all of the financial and grant management. While Weiler Engineering Corporation will provide the bulk of the inspection and observation services, it will be under the direction of the District Manager, who will be responsible for the operation of the completed wastewater system. The GSG proposal addresses the construction management needs of the District, as the owner's authorized representative. This includes functions such as accepting completed work and reviewing and approving invoices for payment. It involves having a representative that the construction contractors and engineer can go to in order to resolve minor construction issues, that if left unresolved could result in time delays and increased costs. It includes having a technically sophisticated representative on site periodically (about 20 hours per month) to review the project completion with the contractor and the Engineer of Record, to ensure that it will be functional for the ultimate plant operator and constructed in a manner to preclude extra costs from being incurred once the completed plant is operational. It is essential that the District Manager as the ultimate operator of the completed system have accurate first-hand knowledge of the projects, which he will oversee when operations commence.

The GSG staff will minimize the need for change orders, often with resultant cost increases, through coordination with the engineer and construction contractor. They will negotiate any change orders necessary, for example to complete connection of all properties in Key Largo Park. Ultimately, they act as the agent for the owner to ensure the District receives a quality wastewater treatment plant and collection system that serves Key Largo Park and Key Largo Trailer Village.

In addition, GSG, is tasked as District Manager, with the complete grant and financial ~~management function for the two projects through their duration and final construction,~~ contractual, and grant programmatic and financial closeout, including post closure audit. This involves payment of correct invoices submitted by the contractors and reviewed by the engineers and technical staff. It includes submitting grant reimbursement requests to the five grantor agencies and responding to any inquiries from them. This proposal involves monitoring and coordinating grants execution and reporting for Monroe County, Florida Department of Community Affairs (FDCA), Florida Department of Environmental Protection (FDEP), Federal Emergency Management Agency (FEMA), and the South Florida Water Management District (SFWMD). Proper accounting for grant proceeds received and all revenue and expenses, as mandated by the grant documents and generally accepted accounting principles, is also included. Preparing the accounting records, preparing programmatic and financial reports and dealing with auditors, both the District's external auditors and auditors from the grantor agencies, are responsibilities of GSG. Please keep in mind that any disallowance of expenses by a grantor will result in the District using its limited operational budget to absorb such costs. Accuracy of programmatic and financial reporting is therefore essential.

The closeout of the construction contracts and the numerous grant documents to the satisfaction of the District and all grantor agencies is an important final step in this process.

Both GSG proposals include a total not to exceed expense of $49,950.00 for the Key Largo Park project, inclusive of all travel and other expenses. The Key Largo Trailer Village project proposal is not to exceed $100,050.00, inclusive of all travel and other expenses. The total of all costs for GSG's services is not to exceed $150,000.00.

Please note that all hours incurred by the District Manager in support of these efforts, including discussions with benefiting neighborhood groups and appraising the Board of Directors of project status, will not be billed as part of this process, but are part of added services the District Manager provides to ensure the long-term viability of the Key Largo Wastewater Treatment District.

RECOMMENDATION:

The scope of service proposed by Government Services Group, Inc. provides for the overall construction management and administration and grant programmatic and financial oversight, to ensure all work on the two projects is completed correctly within grant guidelines and in a fiscally responsible manner. The Board of Directors is requested to approve this scope of work and select whether to use the time and materials (exhibit A) or fixed fee (exhibit B) method for payment of Government Services Group.

GSG
Government Services Group, Inc.

Government Services Group, Inc.
Dedicated to solving funding and service delivery issues in the public sector

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EXHIBIT A

SCOPE OF SERVICE
CAPITAL PROJECT AND GRANTS ADMINISTRATION AND MANAGEMENT
Time and Materials Basis

This Scope of Service will set forth the intentions and agreements between the Key Largo Wastewater Treatment District (the "District") and Government Services Group, Inc. ("GSG") acting as a District Manager ("Manager") in regard to the provisions by GSG of Capital Project and Grants Administration Management and other "Additional Services" contemplated in Article III of the Management Services Agreement entered between the parties in March 2003.

The Parties agree as follows:

GSG shall perform the Capital Project Administration Services described in this Memorandum for Key Largo Park ("KLP") and Key Largo Trailer Village ("KLTV") authorized by the District. Fees for services provided by the Manager on behalf of the District pursuant to this agreement shall be on a time and materials basis consistent with the standard hourly rates described in this agreement

Services Provided: As part of the project and construction administration fee, GSG shall perform the following tasks:

- Financial Management: As part of the grant administration and financial management functions to be performed by the Manager, GSG will perform the following financial administration and reporting tasks:

    a. Review payment requests and change orders from contractors, engineers, and consultants as the "owner's" representative and approve correct invoices for payment that are within the delegated approval authority of the District Manager, or recommend approval/disapproval to the Board of Directors for those items in excess of the delegated approval authority. *(Task FM 1)*

    b. Disburse funds on behalf of the District in payment of correct invoices, after securing appropriate disbursement authorization from the Board of Directors or District Manager. All disbursements will be conducted in accordance with District policy. This includes preparation of all documentation to place approval authorizations on Board of Director's agendas. *(Task FM 2)*

c. Prepare grant reimbursement requests and reports, to include assembling back-up documentation and obtaining necessary signatures of contractors, engineers, District Manager and operating officials, and District elected officials. Submit grant reimbursement documentation, respond to inquiries, prepare supplemental data and reports, and meet with grant representatives of Federal, State of Florida, Monroe County, South Florida Water Management District and other government entities as required. *(Task FM 3)*

d. Post grant receipts to accounting records and deposit receipts in District bank account(s). *(Task FM 4)*

e. Prepare monthly, quarterly, and annual programmatic and financial reports for grantor governments (including, but not limited to FEMA, FDEP, FDCA, SFWMD) and the Board of Directors, as stated in grant documents. *(Task FM 5)*

f. Prepare accounting records and reports for District external auditors, and to meet the federal and State of Florida single audit act requirements. Insure grant documentation is maintained consistent with statute and governing grant agreements. Meet with and provide documentation to auditors from grantor governments, as required. *(Task FM 6)*

g. ~~Maintain cash liquidity of the Key Largo Wastewater Treatment District~~ construction projects, and recommend interim financial funding sources to the Board of Directors for approval, to insure construction completion is not inhibited by funding shortfalls. *(Task FM 7)*

h. Prepare financial closeout of all grant funds and prepare final grant reports to all grantors and Board of Directors, enter fixed assets in accounting records, set up depreciation schedules, and complete all financial activity to close projects. *(Task FM 8)*

- Construction Management: As part of the construction management functions, GSG will manage activities of the consulting engineers, contractors and other professionals to facilitate timely completion and permitting of Key Largo Park and Key Largo Trailer Village. In addition, any issues regarding easements and right of ways will be reviewed and dealt with by GSG under direction of the Board of Directors. These following tasks will be conducted as necessary and reasonably required with regard to construction of capital projects.

  a. Issue interpretations and clarifications of contract documents during construction. *(Task CM 1)*

b. Evaluate a request for substitutions or deviations there from. *(Task CM 2)*

c. Prepare any additional work orders. *(Task CM 3)*

d. Monitor any required project records. *(Task CM 4)*

e. Conduct comprehensive inspections of projects. *(Task CM 5)*

(Note) These efforts will be coordinated with the District's Engineer of Record to insure that there is no overlap or redundancy of efforts.

f. Develop list of items needing completion or correction. *(Task CM 6)*

g. Negotiate all contact with engineers and other consultants regarding scope and costs of necessary change orders. *(Task CM 7)*

h. Provide proof of compliance to State and Federal grant funding entities. *(Task CM 8)*

i. Meet with, on an ongoing basis, the professional selected by the District to insure that design concepts, construction standards, timeframes and budgets are adhered to according to contract commitments. *(Task CM 9)*

j. Assist in the resolution of conflicts, problems or other activities relative to projects authorized by the District. The disputes may include, contract issues, change orders, service interruption issues, coordination with other utilities for government entities and customer relations. *(Task CM 10)*

k. Coordinate and maintain involvement with a community information program regarding the KLP and KLTV. This will include meetings and discussions with the residents to insure that they are continually informed as to the progress of the projects. *(Task CM 11)*

l. Conduct close out procedures at the conclusion of each capital project. Including, a report to the District outlining the logical costs of these facilities, impact on operations and maintenance, customer service, wastewater capacity, storage facilities, distribution facilities, buildings and other infrastructure. This report will be prepared in concert with the District's Engineer and the Contractor. *(CM 12)*

- Presentations: The District Manager will attend and participate in all presentations required to insure that the District's projects are on schedule and that appropriate information is being maintained to track and monitor such compliance. Periodic meetings within the neighborhood groups with the engineers and contract managers to explain the purpose of the project, interruptions that may occur and a point of contact for customer complaints or anticipated concerns. In addition, the District Manager anticipates presentations and meetings with local governmental entities and other interested parties to provide necessary information regarding the progress of these projects.

- Reimbursement to Government Services Group, Inc.: Payment for services rendered consistent with this agreement shall be based on time and materials. The reimbursement rates for labor shall be consistent with the hourly rates below. All travel expenses will be in accordance with Section 112.061, Florida Statutes. Copy expenses are $0.15 per page. Other expenses will be based on actual cost.

The following hourly rates shall apply to work completed by Government Services Group, Inc. employees in the performance of this agreement:

1. Director of Operations	$150.00/hr
2. Chief Financial Officer	$130.00/hr
3. Project Manager	$90.00/hr
4. Accountant	$85.00/hr
5. Secretarial & Administrative Support Staff	$40.00/hr

- Estimated costs by functions described above are as follows, not to exceed $150,000.00 without prior written approval by the Board of Directors. The functions performed under this scope of effort apply jointly to the Key Largo Park and the Key Largo Trailer Village projects. For purposes of accounting each ERC of benefiting property will share equally in these costs. Key Largo Park with 283 out of 850 total ERC's would be assigned 33.3 percent of costs. Key Largo Trailer Village with 567 out of 850 total ERC's would be assigned 66.7 percent of costs.

Government Service Group Estimated Fees

Key Largo Park

Based on 13 month construction period with both projects running concurrently

Task No.	Task Description	Dir. Opns.	CFO	Proj Mgr	Accountant	Admin Staff	Total Hrs	Cost
Rates		$150.00	$130.00	$90.00	$85.00	$40.00		
FM 1	Review Payment Request/Change Orders	8	8				16	$1,200.00
FM 2	Disburse funds		8		8		16	$1,720.00
FM 3	Prepare grant rimbursement requests		27		13	3	43	$4,735.00
FM 4	Post grant receipts & deposit				8		8	$680.00
FM 5	Prepare programmatic and financial reports		27		5	5	37	$4,135.00
FM 6	Prepare accounting records for audit		13		7	1	21	$2,325.00
FM 7	Maintain cash liquidity		13				13	$1,690.00
FM 8	Grant and financial closeout		27		8	5	40	$4,390.00
Subtotal		8	123	0	49	14	194	$21,915.00
CM 1	Clarify contract documents	2		1		1	4	$430.00
CM 2	Evaluate substitutions/deviations	2		3		1	6	$610.00
CM 3	Prepare work orders	1	1	1		1	4	$410.00
CM 4	Monitor project records	1	1	4	1	2	9	$805.00
CM 5	Conduct owner's inspection of projects	16		69		10	95	$9,010.00
	Prepare list of corrections	3		3		1	7	$760.00
	Negotiate scope of work changes	6		7		1	14	$1,570.00
CM 8	Document grant compliance	3	7			1	11	$1,400.00
CM 9	Meet with engineer & contractors	7		7		1	15	$1,720.00
CM 10	Conflict resolution	7		7		1	15	$1,720.00
CM 11	Community information	10	2	7		3	22	$2,510.00
CM 12	Close out	13		7		1	21	$2,620.00
Subtotal		71	11	116	1	24	223	$23,565.00
Grand Total		79	134	116	50	38	417	$ 45,480.00

Government Service Group Estimated Fees

Key Largo Village

Based on 13 month construction period with both projects running concurrently

Task No.	Task Description	Dir. Opns.	CFO	Proj Mgr	Accountant	Admin Staff	Total Hrs	Cost
Rates		$150.00	$130.00	$90.00	$85.00	$40.00		
FM 1	Review Payment Request/Change Orders	18	18				36	$2,700.00
FM 2	Disburse funds		18		18		36	$3,870.00
FM 3	Prepare grant rimbursement requests		53		27	5	85	$9,385.00
FM 4	Post grant receipts & deposit				18		18	$1,530.00
FM 5	Prepare programmatic and financial reports		53		11	11	75	$8,265.00
FM 6	Prepare accounting records for audit		27		13	3	43	$4,735.00
FM 7	Maintain cash liquidity		27				27	$3,510.00
FM 8	Grant and financial closeout		53		17	11	81	$8,775.00
Subtotal		18	249	0	104	30	401	$45,110.00
CM 1	Clarify contract documents	4		3		1	8	$910.00
CM 2	Evaluate substitutions/deviations	4		7		1	12	$1,270.00
CM 3	Prepare work orders	2	1	4		1	8	$830.00
CM 4	Monitor project records	3	1	8	3	4	19	$1,715.00
CM 5	Conduct owner's inspection of projects	31		139		22	192	$18,040.00
CM 6	Prepare list of corrections	5		7		1	13	$1,420.00
CM 7	Negotiate scope of work changes	10		13		1	24	$2,710.00
CM 8	Document grant compliance	7	13			1	21	$2,780.00
CM 9	Meet with engineer & contractors	13		13		1	27	$3,160.00
CM 10	Conflict resolution	13		13		1	27	$3,160.00
CM 11	Community information	20	3	13		7	43	$4,840.00
CM 12	Close out	27		13		1	41	$5,260.00
Subtotal		139	18	233	3	42	435	$46,095.00
Grand Total		157	267	233	107	72	836	$ 91,205.00

Reimbursable expenses for travel and materials will be in addition to the labor expenses in the above table and are estimated to be $13,315.00. $4,470.00 would be allocated to Key Largo Park and $8,845.00 would be allocated to Key Largo Village.

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EXHIBIT B

SCOPE OF SERVICE
CAPITAL PROJECT AND GRANTS ADMINISTRATION AND MANAGEMENT
Fixed Fee

This Scope of Service will set forth the intentions and agreements between the Key Largo Wastewater Treatment District (the "District") and Government Services Group, Inc. ("GSG") acting as a District Manager ("Manager") in regard to the provisions by GSG of Capital Project and Grants Administration Management and other "Additional Services" contemplated in Article III of the Management Services Agreement entered between the parties in March 2003.

The Parties agree as follows:

GSG shall perform the Capital Project Administration Services described in this Memorandum for Key Largo Park ("KLP") and Key Largo Trailer Village ("KLTV") authorized by the District. Fees for services provided by the Manager on behalf of the District pursuant to this agreement shall be on a fixed fee basis consistent with the monthly amounts contained in this agreement.

Services Provided: As part of the project and construction administration fee, GSG shall perform the following tasks:

- Financial Management: As part of the grant administration and financial management functions to be performed by the Manager, GSG will perform the following financial administration and reporting tasks:

    a. Review payment requests and change orders from contractors, engineers, and consultants as the "owner's" representative and approve correct invoices for payment that are within the delegated approval authority of the District Manager, or recommend approval/disapproval to the Board of Directors for those items in excess of the delegated approval authority. *(Task FM 1)*

    b. Disburse funds on behalf of the District in payment of correct invoices, after securing appropriate disbursement authorization from the Board of Directors or District Manager. All disbursements will be conducted in accordance with District policy. This includes preparation of all documentation to place approval authorizations on Board of Director's agendas. *(Task FM 2)*

c. Prepare grant reimbursement requests and reports, to include assembling back-up documentation and obtaining necessary signatures of contractors, engineers, District Manager and operating officials, and District elected officials. Submit grant reimbursement documentation, respond to inquiries, prepare supplemental data and reports, and meet with grant representatives of Federal, State of Florida, Monroe County, South Florida Water Management District and other government entities as required. *(Task FM 3)*

d. Post grant receipts to accounting records and deposit receipts in District bank account(s). *(Task FM 4)*

e. Prepare monthly, quarterly, and annual programmatic and financial reports for grantor governments (including, but not limited to FEMA, FDEP, FDCA, SFWMD) and the Board of Directors, as stated in grant documents. *(Task FM 5)*

f. Prepare accounting records and reports for District external auditors, and to meet the federal and State of Florida single audit act requirements. Insure grant documentation is maintained consistent with statute and governing grant agreements. Meet with and provide documentation to auditors from grantor governments, as required. *(Task FM 6)*

g. Maintain cash liquidity of the Key Largo Wastewater Treatment District construction projects, and recommend interim financial funding sources to the Board of Directors for approval, to insure construction completion is not inhibited by funding shortfalls. *(Task FM 7)*

h. Prepare financial closeout of all grant funds and prepare final grant reports to all grantors and Board of Directors, enter fixed assets in accounting records, set up depreciation schedules, and complete all financial activity to close projects. *(Task FM 8)*

- Construction Management: As part of the construction management functions, GSG will manage activities of the consulting engineers, contractors and other professionals to facilitate timely completion and permitting of Key Largo Park and Key Largo Trailer Village. In addition, any issues regarding easements and right of ways will be reviewed and dealt with by GSG under direction of the Board of Directors. These following tasks will be conducted as necessary and reasonably required with regard to construction of capital projects.

  a. Issue interpretations and clarifications of contract documents during construction. *(Task CM 1)*

b. Evaluate a request for substitutions or deviations there from. *(Task CM 2)*

c. Prepare any additional work orders. *(Task CM 3)*

d. Monitor any required project records. *(Task CM 4)*

e. Conduct comprehensive inspections of projects. *(Task CM 5)*

(Note) These efforts will be coordinated with the District's Engineer of Record to insure that there is no overlap or redundancy of efforts.

f. Develop list of items needing completion or correction. *(Task CM 6)*

g. Negotiate all contact with engineers and other consultants regarding scope and costs of necessary change orders. *(Task CM 7)*

h. Provide proof of compliance to State and Federal grant funding entities. *(Task CM 8)*

i. Meet with, on an ongoing basis, the professional selected by the District to insure that design concepts, construction standards, timeframes and budgets are adhered to according to contract commitments. *(Task CM 9)*

j. Assist in the resolution of conflicts, problems or other activities relative to projects authorized by the District. The disputes may include, contract issues, change orders, service interruption issues, coordination with other utilities for government entities and customer relations. *(Task CM 10)*

k. Coordinate and maintain involvement with a community information program regarding the KLP and KLTV. This will include meetings and discussions with the residents to insure that they are continually informed as to the progress of the projects. *(Task CM 11)*

l. Conduct close out procedures at the conclusion of each capital project. Including, a report to the District outlining the logical costs of these facilities, impact on operations and maintenance, customer service, wastewater capacity, storage facilities, distribution facilities, buildings and other infrastructure. This report will be prepared in concert with the District's Engineer and the Contractor. *(CM 12)*

- Presentations: The District Manager will attend and participate in all presentations required to insure that the District's projects are on schedule and that appropriate information is being maintained to track and monitor such compliance. Periodic meetings within the neighborhood groups with the engineers and contract managers to explain the purpose of the project,

interruptions that may occur and a point of contact for customer complaints or anticipated concerns. In addition, the District Manager anticipates presentations and meetings with local governmental entities and other interested parties to provide necessary information regarding the progress of these projects.

Reimbursement to Government Services Group, Inc.: Payment for services rendered consistent with this agreement shall be on a fixed fee basis as described in the following chart. The functions performed under this scope of effort apply jointly to the Key Largo Park and the Key Largo Trailer Village projects. For purposes of accounting, each ERC of benefiting property will share equally in these costs. Key Largo Park with 283 out of 850 total ERC's would be assigned 33.3 percent of costs. Key Largo Village with 567 out of 850 total ERC's would be assigned 66.7 percent of costs.

Expenses

Month & Year	Key Largo Park	Key Largo Trailer Village	Total
September-03	$ 2,081.25	$ 4,168.75	$ 6,250.00
October-03	2,081.25	4,168.75	6,250.00
November-03	2,081.25	4,168.75	6,250.00
December-03	2,081.25	4,168.75	6,250.00
January-04	2,081.25	4,168.75	6,250.00
February-04	2,081.25	4,168.75	6,250.00
March-04	2,081.25	4,168.75	6,250.00
April-04	2,081.25	4,168.75	6,250.00
May-04	2,081.25	4,168.75	6,250.00
June-04	2,081.25	4,168.75	6,250.00
July-04	2,081.25	4,168.75	6,250.00
August-04	2,081.25	4,168.75	6,250.00
September-04	2,081.25	4,168.75	6,250.00
October-04	2,081.25	4,168.75	6,250.00
November-04	2,081.25	4,168.75	6,250.00
December-04	2,081.25	4,168.75	6,250.00
January-05	2,081.25	4,168.75	6,250.00
February-05	2,081.25	4,168.75	6,250.00
March-05	2,081.25	4,168.75	6,250.00
April-05	2,081.25	4,168.75	6,250.00
May-05	2,081.25	4,168.75	6,250.00
June-05	2,081.25	4,168.75	6,250.00
July-05	2,081.25	4,168.75	6,250.00
August-05	2,081.25	4,168.75	6,250.00
Totals	**$ 49,950.00**	**$ 100,050.00**	**$ 150,000.00**

KLWTD WORK AUTHORIZATION NO. GSG 03-01

a

Professional Services Agreement Between the

Key Largo Wastewater Treatment District (KLWTD),
a legal entity and public body created by
Chapter 02-337, Laws of Florida, 2003

and

Government Services Group, Inc. ("GSG")

A. SCOPE OF SERVICE

GSG will provide capital project and grants administration and management services on a fixed fee basis as per the attached detailed scope of service.

B. PROJECT COST

Fixed fee $150,000.00 as per the attached reimbursement to GSG chart.

C. PROJECT SCHEDULE

Please see the attached scope of services.

D. NOTICE/PROJECT MANAGER OF CONSULTANT

Government Services Group, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

Andrew Tobin, Chairman
KLWTD
Post Office Box 491
Key Largo, FL 33037

Certification that Sufficient Funds are Available:

David Miles, Chief Financial Officer

Cris Beaty, Secretary KLWTD

Approved this 30th day of July, 2003.

11/10 to [illegible] 4 sig

KLWTD WORK AUTHORIZATION NO. GSG 03-01

a

Professional Services Agreement Between the

Key Largo Wastewater Treatment District (KLWTD),
a legal entity and public body created by
Chapter 02-337, Laws of Florida, 2003

and

Government Services Group, Inc. ("GSG")

A. SCOPE OF SERVICE

GSG will provide capital project and grants administration and management services on a fixed fee basis as per the attached detailed scope of service.

B. PROJECT COST

NOT TO EXCEED

Fixed fee $150,000.00 as per the attached reimbursement to GSG chart.

C. PROJECT SCHEDULE

Please see the attached scope of services.

D. NOTICE/PROJECT MANAGER OF CONSULTANT

Government Services Group, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

Andrew Tobin, Chairman
KLWTD
Post Office Box 491
Key Largo, FL 33037

Certification that Sufficient Funds are Available:

David Miles, Chief Financial Officer

Cris Beaty, Secretary KLWTD

Approved this 30th day of July, 2003.

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EXHIBIT B

SCOPE OF SERVICE
CAPITAL PROJECT AND GRANTS ADMINISTRATION AND MANAGEMENT
Fixed Fee

This Scope of Service will set forth the intentions and agreements between the Key Largo Wastewater Treatment District (the "District") and Government Services Group, Inc. ("GSG") acting as a District Manager ("Manager") in regard to the provisions by GSG of Capital Project and Grants Administration Management and other "Additional Services" contemplated in Article III of the Management Services Agreement entered between the parties in March 2003.

The Parties agree as follows:

GSG shall perform the Capital Project Administration Services described in this Memorandum for Key Largo Park ("KLP") and Key Largo Trailer Village ("KLTV") authorized by the District. Fees for services provided by the Manager on behalf of the District pursuant to this agreement shall be on a fixed fee basis consistent with the monthly amounts contained in this agreement.

Services Provided: As part of the project and construction administration fee, GSG shall perform the following tasks:

- Financial Management: As part of the grant administration and financial management functions to be performed by the Manager, GSG will perform the following financial administration and reporting tasks:

    a. Review payment requests and change orders from contractors, engineers, and consultants as the "owner's" representative and approve correct invoices for payment that are within the delegated approval authority of the District Manager, or recommend approval/disapproval to the Board of Directors for those items in excess of the delegated approval authority. *(Task FM 1)*

    b. Disburse funds on behalf of the District in payment of correct invoices, after securing appropriate disbursement authorization from the Board of Directors or District Manager. All disbursements will be conducted in accordance with District policy. This includes preparation of all documentation to place approval authorizations on Board of Director's agendas. *(Task FM 2)*

c. Prepare grant reimbursement requests and reports, to include assembling back-up documentation and obtaining necessary signatures of contractors, engineers, District Manager and operating officials, and District elected officials. Submit grant reimbursement documentation, respond to inquiries, prepare supplemental data and reports, and meet with grant representatives of Federal, State of Florida, Monroe County, South Florida Water Management District and other government entities as required. *(Task FM 3)*

d. Post grant receipts to accounting records and deposit receipts in District bank account(s). *(Task FM 4)*

e. Prepare monthly, quarterly, and annual programmatic and financial reports for grantor governments (including, but not limited to FEMA, FDEP, FDCA, SFWMD) and the Board of Directors, as stated in grant documents. *(Task FM 5)*

f. Prepare accounting records and reports for District external auditors, and to meet the federal and State of Florida single audit act requirements. Insure grant documentation is maintained consistent with statute and governing grant agreements. Meet with and provide documentation to auditors from grantor governments, as required. *(Task FM 6)*

g. Maintain cash liquidity of the Key Largo Wastewater Treatment District construction projects, and recommend interim financial funding sources to the Board of Directors for approval, to insure construction completion is not inhibited by funding shortfalls. *(Task FM 7)*

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- Construction Management: As part of the construction management functions, GSG will manage activities of the consulting engineers, contractors and other professionals to facilitate timely completion and permitting of Key Largo Park and Key Largo Trailer Village. In addition, any issues regarding easements and right of ways will be reviewed and dealt with by GSG under direction of the Board of Directors. These following tasks will be conducted as necessary and reasonably required with regard to construction of capital projects.

  a. Issue interpretations and clarifications of contract documents during construction. *(Task CM 1)*

b. Evaluate a request for substitutions or deviations there from. *(Task CM 2)*

c. Prepare any additional work orders. *(Task CM 3)*

d. Monitor any required project records. *(Task CM 4)*

e. Conduct comprehensive inspections of projects. *(Task CM 5)*

(Note) These efforts will be coordinated with the District's Engineer of Record to insure that there is no overlap or redundancy of efforts.

f. Develop list of items needing completion or correction. *(Task CM 6)*

g. Negotiate all contact with engineers and other consultants regarding scope and costs of necessary change orders. *(Task CM 7)*

h. Provide proof of compliance to State and Federal grant funding entities. *(Task CM 8)*

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j. Assist in the resolution of conflicts, problems or other activities relative to projects authorized by the District. The disputes may include, contract issues, change orders, service interruption issues, coordination with other utilities for government entities and customer relations. *(Task CM 10)*

k. Coordinate and maintain involvement with a community information program regarding the KLP and KLTV. This will include meetings and discussions with the residents to insure that they are continually informed as to the progress of the projects. *(Task CM 11)*

l. Conduct close out procedures at the conclusion of each capital project. Including, a report to the District outlining the logical costs of these facilities, impact on operations and maintenance, customer service, wastewater capacity, storage facilities, distribution facilities, buildings and other infrastructure. This report will be prepared in concert with the District's Engineer and the Contractor. *(CM 12)*

- Presentations: The District Manager will attend and participate in all presentations required to insure that the District's projects are on schedule and that appropriate information is being maintained to track and monitor such compliance. Periodic meetings within the neighborhood groups with the engineers and contract managers to explain the purpose of the project,

interruptions that may occur and a point of contact for customer complaints or anticipated concerns. In addition, the District Manager anticipates presentations and meetings with local governmental entities and other interested parties to provide necessary information regarding the progress of these projects.

Reimbursement to Government Services Group, Inc.: Payment for services rendered consistent with this agreement shall be on a fixed fee basis as described in the following chart. The functions performed under this scope of effort apply jointly to the Key Largo Park and the Key Largo Trailer Village projects. For purposes of accounting, each ERC of benefiting property will share equally in these costs. Key Largo Park with 283 out of 850 total ERC's would be assigned 33.3 percent of costs. Key Largo Village with 567 out of 850 total ERC's would be assigned 66.7 percent of costs.

Expenses

Month & Year	Key Largo Park	Key Largo Trailer Village	Total
September-03	$ 2,081.25	$ 4,168.75	$ 6,250.00
October-03	2,081.25	4,168.75	6,250.00
November-03	2,081.25	4,168.75	6,250.00
December-03	2,081.25	4,168.75	6,250.00
January-04	2,081.25	4,168.75	6,250.00
February-04	2,081.25	4,168.75	6,250.00
March-04	2,081.25	4,168.75	6,250.00
April-04	2,081.25	4,168.75	6,250.00
May-04	2,081.25	4,168.75	6,250.00
June-04	2,081.25	4,168.75	6,250.00
July-04	2,081.25	4,168.75	6,250.00
August-04	2,081.25	4,168.75	6,250.00
September-04	2,081.25	4,168.75	6,250.00
October-04	2,081.25	4,168.75	6,250.00
November-04	2,081.25	4,168.75	6,250.00
December-04	2,081.25	4,168.75	6,250.00
January-05	2,081.25	4,168.75	6,250.00
February-05	2,081.25	4,168.75	6,250.00
March-05	2,081.25	4,168.75	6,250.00
April-05	2,081.25	4,168.75	6,250.00
May-05	2,081.25	4,168.75	6,250.00
June-05	2,081.25	4,168.75	6,250.00
July-05	2,081.25	4,168.75	6,250.00
August-05	2,081.25	4,168.75	6,250.00
Totals	**$ 49,950.00**	**$ 100,050.00**	**$ 150,000.00**

IN WITNESS WHEREOF, the parties hereto have set their hands and official seals the ____ day of _____, 2003.

Key Largo Wastewater District
An Independent Special District

ATTEST:

BY: _____
Andrew Tobin
Chairman, Board of Directors

_____
Clerk to the Board
Faith Doyle

ENDORSED AS TO FORM & LEGALITY:

_____
Amy Dukes, Board Attorney

FIRM:

_____
Government Services Group, Inc.

(CORPORATE SEAL)

BY: _____
SIGNATURE

WITNESSES:

_____
TYPED NAME

_____

_____
TITLE

SWORN TO and SUBSCRIBED before me this ____ day of _____, 2003.

(Seal)

_____
NOTARY PUBLIC

My Commission Expires:

Faith Doyle

From: Robert Sheets [rsheets@govserv.com]
Sent: Friday, October 10, 2003 1:44 PM
To: Faith Doyle
Subject: FW: GSG Work Order

Please change language to reflect. We will bring new black line or we will email on Monday. Do not deal with it today.

-----Original Message-----
From: Andrew M. Tobin [mailto:Tobinlaw@terranova.net]
Sent: Friday, October 10, 2003 1:41 PM
To: Robert Sheets
Subject: Re: GSG Work Order

robert;

would you please add a clarification paragraph to the work order to reflect your agreement.

thanks,

andy

Andrew M. Tobin, P.A.
Attorney at Law
P.O. Box 620
Tavernier, FL 33070
Tele: 305-852-3388 email: Tobinlaw@terranova.net
<mailto:Tobinlaw@terranova.net>

----- Original Message -----

From: Robert Sheets <mailto:rsheets@govserv.com>
To: 'Andrew M. <mailto:Tobinlaw@terranova.net> Tobin'
Sent: Friday, October 10, 2003 6:27 AM
Subject: RE: GSG Work Order

Agreed.

-----Original Message-----
From: Andrew M. Tobin [mailto:Tobinlaw@terranova.net]
Sent: Thursday, October 09, 2003 9:03 PM
To: Robert Sheets
Subject: Re: GSG Work Order

robert;

i want you to agree (or not) to my statement that even though you are calling option B a flat fee, you are still on a not to exceed contract with equal monthly payments.

if you say that you disagree i will feel duped for the simple reason that the board had absolutely no reason to agree to a flat fee of $150,000 in equal monthly payments when we had the option of a not to exceed fee of $150,000.

i hope that you will not disappoint me.

andy

Andrew M. Tobin, P.A.
Attorney at Law

P.O. Box 620
Tavernier, FL 33070
Tele: 305-852-3388 email: Tobinlaw@terranova.net
<mailto:Tobinlaw@terranova.net>
----- Original Message -----

From: Robert Sheets <mailto:rsheets@govserv.com>

To: 'Andrew M. <mailto:Tobinlaw@terranova.net> Tobin'
Sent: Thursday, October 09, 2003 2:21 PM
Subject: RE: GSG Work Order

You are correct. We have enclosed in the October 15th agenda a revised GSG and WEC work order. We have reduced WEC's work order by $75,000. We have moved those hours which were at $85/hr and added them to our project inspector column. GSG's original hours were at $95/hr. We have recomputed all hours in this column in the GSG work order at $75/hr. This has resulted in a $12000 savings over 2 years.

I hope this is helpful. Yes we will provide time sheets for information purposes. Also ,Chuck starts full time on October 16th and we intend to have him running full speed day one.

P.S.-I liked the article also.

Original Message-----
From: Andrew M. Tobin [mailto:Tobinlaw@terranova.net]
Sent: Thursday, October 09, 2003 1:50 PM
To: SHEETS, ROBERT
Subject: Fw: GSG Work Order

Robert;

I am still waiting for your response.

Andy

Andrew M. Tobin, P.A.
Attorney at Law
P.O. Box 620
Tavernier, FL 33070
Tele: 305-852-3388 email: Tobinlaw@terranova.net
<mailto:Tobinlaw@terranova.net>
----- Original Message -----

From: Andrew M. <mailto:Tobinlaw@terranova.net> Tobin
To: SHEETS, <mailto:rsheets@govserv.com> ROBERT
Sent: Thursday, October 02, 2003 9:55 AM
Subject: GSG Work Order

Robert;

Based on your comments, I believe that clarification of Option B of the GSG Work Order is necessary.

Prior to voting, you assured me that Option B was the same as Option A (which is an hourly contract with a not to exceed cap of $150,000), except that under Option B, the payments were spread out for cash flow purposes.

Based on discussions prior to and after the vote, GSG assured the Board that it would still attempt to reduce the estimated fees under either Option. That intent is confirmed by your recent comments that GSG was reducing hourly rates for inspection from $95 to $75 based on Chuck Fishburn joining GSG, and other comments about working with Weiler to reduce the fees.

To avoid any misunderstandings, I would ask that you please confirm that the foregoing is your understanding of the intent of Option B of the Work Order.

Thank you,

Andy

Andrew M. Tobin, P.A.
Attorney at Law
P.O. Box 620
Tavernier, FL 33070
Tele: 305-852-3388 email: Tobinlaw@terranova.net
<mailto:Tobinlaw@terranova.net>

Faith Doyle

From: Faith Doyle
Sent: Monday, September 08, 2003 2:46 PM
To: Robert Sheets; 'Tobinlaw@terranova.net'
Subject: approved scope of services for GSG .....

Exhibit

Andy and Robert.....

Please read an excerpt from the approved July 30 meeting minutes approving the attached document.....

Action Item E-3 -- Approval of Scope of Service for Capital Project and Grant Management and Administration with Government Services Group, Inc. for the KLTV and KLP projects

A MOTION WAS MADE BY COMMISSIONER BEATY TO APPROVE THE SCOPE OF SERVICE WITH GSG. COMMISSIONER BAUMAN SECONDED THE MOTION FOR DISCUSSION. COMMISSIONER WILKINSON QUESTIONED OPTION EXHIBIT A AND EXHIBIT B. MR. SHEETS STATED THAT FOR THE MONTHLY AMOUNT LISTED THAT THE WORK TO BE DONE WOULD BE ALL INCLUSIVE WITH NO BILLING FOR TRAVEL. COMMISSIONER BEATY AMENDED HIS MOTION TO INCLUDE THE PROJECT COST WOULD BE FOR THE FIXED FEE. CHAIRMAN TOBIN AND COMMISSIONER WILKINSON QUESTION IF A DUPLICATION OF EFFORT WOULD BE MADE FOR COMMUNITY RELATIONS AND IF CONFLICT RESOLUTION ARE TWO ITEMS THAT DON'T BELONG IN THE SCOPE OF SERVICE. CHAIRMAN TOBIN ASKED FOR ANY FURTHER DISCUSSION. CHAIRMAN TOBIN REQUESTED A ROLL CALL VOTE.

COMMISSIONER BAUMAN	**YES**
COMMISSIONER BEATY	**YES**
COMMISSIONER BROOKS	**YES**
COMMISSIONER WILKINSON	**NO**
CHAIRMAN TOBIN	**YES**

THE MOTION CARRIED WITH A VOTE OF FOUR IN FAVOR AND ONE NOT IN FAVOR."

Andy & Robert,

Please print the attached document and advise me if you would prefer to have me circulate it for signatures ASAP or would you like all to sign it at the 9/17 meeting....this item has been outstanding from the 'official records' and I would like to have it completed and filed as soon as possible....thanks,

KLWTD WA GSG 03-01 for signatu...

Faith Doyle
Clerk to the Board
c/o Government Services Group, Inc.

614 N. Wymore Road
Winter Park, FL 32789
Phone (407) 629-6900
Fax (407) 629-6963
Cell (321) 246-0059