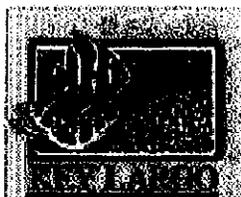


February 4th

2004



Key Largo Wastewater Treatment District Board of Commissioner's Meeting Agenda

**5:00 PM Wednesday, February 4, 2004
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida**

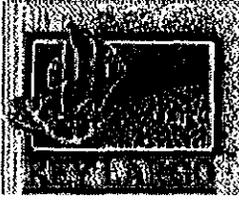
- A. Call to Order
- B. Pledge of Allegiance
- C. Additions, Deletions or Corrections to the Regular Meeting Agenda
- D. Minutes – Draft January 7, 2004, Draft January 14, 2004, Draft December 3, 2004, Draft November 19, 2003, Draft November 5, 2003
- E. Public Comment
- F. Action Items
 - 1. Pending Payments List
 - 2. Standard Engineering Contracts with the top ranked firms from the April 2003 CCNA process. (Please note these include all revisions that were made to the WEC contract that was previously approved by the Board)
 - a. ARCADIS
 - b. Boyle
 - c. CPH
 - d. Calvin, Giordano & Associates, Inc.
 - e. Malcolm Pirnie, Inc.
 - f. Metcalf & Eddy
 - g. PBS&J
 - 3. Approval of the Revised Haskell Change Proposal for Key Largo Park
- G. General Manager's Report
 - 1. Annual Audit and CAFR Presentation
 - 2. Financial Update
 - 3. Update on the Tax Exempt Status
 - 4. Discussion on Rescheduling of the Transition Plan and Administrative Procedures Workshops
- H. Legal Counsel's Report
 - 1. Meeting with Monroe County Attorney Richard Collins concerning the reimbursement of Board payroll from County funds
- I. Engineer's Report
 - 1. Design-Build Agreement design requirements (30% design submittal)
 - 2. Calusa Campground Presentation
 - 3. Haskell Monthly Progress Reports for October, November and December
 - 4. WEC Engineering Status Report
- J. Public Comment

K. Commissioner's Items

- move* 1. Discussion of Strategic Planning and Consulting Strategic Planning Firm – Chairman Bauman (CARRIED OVER FROM 1-14-04 AGENDA)
- move* 2. Discussion of near shore water testing – Chairman Bauman (CARRIED OVER FROM 1-14-04 AGENDA)
- move 3.* Discussion of "Decision Time" email dated 1-22-04 – Commissioner Wilkinson
- move 4.* Discussion of all e-mail and other communications since our last meeting – Commissioner Brooks
5. Update and discussion of the PMP (Project Management Plan) regarding future Federal funding through the Army Corps of Engineers/South Florida Water Management District – Commissioner Brooks

L. Meeting Adjournment

DRAFT



**Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda**

**5:00 PM Wednesday, January 7, 2004
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida**

Board Members Present

Gary Bauman
Cris Beaty
Charles Brooks
Andrew Tobin
Jerry Wilkinson

Staff Present

Robert Sheets
Tom Dillon
Ed Castle
Faith Doyle
Chuck Fishburn

Guest Present

Steve Gibbs, Key Largo Free Press Reporter
Ann Henson, Reporter for the Key Largo Reporter
Nos Espat, Randazza Inc.
Pete Kinsley, Haskell Company
Will English, Haskell Company
Mary Lou Wilkinson, Key Largo Resident
Gaile Jelinek, Key Largo Resident
Burke Cannon, Key Largo Resident
Vicky Fay, Key Largo Resident

A. Call to Order

Chairman Gary Bauman called the meeting to order at 5:02 p.m.

B. Pledge of Allegiance

The pledge was recited.

C. Additions, Deletions or Corrections to the Agenda

Commissioner Brooks requested that item G6 be renamed "Discussion of letter from Randazza to Haskell".

Items F1 and F2 are one in the same per Robert Sheets and can be combined.

D. Public Comment

Chairman Bauman stated that public comment would be entertained at pertinent times during the meeting.

E. Action Items

There were no action items.

F. General Manager's Report

1. DCA Bonding Proposal
2. Overview of Funding Scenarios

Items 1 and 2 were combined and Mr. Sheets reviewed the information provided noting that the scenarios were based on capacity fees of \$2,700 and other factors. Commissioner Tobin asked why a report and why being done at present. Mr. Sheets stated that the memo was drafted at the request for information from two board members. Chairman Bauman wanted information to review as an informational item only. The scenarios were reviewed. Mr. Sheets noted that \$9,600 dollars per EDU would be a reasonable cost and a possible savings of 53 million dollars could be realized by doing all projects at once versus \$14,000 per EDU if done piece mill.

Commissioner Brooks commented that future financing couldn't be done until this portion of the project is complete. Future projects could not be funded from the revenues to be generated from the first project per several reports already generated. Commissioner Brooks stated that these scenarios are a good look at future options for further developments. Commissioner Brooks also informed the board about options that were mentioned at a BOCC meeting that should be reviewed by the KLWTD. Commissioner Brooks believes all of these options should be reviewed and future projects from the master plan need to be looked at for future development. Discussion ensued. Commissioner Brooks concluded that if EEA's were complete then KLWTD would be ready for funding.

Commissioner Wilkinson asked if all costs were considered in the scenarios. Mr. Sheets stated that all overhead costs were included.

Chairman Bauman asked if there any further comments. Commissioner Bauman thanked the manager for the information provided.

3. Status Report on the Transition Plan

Mr. Sheets stated that the information was a precursor to the 1/14 workshop and that the transition team continues to meet and that the document presented today was not for discussion at this time. The document was briefly reviewed.

Mr. Sheets informed the Board that he had been in contact with Ms. Science Kilner of FEMA concerning the status of the FONSI. A status report would be provided at the next meeting.

G. Legal Counsel's Report

1. Notice of Delay from Haskell

Mr. Thomas Dillon stated that the draft letter was finalized and sent to Haskell concerning delays considered to be beyond their control. More specific information was requested and received from Haskell that confirms what the causes for the delays were and an updated schedule. Mr. Dillon had received the information on 12/29 but had not completed his review. Mr. Dillon stated that the delay is an important issue and most of the float in the contract has been used. There is not much more room for delay and further delay could impact the project. The letter was discussed and Mr. Dillon requested that copies be forwarded to the Board. Mr. Dillon will analyze the schedule and recommend additional time required.

Commissioner Tobin commented that the stalemate must come to an end and the Board needs to make a decision and move forward. Mr. Dillon agreed and suggested that a resolution be made tonight. The Board's approval of USBF has raised concerns with Haskell and they believe the USBF process would place undue risk on the Haskell Company.

The Chairman combined agenda items G1 and G6 at the suggestion of the Board members.

Discussion ensued on the 5531 standard, design requirements to meet the standard and the costs involved. Haskell had been instructed to get the information for the changes required from the vendors to make a determination, however Randazza did not provide the information. (Randazza's letter of response was included in the agenda packages and briefly reviewed).

Discussion ensued on down payments. Mr. Dillon suggests that all the necessary information be provided prior to money changing hands. It was noted that Randazza required a 30% down payment per documents forwarded to the Board. Fluidyne was also contacted to verify the amount of money they required with a purchase order. Fluidyne stated that no money was required upfront.

Commissioner Wilkinson asked if the critical path had been reviewed. Mr. Dillon stated that staff had received it but has not had the opportunity to review it. However, the float is about depleted and if there are time overruns there would be liquidated damages, which is not a comfortable position for the district or the contractor.

Commissioner Wilkinson stated that it is critical and the project must move on. He has done independent study on his own and has discovered that SBR is a process created for nitrogen problems. It was noted that SBR could be adapted by adjusting operations and is very flexible.

Commissioner Beaty requested that the vendor and contractor state their opinion of the issues. Concerning payment terms Mr. Kinsley stated that Randazza could not provide performance and payment bonds and the Haskell standard purchase order was not acceptable to Randazza. Mr. Espat of Randazza responded that only one set of terms was acceptable (30 percent down upon execution of purchase order and 70 percent at completion of fabrication in advance of startup) and Haskell would not accept these conditions and it wouldn't be prudent for the district to accept them. Concerning the critical path analysis if the requested information would be provided he would review it. Sharing of the float ownership was touched on.

Mr. Nos Espat of Randazza commented that he had received the requests and had responded to the Haskell Company. He stated that Purestream has been in business for 30 years and changed the process for down payments 10 years ago but they are the same wherever the plants are built. He stated that his problem with general contractors was they ask for 10 percent upfront and then place conditions on other entities funds. Mr. Espat stated that to redesign and provide drawings would be costly and are not needed. Haskell is asking for a complete detailed set of drawings that will go to the FDEP who will ultimately permit the system. The payment terms are not new and there is no way Randazza would accept 90 percent after delivery. Mr. Espat stated that Randazza is not treating the KLWTD any differently than any other client. Mr. Espat stated that Randazza never gets paid by general contractors but by the governmental entity because they don't pay sales taxes. Mr. Espat stated that if the KLWTD purchased the equipment he would not ask the Board to come up with 30 percent down but the question hasn't been answered as to who is purchasing the equipment.

Commissioner Brooks raised issues concerning the contract including the option of the Board purchasing the equipment to avoid paying sales tax and Haskell accepting the Board's decision to use USBF.

Commissioner Brooks asked Mr. Espat directly if the board would be charged a down payment if the Board purchased the equipment. Mr. Espat stated that he would not charge the Board. Commissioner Brooks believes that not having a purchase order would remove the impasse and that the impasse is more of an issue of if Haskell would honor their contract. Commissioner Brooks requested that Mr. Espat confirm that he would also provide the record drawings as requested by Haskell at the same time he provides them to the FDEP. Mr. Espat stated that he would and that the Randazza engineers would sign off on the design and that it would meet AWT standards and meet the FDEP permit standards. Commissioner Brooks asked Mr. Espat if their design calculations were proprietary. Mr. Espat answered in the affirmative. Commissioner Brooks wants the Board to move forward with the present decision to use USBF.

Commissioner Brooks asked if Mr. Kinsley would accept sending the FDEP a design process approved by Randazza engineers. Mr. Kinsley stated that Brown and Caldwell are the engineers and takes a professional oath to sign and seal designs that will work. However, insurance coverage would most likely be jeopardized if the system fails if the Board departs from the recommendation made. Mr. Kinsley stated that if Randazza provides the design and resolves the design liability issue—the warranty would need to be provided by Randazza and Haskell would require relief from the performance warranty then we can start tomorrow. However, after four months of due diligence and

with staff and the design professionals stating it would not work, Haskell will honor the Board's decision to build an USBF system but could not provide a warranty.

Mr. Dillon stated legally the contract is a design build contract and Haskell is required to do the engineering and Haskell or Brown and Caldwell could argue that the KLWTD has acted in bad faith if the Board stays with USBF over the recommendation of the engineers. Mr. Dillon stated that the KLWTD is losing what it paid for via the contract and inviting a great deal of legal issues if the approach is taken that would solve Haskell's problems, making them the KLWTD's problem.

Mr. Dillon stated that the contract was entered into on good faith and fair dealing and it would be a tough argument to insist that Haskell build a system that the engineers don't believe will work.

Commissioner Brooks stated that none of the engineers could prove that USBF would not meet the 5531 AWT standards and that it is only the engineer's opinion that it won't work. An opinion should not be used for a concrete conclusion.

Chairman Bauman stated that the Board has been debating this issue too long and it is now a legal issue. The Board either needs to let Haskell out of their warranty on an 8 million dollar job, or we let Haskell out of their contract or we get another vendor. Mr. Dillon added that per the contract the first step would be to go through mediation, resulting in more money being spent on experts.

Chairman Bauman asked legal counsel's opinion. Mr. Dillon concerning the Board issuing a purchase order to Randazza he would strongly recommend against it and on the treatment process he recommends that the Board reconsider their decision on the treatment process.

Chairman Bauman requested that reconsideration of the decision to use USBF secondary treatment process be placed as an action item on the January 14, 2004 agenda.

Commissioner Brooks brought up a point of order stating that the Chairman could not make the request because he had voted against USBF. Mr. Dillon stated that at this point Chairman Bauman could make the request. Commissioner Wilkinson stated that he would make the request a motion if necessary.

Commissioner Tobin requested legal counsel to provide a legal analysis of the issue for the January 14 meeting because it is now becoming a legal dispute versus a treatment process dispute.

Mr. Burke Cannon stated that as a citizen representing the Key Largo Federation of Home Owners and he had believed the KLWTD Board was a good example of what can be accomplished when you have your own looking after the public good, however he is dismayed that one person on the Board is pushing against the experts and pushing against the legal advice and he states that he will be reporting his concerns to his home owners. He stated that after talking with George Garrett he is convinced that USBF won't work. Mr. Cannon is concerned that money is spent each meeting and when

people start paying for the system people will be questioning why the Board's own experts recommendation of SBR was ignored for one member.

Commissioner Tobin stated that the Board's selection of USBF was an attempt to force the engineers and the contractor to take a hard look at the USBF system—during the process the Board continually heard that information wasn't being provided and reviewed. As the swing vote it was an attempt to have a hard look at something the Board had heard was a better process.

Ms. Vickey Fay stated that as a community member she would ask the Board use due diligence and that the analysis be complete for the Board to make a good decision. She requested that the Board look at capital and operating expenses because she hasn't seen where either can meet 5531. The amount of savings if the Board prepares the purchase order compared to Haskell should be considered because it could be significant savings. Also, Rep. Sorenson has supported the community and there is a bill being considered in February to address relaxing the 5531 standards. Lastly concerning the warranty issue the bottom line is that the long term is that the vendor has to take care of the warranty.

Commissioner Tobin wants the following points to be considered on the 14th, that who purchases the equipment does not affect the warranty, that warranties must be signed for a decision to be made and that all documentation from both equipment vendors needs to be in place to assist in a clear cut decision. Commissioner Tobin asked if an executive session would be required due to the litigation possibilities. Mr. Dillon stated that until a claim is made there is no basis to hold an executive session.

Commissioner Brooks wanted confirmation that no purchase order had been issued. Mr. Dillon confirmed that no purchase order has been issued. Commissioner Brooks asked Randazza if there would be any problem in providing Haskell with preliminary drawings and chemical process calculation between now and the 14th. Mr. Espat stated that there would not be a problem with providing process calculations. Discussion ensued.

Commissioner Tobin requested that the subcontractor agreement be reviewed by Mr. Dillon to see if it is sufficient and fair.

2. Draft Policy for Handling Unsolicited Requests for District Positions

Mr. Dillon stated that this was drafted per the request of the Board and should be discussed at the workshop.

3. Term Consulting Contract Revision

Mr. Dillon stated that Boyle Engineering had requested a change to a paragraph in 25.1 of the standard consulting contracted and he recommends that it not be changed. Boyle Engineering stated that ultimately they would agree to sign the document as written.

4. Term Consulting Contract – Prompt Pay Act Amendment

Mr. Dillon stated that this item has been provided as an amendment to the standard contract for the consultants to consider and sign.

5. Use of County Funds for KLWTD Administrative Expenses

This was an informational item showing the dialogue between Mr. Dillon and the County. Mr. Dillon stated that the communications were sent to aid in the County approving to pay the Board member's honorarium and administrative costs. Commissioner Tobin suggested an attorney general opinion be requested.

COMMISSIONER TOBIN MOTIONED FOR THE ATTORNEY TO DRAFT A LETTER REQUESTING AN ATTORNEY GENERAL'S OPINION ON THE ISSUE. COMMISSIONER BROOKS SECONDED THE MOTION. ALL WERE IN FAVOR AND MOTION WAS UNANIMOUSLY APPROVED.

Legal Counsel was directed to send a copy Mayor Murray Nelson who will assist in the effort.

6. Secondary Treatment Issue

PLEASE SEE ITEM G1.

H. Engineer's Report

1. Status of Haskell Invoices

Mr. Ed Castle stated that Haskell has provided the additional information requested by him and made the suggested adjustments. Mr. Castle is ready to approve the payments and forward them to GSG for review and submittal to the Board.

2. Engineer's Status Report as of December 30, 2003

Mr. Castle reviewed the report provided noting that he has received the 30 percent design drawings for KLTV and that the KLP's will follow after the process decision is made.

Mr. Castle stated that the Calusa Campground Report would be presented at the January 14, 2004 meeting. In summary five connection options were explored and the costs estimated. Also reviewed were the quality of the influent and I & I problems and the necessary corrections to be made.

Chairman Bauman requested the item be placed on the January 14, 2004 agenda.

Commissioner Brooks questioned Haskell suggesting the design meetings being held in Miami, he thought it was the intent of the Board to have business conducted in Key Largo. Discussion ensued concerning the team's discussion to move the meetings to Miami. Commissioner Brooks wants future meetings in Key Largo because he wants to attend them. Mr. Dillon will look at the Sunshine Law to verify if they need to be advertised. Mr. Kinsley will arrange to have them held in Key Largo.

I. Commissioner's Items

1. Discussion of Gino F. Angella's email dated December 22, 2003 – Commissioner Tobin

Mr. Castle addressed the letter from Captain Jax. Mr. Castle stated that Mr. Angella is correct that you have to consider future flows and that the Calusa report would demonstrate that the Board is giving consideration to the issues. Mr. Castle stated that the KLWTD situation is different but as things are being built future flows needs to be considered during the design phase. Flows need to be reviewed for sizing of the pipe at the 100.5 site which means determining all future flows at this time. Mr. Kinsley agreed that flows and master planning need to be addressed. Mr. Castle noted there are many sites to be considered and while the road is being crossed all flow calculations should be looked for the pipe into the plant all other factors do not need to be determined immediately.

Commissioner Wilkinson excused himself from the meeting at 7:15 P.M.

Mr. Castle was requested to provide a draft scope of work and summary on how to approach the plan. Discussion ensued on proposed plans. Mr. Sheets agreed that a formal work authorization scope of work should be solicited from other engineers selected by the Board via the CCNA process once standard contracts are obtained and approved.

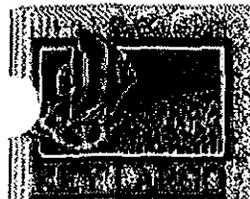
J. Meeting Adjournment

A motion to adjourn was made at 7:38 P.M. All were in favor and the motion was unanimously approved.

DRAFT

**Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda**

**4:00 PM Wednesday, January 14, 2004
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida**



Board Members Present

Gary Bauman, Chairman
Cris Beaty
Jerry Wilkinson
Charlie Brooks
Andrew Tobin

Staff Members Present

Robert Sheets, General Manager
Tom Dillon, Board Attorney
David Miles, Chief Financial Officer
Ed Castle, Board Engineer
Jeff Weiler, Board Engineer
Faith Doyle, Board Clerk

Guests Present

Peter Kinsley, The Haskell Company
D Hortenstine, Brown and Caldwell
Jru Oppenheim, Brown and Caldwell
Marguerite McCauley, Government Services Group, Inc.
Gaile Jalenlek, Key Largo Resident
Robert Burt, Key Largo Resident
Steve Gibbs, Reporter
Ann Henson, Reporter
Dick Morton, Key Largo Resident
Richard Lancaster, Key Largo Resident
Nos Espot, Randazza

A. Call to Order

Chairman Bauman called the meeting to order at 4:11 pm

B. Pledge of Allegiance

All stood and recited the Pledge.

C. WORKSHOP – ADMINISTRATIVE PROCEDURES

Please see below.

D. Additions, Deletions or Corrections to the Regular Meeting Agenda

It was the consensus of the Board to move the workshop to the end of the meeting to accommodate the members of the Key Largo Federation of Homeowners who wish to attend their meeting that was scheduled to begin at 7:00 P.M. Commissioner Brooks noted that he was concerned that several items on the agenda that were of interest to the public who had not arrived at the meeting because a workshop was advertised to be held at 4:00 P.M. Chairman Bauman noted the concern and suggested that other items not pertaining to the secondary treatment process be considered first.

Chairman Bauman requested that an additional public comment period be added to the agenda prior to the workshop. There were no objections to the change.

Commissioner Brooks stated that after the concerns stated by Commissioner Tobin at the last meeting that there are issues related to the contract that should be considered prior to the action items. He believes an executive session is necessary. Mr. Dillon stated that with no complaint pending the Board is prohibited from calling an executive session. He noted that an executive session can only be called to discuss a pending claim and it would require a special notice to be advertised and a court reporter present to provide an official transcript.

E. Public Comment

Chairman Bauman asked for public comment. Mr. Dick Morton of Riviera Village addressed the Board. Mr. Morton inquired if the projects were a negotiated contract or if they had been part of a competitive bid. Mr. Sheets stated that the Haskell contract was awarded as a result of a response to a request for proposals. The process after the award was to finalize the terms of the contract. Mr. Morton believes that all of these disputes should have been taken up before this time. Mr. Sheets stated that the issue being discussed at present was the secondary treatment process. Mr. Morton asked if the secondary treatment process decision was the Board's responsibility. Mr. Sheets stated that it is a provision of the contract to permit the Board to issue a purchase order for equipment if they desire and to participate in the treatment process selection. Mr. Morton stated that he is concerned with the controversy over this issue and that the Board continues to question the recommendations.

Mr. Dick Lancaster, President of the Hammer Point Board of Directors addressed the Board. Mr. Lancaster commended the Board for their progress in the tight time frame they have been up against. Mr. Lancaster stated concern with the Board's continuing debates over the treatment system issues. Mr. Lancaster believes that the USBF treatment system has a greater potential for problems and because the contractor (Haskell), the engineering company (Brown and Caldwell), board engineer (WEC), the manager and the Monroe County coordinator of wastewater opposes it and with the lack of a guarantee that the process will work he urged the Board to rethink and proceed carefully.

The clerk was requested to reflect for the record that Mr. Nos Espat arrived at 5:10 P.M.

F. Legal Counsel's Report

1. Response to Commissioner Tobin's concerns raised at the 1/7/04 meeting

Mr. Dillon reviewed his memorandum in detail. The memorandum is made part of this record as Attachment A.

Mr. Kinsley of the Haskell company commented that the TSC Jacobs Company has worked with Haskell prior and he is confident that they will sign the purchase order and payment terms and would provide payment and performance bonds.

Commissioner Brooks asked about KLWTD purchasing the equipment. Mr. Dillon states that per the contract they could purchase it.

Discussion ensued on the issue of 'good faith' in honoring the contract. Mr. Dillon cautioned that the WTD must act reasonably and Haskell needs to demonstrate that they are acting reasonably and their action of requesting further information from Fluidyne was done to demonstrate this. Direct purchases were also discussed.

Commissioner Brooks believes that the contract terms are negating the Board's desires. Commissioner Brooks questioned if Board members could attend the design phase meetings. Discussion ensued on the possible sunshine law implications of members attending the design meetings. Commissioner Wilkinson stated that from past practice the Board had given comments during design discussions, which the engineers have addressed but not always to the Board member's liking.

Mr. Sheets is confident that the contract has a provision that beyond the monthly status report there is a meeting to be held monthly and these could be held in conjunction with a board meeting, however this may preclude the staff from reviewing information prior to the Board.

Chairman Bauman suggested that staff recommend a procedure to the Board. Mr. Castle stated that the contract requires Haskell to provide submittal protocol and once the 30% design is received a recommendation to approve them would be provided. Mr. Kinsley of Haskell stated that he welcomes the participation of the Board. Commissioner Wilkinson asked what the deadline for 30% design approval was. Mr. Kinsley stated that presently there is a two-week time frame in the present schedule.

Commissioner Bauman asked WEC to have a recommended submittal protocol available for the February 4, 2004 meeting.

2. Warranty Form to Nos Espat
 - a. Randazza suggested form
 - b. Dillon suggested form
3. Fluidyne Warranty

Mr. Dillon presented a revision to items F2a and F2b he addressed items F2 and F3 in his memorandum all of which are made part of the record as Attachment B. The attached warranties were the final versions that were signed by the vendors. Discussion ensued concerning the various warranties.

Discussion ensued on the characteristics of the sewage. Assumptions were made during the RFP process per Dillon and he stated that if they are not realistic they should not be adhered to.

Commissioner Brooks questioned influent characteristics and its possible negation of the warranties. Mr. Dillon had suggested different verbiage to protect the district. Further discussion ensued.

Chairman Bauman objected to the attempts to re-negotiate the warranties during the meeting. He believes that with three signed warranties there should be a decision made immediately. Commissioner Brooks stated that he had a problem with that. Mr. Dillon suggested making a motion on approving the signed documents as presented. Commissioner Brooks stated that he hasn't had time to review what was sent on the 1-12-04.

Commissioner Tobin asked if the Fluidyne warranty was substantially the same as what had been provided in the agenda book. Mr. Dillon stated all except the two items that he detailed.

Commissioner Brooks stated there is confusion by placing three warranties together. Mr. Dillon stated that Randazza and Purestream had split out the responsibilities listed in the original warranty. Commissioner Tobin stated that he would prefer one warranty with the manufacture and vendor with only one document.

Discussion ensued on the bonding requirements. Mr. Dillon stated that bonds during the initial year are not as important because Haskell holds a bond. He noted that two bonds are not necessary, but that if Haskell is not willing to take responsibility on a process they could not support, there would be no bonding to secure the performance of the person providing the secondary treatment system. Discussion ensued concerning the function of a performance bond and payment bond and the fact that legal counsel reiterated that has never heard of a "process bond". It was noted that the performance bond requirement was struck from the Purestream/Randazza warranty.

5. Haskell Company Purchase Order

Mr. Kinsley answered questions concerning the purchase order and added that vendors he has worked with do provide support and if it is not stated in the warranty it is either stated in the contract or the purchase order.

6. Haskell Design Calculations Request

7. Informational copy of the December 29, 2003 Haskell Company Correspondence

Items F6 and F7 were discussed. Mr. Dillon reviewed the issue of delay. Mr. Dillon had requested Haskell to get information to prove or disprove that USBF would not work. The calculation requested had not provided by Randazza. Commissioner Brooks stated the design calculation had been available sir last February. Mr. Dillon countered that a statement made in a Randazza's letter says that the district staff could not verify the cost increase because they don't have the information. Please see Item G-2 below for further discussion.

The Chairman recessed the meeting at 6:55 p.m.

The Chairman reconvened the meeting at 7:10 p.m.

G. Action Items

1. Pending Payments List

Mr. Sheets stated that the payment list was modified to show what funds the payments come out of as directed by the Board. The GSG time sheets and hourly activity sheets were supplied for informational purposes as per the Board's request.

Mr. David Miles reported the funds on hand at present were \$62,585.66 and that a deposit from FCAA of FEMA Phase 1 money in the amount of \$232,108.21. The MSTU money has not been disbursed as previously reported. The amount is approximately \$140,000.00. It was noted that the County's policy is to not pay by wire transfer. Commissioner Wilkinson requested the current cash balance. Mr. Miles stated that it was \$294,693.87 the bills payable today will be deducted from the stated balance.

Chairman Bauman asked if there should be a separate capital and administrative funds. Mr. Miles stated that it would be more difficult and is not necessary because it creates an administrative burden to track the accounts.

Commissioner Tobin stated the routine for approval of the bills should be to let the Board review the legal invoices, that GSG invoices should include accounting of the time spent on KLWTD activities and that he would not approve the Haskell pay applications until he understands the process. Mr. Sheets stated that he had provided pages of breakdown at item H2. Mr. Tobin stated that the Mull & Associates invoice could be paid if Mr. Miles could explain it. Mr. Miles stated that it was for the hours spent for the annual audit less 10 percent retainage.

Commissioner Brooks question the Board's payroll checks being process prior to the payments pending list being approved. Mr. Miles stated that by resolution of the Board he has the authority to disburse up to \$2,500.00 and that the payroll is being paid under that authority. Also the payroll and federal taxes have been paid.

Commissioner Brooks stated that legal fees for two months in the amount of approximately \$16,000 concerns him and that if the cost of on issue is over \$5,000 there should be an accounting. Mr. Dillon stated that the contract states that his invoice is to be submitted in detail and forwarded to the manager. Mr. Sheets stated that his had been done in the past, however at the transition of Mr. Dillon to legal counsel it was assumed that it was no longer necessary this can be changed. Mr. Sheets asked the Board if it were requesting copies of all the invoices listed on the pending payments list. Discussion ensued. Mr. Sheets requested direction to provide backup on all pending payments. Commissioner Brooks and Commissioner Tobin would like to see a dollar threshold. Discussion ensued. Commissioner Beaty would like Commissioner Tobin to review all legal bills. Chairman Bauman asked the other service providers if they had difficulty providing detailed invoices. It was noted that consideration must be given to the prompt pay act because when the Board has money the prompt pay act comes into play so a specific procedure should be enacted.

MOTION TO APPROVE ALL BUT ITEMS NO. 3, 4, 5, 6, (DILLON'S, GSG'S AND HASKELL'S) AND TO PAY THE BALANCE OF THE PAYMENT PENDING LIST WAS MADE BY COMMISSIONER TOBIN. Discussion ensued. Commissioner Tobin stated that Haskell might be approved at the end of the meeting after the pay application process was reviewed. Commissioner Beaty seconded the motion. Chairman Bauman requested a roll call vote as follows:

Commissioner Beaty	Yes
Commissioner Brooks	Yes
Commissioner Tobin	Yes
Commissioner Wilkinson	Yes
Chairman Bauman	Yes

All were in favor and the motion was unanimously approved.

Commissioner Tobin requested an item be added to the agenda. The item was to reconvene the meeting after the workshop to approve payment of the Haskell pay application if it were in order. The Board gave its consensus.

- 2. Resolution of Haskell Contract Concerns
 - RE: Secondary Treatment Selection
 - a. Resolve to Mediate with the Haskell Company
 - b. Resolve to Relieve Haskell from AWT Warranty

c. Select Modified SBR Technology

Mr. Dillon concluded his presentation on the letter from Haskell and stated that staff had examined the other information provided by Randazza and Purestream and continues to conclude that the USBF process would not work. Mr. Kinsley and Mr. Hortenstine summarized that from the design calculations that were evaluated and after consulting with Purestream's engineers that none of the information received had changed their position. Mr. Hortenstine gave specific details of the process used in analyzing the addition information, which included speaking with Dr. John Smith with Smith Environmental of Cincinnati Ohio. A modeling scenario was run with the information but it didn't address the bio kinetics. Dr. Bratby of Brown and Caldwell also spoke with Mr. Smith and are in agreement with Mr. Hortenstine's deductions. Dr. Bratby used Biowind to model and couldn't achieve 3.0. Mr. John Smith provided information from a plant in Long Island, NY and one from Italy to demonstrate that 3.0 could be achieved however, out of 3-5 months of data provided only several days reached 3.0 the consistent numbers were from 5 to 8. Mr. Kinsley and Mr. Hortenstine concluded that they did not find out anything that changed their opinion.

Chairman Bauman asked Mr. Dillon for his opinion on the issue. Mr. Dillon stated that the short answer is that neither Haskell or Brown & Caldwell, nor Weiler believes that USBF can meet the standards and Haskell cannot go forward without resolution to the problem. Mr. Castle has received the same information and he stated that it did not include the kinetic values to achieve the levels required. Mr. Castle purchased a different process model program from the EECS Group and he couldn't achieve the required nitrate level. Discussion ensued. It was noted that a program was not sent just the input information. Mr. Castle of WEC concluded that no significant information to change his mind was provided and the fact that he used an independent model and obtaining the same results aided his conclusion.

Commissioner Tobin asked if the process calculations were first received on the 10th January. Mr. Castle stated that the first useable information was received on January 10, 2004.

Chairman Bauman asked for comments from Mr. Espat of Randazza. Mr. Espat noted that he was not on the call with Brown and Caldwell and the Purestream representatives so he could not dispute what was said. Mr. Espat believes there are two issues, one why the process name had changed, because four major competitors had claimed rights to their patent. Mr. Espat noted that there was no change to the process. Mr. Espat noted that John Smith was not only the consultant, but is the co-owner of the patent. Mr. Espat addressed Mr. Dillon on the warranty and clarified that when design is discussed the only reason we say 'actual' is because we must have some parameter of where you are starting. It is Mr. Espat's opinion that no one will guarantee from a specific starting point. Mr. Espat stated that it was clear when Boyle sent out the RFP criteria that there would not be 250 B.O.D. you would have a food distribution supplement to provide the nitrogen results. Mr. Espat stated that as far as consequential damages, the warranty is signed by both owners of the Purestream Company and Randazza provided an additional warranty. Mr. Espat stated that in the disclaimer where Mr. Dillon addressed the issue was contradictory.

Mr. Espat stated that concerning bonding that if Haskell is providing the opportunity for Fluidyne to bond through them so he should be given the same opportunity. Mr. Espat believes that Fluidyne can't get one on their own either, he is not sure of this but he should be given the same opportunity. If he needs to have one he would like to add it to his proposal. The cost of the bond should be included in the original bid he would buy it if it were made available to him. Mr. Espat stated that concerning process or performance bonds it is important that the District clarify what performance means and he believes as far as performance bonding it should be clearly stated as what it includes if it is a process warranty it has to be defined so that you are protected for 5531. Mr. Espat thanked the Board.

Chairman Bauman asked for further Board comment. Commissioner Brooks requested to read information into the record. Commissioner Tobin requested to question Mr. Espot. The Chair granted the request.

Commissioner Tobin asked Mr. Espot to please tell the Board why the information that was asked for months ago had only been provided last week and why according to both engineers it was not sufficient data. Mr. Espot stated that he had arranged the discussion with Mr. Smith and that the calculations and all the required information had been on record in the District and was issued by CPH Engineering and he had spent 5 hours going over the information with Mr. Stu Oppenheim in February. Mr. Espot stated that he had difficulty defining whom he should be in contact with and that he had answered Mr. Kinsley's requests but Mr. Oppenheim requests were extensive and costly. Commissioner Tobin stated that the information received from Randazza hasn't established 3.0. Mr. Espot stated that the USBF BESST technology is patented and they cannot divulge the essence of their process with the calculations that others could copy their process. Discussion ensued on the patent process and the information divulged and if it is public record. Commissioner Brooks stated that on patents some are never divulged Polaroid had hundreds on film process and Coca Cola's ingredients. Mr. Espot stated that there are portions of the information, which were not disclosed to WEC and Brown and Caldwell. Commissioner Tobin stated that without this information the Board cannot prudently spend 8 million dollars on something they cannot see or have proven them. Mr. Espot stated that there is no engineering that can present SBR has produced 5531.

Commissioner Brooks contacted John Smith of Smith Environmental Engineering. He responded with a letter dated January 13, 2004, which is made part of this record as Attachment C. Commissioner Brooks noted a point made in the letter that as the consultant for Purestream's USBF BESST system that the KLWTD project had been reviewed in detail by him and the current design will meet the requirements of 9 per liter of total nitrogen. It further explains that Mr. Smith had discussed with Ted Hortenstine and attempted to describe that the process is unique and combines the internal recycle and doesn't fit the mold and doesn't fit standards. It also notes that during Mr. Smith's tenure at the EPA he was part of a pilot program that operated many plants in various places. Commissioner Brooks also noted that he had talked with David Refling of Boyle Engineering who claims USBF BESST could meet the requirements and so stated in the PDR that a chemical feed and possibly a denitrifying filter on the end would be required for the other process. Mr. Refling provided an email verifying his opinion, which is made part of this record as Attachment D. Commissioner Brooks also referred to a letter from Osvaldo Ojito who worked with Gartek (Attachment E) and a letter from Gartek (Attachment F) stating that both processes have been used and they believe both systems could meet 5531. In total Commissioner Brooks had four engineers that claim it would reach 5531.

Chairman Bauman stated the issue is not whether he believes it or could find engineers to certify the process the issue is Brown and Caldwell doesn't believe it and the Board needs to decide if we need to get new engineer, or begin dispute resolution or consider a new vendor. It is a legal issue at this point; Haskell has a contract with Brown and Caldwell.

COMMISSIONER WILKINSON MADE A MOTION TO APPROVE THE ISAM FLUDIYNE PROCESS. CHAIRMAN BAUMAN RULED THE MOTION OUT OF ORDER UNTIL DISCUSSION IS CONCLUDED. Commissioner Tobin interjected with several more questions. Commissioner Brooks stated that concerning parliamentary procedure if the Board wants to take this up the Board may need to motion to reconsider the previous motion and for it to come forth it must come from one of the yes votes for the USBF system.

Commissioner Tobin inquired that if Boyle is comfortable with USBF and with three board members vacillating he thought that with cooperation with Nos they might come to some determination. Commissioner Tobin asked for Haskell's opinion of Dave Refling's email stated that both technologies have the potential and his recommendation for the KLWTD to hold a performance bond. Commissioner Brooks added the Mr. Refling had spent about 30 minutes on the phone with him and stated that both c achieve 5531 and for this size plant the USBF would be best for this application and would produce a saving. Mr. Kinsley stated that he knows, likes and respects Mr. Refling along with Mr. Betancourt of Gartek, however, they have not been privileged to all the information and exchange of information nor had the benefit of the study and at the end of the project neither Gartek nor Boyle will stamp the drawings Brown & Caldwell is going to stamp them. The Haskell Company is not swayed by the comments versus the study. Mr. Kinsley concluded that the Board's engineer Ed Castle of WEC is also getting the same numbers with all the same information.

Chairman Bauman closed the legal report and asked the Board members for any final comments. Commissioner Tobin asked Mr. Dillon that in light of the recent memos what his opinion was of the legal issues the Board might face. Mr. Dillon stated the main question is who will take the risk for performance. If we demand that Haskell take USBF and install it, Haskell would be justified in invoking the dispute resolution process, and that it is not reasonable to ask someone to build a plant after so much detailed study showing that the technology won't work. We would be unreasonable if we demand that they do so. Commissioner Tobin asked if they had signed a contract saying we can choose a process and could they find remedy by getting out of the contract. Mr. Dillon stated that not only could they seek a remedy they can declare KLWTD in breach and demand payment for the time they spent and without a clause in the contract covering termination the District could be liable. This is not the type of contract where the Board can demand performance that is not objectively reasonable. If the Board does so, the District will lose time and money.

CHAIRMAN BAUMAN BROUGHT ITEM G-2 RESOLUTION OF THE HASKELL CONTRACT CONCERNS TO THE FLOOR FOR CONSIDERATION. THE THREE OPTIONS PROVIDED WERE: A. RESOLVE TO MEDIATE; B. RESOLVE TO RELIEVE HASKELL FROM AWT WARRANTY; OR C. SELECT MODIFIED SBR TECHNOLOGY. COMMISSIOENR WILKINSON MOTION TO SELECT 2C TO SELECT MODIFIED SBR TECHNOLOGY. Brooks states he is out of order. Mr. Dillon noted that a motion to reconsider applies on the day of the vote only. Mr. Dillon's professional opinion is that Commissioner Wilkinson is in order. **CHAIRMAN BAUMAN ASKED TO WAIVE THE RULES TO MAKE A SECOND AND SECONDED.** Chairman Bauman asked for further discussion. Commissioner Beaty asked what the exposure would be if we relieve them of the warranty. Mr. Dillon stated that the exposure would be to give up the 8 million dollar performance bond the benefit of the engineer selected to design and seal the project and to give up the performance warranty that Haskell provides and substitute it with an engineer that KLWTD did not choose. Also Purestream would be without a performance bond and there would be a conflict from the obligations of Haskell to complete the work and we would lose the meat of the contract. Mr. Dillon concluded that the team was selected by the Board and the District would loose the benefit of the team and that replacing it with an engineer to be named later and an un-bonded technology would not be prudent. Commissioner Brooks stated that he has low confidence with fluidyne due to the information distributed and the form of reports from various plants, for example the Bartow plant being identified as an AWT plant. He questioned who generated the reports and the internet claims that Bartow is an AWT plant. Commissioner Brooks stated that he could not support the motion. Commissioner Tobin stated that he is glad the board takes the time to hammer out the issues and glad the public is interested. He feels trapped because the lawyer advises voting a certain way, which is a lesson that the legal counsel is the sixth Commissioner. He continued that the KLWTD is lucky they have an experienced, ethical attorney, but Commissioner Tobin is not happy to be in the present position. Commissioner Tobin stated that the Board has done all it can to support the original decision but he is disappointed that Mr. Espat continues to be the loner trying to make the point for the company that the

USBF system has a lower cost but with the little amount of information given late in the game there is not much else that can be done and we may regret Mr. Espat not being there and there may be problems in the future but we are trapped with no choice. Commissioner Wilkinson stated the public should have been permitted to speak prior to the vote and the solicited letters presented this evening were no proof.

The public needs some proven system and the Haskell warranty system is best and he supports SBR and the technology committee has recommended SBR. Commissioner Wilkinson stated that he was sorry it is this way but a selection must be made and the board was elected to make the tough decisions. He thanked all involved for their exceptionally hard work after we continue to slap them and say they don't know what they are talking about. **WITH NO FURTHER DISCUSSION CHAIRMAN BAUMAN REQUESTED A ROLL CALL VOTE AS FOLLOWS:**

COMMISSIONER BEATY	NO
COMMISSIONER BROOKS	NO
COMMISSIONER TOBIN	YES
COMMISSIONER WILKINSON	YES
COMMISSIONER BAUMAN	YES

THE MOTION WAS APPROVED BY A VOTE OF THREE IN FAVOR AND TWO NOT IN FAVOR.

H. General Manager's Report

1. Transition Committee Status Report No. 2

Mr. Sheets stated that this item would be covered during the workshop or postponed to a later date.

2. Presentation of GSG Time Sheets and Hourly Activity Descriptions

3.

Mr. Sheets stated that this information was provided at the direction of the Board and would be provided with each invoice. Commissioner Wilkinson commented on the time sheets and breakdowns submitted by GSG and asked if it is necessary to have this information with every invoice. He believes it is not necessary for a fixed fee contract.

4. Discussion with FEMA concerning the EA

Mr. Sheets reviewed the information provided which included an email log forwarded from Science Kilner. Mr. Sheets stated that he would be meeting with Miles Anderson on Monday the 19th.

I. Engineer's Report

1. Conceptual Review of the Impacts of Connection of the Calusa Camp Resort to the KLWTD (Please see the enclosed report)

Mr. Castle offered to postpone the presentation due to the late hour. Commissioner Tobin requested a summary of the Calusa report that had been provided. Mr. Castle stated that several synopses were provided. The first deals with quality of influent and the system that is in place. The wastewater will be strong and greasy but with no toxic effects however, there is a great deal of infiltration but once the system is rehabilitated it could be accepted. Discussion ensued on the age of the system and financing the connection from the Calusa Campground to the KLWTD system. Mr. Castle notes that the positive aspects are that the KLWTD system picks up flow and adds 350 customers and pointed out that on page of the report was a summary of how much income could potentially be generated.

J. Commissioner's Items

1. Discussion of Strategic Planning and Consulting Strategic Planning Firm
-- Chairman Bauman
2. Discussion of near shore water testing – Chairman Bauman

It was the consensus of the Board to table the Commissioner's Items until the February 4, 2004 meeting.

K. Meeting Adjournment

Mr. Sheets introduced Ms. Marguerite McCauley who was present to conduct the Administrative Procedures Workshop. Mr. Sheets stated that the Administrative Procedure should be scheduled as a separate meeting if it is to get undivided attention. He added that the document would take many meetings to become a working document on how to address issues facing the KLWTD. The Board gave its consensus to hold the Administrative Procedure Workshop at a future meeting. Ms. McCauley offered to provide a brief overview of the information provided. Chairman Bauman declined but thanked Ms. McCauley for her attendance and invited her back to present the manual at a future meeting. Ms. McCauley would advise the Board of her availability.

Mr. Sheets stated that the Transition Plan was to be discussed as part of the workshop but could be postponed to discuss the Haskell pay application. It was the consensus of the Board to postpone the discussion of the Transition Plan until a future agenda.

The chairman adjourned the regular meeting at 8:50 pm to begin the workshop. The chairman reconvened the regular meeting at 9:17 p.m. Commissioner Brooks made a motion to approve the Haskell Company's pay application NO. 1. Commissioner Tobin seconded the motion. All were in favor and the motion was unanimously approved.

All were in favor of a motion to adjourn at 9:18 p.m.

Thomas M. Dillon

Memo

To: Key Largo Wastewater Treatment District
From: Thomas M. Dillon
CC: Robert Sheets, Charles Sweat, David Miles, Faith Doyle
Date: 1/11/04
Re: Various issues raised by Board members

Note: This memorandum constitutes attorney work product and attorney communications.

At the Board meeting of January 7, 2004 and in emails thereafter, members of the Board have raised the following issues:

1. Comment on the advisability of assuming certain obligations in connection with the choice of the USBF secondary treatment system
2. Comment on the Haskell delay issue
3. Comment on the Haskell Purchase Order form and design calculation requests
4. Comment on the Purestream/Randazza warranty and the Fluidyne warranty
5. Does the Board have a responsibility to review or approve the 30% design drawings?
(Attachment B - TO memo of 1-12-04)
6. May Board members attend a progress meeting under the Haskell contract?

1. I recommend against the District assuming obligations not already assumed in the Design-Build Agreement in connection with the choice of the USBF secondary treatment system.

I addressed this issue in my memorandum to the Board dated December 16, 2004. Briefly summarized, it is my opinion that the Design-Build Agreement places certain responsibilities on Haskell as the design-builder in connection with the secondary treatment system.

These responsibilities include the obligation to design the Project, including the secondary treatment system, to assure that the Project is constructed to a standard of quality, integrity,

durability and reliability that is equal to or better than the standard established by the Scope of Work; and to warrant equipment and materials purchased by Haskell. The District can rely on Haskell to perform these obligations based on the same factors that led the District to select Haskell as its design-builder, i.e., the experience and reputation of Haskell and its design engineer to do so competently. In addition, Haskell's performance of these obligations is secured by a performance bond in a penal sum equal to 100% of the contract price.

The evidence presented to the District to date does not include any evidence that the USBF system or the ISAM/SBR system has ever met the standard established by the scope of work, i.e., 5,5,3,1. The engineering analysis of Brown & Caldwell and Weiler Engineering, and the expert opinion of GSG suggest that the USBF system, as that system is understood by those experts, cannot meet the standard, but that the ISAM/SBR system can meet the standard. The only expert who has provided an opinion that USBF can meet the standard is the engineer proffered by Randazza at the October 17, 2003 meeting.

In correspondence and at the January 7, 2004 Board meeting, Haskell has proposed a solution under which the District would purchase the USBF system directly and would relieve Haskell of any obligation to provide engineering services or a performance warranty for the USBF system. Haskell made that proposal because of its belief, based on Brown & Caldwell's previous analysis, that the USBF system will not achieve the contract standard of 5,5,3,1. However, as of January 7, 2004, Haskell apparently had not yet been provided with design calculations for the USBF system that Randazza actually intends to provide. I am in receipt of a January 10, 2004 email from Randazza that purports to provide the requested calculations. I understand that Haskell and its design engineer, Brown & Caldwell, will review these calculations in order to determine whether the proposed USBF system is likely to achieve the standards.

If, after reviewing and evaluating the USBF system, Haskell in good faith determines that it cannot accept responsibility to design and warrant the USBF system and if Haskell on that basis insists that it will not accept that responsibility, there will be a serious issue whether the District can declare that Haskell has breached its obligations under the Design-Build Agreement.

It is my opinion that, if, based on an engineering analysis of the engineering information provided by Randazza, Haskell takes the position that the USBF system will not perform and the District takes the position that Haskell must design and construct the USBF system anyway, and Haskell invokes the dispute resolution provisions of the Design-Build Agreement, the District will not prevail unless it first retains additional expert assistance. The dispute resolution process, even using the streamlined procedures in the Design-Build Agreement, will be costly and time-consuming.

I do not recommend that the District resolve this issue by assuming Haskell's present responsibility to design and warrant performance of the secondary treatment system. Doing so would give up important District contract rights and leave the District without the services of its chosen design-build contractor to design and warrant system performance. Instead, the District would have to rely on an unknown design engineer that the District did not select,

and the District would have to rely on the promises of Randazza and Purestream to ensure system performance. These promises would be secured only by a \$75,000 cash deposit, which, in the opinion of District staff, would be insufficient to effect any significant redesign or alteration of the secondary treatment system.

2. Further delay in the Project could cause it to extend beyond its contractual completion date, but Haskell has not demonstrated that fact through schedules submitted to date.

If the Project is delayed beyond its contractual completion date, there will be a possibility that the District will be entitled to liquidated damages. The District is entitled to liquidated damages to the extent that the project is actually delayed beyond its contractually established completion date as a result of events that are beyond the control of Haskell, and for which the District has assumed responsibility. Haskell contends that the Project is at risk of being delayed beyond its completion date as a result of events beyond its control and for which the District is responsible.

In support of Haskell's contention that the delays to date could delay the Project beyond its planned completion date, Haskell has provided a series of schedules depicting its planned work activities. The schedules accompanied a letter dated December 29, 2003.

These schedules are not Critical Path Method ("CPM") schedules. A CPM schedule is one that shows the shortest time in which a project can be completed by depicting major work items in a logical sequence. CPM scheduling is generally considered to be the only satisfactory method of showing project delays.

The schedules submitted by Haskell are bar charts showing the amount of time within which Haskell intends to complete various aspects of the work. However, since the schedules do not show the logical time relationship between all work items, it is not possible, based on these schedules, to infer the actual impact of each event of delay on the total time necessary to complete the work.

Haskell has cited three events that it believes have delayed the Project, including (a) alleged delays in final resolution of the FEMA Environmental Assessment ("EA"); (b) alleged delays in the District's selection of a secondary treatment process; and (c) alleged delays resulting from the District's selection of the USBF process, which Haskell believes cannot work. All of these events could contribute to a delay in Project completion. Without commenting on the merits of Haskell's contention that the District has assumed responsibility for these events, the following discussion illustrates the point that Haskell's bar chart schedules do not demonstrate that the Project will actually be delayed.

(a) Delays in final resolution of the EA

Haskell first advised the District of this alleged cause for delay by letter of October 13, 2003. The letter was sent in response to an October 13, 2003 email from Robert Sheets to Science Kilmer, in which Mr. Sheets expressed the District's concern with the progress of the EA. On the basis of that email, I believe that there is no question that the EA has been delayed beyond the date on which it was expected. However, the Preliminary Project Schedule (Design-Build Agreement Exhibit B), which is not a CPM schedule, does not show

a date by which the EA was anticipated. (I am not aware of any other schedule provided by Haskell prior to the "Sept '03 Update" submitted with Haskell's letter of December 29, 2003.

In order to determine the effect of a delay in the EA, it would be necessary to start with a CPM schedule and to determine the planned date of the first event that could not occur in the absence of EA completion. Haskell has not done so.

(b) and (c) Delays in the secondary treatment selection process

Haskell first advised the District of this alleged cause for delay by letter of October 31, 2003, in which Haskell alleged that the District improperly postponed selection of a secondary treatment system at the District's special meeting of October 17, 2003. By letter of December 12, 2003, Haskell asserted that the District's selection of USBF was continuing the delay.

Again, the Preliminary Project Schedule does not show a date by which this decision was anticipated. Although Haskell's letter of October 31 states that the decision should have been made at the October 17 meeting, the letter of December 29 states that the decision should have been made on September 17. In the absence of a CPM schedule, it is simply not possible to ascertain the effect of any delay in selecting a secondary treatment system.

Despite the fact that the exact amounts of delay cannot be determined, it is clear that major portions of the Project cannot be commenced until the EA is completed and the secondary treatment issue is resolved. Any time lost as a result of these events will be likely to consume available contract time and will put timely completion of the project at risk.

At the District meeting of January 7, 2003, Mr. Kinsley stated that there were 40 days of float on the Project and that the District had used most of them. He questioned the fairness of the District using most of the float. Float is a quantity that can be determined only through CPM Scheduling. Float is the difference between the time allowed to complete the work and the time necessary to complete the work. At the present time and in the absence of a CPM schedule, it is not possible for the District to determine the amount of float available or to know how much has been used. In any case, the questions of who owns the float, who has used it, and whether such use was fair remain to be determined.

3. A contractor's purchase order form is primarily the contractor's choice and the District should not become engaged in judging the propriety of a form unless substantial District interests are involved. The District and Haskell have agreed on the calculations required from Randazza.

At the District's January 7, 2004 meeting and in a letter to Robert Sheets dated January 6, 2004, Haskell has advised the District that the purchase order form sent to Randazza is Haskell's standard purchase order form for complex equipment for which Haskell has assumed performance obligations. Haskell has advised that it invariably requires its vendors of complex equipment to sign this form.

By email of January 9, 2004, I asked Haskell to "certify that the standard purchase order and subcontract is the form that The Haskell Company typically uses for purchase of equipment similar in nature and complexity to the secondary treatment equipment and is the form that Fluidyne has agreed to." I have not received a response to this email.

In construction contract, the contractor is an independent contractor. The owner normally specifies only the desired result, and the contractor has the right and responsibility to select such means and methods as the contractor deems appropriate. Improper interference with contractor means and methods is a fertile source of construction contract litigation, in which owners can be held liable not only to the contractor for interference, but also to third parties if the interference destroys the independent contractor relationship. Therefore, unless there is a significant owner interest involved, an owner should normally not become involved in the selection of a contractor's means and methods.

In this case, I recommend that the District not attempt to interfere with Haskell's subcontracting or purchase ordering methods unless the District perceives that the subcontracting or purchase ordering methods are unreasonable and are being used improperly to subvert the District's decision regarding secondary treatment.

Assuming Haskell's representations as to the purchase order are correct and are confirmed in writing, I believe that that the District cannot make a credible case that Haskell's purchase order is unreasonable or is being used improperly to subvert District interests.

As to the requests for calculations made by Brown & Caldwell through Haskell to Randazza, I requested staff review of the calculation requests upon receipt. After discussion between staff and Brown & Caldwell, the requests were revised somewhat, and I understand that staff believes the requests to be reasonably necessary for Brown & Caldwell to review the USBF design. I have no basis on which to disagree with staff.

4. Comment on the Purestream/Randazza warranty and the Fluidyne warranty

By email dated January 9, 2004, I reviewed the warranty form that I had earlier submitted to Randazza, with Randazza's suggested modifications. Randazza had suggested that the part of the warranty requiring it and Purestream to provide a bond or other reasonable security to Haskell should be deleted. I believe that the requirement for security to protect Haskell is a reasonable requirement in view of Haskell's significant risks if the USBF system does not achieve 5,5,3,1 and in light of the fact that the record does not include evidence that the USBF is capable of doing so. Also, since the warranty form is substantially the same as the form already signed by Fluidyne, there is little reason to believe that the warranty form is unreasonable burdensome.

Note that Fluidyne is not able to provide security for the second year of the Fluidyne warranty. Purestream/Randazza should not be required to provide greater security than Fluidyne.

Except for the second year bonding requirement, the Fluidyne warranty is as requested by the District.

5. The District has a responsibility to review and approve the 30% design drawings, but the contract does not require the Board to do so.

The question whether the Board must act on the design drawings or other approvals is not specified in the contract. I don't know the Board's desire re action on the design drawings.

6. Board members may attend a progress meeting under the Haskell contract

The Board asked whether it might attend a progress meeting with Haskell if the meeting is not publicly noticed. The Government in the Sunshine Act does not prohibit public officers from attending a non-public meeting and receiving information, as long as the discussion at the meeting is not a substitute for debate on an issue that will come before the agency. Board members may ask questions at such a meeting, but may not engage in discussion of future action items.

Thomas M. Dillon

Memo

To: Key Largo Wastewater Treatment District

From: Thomas M. Dillon

CC: N/A

Date: 1/12/04

Re: Comparisons of warranties signed by Fluidyne, Randazza, and Purestream with forms provided to them

Note: This memorandum constitutes attorney work product and attorney communications.

The purpose of this memorandum is to compare the warranties signed by Fluidyne, Randazza, and Purestream with the warranty forms provided to them by me on behalf of the District. None of the entities has signed the warranty exactly as provided. The comparison is in outline format with comments on the material changes made by each entity. I am providing along with this memorandum markups of the warranties provided and showing additions and deletions by each party.

Fluidyne has signed a warranty form that is very similar to that provided by me. Purestream and Randazza have made several changes.

- Purestream and Randazza propose a secondary treatment system called "BESST" in place of "USBF".
- Purestream and Randazza divide the warranty obligations among them, with Purestream warranting equipment and Randazza promising support and training. Where one of the two entities promises to fulfill a warranty obligation, I have not noted it as a material change.

MATERIAL CHANGES FROM THE FORMS PROVIDED.

Recitals

- Randazza and Purestream have modified the recitals, and the remainder of the document by removing the references to a "secondary treatment system" called

"USBF", and replacing them with references to an "advanced biological treatment process" called "BESST." I do not know the significance of this change.

Warranty duration of two years from Acceptance Date in Design-Build Agreement.

- Fluidyne limits duration to no later than 9/1/2007.

Conditions of warranty; sewage influent substantially as characterized for the purpose of the secondary treatment facility.

- Purestream requires the actual sewage influent characteristics to be "the same as the sewage influent design criteria as stated in the Design-Build Agreement and used in the design of the BESST plant."
- NOTE: I DO NOT BELIEVE THAT THE DESIGN-BUILD AGREEMENT STATES THE CHARACTERISTICS OF THE SEWAGE. TMD
- NOTE: THE PURESTREAM WARRANTY WOULD BE VOID IF THE ACTUAL SEWAGE VARIES IN ANY WAY FROM THE SEWAGE CHARACTERISTICS USED AS THE DESIGN BASIS FOR THE PLANT. TMD

Disclaimer of responsibility for certain consequential damages suffered by the district.

- Randazza form does not include the disclaimer

Security for warranty obligations.

- Fluidyne provides security for first year, only.
- Purestream provides no security.
- Randazza offers to pay "pay Haskell for a Process Bond if Haskell is able to obtain such a Bond in the Wastewater Treatment Industry" with the cost of the bond added to Randazza's proposal.
- Randazza to deposit \$75,000 as security for its promises.
- NOTE: THE TERM "PROCESS BOND" IS NOT A TERM WITH WHICH I AM FAMILIAR. THE FORM SOUGHT A PERFORMANCE BOND OR OTHER SECURITY FOR THE PROMISES MADE. TMD.
- NOTE: RANDAZZA'S PROMISES DO NOT INCLUDE ANY WARRANTY ON THE PLANT EQUIPMENT OR MATERIALS. TMD

Compliance with all applicable laws and regulatory requirements, including FDEP redundancy requirements.

- Purestream and Randazza have deleted this requirement.
- NOTE: THE DELETION IS SOMEWHAT SURPRISING, SINCE THE PROVISION REQUIRING COMPLIANCE WITH REDUNDANCY REQUIREMENTS WAS INSERTED UPON THE REQUEST OF RANDAZZA'S REPRESENTATIVE. TMD

Other

- Fluidyne form required it to provide advice, counsel, and technical support by telephone at no charge for not less than five years after expiration of the warranty. Fluidyne deleted this requirement but made the same promise in a cover letter.
- Randazza makes additional promises, as follows:
 - Provide construction assistance
 - Provide startup assistance and training
 - Provide on-the-job assistance and training for five years after startup

FLUIDYNE WARRANTY COMPARISON

Variances from District proposed form shown in red

WHEREAS, effective June 25, 2003, The Haskell Company ("Haskell") and the Key Largo Wastewater Treatment District ("District") entered into a written Design-Build Agreement for construction of certain wastewater treatment facilities ("Project") located at Key Largo, Florida, and

WHEREAS, the District entered into that agreement in reliance upon, among other things, the representation by Haskell that it was offering an additional 12 months of warranty on the Fluidyne Corporation ("Fluidyne") SBR secondary treatment process equipment at no additional cost to the District, and

WHEREAS, the parties intend by this writing to memorialize that additional warranty on the part of Fluidyne,

NOW, THEREFORE, in consideration of the premises and in further consideration of the promises below, Fluidyne hereby warrants to the District as follows:

1. Fluidyne warrants that all materials and equipment provided by Fluidyne ("Fluidyne materials and equipment") to Haskell and the District in connection with the Design-Build Agreement will be new unless otherwise specified, of good quality, in conformance with the Design-Build Agreement, and free from defective workmanship and materials.
2. Fluidyne warrants that it will, at its option, commence and diligently prosecute activities to repair or replace, within a reasonable time period, but not to exceed ten calendar days after written notice from the District, and at Fluidyne's expense, any and all Fluidyne materials or equipment that fail due to faulty materials or manufacture.
3. Fluidyne warrants further that if Fluidyne equipment fails to perform in accordance with the requirements of the performance criteria defined in Exhibit D of the Design-Build Agreement as a result of defective Fluidyne materials or equipment or because of the design of the Fluidyne SBR secondary treatment process equipment, Fluidyne will, within a reasonable time period, but not to exceed ten calendar days after written notice from the District, and at Fluidyne's expense, commence and diligently prosecute all actions necessary, including redesign and reconstruction of the secondary treatment process equipment, and modification of operating procedures, to cause the Fluidyne equipment to perform in accordance with the requirements of the performance criteria defined in Exhibit D of the Design-Build Agreement, a copy of which is attached hereto and incorporated herein by this reference.
4. If Fluidyne fails to respond in accordance with Item 2 or Item 3 above after ten calendar days prior written notice from the District and If the District is reasonably required to undertake repair or replacement of the warranted materials or equipment due to exigent conditions, or to prevent harm to the Project or the public, Fluidyne will reimburse the District for the reasonable costs of such efforts within 30 days of the District providing notice to Fluidyne.

5. This warranty shall extend from and after the "Acceptance Date" as that term is defined in the Design-Build Agreement for a period of two years, but will not extend beyond September 1, 2007.
6. For purposes of this warranty, "failure" of the materials or equipment means that, due to a defect in the Fluidyne materials or equipment or due to a defect in their design or specified operating procedures, the Fluidyne equipment is, or becomes, incapable of meeting the Performance Standards set forth in Exhibit D to the Design-Build Agreement, which is incorporated herein by this reference.
7. The following are express conditions of this warranty:
 - a. That the sewage influent is substantially as characterized for the purpose of design of the SBR facility under the Design-Build Agreement and free of significant concentrations of material that can inhibit or adversely impact biological treatment processes; and
 - b. That the District has substantially complied with all of the operating instructions and maintenance requirements required for normal and proper operation and instructions communicated to the District by Haskell or Fluidyne under the Design-Build Agreement.
8. If the materials or equipment fail as a result of noncompliance with any of the express conditions of this warranty, as set out in the preceding paragraph, Fluidyne will, if the District so requests, promptly cause the failed materials or equipment to be repaired or replaced, but Fluidyne shall be entitled to compensation for the reasonable cost of repair or replacement.
9. Except for damage to the equipment caused by a condition described in Paragraphs 1 through 4, above, Fluidyne expressly disclaims responsibility for any damages caused by failure of the Fluidyne secondary treatment process equipment, including lost income to the District.
10. If the District or Fluidyne is required to retain an attorney to enforce any terms, conditions, or covenants of this warranty, or to remedy any breach, the prevailing party shall be entitled to recover the verifiable costs and fees of any enforcement proceedings, including, but not limited to, reasonable attorneys' fees (including charges for paralegals and others working under the direction or supervision of the party's attorney.)
11. The failure of the District or Fluidyne to enforce, at any time, any of the provisions of this warranty shall not be construed to be a waiver of any such provisions or of the right of either party thereafter to enforce them. No waiver shall be valid unless in writing and signed by the party against whom enforcement of a waiver is sought.
12. It is the intention of the parties that any and all actions or proceedings at law or in equity related to this warranty or to the Project or to any rights or any relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in State or Federal courts located in Monroe County, Florida. All other dispute resolution activities shall be held in Monroe County Florida. Dispute resolution under this warranty shall be conducted in accordance with Article 14 of the

Design Build Agreement and in accordance with the following procedures: negotiations, mediation, and judicial resolution.

13. ~~In addition to the foregoing warranty obligations, Fluidyne represents and warrants that it will provide advice, counsel, and technical support by telephone for a period of not less than five years after the expiration of this warranty at no expense to the District.~~ [NOTE: FLUIDYNE COVER LETTER PROMISES TO PROVIDE TELEPHONE SUPPORT TO END USERS "LONG AFTER THE EXPIRATION OF THE WARRANTY PERIOD" AND "ADVICE, COUNSEL, AND TECHNICAL SUPPORT BY TELEPHONE AT NO CHARGE TO THE DISTRICT." FLUIDYNE COVER LETTER ALSO OFFERS TO PROVIDE A SERVICE CONTRACT AT EXTRA COST. TMD.]
14. In addition to the foregoing warranty obligations, Fluidyne represents and warrants that the Fluidyne materials and equipment shall meet all of the applicable requirements of all federal, state, and local agencies having jurisdiction over the Project, including without limitation, the Florida Department of Environmental Protection redundancy requirements for 183,000 gallons per day.
15. Fluidyne will provide, through Haskell, bonding to secure performance of its obligations under this warranty and payment for labor and materials to be supplied ~~under this warranty~~ on the project including the initial 12-month warranty but not any extended warranty.

PES WARRANTY COMPARISON

Variances from District proposed form shown in red

WHEREAS, effective June 25, 2003, The Haskell Company ("Haskell") and the Key Largo Wastewater Treatment District ("District") entered into a written Design-Build Agreement for construction of certain wastewater treatment facilities ("Project") located at Key Largo, Florida, and

WHEREAS, PURESTREAM ES, L.L.C. ("PES") is a potential supplier of secondary treatment equipment an advanced biological treatment process, referred to herein as the USBF BESST plant, and

WHEREAS Randazza Enterprises, Inc ("Randazza") is an the sole authorized State of Florida manufacturers Representative representative of PES, and

WHEREAS, PES and Randazza, for the purpose of inducing the District to select the USBF plant BESST process for the Project, desires to make additional transferable warranty and service commitments for the benefit of the District to Randazza, and

WHEREAS, the parties intend by this writing to memorialize the additional transferable warranty and service commitments,

NOW, THEREFORE, in consideration of the premises and in further consideration of the promises below, PES and Randazza agrees as follows:

1. PES and Randazza warrants that all materials and equipment provided by PES as part of the USBF BESST plant to Randazza, Haskell, and the District in connection with the Design-Build Agreement will be new unless otherwise specified, of good quality, in conformance with the Design-Build Agreement, and free from defective workmanship and materials.
2. PES and Randazza warrants that they will repair or replace, without delay and at their expense, any and all USBF BESST plant components that fail due to faulty materials or manufacture.
3. PES and Randazza warrants further that if the Project fails to perform in accordance with the requirements of the Design-Build Agreement as a result of defective PES materials or equipment, or because of the design of the USBF BESST plant, PES and Randazza will, without delay, and at their expense, undertake all actions necessary, including redesign and reconstruction of the USBF BESST plant, including additional process equipment, if necessary, and modification of operating procedures, to cause the Project project to perform in accordance with the requirements of the Design-Build Agreement as outlined in Exhibit D of the Design-Build Agreement, a copy of which is attached hereto and incorporated herein by this reference.
4. If the District is reasonably required to undertake repair or replacement of the warranted materials or equipment due to exigent conditions, or to prevent harm to the Project or the public, PES and Randazza will reimburse the District for the reasonable costs of such efforts within thirty (30) days of the District providing notice to PES or Randazza.

5. This warranty shall extend from and after the "Acceptance Date" as that term is defined in the Design-Build Agreement for a period of two (2) years.
6. For purposes of this warranty, "failure" of the materials or equipment means that, due to a defect in the PES materials or equipment or due to a defect in their design or specified operating procedures, the Project is, or becomes, incapable of meeting the Performance Standards set forth in Exhibit D to the Design-Build Agreement, which is incorporated herein by this reference.
7. The following are express conditions of this warranty:
 - a. That the actual sewage influent characteristics are the same as the sewage influent design criteria as stated in ~~is substantially as characterized for the purpose of design of the USBF plant under the Design-Build Agreement and used in the design of the BESST plant;~~ and
 - b. That the District has substantially complied with all of the operating instructions and maintenance requirements communicated to the District by PES or Randazza or Haskell under the Design-Build Agreement.
8. If the materials or equipment fail as a result of noncompliance with any of the express conditions of this warranty, as set out in the preceding paragraph, PES and Randazza will, if the District so requests, promptly cause the failed materials or equipment to be repaired or replaced, but shall be entitled to compensation for the reasonable cost of repair or replacement.
9. Except for damage to the Project caused by a condition described in Paragraphs 1 through 4, above, PES and Randazza expressly disclaims responsibility for any damages caused by failure of the USBF BESST plant, including lost income to the District.
- ~~10. Randazza will provide Haskell with all the assistance needed during the construction phase of the USBF plant at no cost to Haskell.~~
- ~~11. Randazza will assume the full responsibility, at no cost to Haskell or the District, for the startup and training of District operators once the USBF plants #1, #2 and #3 have been completely installed and electrical power has been provided to the equipment.~~
- ~~12. Randazza will continue to provide on the job supervision and technical training/assistance to the District operators at no cost to the District for a period of five years after the startup of USBF plants #1, #2 and #3 during which period, the USBF Plants will have been demonstrated to perform in accordance with the requirements of the Design-Build Agreement. It is understood that plants #1, #2 and #3 will be tested to meet the Design-Build Agreement by simply alternating the Influent flows to either of the plants at any time after startup of all three plants in order to demonstrate their performance.~~
13. If the District or PES or Randazza is required to retain an attorney to enforce any terms, conditions, or covenants of this warranty, or to remedy any breach, the prevailing party shall be entitled to recover the verifiable costs and fees of any enforcement proceedings, including, but not limited to, reasonable attorneys' fees

(including charges for paralegals and others working under the direction or supervision of the party's attorney.)

14. The failure of the District or PES or Randazza to enforce, at any time, any of the provisions of this warranty shall not be construed to be a waiver of any such provisions or of the right of either party thereafter to enforce them. No waiver shall be valid unless in writing and signed by the party against whom enforcement of a waiver is sought all parties involved with this Agreement and the Design-Build Agreement.
15. It is the intention of the parties that any and all actions or proceedings at law or in equity related to this warranty or to the Project or to any rights or any relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in State or Federal courts located in Monroe County, Florida. All other dispute resolution activities shall be held in Monroe County Florida.
- ~~16. In addition to the foregoing warranty obligations, PES and Randazza represent and warrant that the PES materials and equipment shall meet all of the applicable requirements of all federal, state, and local agencies having jurisdiction over the Project, including without limitation, the Florida Department of Environmental Protection redundancy requirements for 183,000 gallons per day.~~
- ~~17. PES and Randazza will provide to Haskell bonding or other reasonable security to secure performance of their obligations under this warranty and payment for labor and materials to be supplied under this warranty.~~
- ~~18. In addition to the foregoing, Randazza agrees that Haskell shall deduct from the first amounts due Randazza for the PES materials and equipment the sum of \$75,000, which shall be transmitted to the District and deposited in an interest-bearing account to secure performance by Randazza of all of the Randazza and Purestream obligations hereunder. If Randazza and Purestream satisfactorily perform all of their obligations under this warranty agreement, the District shall transmit the principal and all accrued interest to Randazza upon the passing of Two years from and after the Acceptance Date of the Purestream materials and equipment under the Haskell contract. If at any time the District reasonably believes that Randazza and/or Purestream are in default under this warranty agreement, then the District shall so notify Randazza of that fact and shall thereafter be entitled to withdraw immediately all or any part of the principal and accrued interest for the purpose of remedying such default. The District may place the principal in a demand deposit account at any federally insured bank, and the District shall have no obligation to Randazza to manage the deposit for the purpose of increasing or maximizing the return on the deposit.~~

RANDAZZA WARRANTY COMPARISON

Variances from District proposed form shown in red

WHEREAS, effective June 25, 2003, The Haskell Company ("Haskell") and the Key Largo Wastewater Treatment District ("District") entered into a written Design-Build Agreement for construction of certain wastewater treatment facilities ("Project") located at Key Largo, Florida, and

WHEREAS, PURESTREAM ES, L.L.C. ("PES") is a potential supplier of secondary treatment equipment an advanced biological treatment process, referred to herein as the USBF BESST plant, and

WHEREAS Randazza Enterprises, Inc ("Randazza") is an the sole authorized State of Florida Manufacturer's Representative representative of PES, and

WHEREAS, PES and Randazza, for the purpose of inducing the District to select the USBF BESST plant for the Project, desire to make additional warranty and service commitments for the benefit of the District, and

WHEREAS, the parties intend by this writing to memorialize the additional warranty and service commitments,

NOW, THEREFORE, in consideration of the premises and in further consideration of the promises below, PES and Randazza agree as follows:

- ~~1. PES and Randazza warrant that all materials and equipment provided by PES as part of the USBF plant to Haskell and the District in connection with the Design-Build Agreement will be new unless otherwise specified, of good quality, in conformance with the Design-Build Agreement, and free from defective workmanship and materials. Randazza will provide Haskell with all the assistance needed during the construction phase of the BESST (USBF) plant at no cost to Haskell.~~
- ~~2. PES and Randazza warrant that they will repair or replace, without delay and at their expense, any and all USBF plant components that fail due to faulty materials or manufacture.~~
- ~~3. PES and Randazza warrant further that if the Project fails to perform in accordance with the requirements of the Design-Build Agreement as a result of defective PES materials or equipment or because of the design of the USBF plant, PES and Randazza will, without delay and at their expense, undertake all actions necessary, including redesign and reconstruction of the USBF plant, and modification of operating procedures, to cause the Project to perform in accordance with the requirements of the Design-Build Agreement as outlined in Exhibit D of the Design-Build Agreement, a copy of which is attached hereto and incorporated herein by this reference.~~
- ~~4. If the District is reasonably required to undertake repair or replacement of the warranted materials or equipment due to exigent conditions, or to prevent harm to the Project or the public, PES and Randazza will reimburse the District for the reasonable costs of such efforts within 30 days of the District providing notice to PES or Randazza.~~

- ~~5. This warranty shall extend from and after the "Acceptance Date" as that term is defined in the Design-Build Agreement for a period of two years.~~
- ~~6. For purposes of this warranty, "failure" of the materials or equipment means that, due to a defect in the PES materials or equipment or due to a defect in their design or specified operating procedures, the Project is, or becomes, incapable of meeting the Performance Standards set forth in Exhibit D to the Design-Build Agreement, which is incorporated herein by this reference.~~
- ~~7. The following are express conditions of this warranty:
 - ~~a. That the actual sewage influent is substantially as characterized for the purpose of design of the USBF plant under the Design-Build Agreement; and~~
 - ~~b. That the District has substantially complied with all of the operating instructions and maintenance requirements communicated to the District by PES or Randazza or Haskell under the Design-Build Agreement.~~~~
- ~~8. If the materials or equipment fail as a result of noncompliance with any of the express conditions of this warranty, as set out in the preceding paragraph, PES and Randazza will, if the District so requests, promptly cause the failed materials or equipment to be repaired or replaced, but shall be entitled to compensation for the reasonable cost of repair or replacement.~~
- ~~9. Except for damage to the Project caused by a condition described in Paragraphs 1 through 4, above, PES and Randazza expressly disclaim responsibility for any damages caused by failure of the USBF plant, including lost income to the District.~~
- ~~10. Randazza will provide Haskell with all the assistance needed during the construction phase of the USBF plant at no cost to Haskell.~~
11. Randazza will assume the full responsibility, at no cost to Haskell or the District, for the startup and training of District operators once the BESST (USBF) plants #1, #2 and #3 have been completely installed and electrical power has been provided to the equipment.
12. Randazza will continue to provide on the job supervision and technical training/assistance to the District operators at no cost to the District for a period of five years after the startup of BESST (USBF) plants #1, #2 and #3 during which period, the BESST (USBF) Plants will have been demonstrated to perform in accordance with the requirements of the Design-Build Agreement. It is understood that plants #1, #2 and #3 will be tested to meet the Design-Build Agreement by simply alternating the Influent flows to either of the plants at any time after startup of all three plants in order to demonstrate their performance.
13. If the District or PES or Randazza is required to retain an attorney to enforce any terms, conditions, or covenants of this warranty, or to remedy any breach, the prevailing party shall be entitled to recover the verifiable costs and fees of any enforcement proceedings, including, but not limited to, reasonable attorneys' fees (including charges for paralegals and others working under the direction or supervision of the party's attorney.)

14. The failure of the District or PES or Randazza to enforce, at any time, any of the provisions of this warranty shall not be construed to be a waiver of any such provisions or of the right of either party thereafter to enforce them. No waiver shall be valid unless in writing and signed by the party against whom enforcement of a waiver is sought.
15. It is the intention of the parties that any and all actions or proceedings at law or in equity related to this warranty or to the Project or to any rights or any relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in State or Federal courts located in Monroe County, Florida. All other dispute resolution activities shall be held in Monroe County Florida.
- ~~16. In addition to the foregoing warranty obligations, PES and Randazza represent and warrant that the PES materials and equipment shall meet all of the applicable requirements of all federal, state, and local agencies having jurisdiction over the Project, including without limitation, the Florida Department of Environmental Protection redundancy requirements for 183,000 gallons per day.~~
- ~~17. PES and Randazza will provide to Haskell bonding or other reasonable security to secure performance of their obligations under this warranty and payment for labor and materials to be supplied under this warranty. Randazza is willing to pay Haskell for a Process Bond if Haskell is able to obtain such a Bond in the Wastewater Treatment Industry. The added cost of said Process Bond will be added to the Randazza Contract/Proposal.~~
18. In addition to the foregoing, Randazza agrees that Haskell shall deduct from the first amounts due Randazza for the PES materials and equipment the sum of \$75,000, which shall be transmitted to the District and deposited in an interest-bearing account to secure performance by Randazza of all of the Randazza and Purestream obligations hereunder. If Randazza and Purestream satisfactorily perform all of their obligations under this warranty agreement, the District shall transmit the principal and all accrued interest to Randazza upon the passing of Two years from and after the Acceptance Date of the Purestream materials and equipment under the Haskell contract. If at any time the District reasonably believes that Randazza and/or Purestream are in default under this warranty agreement, then the District shall so notify Randazza of that fact and shall thereafter be entitled to withdraw immediately all or any part of the principal and accrued interest for the purpose of remedying such default. The District may place the principal in a demand deposit account at any federally insured bank, and the District shall have no obligation to Randazza to manage the deposit for the purpose of increasing or maximizing the return on the deposit.

431 OHIO PIKE, SUITE 223 SOUTH
CINCINNATI, OHIO 45255
PHONE: (513) 688-1650
FAX: (513) 688-1657
E-MAIL: SMITHENG159@FUSE.NET

Smith Environmental Engineering, Inc

January 13, 2004

TO: Commissioners of Key Largo Wastewater Treatment District (KLWTD)

- Mr. Gary Bauman
- Mr. Cris Beatty
- Mr. Charles Brooks
- Mr. Andy Tobin
- Mr. Jerry Wilkinson

Gentlemen:

This letter has been prepared at the request of Mr. Nos Espat, President of Randazza Enterprises, Inc. in response to questions raised by the Engineering Firm of Brown and Caldwell regarding the design of BESST Process for the subject project.

My company Smith Environmental Engineering, Inc. (SEEI) has been a process consultant for Purestream ES LLC and their predecessor companies since 1989. We have provided process design services for the Purestream Sequencing Batch Reactor Process (SBR), the USBF process and most recently the BESST process. I am coauthor of the BESST process patent, US Patent 6,620,322,B1, September 16, 2003.

Regarding the above project, I have reviewed the Purestream process design in detail and it is my opinion that the current Purestream design will meet the project design requirements of 3 mg/l of total nitrogen.

I have discussed the technical aspects of the design in some detail with Mr. Ted Hortenstine, P.E., Orlando Office Leader. I have attempted to describe to B&C that the BESST process is unique in that the process combines the Internal Recycle with the RAS recycle and therefore does not fit the MLE and similar biological single sludge Nitrification Denitrification models.

I have provided B&C with all requested project process design documentation and further requested that Purestream ES, LLC provide B&C with operating data that documents the BESST process capability of meeting all project design requirements. I am also aware that Purestream has provided full process warranty to KLWTD.

I have also attached for your information and file SEEI qualifications and experience.

Sincerely yours,


John M. Smith, P.E.
President

Attachments: - JMS Q & E

HIGHLIGHTS OF QUALIFICATIONS AND EXPERIENCE OF SMITH ENVIRONMENTAL ENGINEERING, INC. IN THE POLLUTION CONTROL FIELD (2001)

431 Ohio Pike, Suite 223 South, CINCINNATI, OHIO 45255 Phone: (513) 688-1650 Fax: (513) 688-1657

Twenty-One (21) years in business. Offices and testing laboratories in Cincinnati, Ohio.

- § Completed over 400 municipal and industrial projects ranging in size from \$5,000 feasibility studies to \$600,000 per year full-scale design contracts. Includes the design of 2 and 22 mgd advanced treatment plants in Malaysia.
- § Completed over 50 Turn-Key industrial and/or pretreatment facilities. Clients include food processing, metal finishing, chemical manufacturing, dairy products, groundwater treatment and superfund site remediation. Provided process performance and equipment warranties on our systems.
- § Selected by U.S. Environmental Protection Agency (USEPA) as expert consultants to prepare USEPA design manuals, handbooks and field guides on:
 - S Odor and Corrosion design manual completed (1985)
 - S Phosphorous Removal (with emphasis on biological nutrient removal technology) completed 1987)
 - S Sewer System Infrastructure Analysis and Rehabilitation (1992)
 - S Sulfide Report to Congress (1992)
 - S Corrosion Handbook (1991)
 - S Sequencing Batch Reactor=s for Nutrient Removal (1991)
 - S Septage handling and treatment field guides (1992)
- § Completed over 90 odor and corrosion projects including 12 special odor and corrosion studies for the USEPA.
- § All senior staff members and associate consultants have degrees in civil, sanitary or chemical engineering.
- § Senior staff members have strong USEPA applied engineering and R/D backgrounds. Senior engineers have over 110 years combined experience.
- § Ninety-five percent of all jobs have been completed within budget and on schedule.
- § Senior project managers are intimately familiar with all State and Federal EPA programs.

Because of the strong research, process engineering and detailed design experience of our senior staff, we offer exceptional qualifications in the following areas:

- § Odor and VOC corrosion Control
- § Odor Sampling and Odor Control Chemical Testing
- § Industrial/ Municipal Wastewater and Solids Treatment/ Disposal Treatment with Primary Focus on Combination of Conventional and Innovative Physical/Chemical and Biological Processes.
- § Nutrient Removal Technologies
- § Biological Secondary and Tertiary Treatment Alternatives
- § Physical and Chemical Treatment
- § Sanitary Process Design, Cost Analysis and Value Engineering
- § Facility Planning and Analysis of Municipal Treatment Alternatives
- § Industrial Treatment Systems to meet USEPA Industrial Pretreatment Standards
- § Storm Water Permitting and treatment Alternatives
- § Alternative treatment Systems, Bench-Scale and Pilot Plant Testing
- § Solid Waste Management Odor and VOC Control
- § Expert Testimony on Odor Control, Conventional and AWT Plants, Construction Claims, Health and Safety
- § SBR, USBF and Hybrid Anaerobic Technology

NOTICE

Smith Environmental Engineering, Inc. (SEED) was formerly operated from October 1982 to July 1, 2003 as J. M. Smith & Associates, PSC Consulting Engineers (JMS). All intellectual property of JMS is now owned by SEEI.

SECTION 5

RESUMES

JOHN M. SMITH, P.E.

PRESIDENT

J.M. SMITH & ASSOCIATES, PSC, CONSULTING ENGINEERS

EDUCATION:

B.S. Civil Engineering, University of Kentucky, 1964

M.S. Sanitary Engineering, University of Cincinnati, 1971

PROFESSIONAL REGISTRATION:

P.E. Civil Engineering - Kentucky (PE8205), Ohio (PE47482), Indiana (PE021215), Louisiana (PE21840), Florida (PE47329)

P.E. Sanitary Engineering - Kentucky, Ohio, Indiana, Louisiana, Florida

ORGANIZATIONS:

Water Environmental Federation

American Society of Civil Engineers

Ohio Association of Consulting Engineers

Cincinnati Association of Consulting Engineers

Clermont County Chamber of Commerce

Life Member of Who's Who

EXPERIENCE:

10/82 to Present

President and CEO of , J.M. Smith & Associates, PSC, Consulting Engineers
Chief, Systems Engineering and Evaluation Branch, USEPA Wastewater Research Division, Office of Research and Development, Cincinnati, Ohio

7/82 to 10/82

Chief, Urban Systems Management Section, Systems Engineering and Evaluation Branch, USEPA Wastewater Research Division, Office of Research and Development, Cincinnati, Ohio

9/73 to 10/82

Acting Chief, Municipal Treatment Research Program, USEPA Office of Research and Development, Cincinnati, Ohio

1/72 to 9/73

Sanitary Engineer, USEPA National Environmental Research Center, Cincinnati, Ohio

6/68 to 1/72

Civil Engineer, U.S. Army Corps of Engineers, Cincinnati, Ohio

12/67 to 6/68

Project Engineer, Barbeau Construction Management, Consulting Engineers, Batavia, Ohio

5/64 to 9/67

AWARDS:

EPA Bronze Medal for Commendable Service, 1973

EPA Quality Increase Award, 1969, 1976, 1977

Outstanding Performance Award EPA, 1981, 1982

NSPE Engineer of the Year in EPA, 1981

John M. Smith has over 31 years of experience in civil and sanitary engineering, including a broad background in process design of conventional and innovative wastewater treatment technologies. This experience is derived from an initial four years of sewer and wastewater treatment plant design and construction experience with the engineering firm of Barbeau Construction Management in Batavia, Ohio, followed by over 16 years of research and engineering experience with the USEPA Office of Research and Development, and over 13 years as president and CEO of J.M. Smith and Associates.

During his tenure at EPA, Mr. Smith directed the Agency's Pilot Plant Research Program that included an engineering and technical staff of approximately 60 persons who operated multi-line pilot plants in Washington, D.C., Pomona, California and Lebanon, Ohio. Basic and applied research was conducted under the direction of Mr. Smith on over 50 advanced waste treatment processes over a period of six years.

Mr. Smith later directed the three million dollar per year engineering and evaluation activities of EPA's Wastewater Research Program, including the development and management of a plant operations and design program, a small community research program, an innovative and alternative technology research program, and an engineering and technical assistance program.

Highlights of Mr. Smith's EPA experience at USEPA's Office of Research and Development include the analysis of research data from over 140 wastewater treatment processes, the development of six new treatment processes and the development and dissemination of rational design information for the full scale implementation of these technologies.

Mr. Smith is recognized internationally as a process design expert in Wastewater and Sludge Treatment Technology, and in Sewer

System Evaluation and Odor and Corrosion Control.

Mr. Smith was a lecturer in over 120 USEPA sponsored United States and International Design Seminars and was the co-author of seven USEPA Design Manuals covering the technical areas of nitrogen control, upgrading wastewater treatment plants, phosphorus removal, sulfide control, infiltration and inflow reduction, carbon adsorption, and small community wastewater treatment systems.

Mr. Smith holds patents on "Fixed Film Denitrification," "Expanded Bed Biological Treatment," and "A Rotating Disk Mechanical Evaporation Device."

Mr. Smith was selected to direct the USEPA National Innovative and Alternative (I/A) Technology Program in Cincinnati. This group provided extensive technical support and direction for the Agency's I/A program for over five years. Activities included development of agency regulations, policy guidance, and project selection criteria; preparation of an I/A Technology Assessment Manual; formation and management of a national I/A clearinghouse; and management of a I/A Technical Support Group that had responsibility for review of I/A facility plans for all ten EPA Regional Offices.

Mr. Smith reviewed over 300 separate facility plans and made recommendations to USEPA Regional Administrators regarding their acceptance of I/A technology under the applicable criteria previously established.

Mr. Smith was selected as USEPA Engineer of the Year out of 10,000 engineers for these efforts.

Mr. Smith has testified before the United States Congress "Investigation and Oversight Committee" on the impact of Innovative Technology on improving water quality and reducing the national cost of municipal wastewater treatment in the United States.

Mr. Smith also acted as senior advisor to other segments of USEPA, national organizations and congressional committees. He has presented expert testimony on design criteria and deficiencies that settled USEPA's litigation issues for three major AWT facilities.

Because of Mr. Smith's strong philosophy on the need to use research-based rational design criteria in municipal treatment works, he initiated and managed EPA's first program on "Identification and Correction of Design Deficiencies" and initiated the EPA/WPCF - sponsored Design Information Series Reports.

Mr. Smith's areas of technical expertise include process and detailed design of municipal and industrial waste treatment technologies including mechanical plant biological processes, land-based biological processes, physical-chemical treatment technologies, anaerobic suspended and fixed-film biological systems, and hazardous waste treatment and disposal technologies.

As founder and president of J.M. Smith and Associates, PSC, Consulting Engineers (JMS), Mr. Smith has directed and actively participated in the conduct of over 300 projects in the municipal and industrial treatment fields ranging from design and construction management of advanced secondary treatment plants to design of hazardous waste control facilities.

Under Mr. Smith's personal direction, JMS was retained by USEPA to prepare Design Manuals on Odor and Corrosion Control, Phosphorus Removal, Sewer System Infrastructure Analysis and Rehabilitation, a Sulfide Report to Congress, Corrosion Handbook, Sequencing Batch Reactor for Nutrient Removal and Septage Handling and Treatment Guide.

Under the direction of Mr. Smith, JMS has pioneered the development and designed the first United States full-scale application of the following technologies:

- a) deep well chemical oxidation for treatment of sludge and high strength organic wastes
- b) multiple U-Tube aeration for force main sulfide control
- c) largest vapor phase odor control system in the United States
- d) the use of high resolution sonar for inspection of sewer lines and force mains

PUBLICATIONS

Author

Smith, J.M., Hartmann, G.L., "Texas Firm Introduces New Wastewater Treatment Technology," published in Hazardous Materials Technical Center Update, pg. 4, Vol. 6, No. 2, March, 1987.

Smith, J.M., "Deep Shaft Wet Air Oxidation," published in Standard Handbook for Hazardous Waste Treatment and Disposal, McGraw-Hill, 1986.

Smith, J.M., "Supercritical Deep Well Wet Oxidation of Liquid Organic Wastes," Proceedings of the International Symposium Subsurface Injection of Liquid Wastes, presented at Royal Sonesta Hotel, New Orleans, Louisiana, March 3-5, 1986; published by National Water Well Association.

Smith, J.M., "Supercritical Deep Well Oxidation: A Potential Low Cost Final Solution," presented at APCA conference in New Orleans, Louisiana, December 8-12, 1986.

Smith, J.M., "Energy Recovery and Conservation for Low Cost Systems," Presented at Workshop on Low-Cost Wastewater Treatment, Clemson University, April 19-21, 1983.

Smith, J.M., Lubin, G.R., "The Costs, Problems, and Benefits of Innovative and Alternative Technology," Presented at National Sanitation Foundation October 20, 1981, Ann Arbor, Michigan.

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Author/CoAuthor

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USEPA Process Design Manual for Phosphorus Removal, September, 1987.

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Author Unpublished Reports

John M. Smith, Robert P.G. Bowker - Investigation of Ground Water Contamination at U.S. Refugee Camp

John M. Smith - Wastewater Treatment Plant Non-Compliance Investigation, and Energy Audit

John M. Smith - Design Review and New Design of 20 mgd AWT Plant

John M. Smith - Design Review and Process Design for a 7.5 mgd AWT Plant

John M. Smith - Capacity and Performance Evaluation of a 117 mgd Secondary Treatment Plant

John M. Smith - Feasibility Study and Analysis of Alternative Odor Control Methods for Wastewater Collection System

John M. Smith - Design Review and Re-Design of a 0.6 mgd AWT Plant

John M. Smith - Facility Plan and Design Review for a 22.5 mgd AWT Plant

John M. Smith, Robert P.G. Bowker - Design of New Generation Intra-Channel Clarifier

John M. Smith - Sewer Construction Inspection and Infiltration Analysis

John M. Smith - Project Engineer for Sewer System and Treatment Plant Inspection

John M. Smith - Design Review and Analysis of Municipal Treatment Systems

John M. Smith - Design Review and Engineering Evaluation of Non-Compliance of a 143 mgd AWT Plant

Subj: Re: Phone call
Date: 1/14/2004 10:40:59 AM Eastern Standard Time
From: DReffing@BoyleEngineering.com
To: CBrooks442@aol.com

Charlie,

I will try to briefly describe the phone conversation we had yesterday per your request.

In my opinion both the Fluidyne SBR and the Purestream USBF have the potential to achieve "AWT" standards assuming that effluent filtration is provided and chemical addition is also provided for supplemental phosphorus and nitrogen removal. We recommended that both chemical feed systems should be provided.

For either system for a facility of this size, the most difficult effluent concentration to achieve will be the total nitrogen concentration of 3 mg/L. I recommend a performance guarantee with an associated bond would be the best way to protect the KLWTD even if there is a small additional cost for the bond.

The processes each have their advantages and disadvantages, which I would be happy to discuss in greater detail.

Please let me know if you have any questions,

Dave

—Unmodified Original Message—

Dave got your email heres reply to verify my email addrss

Thanks for the interest and info you provided

Subj: **USBF v. SBR**
Date: 1/13/2004 4:16:18 PM Eastern Standard Time
From: oaolito@olito.com
To: cbrooks442@aol.com

Greetings Comm. Brooks:

Mr. Robert Betancourt, PE, of GARTEK related to us your interest in learning our preference in treatment process for the KLP and KLV projects. It is our opinion that the USBF would be the better choice based on a combination of economics and the particulars of your projects. Both process can meet the effluent requirements, but again, based on front end as well as operational considerations our recommendation is the USBF process.

Please call me if you care to discuss this further,

Sincerely,

OJITO & Associates, Inc.

Oswaldo A. Ojito, PE

GARTEK

January 12th, 2004

Commissioner Charlie S. Brooks
35 Pigeon Drive
Key Largo, FL. 33037

Via E-Mail
cbrooks442@aol.com

Re: USBF vs. SBR Waste Water Treatment Systems

Dear Mr. Brooks:

As per our previous conversations regarding the above referenced Waste Water Treatment processes, we have used both processes in the past and they both meet AWT effluent criteria standards of 5-5-3-1 BOD, TSS, TKN, P with filtration.

Gartek Engineering Corp. recommended from the beginning selection of the USBF process over the SBR process for KLP and KLTV projects due to the following reasons:

- 1) Wasting Sludge is done approximately 16 to 18 months.
- 2) Hauling Sludge is approximately 5 to 6 years.
- 3) Maintenance and Operational cost is less.

For current projects in our office of similar capacity and location (i.e. Islands remote from main lands) due to the obvious economical sludge removal advantages, we are only specifying at the present time the USBF process.

Sludge removal is very costly, if it must be removed on a monthly basis. This is a cost that is typically overlooked during the design and construction phase of the project but is a real cost that the Tax Payers will need to face during the operational phase of the project for the life of the system.

As a local Monroe County Taxpayer I would not like to be financially penalized for life, for the selection of the wrong Waste Water System for this application. I urge the Waste Water Board to consider the selection of the USBF process for these projects as well as any future Waste Water Treatment projects in the Florida Keys.

If you have any questions, please call me at your earliest convenience.

Sincerely,
Gartek Engineering Corp.

Robert L. Betancourt, P.E.
President

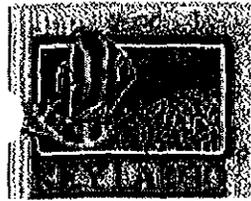
RLB:pcy

DRAFT

**Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Minutes**

3:00 PM Wednesday, December 3, 2003

**Key Largo Public Library, 101485 Overseas Highway
Key Largo, Monroe County, Florida**



Board Members Present

Gary Bauman, Chairman
Cris Beaty*
Charles Brooks
Andrew Tobin
Jerry Wilkinson

Staff Present

Robert Sheets, General Manager
David Miles, Chief Executive Officer
Thomas Dillon, Board Attorney
Ed Castle, Board Engineer
Faith Doyle, Board Clerk

Guests Present

Glen Calltharp, Fluidyne
Norm Hatch
Jack Thorley, Marine Bank
Nos Espat, Randazza
Chuck Wilde, Florida League of Cities
Jon Morrison, Florida League of Cities
Dave Andrews, Mull & Associates
Pete Kinsley, The Haskell Company
Stu Oppenheim, Brown and Caldwell
Burke Cannon, Key Largo Resident
Steve Gibbs, Free Press reporter
Brandy and Ed, student interns from Coral Shores High School
Gaile Jelinek, Key Largo Resident
Vicky Fay, Key Largo Resident

*Commissioner Beaty joined the meeting in progress at approximately 3:45 P.M.

A. Call to Order

Chairman Bauman called the meeting to order at 3:05 p.m.

B. Pledge of Allegiance

The pledge was not recited because the flag was not available.

C. Public Comment

Chairman Bauman asked if any one present wished to address the Board. There being none the meeting continued.

D. Additions, Deletions or Corrections to the Agenda

Chairman Bauman asked for changes to the agenda.

Commissioner Brooks suggested moving the public comment period to later in the agenda on all future agendas. He also suggested that the Legal Counsel report be given prior to action items on all future agendas.

Chairman Bauman suggested that actions items F1, F2 and F3 be held until the arrival of Commissioner Beaty.

Mr. Chuck Wilde of the Florida League of Cities and Mr. Jon Morrison were present to answer questions. Mr. Wilde gave a brief overview and information on the League of Cities and what they offer. Services include management of the Florida Municipal Trust Fund, which is a pool of municipal money. The FLC only works with public entities that are tax driven.

Commissioner Tobin asked why the gentlemen were visiting today. Mr. Sheets stated that at the last meeting Commissioner Wilkinson asked specific questions about the KLWTD coverage. It was suggested that the FLC representatives be present today to provide information and to answer questions.

Mr. Morrison stated that the general liability coverage provided to the Board had a limit of \$5,000,000.00 in errors and omissions coverage.

Commissioner Tobin asked about specific coverage on check writing and bonding of officers. Mr. Morrison stated that it is covered. He added that errors and omissions would cover mistakes and negligent decisions and civil rights violations.

Mr. Dillon asked if there is coverage for consultants and contractors such as builder risks insurance, or an owner controlled insurance policy. Mr. Morrison not on a government entity.

Mr. Morrison provided the web address for Florida League of Cities as FLCITIES.COM.

Commissioner Brooks asked if when the sewer is built would a class action suit be covered. Mr. Morrison said, yes this was a broad question and he needs the class of action, such as a negligent design or installation. With more specific information he could better answer the question.

Commissioner Tobin asked if the Board has some coverage presently. Mr. Morrison stated there is some presently but it is limited. Commissioner Tobin request that the present policy be reviewed to verify all coverage. Mr. Morrison stated The Haskell Company's insurance would cover negligent design.

Chairman Bauman asked if the policy would provide legal representation. Mr. Morrison confirmed that they would.

Commissioner Brooks asked about coverage on coverage for staff and members traveling to meetings who might be involved in an accident, which could result in the board being sued. Mr. Morrison stated that the individual's personal auto insurance would be primary to cover the accident claim. Discussion ensued on this scenario.

Commissioner Wilkinson was not prepared with his questions because he did not see the item on the agenda. He is concerned with the "deep pocket theory". Commissioner Tobin stated that there is a \$100,000 cap on sovereign immunity. Commissioner Wilkinson questioned criminal acts. Mr. Morrison stated that only civil acts are covered not criminal. Discussion ensued on the topic.

Mr. Morrison stated that his email address was jmorrison@flcities.com and that the Board should feel free to contact him with any questions or concerns.

Mr. Sheets invited the Florida League of Cities representatives back in the near future to present the KLWTD coverage after the Board has time to review their policies.

E. Minutes – Draft October 15, 2003

Commissioner Brooks made a motion to approve the October 15, 2003 meeting minutes. Commissioner Wilkinson seconded the motion. All were in favor and the motion was unanimously approved.

F. Action Items

1. Action on a Secondary Treatment Process

SEE BELOW

2. Action on KLWTD Work Authorization WEC 04-01 with Weiler Engineering Corporation for Investigation of the Calusa Campground

SEE BELOW

3. Action on the Line of Credit

SEE BELOW

4. Approval of Resolution 2003-22 to facilitate and encourage efficient and effective communications between the Board and General Manager

COMMISSIONER TOBIN MADE A MOTION TO APPROVE RESOLUTION 2003-22. COMMISSIONER BROOKS SECONDED THE MOTION. WITH NO FURTHER DISCUSSION AND NO NEGATIVE VOTES ALL WERE IN FAVOR AND THE MOTION CARRIED.

5. Action on the Monroe County Land Transfer (Restrictions to MM 100.5 WWTP Site)

Mr. Dillon reviewed the information provided. Discussion ensued concerning the information. It was noted that conservation easements are not required until after issuance of development permits and that there was no benefit to anyone from defining the conservation easements until the area to be developed was determined. Commissioner Tobin stated that during his discussions with Monroe County and the FCAA the deed should have provisions to prohibit the KLWTD from selling any of the land. **NO ACTION IS REQUIRED AT THIS TIME.** The Inter-local Agreement covers the restrictions on the land. Commissioner Wilkinson asked Mr. Oppenheim if the plans include going under the highway. Mr. Oppenheim stated that at present it is planned to be an open cut across U.S. 1. Commissioner Tobin stated they are pushing the plan to move the crossing south and we need to contact the County to ensure proper placement. It was noted that Mr. Tim McGarry would coordinate for the County. Mr. Oppenheim stated that he would contact Mr. McGarry concerning the crossing issue. Mr. Dillon

requested to see the application for the crossing as soon as possible. It was stated that Brown and Caldwell would provide it to Mr. Dillon and Mr. Dillon would forward it to the Board. Commissioner Tobin stated that presently what is required is a site plan. Commissioner Tobin noted that the County would make the application if Haskell provides the information. Commissioner Wilkinson questioned if action is being taken to address the concerns of Mr. Chris Sante, who owns property near the MM 100.5 site. Mr. Oppenheim stated it is too soon to tell the exact details of the ingress and egress until the 60% design phase, but he would review it.

G. General Manager's Report

1. Status Report on the KLWTD Transition Plan

Mr. Sheets stated that the recommended members of the transition team would be himself, Tom Dillon and Cris Beaty. The team has discussed the plan and will provide a formal report at a future meeting. Mr. Sheets noted that the major functions to be assumed would include: District Manager, Clerk/Administration, Financial Management and the operations functions. The basic question to be answered is the need to clarify the desires of the Board if individual local resources would achieve the Board's goal so that we would not be looking for management firms. Presently the team feels the Board wishes to use local talents and if that is to be the focus then costs would be attained and a plan to integrate would be developed, while keeping within the budget.

Commissioner Tobin asked about the type and volume of public records that have been compiled thus far and their availability. It was noted that as the KLWTD Secretary, Cris Beaty is provided with copies of all items acted on by the Board and copies of the approved minutes, however these are not always accessible to the public and suggesting that the public contract Orlando is inappropriate. Mr. Dillon noted that none of the financial management documents were on file in the District and requested Mr. Miles to provide a list of the financial documents on file with him. Mr. Miles explained the magnitude of the documents impedes multiple copies being provided, adding that the grant management function is cumbersome. Mr. Sheets stated that to transport the originals for review is not acceptable to the auditors and that the costs for multiple copies are born by the District. Mr. Sheets suggested that the catalog of documents is forthcoming and would permit the Board to request specific documents. Commissioner Tobin stated that he needs to see the documents and the amount of documents defined by Mr. Miles doesn't seem cumbersome. Mr. Sheets requested direction from the Board on whole concerning the issue because of the magnitude of staff effort and reproduction costs he would prefer, in this instance, not to accommodate the request of only one commissioner. Commissioner Tobin then suggested that a workshop to review the financial paper trail would be more in order. Commissioner Brooks stated that he wants to see the information but at the least cost to the District. Discussion ensued on the method of supplying the information for review. Chairman Bauman stated concerned with the transition of the grant management function and he believes it would be the most difficult function to replace and needs to be addressed first. Mr. Sheets stated that reviewing the financial records would not provide the answer the question of who should inherit the responsibility. Discussion continued on what records should be provided and in what manner and if electronic transmission could be an option. Mr. David Anderson of Mull and Associates (the District's appointed Auditor) stated that transporting the original documents should be used as the last option.

Mr. Miles stated that a list of documents would be developed and the Board could choose what they wanted to review and the most effective means would be used to provide them with copies. Mr. Miles would bring the County reimbursement documentation for review to a future meeting at the direction of the Board.

Chairman Bauman suggested that the transition team consider adding the web sight design function to the transition plan.

2. KLWTD Board Meeting Schedule for 2004

Mr. Sheets stated that a tentative schedule through the end of March 2004 was provided for the Board's review and consideration and action could be taken by at the Board's pleasure.

Commissioner Wilkinson made a motion to hold all future meetings beginning at 5:00 p.m. The motion died due to lack of a second. The Board then agree to have the schedule placed as an action item on the December 17, 2003 agenda.

Mr. Sheets informed the Board that he had been in contact with Dan Kohlage of Monroe County concerning the MSTU funds. Mr. Kohlage informed Mr. Sheets that he had requested an inter-local agreement from County Attorney Collins and Atty. Collins believes the current inter-local agreement addresses the issue. Mr. Kohlage would prefer to have an agreement drafted that is similar the one the County has with the FKAA. The three party agreement was to be prepared by Mr. Collins for approval by County on 12/10/03 and upon its approval would release funds shortly after. Mr. Sheets stated that the Board requires no action. Mr. Dillon stated that he would meet with Mr. Collins on Monday to expedite the document. Discussion ensued about the specific points addressed in the document.

At 4:10 p.m. Chairman Bauman brought back to the floor the postponed action items for consideration.

Action Items

F.3. Action on a Secondary Treatment Process

Mr. Dillon informed the Board that both warranties are basically the same but Mr. Espat of Randazza stated they would provide on site technical support for five years and operator training. Fluidyne does not provide on site but telephone support would be provided for five years, which after review of the 10/17 meeting tapes is consistent with what Fluidyne representatives had stated at that meeting. Mr. Dillon stated that bonding was outlined and Haskell has provided a performance bond that neither vendor is willing to extend. Mr. Espat did inform Mr. Dillon verbally that the \$25,000 escrow amount stated would be increased to \$75,000 for two years after start up. Fluidyne did not agree to provide additional security. Haskell added that they are providing a different surety bond on top of the Haskell payment and performance bonds. Discussion ensued. Haskell could have the KLWTD named as an additional insured. Discussion ensued on performance bonds and what they cover. Mr. Dillon recapped that both will guarantee the equipment for 2 years and Fluidyne gave an additional 3 years of telephone technical assistance, Randazza would provide onsite assistance and operator training for five years.

Commissioner Brooks asked if the \$75,000 escrow provided by Randazza is a draw account for if we feel we are not getting what we asked for we could use it instead of claiming against the bond.

Commissioner Beaty asked if the Randazza \$75,000 is for two years from installation. Mr. Dillon noted that it was from final acceptance.

Mr. Kinsley stated concern when a vendor cannot meet a bond amount, which should be the contract amount. Commissioner Tobin asked for clarification of the issue if it is that Randazza is not providing a bond or an extra bond. Mr. Dillon stated that Purestream/Randazza could provide no payment and performance bond to his understanding. Mr. Kinsley stated that he had discussed providing performance and payment bonds with Mr. Espat who informed him that he doesn't think it is necessary but if Haskell could find a bonding company on the equipment he would purchase it. Mr. Kinsley noted that Fluidyne stated they would provide the required bonds.

Chairman Bauman asked if after the warranty expired would technical assistance from Fluidyne be charged for. Mr. Glen Calltharp stated that the local TSC Jacobs representative John Verscharen visits his plants without being called and lives in the Tampa area. Mr. Calltharp stated that in most situations if a problem isn't corrected in four days from the first call Mr. Verscharen would be there.

Mr. Dillon noted that at the last meeting comments were made that the secondary treatment processes require cheating to meet the 5531 standards. Mr. Dillon asked that statement be clarified. Mr. Kinsley stated that he is very comfortable that 5531 could be obtained with SBR without any extraordinary measures and the Purestream plants reviewed were permitted at 10 10 3 1 and may not meet standards even after due diligence. Commissioner Wilkinson stated that he is still concerned with the standards being met.

COMMISSIONER BAUMAN ASKED FOR ANY FURTHER DISCUSSION ON THE ITEM. THERE BEING NONE COMMISSIOSNER BROOKS MADE A MOTION TO SELECT THE USBF SECONDARY TREATMENT PROCESS. COMMISSIONER BEATY SECONDED THE MOTION. CHAIRMAN BAUMAN REQUESTED A ROLL CALL VOTE AS FOLLOWS:

COMMISSIONER BEATY	YES
COMMISSISONER BROOKS	YES
COMMISSIONER TOBIN	YES
COMMISSIONER WILKINSON	NO
COMMISSIONR BAUMAN	NO

THE MOTION WAS APPROVED BY A VOTE OF THREE IN FAVOR AND TWO NOT IN FAVOR.

F.2. Action on KLWTD Work Authorization WEC 04-01 with Weiler Engineering Corporation for Investigation of the Calusa Campground

COMMISSIONER TOBIN MADE A MOTION TO APPROVE WORK AUTHORIZATION WEC 04-01. COMMISSIOENR BEATY SECONDED THE MOTION. CHAIRMAN TOBIN REQUESTED THAT TIME SHEETS BE INCLUDED WITH THE BILLS. MR. CASTLE STATED THAT DOCUMENTATION WOULD BE PROVIDED WITH THE INVOICE. THERE WAS A QUESTION HOW THE AGENDA ITEM WAS PLACED FOR ACTION. CHAIRMAN BAUMAN STATED THAT IT WAS AN EXECUTIVE DECISION TO REVOTE BECAUSE THE ORIGINAL MOTION WAS ON LY VOTED ON BY FOUR MEMBERS AND ENDED WITH A TIE VOTE.

Chairman Bauman requested an update on staff's position concerning commercial hook ups. Mr. Castle stated that any concentrated flow like a campground is important to be looked at and the investigation may help to decide if the entity should hook up now or later. Commissioner Tobin asked if would need to be hooked up in the future. Mr. Castle stated that ultimately all commercial entities within a certain geographical range would and the Calusa location is important because it is in the middle of both areas. Discussion ensued on various aspects of the Calusa Campground's potential connection.

Mr. Dillon noted that if Calusa meets the requirements as defined in the County statute we must hook them up. The State requires hook up within one year, the County within 90 days. Mr. Dillon stated that there would be no choice because the location would be within 50 feet of the KLWTD line, unless there was a public health reason not to allow the hookup. Discussion ensued on the property ownership issue. Mr. Castle stated that these issues and others would be addressed under work product approved with this work authorization. Commissioner Tobin asked how the amount charged was derived. Mr. Castle provided a brief description of how the hours were estimated and what the study entails. It was

noted that at the direction of the Board the study had begun and the work authorization was presented to formalize the Board's verbal directions.

Commissioner Brooks stated that nothing in the work authorization would negate the park completion. Mr. Castle stated that the work under this work order just provides information on the impact to the plant caused by Calusa. Commissioner Brooks asked about the reports and recommendation referred to in the work authorization. Mr. Dillon stated that approval of the work order does not necessarily mean that the KLWTD is going to act on any recommendation made by the engineers.

Commissioner Beaty asked how much effort had been invested since the Board gave WEC verbal direction to begin the study. Mr. Castle stated that approximately \$2,000 had been incurred. Commissioner Wilkinson stated that this is use of public money for a private business and he believes it is misuse of public funds. Commissioner Tobin believes it will avoid some of the issues that Stock Island is facing.

Commissioner Tobin asked about WEC being allowed to conduct the study on private property. Mr. Dillon stated that permission should be requested of the property owner. Mr. Dillon stated that WEC might determine that there are public health reasons not to hook them up and doing the study would allow the District to initiate a request to DEP to exclude Calusa from the mandatory hook up provision.

COMMISSIONER BAUMAN CALLED FOR FURTHER DISCUSSION. THERE BEING NONE HE THEN REQUESTED A ROLL CALL VOTE AS FOLLOWS:

COMMISSIONER BEATY	YES
COMMISSIONER BROOKS	YES
COMMISSIONER TOBIN	YES
COMMISSIONER WILKINSON	NO
CHAIRMAN BAUMAN	YES

THE MOTION WAS APPROVED BY A VOTE OF FOUR IN FAVOR AND ONE NOT IN FAVOR.

F.3. Action on the Line of Credit

COMMISSIONER BROOKS MOTIONED TO CONTRACT WITH TIB FOR A LINE OF CREDIT. THE MOTION WAS SECONDED BY COMMISSIONER BEATY FOR DISCUSSION. Mr. Miles informed the Board that this issue was originally addressed during the FY2004 budgeting process. Mr. Miles had alerted the Board in June of the potential for cash flow problems while awaiting receipt of tax funds and that if enacted a line of credit would help with meeting disbursement schedules. Per the budget discussions and the Board's direction Mr. Miles requested the Board's depository bank (TIB) to provide a quotation. TIB was approached in July and all the budget information was provided to them in early October. TIB provided a proposal on the 13th of November, which was presented, to the Board for consideration at the November 19, 2003 meeting. At that time the Board requested additional quotations for today's meeting. This action necessitated TIB extending their offer by 30 days. Mr. Miles also contacted the banks requested by the Board. Mr. Rick Tupper at 1st State Bank didn't want to propose. A proposal was received from Marine Bank. A comparison of the two submittals was provided for consideration.

Commissioner Tobin stated that it is hard to make a decision on a \$500,000 loan without the back up to show what needs to be paid. Mr. Miles stated that the construction invoices would be large and regular and cash flow problems would continue. Discussion ensued on the need and the amount necessary. Commissioner Tobin stated that he doesn't want to support the motion. Commissioner Wilkinson agreed and believes an Attorney General opinion should be solicited.

Chairman Bauman asked Mr. Thorley why the Marine Bank would cost less. Mr. Thorley stated that, KLWTD as a governmental agency, the interest charged is non-taxable to the bank reducing the interest rate. Mr. Sheets noted that the Marine Bank requires participation in the KLWTD incurring any future indebtedness and that any draw against the line of credit must be approved by the Board as defined in the loan agreement. Discussion ensued on the timing of other funding.

COMMISSIONER BROOKS RESTATED HIS MOTION TO APPROVE A \$150,000.00 LINE OF CREDIT WITH TIB BANK AND THAT ANY DRAWS MUST BE DONE BY A RESOLUTION OF THE BOARD AND WILL NOT INCLUDE PAYMENTS TO EXPENDITURES FOR ENGINEERING, GSG OR CAPITAL EXPENSES. COMMISSIONER BEATY SECONDED THE MOTION. CHAIRMAN BAUMAN CALLED FOR A ROLL CALL VOTE AS FOLLOWS:

COMMISSIONER BEATY	YES
COMMISSIONER BROOKS	YES
COMMISSIONER TOBIN	NO
COMMISSIONER WILKINSON	NO
CHAIRMAN BAUMAN	YES

THE MOTION WAS APPROVED WITH A VOTE OF THREE IN FAVOR AND TWO NOT IN FAVOR.

H. Legal Counsel's Report

1. Report on Fluidyne warranty and PES/Randazza warranty

Please see action item F1.

2. Report on Monroe County Land Transfer

Please see action item F5.

3. Report on question of mandatory hook-ups for commercial property

Please see action item F2.

I. Engineer's Report for period ending 11-19-03

Mr. Castle presented the report to the Board.

J. Commissioner's Items

1. Discussion to establish the domestic service lateral connection to be in front of and on the same side of the street/road as the property owner's dwelling – Commissioner Wilkinson

Mr. Dillon stated that there are mandatory hook up ordinances, State and County that affect the KLWTD. Commissioner Tobin asked if they only apply to commercial properties. Mr. Dillon stated that they include commercial and residential. Discussion ensued. Mr. Oppenheim stated that he would address the issue at a future meeting.

2. Discussion of Roberts Rule of Order – Chairman Bauman

Chairman Bauman stated that once an agenda is set that it should not change. An agenda cut off of the Thursday before the Wednesday meeting was suggested this would include all back up information to be provided to the clerk. Commissioner Tobin believes that Roberts Rules are too detailed.

Commissioner Brooks stated that there is a great need to establish rules. Mr. Sheets suggested a workshop with the sole purpose to review the draft administrative procedures and he suggested January 2004. It was suggested that the Board consider including the workshop with either the 1/7 or 1/21 meeting or having a meeting on 1/14 solely for the administrative procedures workshop and then eliminating the 1/21 meeting.

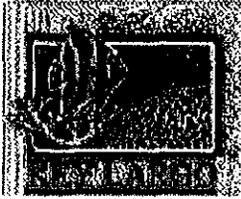
3. Discussion of Payments to GSG – Chairman Bauman

This item was tabled until a future meeting.

K. Meeting Adjournment

Chairman Bauman adjourned the meeting at 6:00 p.m.

DRAFT



**Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Minutes**

**4:00 PM Wednesday, November 19, 2003
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida**

Board Members Present

Gary Bauman, Chairman
Cris Beaty
Charles Brooks
*Andrew Tobin
Jerry Wilkinson

Staff Members Present

Robert Sheets, General Manager
David R. Miles, Chief Financial Officer
Thomas Dillon, Board Attorney
Faith Doyle, Board Clerk

Guests Present

Nos Espot, Randazza
Pete Kinsley, The Haskell Company
Stu Oppenheim, Brown and Caldwell
Vicky Fay, Key Largo Resident
Robert E. Burt, Key Largo Resident
Kim Collins, TIB Bank
Steve Gibbs, Free Press reporter
Burke Cannon, Key Largo Resident
Ms. Science Kilner, FEMA, via telephone

*Commissioner Tobin joined the meeting in progress at approximately 6:10 p.m.

A. Call to Order

Chairman Bauman called the meeting to order at 4:05 pm

B. Pledge of Allegiance

The pledge was recited.

B.1. Teleconference with FEMA

Ms. Kilner asked if the County would be represented at the FEMA public hearing. The Board gave its consensus that Monroe BOCC and FCAA representatives should be invited to participate. She then reviewed the meeting outline that was presented to the Board. Ms. Kilner was informed that the location would be the library. The clerk has requested that the county have audio and videotaping available. Ms. Kilner stated that at a minimum an audiotape must be made. There will be a facilitator at the meeting to go through the power point presentation. Ms. Kilner would review the comments she has received so far and field the questions from the public so that the appropriate person is requested to answer it.

Commissioner Wilkinson asked about the inclusion of the Calusa Campground. Ms. Kilner stated that FEMA is reviewing the design and engineering and inclusion at this point would force them to take a closer look the project. The FEMA dollars could not go into the campground. Also, an archeology review will need to be done at the location either by the owner or by the Board. Ms. Kilner would recommend having archeological oversight in place. Mr. Sheets asked if this would be required if FEMA dollars were used for the design. Ms. Kilner stated that if no FEMA dollars are used there is no obligation for them to review it. The conference call concluded at 4:20 p.m.

Mr. Sheets asked the Board if the 12-3 meeting should begin at 3:00 p.m. so that there is more time to conduct business. The Board gave its consensus to begin the meeting at 3:00 p.m. to work until 5:30 p.m. and then break until the 6:30 FEMA public hearing.

Ms. Kim Collins with TIB bank was present to answer any questions concerning the proposed line of credit application for the KLWTD in the amount of \$500,000. Mr. David Miles provided revised documents that were different from those provided in the agenda packet. They incorporated changes requested by the staff and Board members. Mr. Dillon commented that his concerns with the original documents had been addressed and that three of the five Board members had provided feedback, which had been addressed. Mr. Miles stated that back on June 25, 2003 during the budget workshops concerns were expressed over future cash flow difficulties. In reference to the grant from Monroe County to cover operations in FY2003, the last draw was received in mid October and the September ending cash statements include it. All dollars have been received and George Garrett was provided the documentation that proves the money was properly spent. FY2004 started with \$28,000 in the bank and approximately \$40,000 in operating expenses. \$35,000 is the last cash coming into the District until MSTU proceeds begin to come in. Mr. Miles has discussed with Mr. Garrett how the billing of the County taxes comes in and although they begin to come in during November those dollars don't come directly to the KLWTD. The receipts are made by the County who needs a mechanism to transfer the funds to the District. Mr. Garrett is setting up the procedure to transfer the dollars to the KLWTD. Mr. Miles stated that funds would be necessary prior to year-end and the MSTU dollars may not come until January. Based on this information it was projected that by the end of January there would be between \$80-100,000.00 of shortage in the operational fund. That is why TIB has a provision in the agreement that no more than \$150,000 could be used for operations shortfalls. Another provision of the agreement requires that money be paid by March 1, 2003 when the majority of the MSTU funds will have been received. Discussion ensued regarding the benefits of having the line of credit.

TIB has agreed to a \$500,000 line of credit with 4.5% variable rate with a 6% cap. It was noted that interest charged on invoices that fall under the Prompt Payment Act concerning Local governments who do not pay proper invoices within the time provided in the Act must pay interest of 12% a year.

Mr. Sheets noted that a loan \$100,000 over 90 days at an interest rate of 4.5 would incur approximately \$1,000 in interest charges plus the cost of the origination fee for the loan. The origination fee for TIB is usually \$2,500 but it was lowered \$1,250. Ms. Kim Collins stated the length is for 18 month from closing with no prepayment penalties and it is an unsecured loan. The index used was Wall Street Journal prime and it is not anticipated that prime will change before January 2004. TIB would be monitoring the loan because of the purpose of the loan and any draw requests must be in writing and specify what the draw is for the maximum draw amount is \$150,000 unless more is negotiated.

Mr. Miles noted that this is a straight-forward business proposition. It would provide flexibility to manage any cash flow shortages so the District could pay bills on a timely basis and while waiting for MSTU or other funds.

Chairman Bauman asked for comments from the public or the Board. Commissioner Wilkinson is not happy that other banks were not consulted and he noted that the banks are not happy either. He stated that he was furious about finding out at the 11th hour that a line of credit was necessary and he questioned calling an emergency meeting so that all concerned could be informed. He is not happy with the manager and staff for not communicating the gravity of the situation to the Board. He read the Prompt Payment Act and questioned who is 'the agent'. Mr. Dillon stated that the agent is usually the person who received the invoice. Commissioner Wilkinson questioned the lag time for receiving grant funds and believes this action should only be taken unless the District has no funds available. Commissioner Wilkinson believes if this money is tax-exempt it should be lent at less than prime interest. He noted that Marine Bank would have considered it below prime. He questioned if the interest is reimbursable from grant proceeds. Mr. Miles stated that for certain grants it is, if it is a direct cost. Commissioner Wilkinson suggested tabling the item and going out for bid.

Chairman Bauman asked for a response from Ms. Collins who explained that pricing loans and the interest rate is predicated on risk and this is an unsecured loan with no historical data on payment history and for a startup entity it is a fair rate. Mr. Sheets stated that concerning the interest issue GSG just issued 60 million dollars worth of tax exempt bonds with a AAA rating and the best rate was 4.67% on secured insured AAA low risk bonds. The fact that TIB will deal with us at the rate they offered with our experience is a remarkable sign of faith in the KLWTD as an entity. In regard to bidding GSG has been informing the Board since June that there would be cash flow difficulties while waiting for the MSTU funds. TIB began back August to educate themselves on the KLWTD. A bidding process could have been conducted, but banks are not risk takers it is easy to say after the fact that a good rate could have been beat. Staff worked with TIB because they are local and our depository bank. He concluded that this entity requires a line of credit because it only gets one paycheck a year and managing the bills is difficult.

Commissioner Wilkinson stated that as a businessman he had to borrow money but did not go with his own bank without looking at other entities, many factors need to be looked at. Mr. Miles had talked with Bank of America, however the local was chosen. Mr. Miles stated that GSG uses four banks and in comparison with GSG's lines of credit with other entities the rate is very attractive. Commissioner Wilkinson wants the public to know that we did the best due diligence and got the best rates available.

Mr. Sheets added that FEMA would advance up to 90 days of draws for Phase II grant funds. Presently, FKAA has some of the advance draw money to be reimbursed to us. Commissioner Wilkinson stated that the KLWTD could argue that the FKAA should have sent the money the day the MOU was sent. Mr. Sheets stated that the grant would not be transferred until the FEMA Phase II Environmental Assessment is complete.

Commissioner Beaty comments that he understands that TIB was used as KLWTD's depository bank but is disappointed that other banks were not given an opportunity to competitively bid. He requested a cash flow analysis for the next few months that shows what we anticipate to use on the line of credit. Mr. Miles stated that he is working on it with information provided by the two contractors with projections of their anticipated draws. Commissioner Beaty stated that this agreement is good for 10 days and asked Ms. Collins if it could be extended until December 3, 2003. Ms. Collins stated that she would send a new commitment letter.

Commissioner Brooks requested verification that only \$150,000 of the total line was for working capital. Ms. Collins state that was correct. Commissioner Brooks asked if once the working capital portion is paid back if the entire \$500,000 line of credit could be used for construction. Mr. Miles stated that yes next fall we would carry forward a surplus that would avoid the cash flow issue and that this is only a bridge loan from now until the end of January. The other purpose is to cover any cash flow shortages to make sure this business goes forward regardless of grant reimburse delays. Commissioner Brooks asked if it is a revolving open end line of credit. Ms. Collins confirmed that it was.

Commissioner Brooks questioned the delay in depositing the SWFMD grant check. Mr. Miles stated that due to the routing via the KLWTD P.O. Box through the GSG Orlando office it had only been deposited today. He noted that although the grant had been awarded in May supporting reimbursement documentation was not available until early October.

Commissioner Brooks noted that this is a line of credit but nothing prevents us from acquiring another line of credit and we don't have to draw this money down if it is not needed. Mr. Miles agreed with his statement.

Commissioner Brooks noted that TIB Bank was the first bank to assist the KLWTD when it was established. He also stated that he defends the staff on their actions because there was enough discussion in the budget workshops and prior meetings to give staff direction to go to TIB Bank and weather or not we take this line of credit or draw against the money we establish credit history which helps KLWTD into the future.

Chairman Bauman agreed that the Board had directed staff to go to TIB and that TIB has been a partner with the keys on many projects and he recalls basically telling the staff not to waste time and to move forward with request information on a line of credit.

Chairman Bauman requested a motion for approval of the line of credit with TIB Bank.

Commissioner Wilkinson made a motion to table the item. The motion died due to lack of a second.

Commissioner Brooks moved to accept the line of credit with TIB Bank. Commissioner Beaty seconded the motion. Discussion ensued on requesting proposals from other entities. Commissioner Brooks withdrew his motion. Commissioner Beaty withdrew his second.

Commissioner Brooks made a motion to continue this item until the December 3, 2003 agenda contingent upon TIB extending their commitment until that time. Commissioner Beaty seconded the motion. Ms. Collins stated that she would extend the commitment an addition 30 days. Commissioner Wilkinson requested that other proposals be requested from Marine Bank and First State Bank. Mr. Sheets stated that he would at the direction of the Board. Discussion ensued concerning the fact the TIB rate has now been disclosed and is part of the public record. Discussion ensued. Chairman Bauman the requested a role call vote as follows:

Commissioner Beaty	Yes
Commissioner Brooks	Yes
Commissioner Tobin	NOT PRESENT FOR THE VOTE
Commissioner Wilkinson	No
Chairman Bauman	Yes

The motion was approved with a vote of three in favor and one not in favor.

COMMISSONER BROOKS MADE A MOTION TO DIRECT STAFF AND MR. MILES TO CONTACT FIRST STATE AND MARINE BANK FOR THE POSSIBILITY OF OPENING A LINE OF CREDIT FOR KLWTD. COMMISSIONER BEATY SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

C. Public Comment

Chairman Bauman asked if anyone present wished to address the Board. With no requests the meeting continued.

D. Additions, Deletions or Corrections to the Agenda

Chairman Bauman requested adding an item to discuss the MOU.

Mr. Dillon requested that a discussion of the potential deed restriction be added to the December 3, 2003 agenda and that a draft would be forthcoming from Mark Rosch and

would require action prior to its being presented as an action item on the BOCC's December 12, 2003 agenda.

Chairman Bauman requested a discussion on freezing the agenda at the end of business Wednesday prior to a meeting date.

Commissioner Brooks requested a discussion of the DCA bond issue.

Chairman Bauman noted that items F1 through F5 would be postponed until Commissioner Tobin arrives.

Commissioner Brooks requested a brief discussion concerning public notices.

Mr. Sheets suggested having the insurance agent come to the next Board meeting to present information on the errors and omissions coverage.

Chairman Bauman requested a discussion of a formal acceptance of Roberts Rules of Order.

It was the consensus of the Board to adjust the agenda as indicated above.

E. Minutes – Draft August 13, 2003; Draft August 27, 2003; Draft Sept. 3, 2003; Draft Sept. 17, 2003; Draft October 1, 2003

Commissioner Wilkinson made a motion to approve the minutes of the August 13, August 27, September 3, September 17 and October 1, 2003 KLWTD Board Meeting Minutes. Commissioner Beaty seconded the motion. All were in favor and the motion was unanimously approved.

F. Action Items

1. Presentation of Warranty Information and Secondary Treatment Process Selection
Held until later in the meeting.
2. KLWTD Work Authorization WEC 03-01 (Amendment 1) with Weiler Engineering Corporation for the KLTV Project
Held until later in the meeting
3. KLWTD Work Authorization WEC 03-02 (Amendment 2) with Weiler Engineering Corporation for the KLP Project
Held until later in the meeting
4. KLWTD Work Authorization GSG 03-01 (Amendment 1) with Government Services Group, Inc. for the KLP & KLTV Projects
Held until later in the meeting
5. The Haskell Company Change Proposal No. 1
Held until later in the meeting
6. Resolution 2003-21 Establishing Independent District Manager, District Engineer and District Attorney Officers for the KLWTD

Commissioner Wilkinson made a motion to approve Resolution 2003-21. Commissioner Beaty seconded the motion and noted that he agrees with the resolution because each officer of the District has a fiduciary responsibility to answer directly to the Board and each other. Commissioner Brooks stated that the staff should work together and report to us. Commissioner Wilkinson stated that staff needs to talk with each other but problems must come directly to us. Mr. Weiler commented he understands he reports to the Board but the team is working on the same goal and there will be times that the team does not need to know exactly what each other is doing, but our boss is the Board. Commissioner Brooks asked each member of staff for their viewpoint. Mr. Dillon stated that it is beneficial to participate in the staff's working group call, which is done every week with all staff reviewing issues that are coming up. Mr. Dillon, as the attorney for the Board considers the public to be his client and the Board to be the representative of the public. The resolution would not change his responsibility. He noted that a great deal of time is spent working things out together and the resolution won't change that. Mr. Miles deferred to the general manager and as finance director he reports to him, and he notes that the Attorney works directly for the Board in most forms of government. Mr. Miles works for the manager and takes direction from him. Mr. Sweat stated that his opinion agrees with Mr. Miles and that his experience is the same as director of operations he reports to the manager, however he believes the staff has a good working team. Mr. Sheets concluded that the resolution would not change things but let there be no confusion on the point that the entire staff realizes their fiduciary responsibility. The staff must lobby, argue, discuss and debate when necessary but if the resolution gives the Board comfort then it is a for the good.

Commissioner Brooks takes comfort in knowing that the staff conducts weekly conference calls. He requested if conference call minutes are kept that they be provided to the Board. Mr. Sheets stated that a working group agenda with a section for status updates are used each week and would be forwarded to the Board when staff is sent theirs, but formal minutes are not taken. Chairman Bauman stated that the Board should be forwarded what staff already prepares. It was the consensus of the Board to have staff forward the weekly working group agenda to the Board from this time forward.

Commissioner Brooks called the question. Commissioner Wilkinson noted that the public is the KLWTD's client. Chairman Bauman asked for any descending votes. None were cast and the motion was unanimously approved.

7. KLWTD Work Authorization WEC 04-01 with Weiler Engineering Corporation for Investigation of the Calusa Campground

Mr. Sheets stated that at the last meeting the Board verbally authorized WEC to go ahead with the Calusa Campground investigation and that the work authorization would be prepared for today's meeting and the report completed by 12/3 but with full agenda scheduled for that date this report would be given at a later date.

Commissioner Beaty motioned to approve Work Authorization WEC 04-01. Commissioner Wilkinson seconded for discussion. Commissioner Wilkinson stated that this is the worst thing to do and considering Calusa would introduce bad flow into

the system with only 13 permanent and 376 weekend residents it will have chemicals that would make it more difficult to meet 5531 and including it will cause trouble with FEMA. He believes that the first priority is to complete the KLTV and KLP and then go back and pick up package plants, also the fee structure needs to be looked at to upgrade the Calusa Campground system. He had been told that there is a great deal of salinity in the wastewater. Commissioner Wilkinson believes that spending the \$7,400 won't accomplish much at this time and that there are other more important things to do. Discussion ensued.

The Chair acknowledged Mr. Burke Cannon who stated that the Board should look at Calusa campground on a different basis because there are about 350 permanent residents and about 90% of the RV's do not move. Vickey Fay commented that the Board should proceed from where they started from with the locations that were planned to be sewerred and have been presented to FEMA because they have accepted it as is. Ms. Fay has concerns with Calusa and the fact of the transient nature of Calusa could increase the cost to the KLTV residents. She asked the Board to table the action and questioned the prudence of incurring \$7,700 in expenses when looking at getting a line of credit. Mr. Weiler added that we are investigating this campground at this time and not proposing hooking them up because if you don't investigate you will have the very issues that Stock Island is facing. Commissioner Wilkinson stated this should be done when the other campgrounds and other commercial entities are reviewed.

Commissioner Brooks comments that he agrees that if we go out of the scope it may create a hurdle with FEMA, however if KLWTD does the study and decides not to do anything with Calusa would it be a bad investment on \$7,500 when we don't have the money. Mr. Weiler stated that by law when the sewage line runs in front of a property they have to hookup and this investigation could avoid the Stock Island problems because Calusa would be informed of what would be required and we would coordinated with them. Calusa is being looked at because it is in the midpoint between the two projects. Commissioner Brooks asked how far the closest sewer-pipe was to Calusa. Mr. Weiler stated that if a commercial entity is within 50 feet of the right-of-way must hook up and for residential it is at the property line. Commissioner Wilkinson requested seeing the ordinance.

Mr. Sheets stated this is a good discussion to help Mr. Weiler modify the scope if necessary or to tell him to stop, however the Board did authorize him to begin at the last meeting, if the Board has reconsidered they must direct him to cease work and send an invoice.

Chairman Bauman comments he will go with the guy who has been in the war, and WEC has been involved in the war in Stock Island. He believes the investigation would potentially identify future customers as to what sewer is going to cost so they cannot claim they weren't told.

With no further discussion Chairman Bauman requested a roll call vote, which was as follows:

Commissioner Beaty	Yes
Commissioner Brooks	No

**Commissioner Wilkinson
Commissioner Tobin
Chairman Bauman**

**No
NOT PRESENT
Yes**

Motion fails due to a tie.

The manager requested that Mr. Weiler submit a final bill. Mr. Weiler stated that he preferred to keep track of the time spent and retain the information gathered to date for future use. He believes there will be a point in time when this must be done and he will submit the bill at that time.

8. Payments Pending List for November 11, 2003

Commissioner Beaty comments that he was overpaid for October and requested Mr. Miles to deduct the amount from his November check.

Commissioner Brooks made a motion to approve the Payments Pending list for November 11, 2003. Commissioner Wilkinson seconded for discussion.

Commissioner Wilkinson requested a balance sheet and income statement to be provided with future bill lists. Mr. Miles stated that a revenue and expense sheet is an income statement just called a different name and in FY2004 he would provide these documents every month along with the trial balance. Discussion ensued.

Commissioner Tobin arrived at 6:10 p.m.

Chairman Bauman called for a vote. Commissioners Beaty, Brooks, Wilkinson and Chairman Bauman were in favor. Commissioner Tobin abstained from voting due to his late arrival.

Chairman Bauman called a recess at 6:10 P.M.
Chairman Bauman reconvened to meeting at 6:20 P.M.

Chairman Bauman requested that the Work Authorization WEC 04-01 concerning investigating the Calusa Campground for possible connection be reconsidered at the December 3, 2003 meeting due to the tie vote in the absence of Commissioner Tobin.

9. Action on the TIB Bank Line of Credit Request

SEE ABOVE

G. General Manager's Report

- 1. Status Report on the FEMA Environmental Assessment**
 - a. Low and Very-low Income Assistance Program**
 - b. Site Mitigation**

Mr. Sheets stated that his item G-1 was covered in the conference call with Ms. Kilner that had been done earlier in the meeting.

Mr. Dillon reviewed his memo of November 18 stated that the same warranty had been forwarded to Fluidyne and Randazza and Purestream. One question is opened, if there would be any performance security. Mr. Dillon is not sure if Fluidyne is going to provide it. Purestream would consider providing it. Purestream and Randazza stated they would provide the warranty for 24 months from the date of acceptance and that they would fix anything that would fail to work. Unresolved issue and concerns are paragraph 5 concerning the acceptance date.

Commissioner Tobin made the following comments and suggestions: performance standards to be attached to the warranty or typed in so all know what the performance standards are and define if Fluidyne or Haskell are warranting. Mr. Kinsley stated that concerning performance the standard procedure is to have the full performance bonds and regarding the warranty period that Haskell carries the one-year unconditional and the additional 12 months are from Fluidyne the manufacture. Commissioner Tobin question if the warranty was between the District and Fluidyne. Mr. Dillon and Mr. Kinsley confirmed that it was. Commissioner Tobin asked if the full payment performance bond as required from Fluidyne is standard in the business. Mr. Kinsley answered in the affirmative. Commissioner Tobin asked if a full payment and performance bond is in the amount of the contract. Mr. Kinsley stated that it is equal to the contract value. Mr. Dillon stated that the District should be named along with Haskell on the bonds. Mr. Kinsley stated that it would be worked out and is better than a hold back provision. Mr. Dillon and Commissioner Tobin would like performance standards attached to the warranty and have it stated who is giving the promise, also the addition of whom the performance and payment bond is for.

Commissioner Brooks stated that discussion has been focused on Fluidyne and he questioned if the Randazza warranty should be addressed. He asked Mr. Espat if he is in agreement with the bond issues. Mr. Espat stated that he would work with Mr. Dillon on the issues. Mr. Kinsley stated that Haskell would require the same bonds from Purestream as Fluidyne.

Commissioner Brooks wants the standards 5531 stated in the warranties and during the process the discussion concerning support and service has focused on Fluidyne providing support long distance and Randazza locally and pledging 5 years support along with operator training and that Fluidyne would only offer training at the District's expense. Mr. Kinsley stated that Haskell would train for 30 days. Commissioner Brooks is concerned about operator turn over. Mr. Kinsley stated that TSC Jacobs is service oriented and he is in south Florida. Discussion ensued on operations and technical concerns and redundancy in the system. Commissioner Brooks wants the warranty to have the specific verbiage that it would meet the DEP permit requirements and a guarantee in the warranty that the redundancy will be met.

Chairman Bauman asked if these concerns are a design issue or a warranty issue. Mr. Kinsley and Mr. Oppenheim stated that they are more of a design issue. Mr. Kinsley stated that the issue could be rolled into the warranty but the KLWTD is protected in the contract and that the contract states that all governing requirements must be met including the FDEP. Chairman Bauman asked if Haskell would put it in the warranty. Mr. Kinsley stated that they would.

Commissioner Brooks asked Mr. Kinsley about the design phases and the approval process. Discussion ensued. Chairman Bauman asked if the discussion had anything to do with the warranty issue. Commissioner Brooks was questioning Fluidyne's D & B report. Mr. Dillon stated that in references to the law suites anyone can allege anything and it may or may not be true. Assessing the creditworthiness of the contractors is the bonding company's responsibility and if the contractor can get a bond it should end the discussion. A bonding company generally does not give bonds without a proven track record. Mr. Dillon stated that the Board shouldn't put undue emphasis on the report and the Mr. Miles had reviewed the D & B.

Mr. Sweat stated that after having been responsible for 200 plants in his career he believes that a typical one-year warranty is sufficient. However, if the KLWTD is getting more assurance this is a good thing. Chairman Bauman asked if something breaks 10 years from now is there a contract or warranty that would cover this. Mr. Sweat stated that he has never had to have a manufacturer back after the warranty period.

Chairman Bauman asked for a recommendation from the manager. Mr. Sheets stated that after final warranties are secured the item should be brought back for action and selection of a process. Commissioner Tobin believes that what Fluidyne represented should be reduced to writing on support. Discussion ensued. Chairman Bauman stated that from the last meeting if the warranty is good enough then it looks like it is going to be SBR. Mr. Sheets suggested that if no more issues of technology arise and the warranty is in place then action should be taken on December 3, 2003.

Chairman Bauman requested a motion to select a secondary treatment process. Commissioner Wilkinson made a motion to select SBR technology adding that if Haskell makes a plant that works the operator can make it fail. Commissioner Beaty asked the Chairman for clarification on the action taken at the last meeting. Commissioner Tobin stated that he is not prepared to vote until the warranty and service issues are resolved. The motion failed due to lack of a second.

Commissioner Wilkinson stated that he was concerned with the continuing discussion and he fears if a technology is not selected prior to 12/3/03 the FEMA hearing could be postponed. He believes that the process is stalling. Further discussion ensued concerning warranty and service issues.

GENERAL MANAGER'S OTHER ITEM:

Mr. Sheets stated that emails between the manager and board members had prompted his additional item. Mr. Sheets stated that GSG contracted with the KLWTD with full knowledge of the challenge and frustration of helping a new Board to get up and running. However, to be effective the manager needs the trust of the full Board as it is obvious that we do not have that trust and coupled with the fact that the Board members would like to see local representation for the District he would like to prepare and present a transition plan. Mr. Sheets recommends the Board consider appointing a team for the transition plan development. He suggest it be Mr. Sheets, Mr. Dillon and

one board member and suggested Cris Beaty because of his connection with the local business community.

Commissioner Wilkinson stated that he is concerned that the Board may not find local talent at the salaries they would be able to pay. He suggested finding a well-experienced clerk to work as an interim manager. Commissioner Wilkinson believes finding someone who would deal with FEMA, FDEP, SWFWMD and the other government agencies is imperative. Commissioner Wilkinson stated that to act on a management transition at this point would be premature. Mr. Sheets stated that GSG would provide support to the KLWTD during and after the transition. Commissioner Wilkinson stated that an inspector, a vehicle and an office need to be considered and that a publicly noticed workshop should be scheduled to work on this issue and take public input.

Chairman Bauman requested that Mr. Sheets along with Mr. Dillon lay out options for the Board to consider. Mr. Sheets stated that any plan should be the meat from the guidance the Board gives us the Board would set the standard and expectations for the transition.

Commissioner Tobin stated that Mr. Sheets had suggested that Danny Kohlage via Monroe County might help administer the grants and with five CPAs in house he would help were finances are a concern. The transition idea is a sound one if it happens in 30, 90 or 180 days because we can not continue having GSG putting in a tremendous number of hours of time and resources and a some hours may be better spent not traveling to the keys. Commissioner Tobin would like a preliminary discussion and he has no problem with Cris meeting with Robert and Tom and bringing back a plan in 30 days. Then a scheduled workshop to kick around the ideas should follow.

Commissioner Brooks stated that again Mr. Sheets was eloquent during a difficult situation. He believes that from GSG's perspective not having the confidence of all members is not comfortable for him and in the light of that, he can see that the discussion of a possible transition is a good thing because if we continued to operate with the lack of confidence we could possibly have a sudden crash and everyone would get hurt, egos, reputations and community resources. Commissioner Brooks stated that the transition is a good idea and there should be a limit on the time frame part of that workshop should be to discuss when is the best time to do it. Commissioner Brooks believes a workshop should be held before every meeting, if we tried it we might get through the work a lot faster and workout how the Board members interacts and how the manger and staff interacts with the Board.

Commissioner Beaty stated that a transition is inevitable as it was with the legal services. However, his immediate concern is grant administration and making sure the projects don't stall out. He believes that to keep them moving forward GSG and Mr. Sheets through his guidance has accomplished a great deal in the past year and he doesn't want to loose touch or loose time. He concluded that exploring a transition and bringing back recommendations is in order. Commissioner Beaty accepted the Boards appointment to the transition team and welcomed the opportunity to work with Mr. Sheets and Mr. Dillon.

Chairman Bauman stated that he believes GSG does a great job as does the entire staff. He does not want to see GSG go but the KLWTE needs to look at a full time manager. He directed Mr. Sheets come back in 30 days with a plan of how the process should work and recommended options with costs that are within the budget.

Mr. Sheets stated that concerning the staff working group agenda the agenda used would be made available to all via email.

Key Largo resident Burke Cannon stated that after watching all the members at several meeting he cautions that the same personality would remain after a transition and that point should be considered.

Commissioner Wilkinson stated that most trouble stems from inconsistent communications and that all emails should be documented and all members kept informed.

Commissioner Tobin requested that Commissioner Item K-1 being pulled from the agenda. Chairman Bauman pulled the item.

F. Action Items

2. KLWTD Work Authorization WEC 03-01 (Amendment 1) with Weiler Engineering Corporation for the KLTV Project

Mr. Sheets stated items 2, 3, 4 are the same as previously presented and that the hours have been pulled from the Weiler scope and placed in the GSG scope for inspections services and adding the provision monthly time sheets would be submitted with the invoices.

Commissioner Wilkinson made a motion to approve KLWTD Work Authorization WEC 03-01 Am. No. 1. Commissioner Beaty seconded the motion for discussion. Commissioner Tobin has major concerns with F2, F3 and F4. His discussions with Mr. Sheets resulted in a difference of opinion concerning flat fee or fixed payment options. Commissioner Tobin gave copies of emails to the Board that stated agreement that GSG had a fixed payment and not a flat fee. But in light of the impending transition it is a mistake to further increase a flat fee it doesn't make sense and prices were quoted. There has not been inspections and for us to add another \$2,000 a month when getting back a credit may not be an option is not prudent. There is no point to amend the GSG or WEC contracts. He stated that having a local person clerk and provide some management services locally would be better than paying the flat fee. GSG's invoices are not broken down and it is not a good idea to decrease Weiler and increase GSG it sends the wrong message. Discussion ensued on the difference between a flat fee and fixed payment options.

It was noted that Mr. Fishburn would do work in the park and will help identify owners and vacant/buildable lots and help with design review and input and he reminded the

Board they don't pay him GSG is paying him. Mr. Sheets noted that GSG fees are reimbursable to the grants.

Mr. sheets apologized for the confusion with Andy and holds himself responsible for it. Mr. Sheets stated that administrative costs are capitalized and the GSG would not expect the KLWTD to use the line of credit to pay GSG invoices.

Commissioner Brooks called the question. Chairman Bauman requested a roll call vote.

Commissioner Beaty	Yes
Commissioner Brooks	Yes
Commissioner Tobin	No
Commissioner Wilkinson	Yes
Chairman Bauman	Yes

The motion was approved.

F.3. KLWTD Work Authorization WEC 03-02 (Amendment 2) with Weiler Engineering Corporation for the KLP Project

F.4. KLWTD Work Authorization GSG 03-01 (Amendment 1) with Government Services Group, Inc. for the KLP & KLTV Projects

Commissioner Beaty made a motion to approve items F3 KLWTD Work Authorization WEC 03-02 (Amendment 2) with Weiler Engineering Corporation for the KLP Project and F4 KLWTD Work Authorization GSG 03-01 (Amendment 1) with Government Services Group, Inc. for the KLP & KLTV Projects.

Commissioner Brooks seconded for discussion. Commissioner Wilkinson stated the items should be considered separately and that he agrees with the GSG item. Commissioner Tobin stated that he has the same concerns with the GSG item. Discussion ensued on flat fee and fixed payment and the amount of increase in cost to each GSG, WEC and KLWTD. Chairman Bauman noted that the confusion could be eliminated if GSG begins to charge on a time and materials basis, which would greatly increase the cost to the KLWTD. Commissioner Tobin stated again that action on these items at this time does not make sense.

In light of the discussion Commissioner Beaty withdrew his motion and Commissioner Brooks withdrew his second.

In light of the discussion Commissioner Wilkinson Made a motion to reconsider item F2 after the transition plan is considered. Commissioner Brooks seconded the motion to reconsider item F2 and Jeff Weiler gave his consent. The motion carried to reconsider item F2 KLWTD Work Authorization WEC 03-01 (Amendment 1) with Weiler Engineering Corporation for the KLTV Project at a later time and the previous motion concerning it F2 was rescinded.

F.5. The Haskell Company Change Proposal No. 1

Commissioner Wilkinson made a motion to approve the Haskell Company Change Proposal No. 1. Commissioner Beaty seconded the motion. Mr. Kinsley stated that the proposal includes submitting 30% and 90% drawing to save time. Mr. Oppenheim stated the 30% would be more like 60% drawings. These would be for the KLV they are still waiting for direction to begin the KLP. Mr. Dillon noted that the change proposal does not include Sunset Waterways or a time line as requested. Mr. Kinsley stated that it would be amended to include a time line and Sunset Waterways design. Commissioner Beaty called the question. With no further discussion Chairman Bauman called for a vote. The motion was unanimously approved.

H. Legal Counsel's Report

H. 1. Status Report on the FCAA Memorandum of Understanding

Mr. Dillon presented the FCAA Memorandum of Understanding for consideration by the Board. Commissioner Brooks made a motion to approve item H1. Commissioner Tobin seconded the motion. Commissioner Tobin suggested the document be attached and be part of the FEMA grant document. Mr. Dillon stated that with the Board's approval the document could be forwarded to the FCAA for consideration at its meeting tomorrow. Mr. Dillon will draft a cover letter for the Chairman's signature. **With no further discussion, all were in favor and the item was unanimously approved.**

I. Engineer's Report

1. 30%, 60%, 90% Drawing Discussion

Mr. Castle and Mr. Kinsley stated that this item was covered during previous discussions.

J. Commissioner's Items

1. Discussion of:

-- Commissioner Tobin

- a) Whether it is a conflict of interest for the Manager to accept employment on behalf of Monroe County in sewer related matters; and
- b) Whether the Board should exercise its right to terminate the Manager based on a conflict of interest in representing both KLWTD and Monroe County.

Commissioner Tobin had withdrawn this item from the agenda with the approval of the Chairman and Board members.

2. Discussion of enacting a resolution to facilitate and encourage efficient and effective communications between the Board and General Manager – Commissioner Tobin

Mr. Dillon stated that he had reviewed the draft resolution that was distributed for consideration. The staff was directed to formalize the resolution and place it for action on the December 3, 2003 agenda.

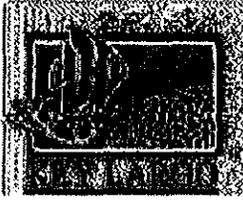
Commissioner Brooks discussed a letter from DCA concerning issuing bonds for sewer infrastructure. Discussion ensued.

Commissioner Brooks stated that the public notices running in the local paper looks good but the agenda should be available 48 hours in advance and he suggests that it be available at the library. Staff was directed to forward a copy of the complete agenda book to the Key Largo Public Library.

Commissioner Wilkinson stated that changing the meeting dates to Tuesday or Thursday should be considered and also consider starting them at 5:00 p.m.

K. Meeting Adjournment

Chairman Bauman adjourned the meeting at 9:45 p.m.



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**Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Minutes
4:00 PM Wednesday, November 5, 2003
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida**

Board Members Present

Andrew Tobin, Chairman
Gary Bauman
Cris Beaty
Charles Brooks
Jerry Wilkinson

Staff Present

Robert E. Sheets, General Manager
Charles L. Sweat, Director of Operations
Terry Lewis, Attorney (via telephone until 4:40 pm)
Ed Castle, PE, District Engineer (via telephone until 4:40 pm)
Faith Doyle, Board Clerk

Guest Present

Joe Bell, Resident of Key Largo
Stuart Oppenheim, Brown & Caldwell
Nos Epat, Randazza
R.E. Burt, KLTV Homeowners Association
Pete Kinsley, Haskell Company
Vicky Fay, Resident of Key Largo
Dottie Mosses, Resident of Key Largo
Tom Mosses, Resident of Key Largo
Burke Cannon, Resident of Key Largo
Steve Gibbs, Reporter for the Free Press
Chris Schrader, Key Largo Resident
John Hammerstrom, Key Largo Resident
William English, Haskell Company

A. Call to Order

Chairman Tobin called the meeting to order at 4:04 p.m.

B. Pledge of Allegiance

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All stood and recited the Pledge of Allegiance.

C. Public Comment

D. Additions, Deletions or Corrections to the Agenda

Chairman Tobin suggested conducting a two-step election process where the election would be held at present and the officers seated at the next regular meeting. Commissioner Wilkinson suggested that each nominee should make a platform statement and elections are held afterwards. It was the consensus of the Board to hold the elections at present.

Chairman Tobin suggested that after the election the secondary treatment process be presented as an action item after any further discussion. Mr. Sheets stated that there will be a warranty update and some additional data presented. Chairman Tobin asked if there would be a Roevac warranty debate. Mr. Sheets stated that he was prepared for one.

Chairman Tobin suggested the work authorizations for action is placed in a different order, or the Board should defer items F3, F4 and F5 until after the termination of the manager debate. Chairman Tobin recommends deferring F3, F4, F5 and acting on F1, F2, F6, F7, and F8 this evening. Commissioner Beaty requested that item F8 be moved to the top. Commissioner Brooks requested a few minutes to update the Board on the distribution of the \$100 million in funding. Chairman Tobin asked for any further changes to the agenda.

Commissioner Brooks moved to accept the amended agenda. Commissioner Beaty seconded the motion. All were in favor and the motion was unanimously approved.

Chairman Tobin stated that public comment would be accepted.

Mr. Burke Cannon requested clarification on information he had heard that the Board had rejected staff's recommendation and it will result in delays in the engineering process. Chairman Tobin stated that at the 10/17 meeting much debate transpired on the issue and more information is to follow this evening. Mr. Cannon is concerned with the delays in spite of the engineer and staff's recommendations as experts. Mr. Cannon stated that he believes the recommendations should be followed.

E. Minutes – Draft August 13, 2003; Draft August 27, 2003; Draft Sept. 3, 2003; Draft Sept. 17, 2003; Draft October 1, 2003

Commissioner Brooks made a motion to approve the minutes. Commissioner Wilkinson stated that there are several scribes' errors. Chairman Tobin asked the Board Attorney if written minutes are necessary when the meetings are recorded and if the clerk could certify the minutes. Mr. Dillon stated that written minutes are necessary so that the public can have a convenient method of knowing what the Board is doing without listening to audiotapes. Commissioner Beaty seconded the motion stating that

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the minutes are to be amended to include Commissioner Wilkinson's suggested changes. Chairman Tobin preferred that the changes be made prior to approval. Commissioner Brooks and Commissioner Beaty withdrew their motions.

Chairman Tobin gave Commissioner Brooks the floor. Commissioner Brooks stated that he had sent emails to all concerned stating that he had received an email from Cecilia Weaver that the Project Management Plan for the US Government's \$100 million funding will be distributed as originally proposed. Commissioner Brooks stated that the battle had been won after many years of fighting and KLWTD will get our 29% share for Key Largo citizens. Commissioner Brooks thanked Representative Sorenson and Commissioner Nelson and the BOCC for their assistance with this matter.

F. Action Items

Commissioner Brooks made a motion to approve the Proposed Agreement for Professional Legal Counsel with Thomas Dillon. Commissioner Bauman seconded the motion. Chairman Tobin asked for further discussion. Commissioner Brooks commented that during negotiations all parties came to a concise simple contract which is what he as been looking for. Also, he met personally on Saturday with Mr. Dillon and has reviewed his opinions they are concise and to the point and thinks KLWTD has a good relationship beginning to transpire. Chairman Tobin asked for negative votes and hearing none the motion was unanimously approved.

1. Election of KLWTD Board Officers

Chairman Tobin requested Commissioner Wilkinson's suggestions on the election process. Commissioner Wilkinson stated that he would defer to the attorney. Mr. Dillon stated that nomination need not be seconded, statements and rebuttals can be made and a vote taken for one office at a time to see if the first nominee wins.

Chairman Tobin asked if there any member was interested in Chair. Commissioners Bauman and Brooks voiced interest. Chairman Tobin stated that Commissioners Bauman and Brooks were hereby nominated. Chairman Tobin gave the floor to Commissioner Bauman for comments. Commissioner Bauman stated that having worked with his fellow Board members he has become familiar with them and he has begun to understand what drives them. Commissioner Bauman believes that the Chairman should not be a controlling force but should be a facilitator of open discussion and free discussion concerning the issues before the Board. Commissioner Bauman believes the Board should focus on planning for the future, as issues get resolved. Commissioner Bauman looks forward to future planning workshops.

Commissioner Brooks was given the floor and commented that with a year of work under the Board's belt and the large learning curve appearing to flatten and harmony amongst the Board and Staff continuing to materialize he looks forward to going ahead beyond these two projects and to looking in more detail at what the future holds. Commissioner Brooks looks forward to a smooth transition of the Chairmanship.

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Chairman Tobin asked Mr. Dillon for a voting procedure. Mr. Dillon stated that a roll call vote or show of hands could be requested for the first nominee.

Chairman Tobin called for a show of hands for the first nominee, Commissioner Bauman. Commissioners Bauman, Beaty and Tobin raised their hands in support of the nomination.

Chairman Tobin stated that Commissioner Bauman had been elected chairman. Chairman Tobin asked for any members interested in the Vice-chairmanship. Commissioner Wilkinson stated his interest, with no further nominations, Chairman Tobin asked for a show of hands and with all in favor he stated that Commissioner Wilkinson was elected Vice-Chairman.

Chairman Tobin asked for any members interested in the office of Secretary-Treasurer. Commissioner Beaty stated his interest, with no further nominations, Chairman Tobin asked for a show of hands and with all in favor he stated that Commissioner Beaty was elected Secretary-Treasurer.

Chairman Tobin offered his congratulations to the new officers and wished them well with their new responsibilities.

2. Secondary Treatment Process Selection and discussion of the Fluidyne and USBF warranty issue

Chairman Tobin brought Item F2 concerning the secondary treatment process selection and warranty issues to the floor. Mr. Sheets stated that Mr. Dillon would set the table for discussion after reviewing all items requested by the Board. Mr. Pete Kinsley of the Haskell Company had reviewed the request of the Board and that he had addressed the points that he could address and that he addressed the issues specific to Roediger with the manufacture. Mr. Dillon, Mr. Kinsley and the Roediger representatives negotiated the warranty presented to the Board. Mr. Dillon stated that his main concern with Roediger agreeing to repair defective materials and that the words "to Roediger's satisfaction" should be deleted. Mr. Kinsley agrees and believes that Roediger will agree to take it out. Mr. Dillon stated concern with the warranty and when the time begins to run. Presently it states "upon delivery of materials" and doesn't define who the purchasers are. Mr. Dillon stated concerned that the warranty should begin at project completion and when the system is placed in service. Mr. Kinsley stated that the Haskell warranty does not start until the project is accepted and that if an extended warranty were wanted than the manufacturer would need to be consulted. Discussion on the standard warranty ensued. Commissioner Bauman asked if the timing of the delivery could be controlled. Mr. Kinsley stated that delivery is in advanced of installation.

Commissioner Wilkinson asked about an extended warranty. Mr. Kinsley stated that usually there is 3yrs on valves and 2yrs on the vacuum system. Commissioner Wilkinson stated that he was also aware of a 10-year service program to change out defective product. Mr. Kinsley believes is a valve rebuilding program.

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Chairman Tobin asked for suggestions on firming up the warranty issue. Mr. Sheets was hoping to get direction from the Board so that staff could go back to the manufacturers to reduce the warranties to writing. Mr. Dillon suggested transmitting the conclusions reached to Haskell's subcontractors for their opinions. Mr. Kinsley stated that a conference call was set for Friday to discuss the issues raised so that he could bring back an amended warranty for the Board's consideration.

Mr. Dillon also stated concern over plant shut downs and limited liability issues. The manufacturer should be responsible for bad equipment that needs repair and the costs for removal, shipping to and from the manufacturer and re-installation. Mr. Kinsley stated that for the Haskell one year it would be part of cost of remedy of the defect and that most defects would present themselves during the first year of operation. Jeff Weiler confirmed that most failures happen within the first year of operation.

Discussion ensued on several warranty issues hypothetical situations. Commissioner Wilkinson asked about consequential damages on valves failing. Mr. Dillon stated that the manufacturer does not usually assume consequential damages because equipment suppliers do not act as insurers.

Mr. Dillon stated that his last item of concern was future pricing and that the District should get "most favored nation" treatment on pricing of future parts. Commissioner Tobin asked that staff address the issues raised and bring back an amended warranty for action at the next meeting.

The Board reached consensus that the manager and board attorney work on the warranties along with researching extended warranty information.

Chairman Tobin brought the USBF and SBR warranty issue to the floor. Chairman Tobin suggested that staff update the Board on the warranty issues and then reaffirm their recommendations. Commissioner Brooks asked if action on a warranty would equate to action on the process. Mr. Sheets suggested that after the legal, engineering and manager's presentations and recommendation on a process and warranty then the Board should consider action.

Mr. Jeff Weiler stated that on the technology side he hadn't received further data that would change his recommendation for an ISAM treatment process. Chairman Tobin questioned the statements made by the Fluidyne representative that 20 other plants were running that could provide data for analysis. Discussion ensued on the lack of data. Mr. Castle stated that in summary some of the data is encouraging but doesn't change the engineering opinion. Mr. Weiler stated that his position that with plant modifications ISAM seems to be more feasible.

Commissioner Beaty asked about facts on the plants sludge removal costs. Mr. Castle stated that no actual numbers had been received but his position on the literature provided by the manufacturer shows that processes would generate similar amounts of sludge. Discussion ensued on sludge.

Commissioner Wilkinson asked about the Bartow plant's nitro counts. Discussion ensued. Mr. Castle stated that he spoke with Mr. Hortenstine of Brown and Caldwell

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and believes they can meet total nitrates with the ISAM process. Commissioner Brooks presented handouts on the Bartow facility.

Mr. Kinsley stated that the Haskell Company doesn't have any reason to change their position. Chairman Tobin asked about a warranty from the manufacturer that the plant can meet the permitted standards and if not what assurance could the KLWTD have that it is a good warranty. Mr. Kinsley stated that they are very comfortable with their recommendation and that the additional information would not change their opinion. Mr. Kinsley stated that the warranty is very good and the manufacturer has added 12 months to the Haskell's 12 month after the acceptance warranty. Mr. Kinsley stated that Haskell must demonstrate 5.5.3.1 standards prior to acceptance and to continue to meet them during the year of warranty and during the additional year.

Chairman Tobin questioned Mr. Dillon's warranty memo. Mr. Dillon stated that most points are easily addressed but further discussion on item 2 may be needed on the modifications section. Also the points concerning the continued technical support that were stated at the meeting need to be placed in writing.

Chairman Tobin stated that no action would be taken until specific warranties are secured.

Chairman Tobin stated that he wanted transcripts of the October 17 proceedings to verify what was said and he stated that he is frustrated with staff that specific answers are not being provided. Discussion ensued on the documents presented. Mr. Sheets asked if in the staff's opinion the warranties need minor adjustments or material redrafting. Mr. Kinsley stated they are minor. Mr. Weiler stated that they are minor. Mr. Dillon stated that they are minor. Mr. Sheets asked if getting any other information in the form of a warranty would change any of their opinions. Mr. Kinsley stated no. Mr. Weiler stated no. Mr. Dillon stated that the USBF warranty is not any better than the Fluidyne warranty. Mr. Sheets stated that the warranty issues are a process of fine-tuning but it is not going to change the staff's recommendation.

Commissioner Brooks stated that he appreciated the work on the warranties and the comments from staff but in his opinion the warranty from Randazza and the USBF process is better and there is better local control on the warranty because of the amount of time Mr. Espat spends in the Keys. Commissioner Brooks distributed a packet of information that included his evaluation of the processes he added that the USBF and SBR documents provided were acquired from the proposal done by Haskell. Commissioner Brooks quoted from the first page of the proposal. Commissioner Brooks summarized Bartow's nitrates and sludge reports adding that this summary shows that over 15 months the average exceeds the AWT limit. The information came from TSC Jacobs and was not validated by the DEP or by Bartow operators. It is Commissioner Brook's opinion that the reports don't support Haskell's claim that they have made. Discussion on the sludge amounts ensued. It was noted that the Bartow plant was not the same size plant to use to compare to our situation. Commissioner Brooks reviewed the handouts presented in depth. Commissioner Brooks noted that screens in the Bartow plant that collected solids before discharge failed and resulted in \$24,000 in fines. Commissioner Brooks stated that he had talked

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with the operator in Bartow and confirmed that the reporting is not monitoring total nitrogen's.

Commissioner Brooks stated that AWT is a new standard and operators with BAT systems don't record total nitrogen's because is not required by their DEP permits. Commissioner Brooks stated that we are asking the vendors for data that is not available. Also as indicated in the Haskell documents (the Draft Conceptual Plan) if USBF can meet effluent standards USBF would be favored. Commissioner Brooks then reviewed the October 17, 2003 Meeting Agenda stating that several exhibits were not legible. Commissioner Brooks stated that he was clear on the SBR and USBF processes until the ISAM process was brought up in the October 17 meeting. Commissioner Brooks added that the Verona plant is not an ISAM it is a SAM per the operator.

Commissioner Brooks stated the first time he saw ISAM was in the manager's memo that was included in the October 17 agenda book and that staff had concluded that USBF as it is designed would not meet AWT standards. In his opinion the manager, engineer and design build team found no data to support the notion that the USBF process produces 5.5.3.1. effluent. Also the manufacturer stated that you can design the plant to meet the effluent standards and that SBR has the capacity to meet AWT standards when operated correctly.

Mr. Weiler believes both systems need modifications to meet standards. Commissioner Brooks asked about methanol treatment. Mr. Castle suggested that with modifications you may need a carbon source, either methanol or molasses.

Commissioner Brooks referred to the draft report done for the FCAA stating that USBF operation costs are half of SBR. Examples are given on operations and maintenance costs. The report states annual costs of operations total \$286,255 for USBF and \$406,390 for SBR. Discussion ensued on the report and if it is final and had been accepted by FCAA. Mr. Fishburn stated the final was dated June 2003. Chairman Tobin asked if staff had received the report and reviewed it. Mr. Sweat stated that he had reviewed a draft of the report. Mr. Weiler had reviewed it through its development and he doesn't agree with the operating numbers because most savings with the USBF was the sludge hauling charges and power charges. Discussion ensued on the issue of sludge. Chairman Tobin asked if WEC thinks the numbers are flawed. Mr. Weiler answered that they do believe they are flawed.

Chairman Tobin asked for a point of order on the direction of discussion. Commissioner Brooks stated that he was almost finished and quoted more AWT standards for nitrogen. Commissioner Brooks noted that the plant operated for 18 month before sludge removal was necessary. In closing Commissioner Brooks handed out copies from a book on USBF.

Commissioner Brooks believes that all the data is there and it is important and all concerned should read it. Commissioner Brooks also talked with John Wheaton at Purestream for one and a half hours and he no longer has doubts with USBF. Commissioner Brooks investigated because nothing from SBR shows overwhelming

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evidence that what is being proposed is nothing more than SBR trying to duplicate what USBF has been doing for a long time.

Chairman Tobin pointed out that a copy of someone's resume doesn't make it evidence, however Commissioner Brooks has made a legitimate statement that evidence and data exists and if the staff doesn't have it; it is a fundamental question that needs to be validated.

Mr. Castle stated that they didn't receive that data but after a quick review of what Commissioner Brooks presented stated that it doesn't support that nitrate standards can be met. In fact they all show that they exceed the total nitrogen's in Birchwood. Discussion on how to compute total nitrogen's ensued. Mr., Castle demonstrated how to compute the total nitrogen.

Chairman Tobin stated that the chemical conversions should not be done during the meeting. Mr. Weiler had used data provided by USBF and couldn't find anything to support the claim that it meets the nitrogen requirements and the data presented by Commissioner Brooks doesn't support it.

Commissioner Wilkinson as the chair of the technical committee noted that you have to meet all four of the FDEP standards.

Commissioner Brooks in closing requested that the fact that neither side can obtain the data they need to determine a process can meet the standards. Commissioner Brooks stated that the warranties are guarantying the standards will be met but with the USBF Randazza and Purestream warranty they are going to cover the cost of any changes necessary to meet the standards.

Chairman Tobin stated that neither process has the data to support it meeting AWT standards. Commission Bauman a decision needs to be made on what we believe will have the best chance of meeting AWT standards.

Commissioner Wilkinson stated that the warranty issue is the Haskell Company's concern and that Haskell's warranty of one year and the manufacturer's one year additional warranty will ensure standards will be met and will demonstrate that if they fail after that point it is most likely being caused from equipment failure or a change in influent characteristics.

Mr. Stu Oppenheim of Brown and Caldwell rebutted comments made by Commissioner Brooks and disagreed that Haskell may have tried to misrepresent information. They did not misrepresent anything in their proposal by responding to the requests made in the RFP. Mr. Oppenheim stated that Dr. Bratby did comment that USBF when properly designed would operate. Mr. Oppenheim reviewed the information provided and stated that Dr. Bratby did a computer module and simulated the USBF process and found that under certain conditions that it would meet the standards. The SBR process could reliably be tested and more data than the Poinciana data was used to determine the finding.

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Mr. Oppenheim stated that the information Commissioner Brooks provided does state that filtration techniques would be comparable to conventional sewage treatment plants that are AWT and that USBF would be comparable to a conventional treatment plant but in another point in the report the writer comments that they did not do testing to verify plant consistency in plant operation. It was noted that the information was based on the fact that the application is being proposed for industrial and agricultural applications and not for municipal application. Also, he noted that they did not solely rely on one process versus the other but looked over the processes individually and they are comfortable with the ISAM process as a specific application.

Chairman Tobin gave the floor to Cris Schrader a local resident and wastewater treatment plant operator who comments that what the Board is requesting in warranties and the standards that the Board is be requested to meet are above and beyond what the rest of the country is doing and it is amazing that any contractors want to take the risk of building the plant. Mr. Schrader added that operations are difficult and even with the most conscientious operator in the world they can be blamed for failed standards. Discussion ensued on operations, the possibility of the treatment process manufacturers supplying operators and hiring an operation company.

Chairman Tobin gave the floor to Vicky Fay, a local resident, who commented that the District should not accept the system until the standards are met, the system will not be accepted if it doesn't meet the standards and in addition once the system is accepted the warranty is in place for an additional year. Ms. Fay requested to see the technological information and wants a matrix of the three processes that would show what the standards are, the costs for the design and the cost of maintenance and operations and where the funds to support the costs are coming from. Mr. Sheets stated that he would provide a copy of the October 17th presentation to Ms. Fay. Ms. Fay questioned the applicable experience of the staff engineer, director of operations and managers.

Mr. Burke Cannon, a local resident, stated that he appreciated Ms. Fay's comments but stated that he is concerned with the Board going against the recommendation of the staff. Mr. Cannon agrees with the staff has demonstrated experience in the wastewater field. Chairman Tobin asked what the KLWTD would do if DEP fines them because the plant doesn't meet standards. Mr. Cannon stated that the contractor will turn over the system when it is working and meeting the permit standard and you have to rely on your staff as experts. Mr. Cannon stated that in his opinion the staff has done a great job.

Chairman Tobin asked the Board if they would like to take action on the item. Commissioner Bauman stated that his position on the issue was the same. Commissioner Wilkinson stated that his position was the same. Commissioner Beaty stating that he is still vacillating on either process because it is a gamble. Both can work with modifications but the annual operating costs must be considered. The USBF process has fewer parts and claims there are less sludge costs, there has to be data to support that somewhere and it is an easier plant to operate and they are providing a better warranty. Commissioner Beaty also stated that after hearing the Fluidyne presentation he does not have much confidence that they will still be around after it is

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up and operating. Commissioner Beaty believes that Mr. Espat would be committed and will be present when things go wrong.

Commissioner Wilkinson stated that both systems have about the same moving parts and that discussed and reviewed both processes and is convinced that SBR is the process for the KLWTD operations because of the weekenders and variable flows. The SBR processes by batch. Commissioner Wilkinson believes that the Haskell will guarantee meeting standards for 24 months the KLWTD will be able to maintain it. He anticipates trouble with the influent, not operation and not equipment failures adding that five gallons of oil will affect operations, restaurants dumping fat in the wastewater will cause trouble temporarily. With winter people coming and going the KLWTD needs a system that will perform as well as possible for the change in flows it will experience. SBR is recommended for variable flow. Commissioner Wilkinson still supports and ISAM SBR process with the caveat to negotiate with Haskell to honor the extra year of warranty.

Chairman Tobin stated that he would vote in two weeks provided that Haskell rescind the letter about delays becoming beyond their control in an effort to motivate the Board to make a decision. Chairman Tobin stated that it has been demonstrated to an overwhelming degree that SBR is better and staff is presenting a unanimous recommendation his hands are tied. Chairman Tobin stated that he would not vote tonight for SBR because it is still a leap of faith, however he believes that because of the lack of engineering data the Board could at some point be accused of being irresponsible for voting for either system. Chairman Tobin stated that he would be willing to make a leap of faith if an extended warranty and the staff's unanimous recommendation is received. Chairman Tobin concluded that in two weeks if the warranty is tightened up he would vote for SBR but not tonight. Once a selection on the process is made we are moving forward and there is no turning back and no fine-tuning can be done after the fact.

Commissioner Bauman is concerned with the continued loss of time. Chairman Tobin is concerned with the warranty.

Chairman Tobin asked for a verbal commitment from Haskell to work with staff. Mr. Kinsley stated that liquidated damages would not be sought without proper notice. Commissioner Bauman asked if Haskell would begin the design knowing that there are three votes. Mr. Kinsley stated that after Board action they would start on the collection system immediately and that Haskell is anxious to get going on the design and permitting. Discussion ensued on the risk to Haskell if designing starts prior to a vote.

Commissioner Brooks asked the Randazza representative if under warranty they would continue to provide technical assistance and supervise the operator until the USBF has maintained the permitted standard for effluent of 5.5.3.1. Mr. Espat stated Purestream and Randazza would provide specific warranties to cover all concerns. Chairman Tobin stated that at present he is locked in to vote with the staff's recommendations as long as proper warranties are provided. Commissioner Brooks asked Chairman Tobin if agreement on the Fluidyne warranty is not reached would he

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vote for the other option. Chairman Tobin stated that it was conceivable but not his intent because of what had been discussed.

Chairman Tobin recessed at 7:41 p.m.

Chairman Tobin reconvened at 8:00 p.m.

- F.3. KLWTD Work Authorization WEC 03-01 (Amendment 1) with Weiler Engineering Corporation for the KLTV Project
- F.4. KLWTD Work Authorization WEC 03-02 (Amendment 2) with Weiler Engineering Corporation for the KLP Project
- F.5. KLWTD Work Authorization GSG 03-01 (Amendment 1) with Government Services Group, Inc. for the KLP & KLTV Projects

Items F 3, F 4 and F 5 were deferred to later in the meeting.

3. The Haskell Company Change Proposal No. 1

Mr. Sheets apologized that the most current document was not provided with the agenda. Mr. Sheets stated that the discussion on the campsite should precede action on the Haskell Change Proposal. Chairman Tobin is concerned with the Colusa Campground issue because of watching the Stock Island debates. Mr. Weiler shares the concern because the campground is located between the two projects. Discussion ensued on the cost increases and the potential benefits of added flow.

Chairman Tobin believes consideration should be given to the possibility of including the campground. Mr. Weiler believes it would be prudent to avoid the type of difficulty that Stock Island has experienced. Discussion ensued on the condition of the system and the requirements of the County connection ordinance.

4. Housing Assistance Program -- Implementation Plan

Mr. Sheets presented the Implementation Plan for consideration and noted that the Board must approve the implementation plan to go to FEMA. Mr. Sheets thanked Mr. Bell for his input and assistance drafting the plan and his future help with administering the plan.

Commissioner Brooks made a motion to approve the Housing Assistance Program Implementation Plan and Commissioner Bauman seconded the motion. With no further discussion Chairman Tobin called for a vote. All were in favor and the item was unanimously approved.

5. Proposed Agreement for Professional Service for Legal Counsel

PLEASE SEE ABOVE

G. General Manager's Report

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1. Status Report on the FEMA Environmental Assessment
 - a. Low and Very-low Income Assistance Program
 - b. Site Mitigation

Mr. Sheets stated that after speaking with Ms. Science Kilner of FEMA that the December 3, 2003 public hearing is progressing and no delays are anticipated. George Garrett of the FKAA would provide the site mitigation report that is needed for the public hearing. Commissioner Tobin stated that site mitigation is being negotiated and a resolution is being drafted to turn over the land with an 80% open space and revert clause.

H. Legal Counsel's Report

Mr. Dillon presented a report to the Board. Commissioner Brooks stated that he desires to have Mr. Dillon present at every scheduled meeting. It was suggested that the Legal Counsel Report section of the agenda have bullet points of what is to be discussed at the meeting. The Board concurred that Mr. Dillon's service has been exemplary to date. Chairman Tobin stated that Mr. Dillon should make the Board of aware if any one member is using his services indiscriminately he is to come back to the Board for clarification and direction. Commissioner Bauman noted that if the assignment goes over a few hours that he is to come back to the Board for a formal vote.

I. Engineer's Report

Mr. Castle stated that he continues to work on the warranty issues along with Mr. Kinsley and Mr. Dillon and anticipates having the issues resolved by the next meeting. Brown and Caldwell have started the design of the collection system and he is looking forward to reviewing the 30% design.

Mr. Castle stated that Ms. Kilner of FEMA had contacted him for clarification on several points of the Environmental Assessment and that he would reply by early next week.

Mr. Castle and Mr. Weiler stated that he plans to take a good hard look at the campground for next week. Mr. Weiler would provide a proposal. Mr. Weiler stated that either he or Mr. Castle would attend the Board meetings.

J. Commissioner's Items

1. Discussion of Manager's improper conduct and criticism of District Engineer – Chairman Tobin

Chairman Tobin stated that he would like to preface the discussion by saying the he greatly admires the managers abilities and he believes he is incredibly talented and

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that the staff is a well functioning team, but with all teams problems what he observed at the 10/17 meeting needs to be addressed. Chairman Tobin stated that this discussion was not prompted because of an isolated incident and he reminded the Board of the previous difficulties with GARTEK and Robert Bentancourt. Chairman Tobin believes a resolution establishing three independent officers of the Board would ensure good information. Chairman Tobin believes that all information does not have to filter through the manager and that there should be a policy enacted. Discussion ensued and staff was directed to draft a policy for consideration at the next meeting.

2. Discussion on the importance of having independent advice from District Manager, District Engineer and District Attorney – Chairman Tobin

See above.

3. Discussion of Resolution adopting the following positions as independent "Officers" of the District, to wit: -- Chairman Tobin

- a) District Manager
- b) District Engineer
- c) District Attorney

See above.

4. Discussion for possible action modifying/reducing the scope of the Key Largo Park Project: -- Commissioner Wilkinson

- a) Detailed review of total costs of Alternate A, Alternate B and Alternate C. Compared to available grant monies for the KLP without including any of the Recovery Capital Cost funds (\$2,700 per EDU).
- b) Reducing the scope of the KLP Project to the original 79 Basic bid EDU's with a possibility of inclusion of Sunset Waterways subdivision and/or including or excluding the businesses along US-1.
- c) Establish a specific percentage of fixed reserve grant funds for contingencies.

Commissioner Wilkinson would like to go back to the base bid. The Board should decide if Haskell should be paid the additional \$80,000 and design the project with Sunset Waterways and then the Board should decide the course of action. When the 60% designs are complete funding could be reviewed and then how much can be completed can be decided. At least 79 EDU's are required to be completed to qualify for the grant and we may want to pick up Calusa, but the cost per EDU may increase.

Discussion ensued on designing the entire project and then only building part and the costs involved. Commissioner Wilkinson suggested approving and paying Haskell for the drawings as soon as possible. Commissioner Tobin believes that the Calusa

Draft

Campground issue should be resolved prior to the designs being drawn. Mr. Kinsley suggested planning as much as possible to capture it all on one permitting process.

5. Discussion of:

-- Chairman Tobin

- a) Whether it is a conflict of interest for the Manager to accept employment on behalf of Monroe County in sewer related matters; and
- b) Whether the Board should exercise its right to terminate the Manager based on a conflict of interest in representing both KLWTD and Monroe County.

Chairman Tobin requested that this item be carried over to the next meeting.

Commissioner Brooks requested that items F3, F4 and F5 be considered. Chairman Tobin stated that he would prefer to postpone them because he has a presentation that would take approximately 30-40 minutes. **Commissioner Brooks motioned to table items F3, F4, F5 and J5 until the November 19, 2003 meeting.**

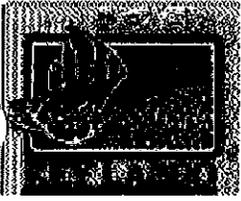
M. Meeting Adjournment

Chairman Tobin adjourned the meeting at 9:50 p.m.

**KLWTD Board Meeting
February 4, 2004**

Item F - 1

Pending Payments List



**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
Thomas Dillon, Board Attorney

FROM: David R. Miles, Director of Finance

DATE: January 28, 2004

RE: Pending Payments Key Largo Wastewater Treatment District

Dear Commissioners:

This agenda item is designed to provide an update on the financial status of the Key Largo Wastewater Treatment District. As of January 28, 2004 the District had \$270,227.24 in its bank account. We have \$104,781.14 in invoices and payroll amounts in-hand for payment by February 10, 2004. Exhibit A is the list of currently outstanding invoices pending payment. As requested by the Board at the January 14, 2004 meeting, separate accounting of cash balances are shown as follows on January 28, 2004:

Administration & Operations:	\$ 130,834.08
Key Largo Park:	(19,701.88)
Key Largo Trailer Village:	<u>159,095.04</u>
Total	\$ 270,227.24

The MSTU check from Monroe County was received January 16, 2004 in the amount of \$147,126.40.

Weiler Engineering and GSG, acting for the owner, have recommended paying The Haskell Company payment application number 2 in a reduced amount of \$48,599.52 and application number 3 in an amount of \$18,730.35.

Staff is working on grant draw requirements for KL Park. FDEP has informed staff that they will pay only on a reimbursable basis. Staff is now working with Monroe County and DCA to see if an advance from their funds can be obtained.

Key Largo Wastewater Treatment District
Payments Pending, February 04, 2004
Prepared January 28, 2004

Date of Invoice	Vendor	Invoice #	Description	Payment Category	Invoice Amount	Date Due	Date Paid
Cash Balance Forward for Administration & Operations					\$ 130,834.08		
01/04/04	Bell South	01-10449	Telephone 1/4 to 2/03/04	1	44.36	02/03/04	
12/10/03	Bell South	01-40446	Telephone 1/10 to 02/09/04	1	39.13	02/09/04	
12/31/03	Citizens Conferencing	20539811	Conferencing Calls	1	151.25	01/30/04	
11/13/03	Thomas M. Dillon	1004	Legal Expense Through November 2003	1	7,419.00	Upon Receipt	
01/04/04	Thomas M. Dillon	1005	Legal Expense Through December 2003	1	8,950.88	Upon Receipt	
01/28/04	Thomas M. Dillon	Cr Letter	Credit for Nov & Dec Invoices	1	(1,510.00)	Upon Receipt	
01/19/04	TIB Bank - Islamorada	LNN00500	Loan Origination Fee and Interest Payment	1	377.15	2/1/2004	
01/31/04	Andrew Tobin, Chairman	Payroll	January 2004	1	600.00	02/10/04	
01/31/04	Gary Bauman	Payroll	January 2004	1	600.00	02/10/04	
01/31/04	Cris Beaty	Payroll	January 2004	1	600.00	02/10/04	
01/31/04	Charles Brooks	Payroll	January 2004	1	600.00	02/10/04	
01/31/04	Jerry Wilkinson	Payroll	January 2004	1	600.00	02/10/04	
01/31/04	Internal Revenue Service	FICA & Medicare	Employer Share, Payroll Taxes	1	229.50	02/10/04	
Total Invoices for Administration & Operations					18,701.27		
Balance Forward if All Admin & Operations Invoices Paid					\$ 112,132.81		
Cash Balance Forward for Key Largo Park					\$ (19,701.88)		
12/08/03	Government Services Group	03021-7332	Key Largo Park Const. Super. (3 of 24)	2	2,081.25	12/31/03	
01/02/04	Government Services Group	03049-7374	Key Largo Park Const. Super. (4 of 24)	2	2,081.25	01/31/04	
01/20/04	Government Services Group	03049-7396	Key Largo Park Const. Super. (5 of 24)	2	2,081.25	01/31/04	
Total Invoices for Key Largo Park					6,243.75		
Balance Forward if All Key Largo Park Invoices Paid					\$ (25,945.63)		

Cash Balance Forward for Key Largo Trailer Village

\$ 159,095.04

12/08/03	Government Services Group	03049-7333	Key Largo TV Const. Super. (3 of 24)	3	4,168.75	12/31/03
01/02/04	Government Services Group	03051-7375	Key Largo TV Const. Super. (4 of 24)	3	4,168.75	01/31/04
01/20/04	Government Services Group	03051-7397	Key Largo TV Const. Super. (5 of 24)	3	4,168.75	01/31/04
11/30/03	The Haskell Company	113003-02	Key Largo Trailer Village Design Appl.#2	3	48,599.52	Upon Receipt
12/31/03	The Haskell Company	123103-03	Key Largo Trailer Village Design Appl.#3	3	18,730.35	Upon Receipt
Total Invoices for Key Largo Trailer Village					<u>79,836.12</u>	

Balance Forward if All Key Largo Trailer Village Invoices Paid

\$ 79,258.92

Total All Invoices

\$ 104,781.14

Approved for Payment:

Gary Bauman, KLWTD Chair

Cris Beaty, KLWTD Secretary

Date

Payment Category Key:

1- District Administration

2- Key Largo Park Construction

3- Key Largo Trailer Village Construction

KLWTD Board Meeting February 4, 2004

Item F - 2

Standard Engineering Contracts with the top ranked firms from the April 2003 CCNA Process.

**(Please note these include all revisions that were made to the
WEC Contract that was previously approved by the Board.)**

Key Largo Wastewater Treatment District

Contract for Consulting/Professional Service

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CONTRACT FOR CONSULTING/PROFESSIONAL SERVICES

This Contract is made and entered into this _____ day of _____, 2003, by and between The ARCADIS G&M, INC. (Company Name) whose principal place of business is at 2049 PALMS FERRY RD, SUITE 400, ATLANTA, GA 30339 (address) (the "Consultant"), whose Federal I.D. number is 57-0375224 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 Key Largo, Florida.

WITNESSETH

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:

<u>William H. Lynch PE</u>	, Project Manager
<u>ARCADIS G & M, INC.</u>	, Company Name
<u>2049 RACES FERRY RD SUITE 400</u>	, Address
<u>ATLANTA, GA 30339</u>	, Address
<u>(770) 431-9666</u>	, Telephone number
<u>(770) 435-9666</u>	, Fax number

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 DISTRICT'S RESPONSIBILITIES

2.1. 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.

2.2. 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.

2.3. 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.

2.4. 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.

2.5 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 THREE TIME

3.1. 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.

3.2. 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.

3.3. 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.

3.4. 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 FOUR COMPENSATION

4.1. 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.

4.2. 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 District'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.

4.3. 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.

4.4. "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.

4.5. 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 FIVE WAIVER OF CLAIMS

5.1. 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 SIX TRUTH IN NEGOTIATION REPRESENTATIONS AND PUBLIC ENTITY CRIMES STATEMENT

6.1. 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.

6.2. 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.

6.3. 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 SEVEN TERMINATION OR SUSPENSION

7.1. 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.

7.2. If, after notice of termination of this Contract as provided for in paragraph 7.1 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 7.1, then the notice of termination given pursuant to paragraph 7.1 shall be deemed to be the notice of termination provided for in paragraph 7.3 below and Consultant's remedies against District shall be the same as and limited to those afforded Consultant under paragraph 7.3 below.

7.3. 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.

7.4. Upon termination, and final payment of fees hereunder, the Consultant shall deliver to the District all original papers, records, documents, drawings, models, and other material set forth and described in this Contract.

7.5. 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 EIGHT PERSONNEL

8.1. 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.

8.2. 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.

8.3. 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.

8.4. 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.

8.5. 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 NINE
SUBCONTRACTING**

9.1. 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 TEN
FEDERAL AND STATE TAX**

10.1. 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.

10.2. 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 ELEVEN
AVAILABILITY OF FUNDS**

11.1. 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 TWELVE
OWNERSHIP OF DOCUMENTS**

12.1. 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 provided the District shall remain obligated to pay Consultant all monies due under this Contract in the normal payment cycle. 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.

12.2. With respect to and in consideration for the indemnification provided by District in paragraph 12.1. above, Consultant agrees to pay to District \$10.00, the sufficiency and receipt of which is acknowledged through the signing of this Contract.

12.3. 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 THIRTEEN MAINTENANCE OF RECORDS

13.1. 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 FOURTEEN INSURANCE

14.1. 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.

14.2. 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.

14.3. 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 14.7 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 14.7, 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 14.7. 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.

14.4. 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.

14.5. 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.

14.6. 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.

14.7. 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 FIFTEEN
INDEMNIFICATION**

15.1. The consultant agrees to indemnify and hold harmless the District, its officers, and employees from liabilities damages, losses and costs including but not limited to reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the consultant and other persons employed or utilized by the design professional in the performance of the contract. Any contracts between the design professional and employees or consultants utilized in the performance of this contract shall include language satisfactory to the District's attorney in which the subcontractor agrees to indemnify and hold the District harmless as specified herein.

15.2. The consultant acknowledges and agrees that District would not enter into this Contract without this indemnification of District by the 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.

15.3. 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 SIXTEEN
SUCCESSORS AND ASSIGNS**

16.1. 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 SEVENTEEN
REMEDIES**

17.1. 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 EIGHTEEN
CONFLICT OF INTEREST**

18.1. 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.

18.2. 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 NINETEEN
DEBT**

19.1. 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
NONDISCRIMINATION**

20.1. 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-ONE
ENFORCEMENT COSTS**

21.1. 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-TWO
NOTICE**

22.1. 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-THREE
MODIFICATION OF SCOPE OF WORK**

23.1. 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.

23.2. 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.

23.3. 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-FOUR MODIFICATION

24.1. 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-FIVE MISCELLANEOUS

25.1. 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.

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

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

25.4. 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.

25.5. 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.

25.6. 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-SIX
SEVERABILITY**

26.1. 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.

Consultant: ARCADIS G&M, Inc.
(Print or Type Company Name)

BY:

Robert A. Oliva
Secretary

William H. Lynch
Area Manager, Associate Vice President
(Signature)

William H. Lynch
(Print or Type Name)

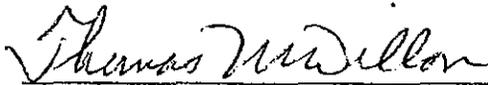
**KEY LARGO WASTEWATER TREATMENT
DISTRICT**

Its Chair

ATTEST:

Clerk to the Board

Approved as to form



KLWTD Board Attorney

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

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 contracts 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 B

CONSULTANT'S EMPLOYEE HOURLY RATE SCHEDULE

ARCADIS G&M, Inc.

2003 Fee Schedule for Professional Services for KEY LARGO WATER TREATMENT DISTRICT

Personnel Classification	(Fees per hour)
Senior Expert.....	\$200.00
Director/Chief Scientist/Engineer/Architect.....	\$180.00
Senior Project Manager/Principal Scientist/Engineer/Architect.....	\$160.00
Project Manager/Senior Scientist/Engineer/Architect.....	\$140.00
Task Manager/Project Scientist/Engineer/Architect 2.....	\$115.00
Senior Field Manager.....	\$95.00
Senior Designer.....	\$95.00
Project Scientist/Engineer/Architect 1.....	\$85.00
Senior Drafting.....	\$85.00
Field Manager 1.....	\$80.00
Staff Scientist/Engineer/Architect.....	\$80.00
Scientist/Engineer/Architect.....	\$75.00
Designer.....	\$75.00
Project Controller.....	\$65.00
Technician III.....	\$65.00
Technician II.....	\$60.00
Drafting.....	\$55.00
Technician I.....	\$50.00
Clerical/Word Processing/Accounting.....	\$50.00

Invoicing and Payment: Progress invoices typically will be issued monthly and payment is due within thirty (30) days of invoice date. Invoices for subcontractor charges are payable upon presentation. Non-standard, client-requested invoice formats and supporting documentation will be invoiced at \$50.00 per hour plus expenses. A finance charge of 1.5% per month will be payable on past due account balances.

ADDITIONAL TERMS

Temporary Personnel: Charges for contract personnel under ARCADIS supervision and using ARCADIS facilities, equipment and materials will be at the hourly fee rate corresponding to their classification.

Project Materials And Equipment: All project-related expenses, materials, field supplies, equipment charges; premiums for insurance, bonds, and letters of credit required by the client in addition to normal coverage; project-required permits and licenses; etc. will be invoiced at cost plus 15%.

Project Communication And Shipping Expenses: A communications charge equal to 3% of professional fees will be charged to cover the cost of incidental telephone, messenger, mail, and shipping charges. The communications charge is applicable to individual charges less than \$50 only. Larger charges will be billed as individual expenses as cost plus 15%.

Travel And Related Expenses: Charges for rental vehicles, meals, travel and lodging will be invoiced at actual cost plus 15%. Company and personal vehicles will be charged at the IRS allowable mileage reimbursement rate.

Subcontracts: Subcontractor (drillers, analytical laboratories, etc.) charges will be invoiced at cost plus 15%.

Legal Proceedings: A surcharge of 50% will be added to the professional services rates for actual sequestered preparation time and for actual time spent in depositions, public testimony, court and/or hearings.

ARCADIS Equipment And Materials: ARCADIS-owned equipment, vehicles and materials will be invoiced at fixed unit rates. A summary of these rates will be provided upon request.

ARCADIS Treatability Lab Analyses: Routine Treatability Laboratory analyses will be invoiced at a fixed price per test. Rates will be available upon request.

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.]

PRODUCER
MARSH USA INC.
1225 17TH STREET, SUITE 2100
DENVER, CO 80202-5534
Attn: STEVE WILSON 303-308-4569

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

33320 -0124-ORSIG-ORSIG N

COMPANY
A GREENWICH INSURANCE COMPANY

INSURED
ARCADIS
ATTN: CHANDRA DOWNEY
630 PLAZA DRIVE, SUITE 200
HIGHLANDS RANCH, CO 80129-2377

COMPANY
B XL SPECIALTY INSURANCE COMPANY

COMPANY
C

COMPANY
D

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY	GEC001076101	01/01/03	01/01/04	GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG \$ 2,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY \$ 1,000,000
	<input checked="" type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> CONTRACTUAL LIAB.				FIRE DAMAGE (Any one fire) \$ 1,000,000
					MED EXP (Any one person) \$ 10,000
A	AUTOMOBILE LIABILITY	AEC001075801	01/01/03	01/01/04	COMBINED SINGLE LIMIT \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	BODILY INJURY (Per accident) \$			
	<input type="checkbox"/> SCHEDULED AUTOS	PROPERTY DAMAGE \$			
	<input type="checkbox"/> HIRED AUTOS				
	<input type="checkbox"/> NON-OWNED AUTOS				
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT \$
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY: \$
					EACH ACCIDENT \$
					AGGREGATE \$
	EXCESS LIABILITY				EACH OCCURRENCE \$
	<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	WEC001076001	01/01/03	01/01/04	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER \$
	<input type="checkbox"/> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input checked="" type="checkbox"/> INCL <input type="checkbox"/> EXCL				EL EACH ACCIDENT \$ 1,000,000
					EL DISEASE-POLICY LIMIT \$ 1,000,000
					EL DISEASE-EACH EMPLOYEE \$ 1,000,000
	OTHER				

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
RE: KEY LARGO WASTEWATER TREATMENT DISTRICT - ENGINEER OF RECORD FOR CONTINUING ENGINEERING SERVICES - DECEMBER 9, 2003.
KEY LARGO WASTEWATER TREATMENT DISTRICT IS NAMED AS ADDITIONAL INSURED AS THEIR INTEREST MAY APPEAR TO THE GENERAL AND AUTOMOBILE LIABILITY AS PER BLANKET ENDORSEMENTS ON POLICIES. COVERAGE PROVIDED BY THE ABOVE GENERAL LIABILITY AND

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491
KEY LARGO, FL 33037

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES. C.

ISSUER OF THIS CERTIFICATE:
MARSH USA, INC.

BY: *Steve Wilson*

VALID AS OF: 12/15/03

ADDITIONAL INFORMATION

DATE (MM/DD/YY)
12/15/03

PRODUCER
MARSH USA INC.
1225 17TH STREET, SUITE 2100
DENVER, CO 80202-5534
Attn: STEVE WILSON 303-308-4569

COMPANIES AFFORDING COVERAGE

COMPANY E
COMPANY F

33320 -0124-ORSIG-ORSIG N

INSURED
ARCADIS
ATTN: CHANDRA DOWNEY
630 PLAZA DRIVE, SUITE 200
HIGHLANDS RANCH, CO 80129-2377

COMPANY G
COMPANY H

EXPLANATION

CONTINUED FROM DESCRIPTION SECTION:

AUTO POLICIES SHALL BE PRIMARY AND IS LIMITED TO THE LIABILITY RESULTING FROM THE NAMED INSURED'S OWNERSHIP AND/OR OPERATIONS. GENERAL LIABILITY POLICY INCLUDES SEPARATION OF INSUREDS WORDING.

CERTIFICATE HOLDER
KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491
KEY LARGO, FL 33037

MARSH USA INC. BY

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
SEA-000716790-02

PRODUCER
MARSH USA, INC.
1225 17TH STREET, SUITE 2100
DENVER, CO 80202-5534
Attn: STEVE WILSON 303-308-4569

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

COMPANIES AFFORDING COVERAGE

33320 -00005-ORSIG-PL N

COMPANY
A INDIAN HARBOR INSURANCE COMPANY

INSURED
ARCADIS
ATTN: CHANDRA DOWNEY
630 PLAZA DRIVE, SUITE 200
HIGHLANDS RANCH, CO 80129-2377

COMPANY
B

COMPANY
C

COMPANY
D

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ PERSONAL & ADV INJURY \$ EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: \$ EACH ACCIDENT \$ AGGREGATE \$
	EXCESS LIABILITY <input type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM				EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE: <input type="checkbox"/> INCL <input type="checkbox"/> EXCL				WC STATUTORY LIMITS OTH ER EL EACH ACCIDENT \$ EL DISEASE-POLICY LIMIT \$ EL DISEASE-EACH EMPLOYEE \$
A	OTHER CLAIMS-MADE PROFESSIONAL LIABILITY AND CONTRACTORS POLLUTION LIABILITY	PEC0008763-02	03/16/03	03/16/04	2,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
 RE: KEY LARGO WASTEWATER TREATMENT DISTRICT - ENGINEER OF RECORD FOR CONTINUING ENGINEERING SERVICES - DECEMBER 9, 2003.
 FOR PROFESSIONAL LIABILITY COVERAGE, THE AGGREGATE LIMIT IS THE TOTAL INSURANCE AVAILABLE FOR CLAIMS PRESENTED WITHIN THE POLICY PERIOD FOR ALL OPERATIONS OF THE INSURED. THE LIMIT WILL BE REDUCED BY PAYMENTS OF INDEMNITY AND EXPENSE.

KEY LARGO WASTEWATER TREATMENT DISTRICT
 POST OFFICE BOX 491
 KEY LARGO, FL 33037

SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATORY LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR ISSUER OF THIS CERTIFICATE.

MARSH USA, INC.
 BY: *Anthony A. Stevens*

VALID AS OF: 12/15/03

AMENDMENT NUMBER ONE

To

Contract for Consulting/Professional Service

By and between

Key Largo Wastewater Treatment District

And

ARCADIS G&M, INC

THIS AMENDMENT Number One to the Contract for Consulting/Professional Service ("Contract") by and between the Key Largo Wastewater Treatment District ("District") and ARCADIS G&M, INC. is entered into and effective this ___ day of _____, 2004.

WHEREAS, some or all of the services to be provided by Consultant under the Contract will consist of design of, and other services related to, capital improvements; and

WHEREAS, payment or the time of payment for such services may be contingent upon receipt of federal funds or federal approval;

NOW, THEREFORE, the parties agree to, and do hereby amend the Contract by adding a new Paragraph 4.6, as follows:

4.6. A Work Authorization issued by the District will include advice whether payment or the time of payment for services described therein will be contingent upon receipt of federal funds or federal approval. The District will exercise due diligence to apply promptly for any needed federal funds or federal approval. Notwithstanding any other provision of this Contract, and any attachment, appendix, or exhibit thereto, the time within which a payment is due for services described in the Work Authorization shall be extended by a duration equal to the time taken to obtain the receipt of federal funds or federal approval.

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

District
Key Largo Wastewater Treatment District

Consultant
ARCADIS G&M, Inc.

By: _____
Its: Chairman

By: William H. Lynch
Name: William H. Lynch
Its: Area Manager, Associate Vice President

Attest:

By: _____
Its: Clerk

By: _____
Its: Secretary

Approved as to Form:

By: Thomas Madillon
KLWTD Attorney

Key Largo Wastewater Treatment District

Contract for Consulting/Professional Service

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CONTRACT FOR CONSULTING/PROFESSIONAL SERVICES

This Contract is made and entered into this _____ day of _____, 2003, by and between The Boyle Engineering Corporation (Company Name) whose principal place of business is at 4415 Metro Parkway, Suite 404, Fort Myers, FL 33916 (address) (the "Consultant"), whose Federal I.D. number is 95-1735889 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 Key Largo, Florida.

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:

<u>Douglas H. Eckmann, PE</u>	<u>, Project Manager</u>
<u>Boyle Engineering Corporation</u>	<u>, Company Name</u>
<u>4415 Metro Parkway, Suite 404</u>	<u>, Address</u>
<u>Fort Myers, FL 33916</u>	<u>, Address</u>
<u>239 / 278-7996</u>	<u>, Telephone number</u>
<u>239 / 278-0913</u>	<u>, Fax number</u>

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 DISTRICT'S RESPONSIBILITIES

2.1. 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.

2.2. 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.

2.3. 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.

2.4. 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.

2.5 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 THREE TIME

3.1. 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.

3.2. 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.

3.3. 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.

3.4. 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 FOUR COMPENSATION

4.1. 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.

4.2. 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 District'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.

4.3. 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.

4.4. "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.

4.5. 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 FIVE WAIVER OF CLAIMS

5.1. 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 SIX TRUTH IN NEGOTIATION REPRESENTATIONS AND PUBLIC ENTITY CRIMES STATEMENT

6.1. 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.

6.2. 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.

6.3. 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 SEVEN TERMINATION OR SUSPENSION

7.1. 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.

7.2. If, after notice of termination of this Contract as provided for in paragraph 7.1 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 7.1, then the notice of termination given pursuant to paragraph 7.1 shall be deemed to be the notice of termination provided for in paragraph 7.3 below and Consultant's remedies against District shall be the same as and limited to those afforded Consultant under paragraph 7.3 below.

7.3. 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.

7.4. Upon termination, and final payment of fees hereunder, the Consultant shall deliver to the District all original papers, records, documents, drawings, models, and other material set forth and described in this Contract.

7.5. 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 EIGHT PERSONNEL

8.1. 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.

8.2. 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.

8.3. 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.

8.4. 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.

8.5. 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 NINE
SUBCONTRACTING**

9.1. 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 TEN
FEDERAL AND STATE TAX**

10.1. 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.

10.2. 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 ELEVEN
AVAILABILITY OF FUNDS**

11.1. 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 TWELVE
OWNERSHIP OF DOCUMENTS**

12.1. 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 provided the District shall remain obligated to pay Consultant all monies due under this Contract in the normal payment cycle. 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.

12.2. With respect to and in consideration for the indemnification provided by District in paragraph 12.1. above, Consultant agrees to pay to District \$10.00, the sufficiency and receipt of which is acknowledged through the signing of this Contract.

12.3. 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 THIRTEEN MAINTENANCE OF RECORDS

13.1. 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 FOURTEEN INSURANCE

14.1. 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.

14.2. 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.

14.3. 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 14.7 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 14.7, 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 14.7. 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.

14.4. 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.

14.5. 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.

14.6. 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.

14.7. 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 FIFTEEN
INDEMNIFICATION**

15.1. The consultant agrees to indemnify and hold harmless the District, its officers, and employees from liabilities damages, losses and costs including but not limited to reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the consultant and other persons employed or utilized by the design professional in the performance of the contract. Any contracts between the design professional and employees or consultants utilized in the performance of this contract shall include language satisfactory to the District's attorney in which the subcontractor agrees to indemnify and hold the District harmless as specified herein.

15.2. The consultant acknowledges and agrees that District would not enter into this Contract without this indemnification of District by the 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.

15.3. 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 SIXTEEN
SUCCESSORS AND ASSIGNS**

16.1. 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 SEVENTEEN
REMEDIES**

17.1. 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 EIGHTEEN
CONFLICT OF INTEREST**

18.1. 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.

18.2. 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 NINETEEN
DEBT**

19.1. 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
NONDISCRIMINATION**

20.1. 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-ONE
ENFORCEMENT COSTS**

21.1. 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-TWO
NOTICE**

22.1. 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-THREE
MODIFICATION OF SCOPE OF WORK**

23.1. 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.

23.2. 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.

23.3. 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-FOUR MODIFICATION

24.1. 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-FIVE MISCELLANEOUS

25.1. 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.

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

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

25.4. 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.

25.5. 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.

25.6. 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-SIX
SEVERABILITY**

26.1. 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.

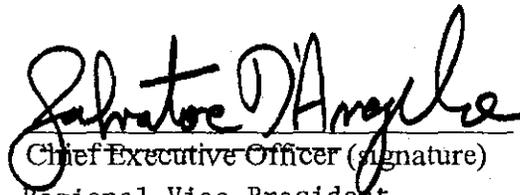
Consultant: BOYLE ENGINEERING CORPORATION
(Print or Type Company Name)

BY:



Secretary Vice President

A. Thomas Brown, PE



Chief Executive Officer (signature)

Regional Vice President

Salvatore D'Angelo, PE

(Print or Type Name)

KEY LARGO WASTEWATER TREATMENT
DISTRICT

Its Chair

ATTEST:

Clerk to the Board

Approved as to form

Thomas McAllen

KLWTD Board Attorney

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

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 contracts 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].

STANDARD HOURLY RATE SCHEDULE

Boyle Engineering Corporation

Southeast Region

Effective September 1, 2003

Engineers, Planners, Architects, Landscape Architects, Geologists, and Scientists:

Assistant I	\$ 63.00 per hour
Assistant II	\$ 72.00 per hour
Associate	\$ 90.00 per hour
Senior I	\$ 110.00 per hour
Senior II	\$ 135.00 per hour
Principal	\$ 170.00 per hour

Technical Support Staff:

Clerical/Technical Typist	\$ 54.00 per hour
CADD Operator/Drafter	\$ 57.00 per hour
Sr. CADD Operator/Senior Drafter	\$ 62.00 per hour
Programmer Analyst	\$ 65.00 per hour
Administrative Specialist	\$ 66.00 per hour
Design CADD Operator/Designer	\$ 70.00 per hour
Sr. Technician/Sr. Designer	\$ 90.00 per hour
Technical Specialist	\$105.00 per hour

Direct Project Expenses:

Photocopies	
Black & White – 8 ½ x11, 11x17	\$0.15/\$0.30 per page
Color 8 ½ x 11, 11x17	\$2.00/\$5.00 per page
Communications (Phone/Fax)	\$0.75/labor-hour
Travel - Automobile/Truck - Out of Town	\$ 0.52 per mile
Travel - Other than Automobile	Actual Cost + 15%
Subcontracted Services	Actual Cost + 15%
Computer Services and Computer Aided Design	\$3.30 per employee hour

If authorized by the client, an overtime premium multiplier of 1.5 will be applied to the billing rate of hourly personnel who work overtime in order to meet a deadline, which cannot be met during normal hours. Invoices will be rendered monthly. Payment is due upon presentation. A late payment finance charge of 1.5% per month (but not exceeding the maximum rate allowable by law) will be applied to any unpaid balance commencing 30 days after the date of the original invoice. Applicable sales taxes, if any, will be added to these rates.

Rates subject to general revision 03-01-04.

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.]

AMENDMENT NUMBER ONE

To

Contract for Consulting/Professional Service

By and between

Key Largo Wastewater Treatment District

And

Boyle Engineering Corporation

THIS AMENDMENT Number One to the Contract for Consulting/Professional Service ("Contract") by and between the Key Largo Wastewater Treatment District ("District") and Boyle Engineering Corp. is entered into and effective this day of , 2004.

WHEREAS, some or all of the services to be provided by Consultant under the Contract will consist of design of, and other services related to, capital improvements; and

WHEREAS, payment or the time of payment for such services may be contingent upon receipt of federal funds or federal approval;

NOW, THEREFORE, the parties agree to, and do hereby amend the Contract by adding a new Paragraph 4.6, as follows:

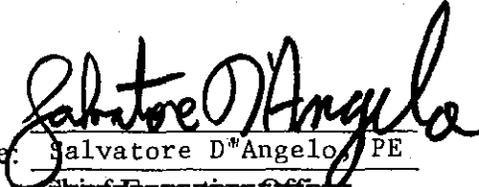
4.6. A Work Authorization issued by the District will include advice whether payment or the time of payment for services described therein will be contingent upon receipt of federal funds or federal approval. The District will exercise due diligence to apply promptly for any needed federal funds or federal approval. Notwithstanding any other provision of this Contract, and any attachment, appendix, or exhibit thereto, the time within which a payment is due for services described in the Work Authorization shall be extended by a duration equal to the time taken to obtain the receipt of federal funds or federal approval.

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

District
Key Largo Wastewater Treatment District

Consultant
Boyle Engineering Corporation

By: _____
Its: Chairman

By: 
Name: Salvatore D'Angelo, PE
Its: Chief Executive Officer
Regional Vice President

Attest:

By: _____
Its: Clerk

By: *A. Thomas Brown*
Its: Secretary Vice President
A. Thomas Brown, PE

Approved as to Form:

By: *Thomas McDaniel*
KLWTD Attorney

Key Largo Wastewater Treatment District

Contract for Consulting/Professional Service

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CONTRACT FOR CONSULTING/PROFESSIONAL SERVICES

This Contract is made and entered into this _____ day of _____, 2003, by and between The CPH Engineers, Inc. _____ (Company Name) whose principal place of business is at 500 West Fulton Street, Sanford, FL 32771 _____ (address) (the "Consultant"), whose Federal I.D. number is 59-2068806 _____ 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 Key Largo, Florida.

WITNESSETH

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:

<u>Benjamin M. Fries</u>	<u>, Project Manager</u>
<u>CPH Engineers, Inc.</u>	<u>, Company Name</u>
<u>500 W. Fulton Street</u>	<u>, Address</u>
<u>Sanford, FL 32771</u>	<u>, Address</u>
<u>407/322-6841</u>	<u>, Telephone number</u>
<u>407/330-0639</u>	<u>, Fax number</u>

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 DISTRICT'S RESPONSIBILITIES

2.1. 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.

2.2. 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.

2.3. 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.

2.4. 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.

2.5 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 THREE TIME

3.1. 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.

3.2. 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.

3.3. 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.

3.4. 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 FOUR COMPENSATION

4.1. 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.

4.2. 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 District'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.

4.3. 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.

4.4. "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.

4.5. 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 FIVE WAIVER OF CLAIMS

5.1. 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 SIX TRUTH IN NEGOTIATION REPRESENTATIONS AND PUBLIC ENTITY CRIMES STATEMENT

6.1. 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.

6.2. 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.

6.3. 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 SEVEN TERMINATION OR SUSPENSION

7.1. 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.

7.2. If, after notice of termination of this Contract as provided for in paragraph 7.1 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 7.1, then the notice of termination given pursuant to paragraph 7.1 shall be deemed to be the notice of termination provided for in paragraph 7.3 below and Consultant's remedies against District shall be the same as and limited to those afforded Consultant under paragraph 7.3 below.

7.3. 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.

7.4. Upon termination, and final payment of fees hereunder, the Consultant shall deliver to the District all original papers, records, documents, drawings, models, and other material set forth and described in this Contract.

7.5. 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 EIGHT PERSONNEL

8.1. 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.

8.2. 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.

8.3. 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.

8.4. 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.

8.5. 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 NINE
SUBCONTRACTING**

9.1. 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 TEN
FEDERAL AND STATE TAX**

10.1. 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.

10.2. 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 ELEVEN
AVAILABILITY OF FUNDS**

11.1. 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 TWELVE
OWNERSHIP OF DOCUMENTS**

12.1. 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 provided the District shall remain obligated to pay Consultant all monies due under this Contract in the normal payment cycle. 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.

12.2. With respect to and in consideration for the indemnification provided by District in paragraph 12.1. above, Consultant agrees to pay to District \$10.00, the sufficiency and receipt of which is acknowledged through the signing of this Contract.

12.3. 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 THIRTEEN MAINTENANCE OF RECORDS

13.1. 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 FOURTEEN INSURANCE

14.1. 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.

14.2. 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.

14.3. 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 14.7 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 14.7, 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 14.7. 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.

14.4. 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.

14.5. 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.

14.6. 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.

14.7. 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 FIFTEEN
INDEMNIFICATION**

15.1. The consultant agrees to indemnify and hold harmless the District, its officers, and employees from liabilities damages, losses and costs including but not limited to reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the consultant and other persons employed or utilized by the design professional in the performance of the contract. Any contracts between the design professional and employees or consultants utilized in the performance of this contract shall include language satisfactory to the District's attorney in which the subcontractor agrees to indemnify and hold the District harmless as specified herein.

15.2. The consultant acknowledges and agrees that District would not enter into this Contract without this indemnification of District by the 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.

15.3. 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 SIXTEEN
SUCCESSORS AND ASSIGNS**

16.1. 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 SEVENTEEN
REMEDIES**

17.1. 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 EIGHTEEN
CONFLICT OF INTEREST**

18.1. 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.

18.2. 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 NINETEEN
DEBT**

19.1. 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
NONDISCRIMINATION**

20.1. 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-ONE
ENFORCEMENT COSTS**

21.1. 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-TWO
NOTICE**

22.1. 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-THREE
MODIFICATION OF SCOPE OF WORK**

23.1. 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.

23.2. 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.

23.3. 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-FOUR MODIFICATION

24.1. 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-FIVE MISCELLANEOUS

25.1. 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.

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

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

25.4. 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.

25.5. 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.

25.6. 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.

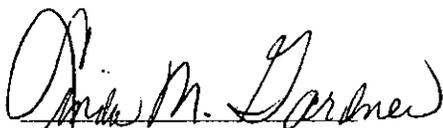
**ARTICLE TWENTY-SIX
SEVERABILITY**

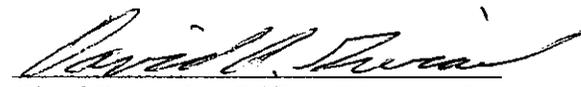
26.1. If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such term or provision, to persons or circumstances other than those as to which it 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.

Consultant: CPH Engineers, Inc.
(Print or Type Company Name)

BY:


Secretary


Chief Executive Officer (signature)
President

David A. Gierach
(Print or Type Name)

**KEY LARGO WASTEWATER TREATMENT
DISTRICT**

Its Chair

ATTEST:

Clerk to the Board

Approved as to form



KLWTD Board Attorney

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

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 contracts 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.

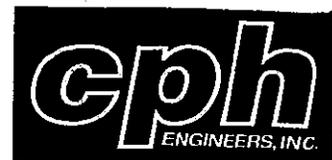
SCHEDULE B - ATTACHMENT A
SCHEDULE OF FEES FOR BASIC SERVICES

[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].



CPH Engineers, Inc.

Employee Classification/Position	Standard Billing Rate
Principal	\$105
Professional Engineer	\$95
Sr. Engineering Manager	\$95
Engineering Manager	\$90
Sr. Design Engineer	\$80
Design Engineer EIT	\$70
Architect	\$95
Sr. Planner	\$95
Planner	\$90
Sr. Landscape Architect	\$90
Landscape Architect	\$85
Landscape Designer	\$60
Sr. Design Technician	\$77
Design Technician	\$70
Sr. CADD Technician	\$67
CADD Technician	\$57
CADD Operator	\$50
Construction Manager	\$78
Construction Field Representative	\$65
Construction Field Personnel	\$50
Professional Surveyor and Mapper	\$95
Surveyor in Training	\$85
Survey Project Manager/CADD	\$75
Survey Party Chief	\$55
Survey Instrument Man	\$45
Survey Crew (2 Man)	\$100
Survey Crew (3 Man)	\$145
GPS (1 Man)	\$100
GPS (2 Man)	\$150
Administrative	\$55
Clerical II	\$45
Clerical I	\$35

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.]

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
12/24/03

PRODUCER
HRH Company of Orlando
800 N. Magnolia Ave, Ste 1600
P O Box 538200 (zip 32853)
Orlando, FL 32803

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

INSURERS AFFORDING COVERAGE

INSURED
CPH Engineers, Inc.
P.O. Box 2808
Sanford, FL 32772-2808

INSURER A: Assurance Company/Homebuilders
INSURER B: Auto Owners Insurance Company
INSURER C: FCCI Insurance Company
INSURER D: Greenwich/ECS Underwriting, Inc.
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	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY	PPS36632041	04/15/03	04/15/04	EACH OCCURRENCE	\$1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				FIRE DAMAGE (Any one fire)	\$1,000,000
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				MED EXP (Any one person)	\$10,000
					PERSONAL & ADV INJURY	\$1,000,000
					GENERAL AGGREGATE	\$2,000,000
					PRODUCTS - COMP/OP AGG	\$1,000,000
					GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	
B	AUTOMOBILE LIABILITY	4315422200	04/15/03	04/15/04	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
	<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$
	<input checked="" type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE (Per accident)	\$
	<input checked="" type="checkbox"/> HIRED AUTOS				AUTO ONLY - EA ACCIDENT	\$
	<input checked="" type="checkbox"/> NON-OWNED AUTOS				OTHER THAN EA ACC AGG	\$
						\$
A	GARAGE LIABILITY	PPS36632041	04/15/03	04/15/04	EACH OCCURRENCE	\$5,000,000
	<input type="checkbox"/> ANY AUTO				AGGREGATE	\$5,000,000
						\$
						\$
C	EXCESS LIABILITY	12510	01/01/04	01/01/05	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE	
	<input type="checkbox"/> DEDUCTIBLE					
	<input type="checkbox"/> RETENTION \$					
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	PEC000234903	04/15/03	04/15/04	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
					E.L. EACH ACCIDENT	\$500,000
					E.L. DISEASE - EA EMPLOYEE	\$500,000
					E.L. DISEASE - POLICY LIMIT	\$500,000
	OTHER Professional Liability				\$2,000,000 Limit 4/15/86 Retro Date	

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
RE: Continuing professional engineering services

CERTIFICATE HOLDER	ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION
Key Largo Wastewater Treatment District 614 N. Wymore Rd. Winter Park, FL 32789		SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WR 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 <i>Laura M. Wilson</i>

AMENDMENT NUMBER ONE

To

Contract for Consulting/Professional Service

By and between

Key Largo Wastewater Treatment District

And

CPH Engineers, Inc.

THIS AMENDMENT Number One to the Contract for Consulting/Professional Service ("Contract") by and between the Key Largo Wastewater Treatment District ("District") and CPH Engineers, Inc. is entered into and effective this day of , 2004.

WHEREAS, some or all of the services to be provided by Consultant under the Contract will consist of design of, and other services related to, capital improvements; and

WHEREAS, payment or the time of payment for such services may be contingent upon receipt of federal funds or federal approval;

NOW, THEREFORE, the parties agree to, and do hereby amend the Contract by adding a new Paragraph 4.6, as follows:

4.6. A Work Authorization issued by the District will include advice whether payment or the time of payment for services described therein will be contingent upon receipt of federal funds or federal approval. The District will exercise due diligence to apply promptly for any needed federal funds or federal approval. Notwithstanding any other provision of this Contract, and any attachment, appendix, or exhibit thereto, the time within which a payment is due for services described in the Work Authorization shall be extended by a duration equal to the time taken to obtain the receipt of federal funds or federal approval.

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

District
Key Largo Wastewater Treatment District

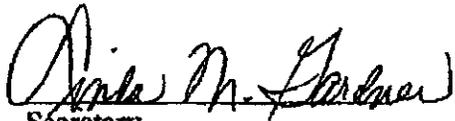
Consultant
CPH Engineers, Inc.

By: _____
Its: Chairman

By: 
Name: David A. Gierach
Its: ~~xxx Chief Executive Officer~~ President

Attest:

By: _____
Its: Clerk

By: 
Its: Secretary

Approved as to Form:

By: 
KLWTD Attorney

Key Largo Wastewater Treatment District

Contract for Consulting/Professional Service

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CONTRACT FOR CONSULTING/PROFESSIONAL SERVICES

This Contract is made and entered into this _____ day of _____, 2003, by and between The Calvin Giordano & Assoc. Inc. (Company Name) whose principal place of business is at 1800 Eller Drive Suite 600, Fort Lauderdale, FL 33316 (address) (the "Consultant"), whose Federal I.D. number is 65-0013869 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 Key Largo, Florida.

WITNESSETH

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:

<u>Tim Bergin</u>	, Project Manager
<u>Calvin Giordano & Assoc. Inc.</u>	, Company Name
<u>1800 Eller Drive</u>	, Address
<u>Suite 600 Ft. Lauderdale FL 33316</u>	, Address
<u>954-921-7781</u>	, Telephone number
<u>954-921-8801</u>	, Fax number

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 DISTRICT'S RESPONSIBILITIES

2.1. 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.

2.2. 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.

2.3. 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.

2.4. 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.

2.5 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 THREE TIME

3.1. 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.

3.2. 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.

3.3. 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.

3.4. 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 FOUR COMPENSATION

4.1. 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.

4.2. 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 District'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.

4.3. 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.

4.4. "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.

4.5. 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 FIVE WAIVER OF CLAIMS

5.1. 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 SIX TRUTH IN NEGOTIATION REPRESENTATIONS AND PUBLIC ENTITY CRIMES STATEMENT

6.1. 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.

6.2. 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.

6.3. 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 SEVEN TERMINATION OR SUSPENSION

7.1. 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.

7.2. If, after notice of termination of this Contract as provided for in paragraph 7.1 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 7.1, then the notice of termination given pursuant to paragraph 7.1 shall be deemed to be the notice of termination provided for in paragraph 7.3 below and Consultant's remedies against District shall be the same as and limited to those afforded Consultant under paragraph 7.3 below.

7.3. 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.

7.4. Upon termination, and final payment of fees hereunder, the Consultant shall deliver to the District all original papers, records, documents, drawings, models, and other material set forth and described in this Contract.

7.5. 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 EIGHT PERSONNEL

8.1. 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.

8.2. 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.

8.3. 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.

8.4. 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.

8.5. 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 NINE
SUBCONTRACTING**

9.1. 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 TEN
FEDERAL AND STATE TAX**

10.1. 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.

10.2. 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 ELEVEN
AVAILABILITY OF FUNDS**

11.1. 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 TWELVE
OWNERSHIP OF DOCUMENTS**

12.1. 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 provided the District shall remain obligated to pay Consultant all monies due under this Contract in the normal payment cycle. 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.

12.2. With respect to and in consideration for the indemnification provided by District in paragraph 12.1. above, Consultant agrees to pay to District \$10.00, the sufficiency and receipt of which is acknowledged through the signing of this Contract.

12.3. 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 THIRTEEN MAINTENANCE OF RECORDS

13.1. 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 FOURTEEN INSURANCE

14.1. 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.

14.2. 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.

14.3. 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 14.7 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 14.7, 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 14.7. 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.

14.4. 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.

14.5. 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.

14.6. 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.

14.7. 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 FIFTEEN
INDEMNIFICATION**

15.1. The consultant agrees to indemnify and hold harmless the District, its officers, and employees from liabilities damages, losses and costs including but not limited to reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the consultant and other persons employed or utilized by the design professional in the performance of the contract. Any contracts between the design professional and employees or consultants utilized in the performance of this contract shall include language satisfactory to the District's attorney in which the subcontractor agrees to indemnify and hold the District harmless as specified herein.

15.2. The consultant acknowledges and agrees that District would not enter into this Contract without this indemnification of District by the 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.

15.3. 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 SIXTEEN
SUCCESSORS AND ASSIGNS**

16.1. 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 SEVENTEEN
REMEDIES**

17.1. 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 EIGHTEEN
CONFLICT OF INTEREST**

18.1. 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.

18.2. 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 NINETEEN
DEBT**

19.1. 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
NONDISCRIMINATION**

20.1. 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-ONE
ENFORCEMENT COSTS**

21.1. 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-TWO
NOTICE**

22.1. 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-THREE
MODIFICATION OF SCOPE OF WORK**

23.1. 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.

23.2. 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.

23.3. 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-FOUR MODIFICATION

24.1. 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-FIVE MISCELLANEOUS

25.1. 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.

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

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

25.4. 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.

25.5. 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.

25.6. 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-SIX
SEVERABILITY**

26.1. 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.

Consultant: Calvin Giordano & Assoc. Inc.
(Print or Type Company Name)

BY:

Julie A. Colterjohn
Secretary


Chief Executive Officer (signature)

John P. Downes, P.E.
(Print or Type Name)

**KEY LARGO WASTEWATER TREATMENT
DISTRICT**

Its Chair

ATTEST:

Clerk to the Board

Approved as to form



KLWTD Board Attorney

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

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 contracts 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]



Calvin, Giordano & Associates, Inc.
Engineers Surveyors Planners

PROFESSIONAL FEE SCHEDULE

Principal	175.00	Executive Assistant	60.00
-----------	--------	---------------------	-------

ENGINEERING

Associate, Engineering	130.00
Director, Engineering	115.00
Project Manager	105.00
Resident Inspector	100.00
Project Engineer	95.00
Engineer	75.00
Senior CADD Technician	70.00
CADD Technician	65.00
Permit Administrator	65.00
Clerical	55.00

CONSTRUCTION

Associate, Construction	120.00
Senior Inspector	70.00

PLANNING

Associate, Planning	130.00
Director of Planning	110.00
Planning Administrator	110.00
Assistant Director	85.00
Planner	75.00
Jr. Planner	60.00

SURVEYING

Associate, Surveying	110.00
Senior Registered Surveyor	85.00
Survey Coordinator	75.00
CADD Technician	65.00
G.P.S. Survey Crew	95.00
Survey Crew	90.00

EXPERT WITNESS

Principal/Associate	250.00
Registered Engineer/Surveyor	175.00
Project Engineer	150.00

LANDSCAPE ARCHITECT

Associate, Landscape	130.00
Senior Landscape Architect	100.00
Landscape Architect	85.00
Environmental Specialist	75.00
Landscape CADD Technician	65.00
Environmental Assistant	65.00

GIS

GIS Coordinator	120.00
GIS Specialist	80.00
GIS Technician	70.00

WEB APPLICATIONS

Sr. Applications Developer	
Private	170.00
Public	155.00

Reply to:

☐ 1800 Eller Drive
Suite 600
Fort Lauderdale, Florida 33316
(954) 921-7781
(954) 921-8807 fax

☐ 560 Village Boulevard
Suite 340
West Palm Beach, Florida 33409
(561) 684-6161
(561) 684-6360 fax

In additional to the hourly rates listed above, charges will include direct out-of-pocket expenses such as reproduction, overnight mail, and other reimbursables billed at a multiplier of 1.25.

Effective January 1, 2003

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.]

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID T1
CALVI-2

DATE (MM/DD/YY)
12/24/02

PRODUCER
Brown & Brown, Inc.
5900 N. Andrews Ave. #300
P.O. Box 5727
Ft. Lauderdale FL 33310-5727
Phone: 954-776-2222 Fax: 954-776-4446

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.

INSURERS AFFORDING COVERAGE

INSURED

Calvin, Giordano & Assoc, Inc.
1800 Miller Drive #600
Ft. Lauderdale FL 33316

INSURER A: **Hartford Insurance Group**
INSURER B: **Steadfast Insurance Co**
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	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GENL. AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC	21UUNLK3645	01/01/03	01/01/04	EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one fire) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Emp Ben. 1,000,000
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input checked="" type="checkbox"/> Comp. \$1,000 <input checked="" type="checkbox"/> Coll. \$1,000	21UUNLK3645	01/01/03	01/01/04	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A	EXCESS LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	21XHULK3604	01/01/03	01/01/04	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	21WBDX3788	01/01/03	01/01/04	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 500000 E.L. DISEASE - EA EMPLOYEE \$ 500000 E.L. DISEASE - POLICY LIMIT \$ 500000
B	OTHER Professional Liab (Ded. \$50,000)	80066912288 CLAIMS-MADE RETRO DATE: 8/1/1959	08/27/02	08/27/03	Limit \$1,000,000 Aggregate \$2,000,000

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

CERTIFICATE HOLDER

N ADDITIONAL INSURED; INSURER LETTER:

CANCELLATION

FOR1001

For Proposal Purposes Only

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
[Signature]

AMENDMENT NUMBER ONE

To

Contract for Consulting/Professional Service

By and between

Key Largo Wastewater Treatment District

And

THIS AMENDMENT Number One to the Contract for Consulting/Professional Service ("Contract") by and between the Key Largo Wastewater Treatment District ("District") and Calvin, Giordano & Assoc. Inc. is entered into and effective this ___ day of _____, 2004.

WHEREAS, some or all of the services to be provided by Consultant under the Contract will consist of design of, and other services related to, capital improvements; and

WHEREAS, payment or the time of payment for such services may be contingent upon receipt of federal funds or federal approval;

NOW, THEREFORE, the parties agree to, and do hereby amend the Contract by adding a new Paragraph 4.6, as follows:

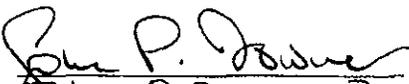
4.6. A Work Authorization issued by the District will include advice whether payment or the time of payment for services described therein will be contingent upon receipt of federal funds or federal approval. The District will exercise due diligence to apply promptly for any needed federal funds or federal approval. Notwithstanding any other provision of this Contract, and any attachment, appendix, or exhibit thereto, the time within which a payment is due for services described in the Work Authorization shall be extended by a duration equal to the time taken to obtain the receipt of federal funds or federal approval.

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

District
Key Largo Wastewater Treatment District

Consultant
Calvin, Giordano & Assoc. Inc.

By: _____
Its: Chairman

By: 
Name: John P. Downes P.E.
Its: Chief Executive Officer

Attest:

By: _____
Its: Clerk

By: Janice Oetzyahn
Its: Secretary

Approved as to Form:

By: Thomas McDillon
KLWID Attorney

Key Largo Wastewater Treatment District

Contract for Consulting/Professional Service

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CONTRACT FOR CONSULTING/PROFESSIONAL SERVICES

This Contract is made and entered into this _____ day of _____, 2003, by and between The MALCOLM PIRNIE, INC. (Company Name) whose principal place of business is at 104 CORPORATE PARK DR. WHITE PLAINS, NY 10602 (address) (the "Consultant"), whose Federal I.D. number is 13-265-3703 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 Key Largo, Florida.

WITNESSETH

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:

JEAN CUTLER, P.E. , Project Manager
MALCOLM PIRNIE, INC. , Company Name
2301 MATTLAND CENTER PKWY. Address SUITE 140
MATTLAND, FL 32751 , Address
(407) 660-1133 , Telephone number
(407) 660-9550 , Fax number

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 DISTRICT'S RESPONSIBILITIES

2.1. 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.

2.2. 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.

2.3. 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.

2.4. 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.

2.5 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 THREE TIME

3.1. 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.

3.2. 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.

3.3. 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.

3.4. 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 FOUR COMPENSATION

4.1. 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.

4.2. 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 District'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.

4.3. 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.

4.4. "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.

4.5. 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 FIVE WAIVER OF CLAIMS

5.1. 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 SIX TRUTH IN NEGOTIATION REPRESENTATIONS AND PUBLIC ENTITY CRIMES STATEMENT

6.1. 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.

6.2. 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.

6.3. 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 SEVEN TERMINATION OR SUSPENSION

7.1. 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.

7.2. If, after notice of termination of this Contract as provided for in paragraph 7.1 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 7.1, then the notice of termination given pursuant to paragraph 7.1 shall be deemed to be the notice of termination provided for in paragraph 7.3 below and Consultant's remedies against District shall be the same as and limited to those afforded Consultant under paragraph 7.3 below.

7.3. 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.

7.4. Upon termination, and final payment of fees hereunder, the Consultant shall deliver to the District all original papers, records, documents, drawings, models, and other material set forth and described in this Contract.

7.5. 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 EIGHT PERSONNEL

8.1. 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.

8.2. 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.

8.3. 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.

8.4. 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.

8.5. 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 NINE
SUBCONTRACTING**

9.1. 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 TEN
FEDERAL AND STATE TAX**

10.1. 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.

10.2. 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 ELEVEN
AVAILABILITY OF FUNDS**

11.1. 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 TWELVE
OWNERSHIP OF DOCUMENTS**

12.1. 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 provided the District shall remain obligated to pay Consultant all monies due under this Contract in the normal payment cycle. 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.

12.2. With respect to and in consideration for the indemnification provided by District in paragraph 12.1. above, Consultant agrees to pay to District \$10.00, the sufficiency and receipt of which is acknowledged through the signing of this Contract.

12.3. 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 THIRTEEN MAINTENANCE OF RECORDS

13.1. 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 FOURTEEN INSURANCE

14.1. 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.

14.2. 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.

14.3. 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 14.7 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 14.7, 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 14.7. 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.

14.4. 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.

14.5. 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.

14.6. 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.

14.7. 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 FIFTEEN INDEMNIFICATION

15.1. The consultant agrees to indemnify and hold harmless the District, its officers, and employees from liabilities damages, losses and costs including but not limited to reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the consultant and other persons employed or utilized by the design professional in the performance of the contract. Any contracts between the design professional and employees or consultants utilized in the performance of this contract shall include language satisfactory to the District's attorney in which the subcontractor agrees to indemnify and hold the District harmless as specified herein.

15.2. The consultant acknowledges and agrees that District would not enter into this Contract without this indemnification of District by the 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.

15.3. 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 SIXTEEN SUCCESSORS AND ASSIGNS

16.1. 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 SEVENTEEN
REMEDIES**

17.1. 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 EIGHTEEN
CONFLICT OF INTEREST**

18.1. 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.

18.2. 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 NINETEEN
DEBT**

19.1. 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
NONDISCRIMINATION**

20.1. 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-ONE
ENFORCEMENT COSTS**

21.1. 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-TWO
NOTICE**

22.1. 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-THREE
MODIFICATION OF SCOPE OF WORK**

23.1. 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.

23.2. 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.

23.3. 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-FOUR MODIFICATION

24.1. 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-FIVE MISCELLANEOUS

25.1. 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.

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

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

25.4. 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.

25.5. 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.

25.6. 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-SIX
SEVERABILITY**

26.1. 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.

Consultant: MALCOLM PIRNIE, INC.
(Print or Type Company Name)

BY:


Secretary


Chief Executive Officer (signature)

WILLIAM P. DEE
(Print or Type Name)

KEY LARGO WASTEWATER TREATMENT
DISTRICT

Its Chair

ATTEST:

Clerk to the Board

Approved as to form



KLWTD Board Attorney

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

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 contracts 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.]

MALCOLM PIRNIE
HOURLY RATE SCHEDULE

Officer	\$200
Senior Associate	\$165
Associate	\$145
Senior Project Engineer	\$130
Project Engineer	\$110
Engineer	\$ 90
Technician	\$ 90
Administrative	\$ 60

SLAPIN, LIEB
PIKE &
RAMPOLLA



Insurance Services for Commerce and Industry

December 23, 2003

To Whom It May Concern:

**RE: MALCOLM PIRNIE, INC.
CERTIFICATES OF INSURANCE**

Please be advised that the following policies have been extended to expire February 01, 2004:

Coverage	Insurance Company	Policy Number
General Liability	Centennial Insurance Co.	299405355
Automobile Liability	Centennial Insurance Co.	299405355
Excess/Umbrella Policy	Steadfast Insurance Co.	SE05871008-00
Workers Comp & Employers' Liability	Centennial Insurance Co.	401551969
Professional Liability	Continental Casualty Co.	AEA008214023

Consequently, all Certificates of Insurance showing any of the above coverages for the period 11/01/2002 to 11/01/2003 are automatically corrected to apply for the period 11/01/2002 to 02/01/2004.

Thank you for your cooperation in this regard. If you require anything further, please feel free to call me at Ext. 124.

Sincerely,

Richard P. Rampolla, CPIA
Executive Vice President
RPR/sh

P:\Dick\MPI\PpolicyExtensions4-Certs

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY)
11/19/2002

PRODUCER (973)467-3800 FAX (973)564-5236
Slapin, Lieb Pike and Rampolla Insurance Services
For Commerce and Industry
65 Springfield Avenue, P.O. Box 693
Springfield, NJ 07081

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.

INSURERS AFFORDING COVERAGE

INSURED Malcolm Pirnie Inc.
104 Corporate Park Drive
P.O. Box 751
White Plains, NY 10602-0751

INSURER A: CONTINENTAL CASUALTY COMPANY
INSURER B:
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	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS								
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COM/PROP AGG \$								
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$								
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$								
	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$								
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				<table border="1"> <tr> <td>WC STATUTORY LIMITS</td> <td>OTHER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$</td> </tr> </table>	WC STATUTORY LIMITS	OTHER	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$
WC STATUTORY LIMITS	OTHER												
E.L. EACH ACCIDENT	\$												
E.L. DISEASE - EA EMPLOYEE	\$												
E.L. DISEASE - POLICY LIMIT	\$												
A	OTHER Professional Liability	AEA 00 821 40 23	11/01/2002	11/01/2003	Per Claim and Annual Aggregate \$10,000,000 Including Claims expense								

DESCRIPTION OF OPERATIONS, LOCATIONS, VEHICLES, EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS OPERATIONS OF THE NAMED INSURED.

*except 10 days for non-payment.

** NON-RENEWED OR REDUCED IN LIMIT BY ENDORSEMENT.

CERTIFICATE HOLDER

ADDITIONAL INSURED; INSURER LETTER

CANCELLATION

Sample

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30* DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
Richard Rampolla Exec. V.P.

AMENDMENT NUMBER ONE

To

Contract for Consulting/Professional Service

By and between

Key Largo Wastewater Treatment District

And

MALCOLM PIRNIE, INC.

THIS AMENDMENT Number One to the Contract for Consulting/Professional Service ("Contract") by and between the Key Largo Wastewater Treatment District ("District") and _____ is entered into and effective this ____ day of _____, 2004.

WHEREAS, some or all of the services to be provided by Consultant under the Contract will consist of design of, and other services related to, capital improvements; and

WHEREAS, payment or the time of payment for such services may be contingent upon receipt of federal funds or federal approval;

NOW, THEREFORE, the parties agree to, and do hereby amend the Contract by adding a new Paragraph 4.6, as follows:

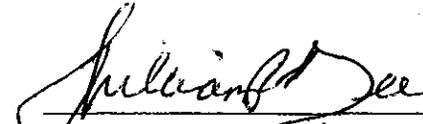
4.6. A Work Authorization issued by the District will include advice whether payment or the time of payment for services described therein will be contingent upon receipt of federal funds or federal approval. The District will exercise due diligence to apply promptly for any needed federal funds or federal approval. Notwithstanding any other provision of this Contract, and any attachment, appendix, or exhibit thereto, the time within which a payment is due for services described in the Work Authorization shall be extended by a duration equal to the time taken to obtain the receipt of federal funds or federal approval.

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

District
Key Largo Wastewater Treatment District

Consultant
MALCOLM PIRNIE, INC.

By: _____
Its: Chairman

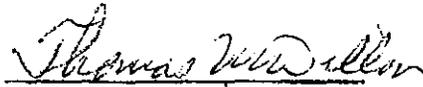
By: 
Name: WILLIAM P. DEE
Its: Chief Executive Officer

Attest:

By: _____
Its: Clerk

By: 
Its: Secretary

Approved as to Form:

By: 
KLWTD Attorney

Key Largo Wastewater Treatment District

Contract for Consulting/Professional Service

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CONTRACT FOR CONSULTING/PROFESSIONAL SERVICES

This Contract is made and entered into this _____ day of _____, 2003, by and between The Metcalf & Eddy, Inc. (Company Name) whose principal place of business is at 800 Douglas Entrance, Suite 770, Coral Gables, Florida 33134 (address) (the "Consultant"), whose Federal I.D. number is 04-2428218 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 Key Largo, Florida.

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:

<u>Alejandro Toro</u>	, Project Manager
<u>Metcalf & Eddy, Inc.</u>	, Company Name
<u>800 Douglas Entrance, Ste.</u>	, Address
<u>Coral Gables, Florida 33134</u>	, Address
<u>(305) 444-8241</u>	, Telephone number
<u>(305) 444-4306</u>	, Fax number

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 DISTRICT'S RESPONSIBILITIES

2.1. 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.

2.2. 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.

2.3. 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.

2.4. 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.

2.5 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 THREE TIME

3.1. 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.

3.2. 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.

3.3. 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.

3.4. 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 FOUR COMPENSATION

4.1. 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.

4.2. 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 District'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.

4.3. 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.

4.4. "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.

4.5. 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 FIVE WAIVER OF CLAIMS

5.1. 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 SIX TRUTH IN NEGOTIATION REPRESENTATIONS AND PUBLIC ENTITY CRIMES STATEMENT

6.1. 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.

6.2. 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.

6.3. 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 SEVEN TERMINATION OR SUSPENSION

7.1. 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.

7.2. If, after notice of termination of this Contract as provided for in paragraph 7.1 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 7.1, then the notice of termination given pursuant to paragraph 7.1 shall be deemed to be the notice of termination provided for in paragraph 7.3 below and Consultant's remedies against District shall be the same as and limited to those afforded Consultant under paragraph 7.3 below.

7.3. 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.

7.4. Upon termination, and final payment of fees hereunder, the Consultant shall deliver to the District all original papers, records, documents, drawings, models, and other material set forth and described in this Contract.

7.5. 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 EIGHT PERSONNEL

8.1. 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.

8.2. 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.

8.3. 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.

8.4. 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.

8.5. 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 NINE
SUBCONTRACTING**

9.1. 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 TEN
FEDERAL AND STATE TAX**

10.1. 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.

10.2. 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 ELEVEN
AVAILABILITY OF FUNDS**

11.1. 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 TWELVE
OWNERSHIP OF DOCUMENTS**

12.1. 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 provided the District shall remain obligated to pay Consultant all monies due under this Contract in the normal payment cycle. 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.

12.2. With respect to and in consideration for the indemnification provided by District in paragraph 12.1. above, Consultant agrees to pay to District \$10.00, the sufficiency and receipt of which is acknowledged through the signing of this Contract.

12.3. 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 THIRTEEN MAINTENANCE OF RECORDS

13.1. 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 FOURTEEN INSURANCE

14.1. 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.

14.2. 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.

14.3. 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 14.7 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 14.7, 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 14.7. 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.

14.4. 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.

14.5. 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.

14.6. 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.

14.7. 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 FIFTEEN
INDEMNIFICATION**

15.1. The consultant agrees to indemnify and hold harmless the District, its officers, and employees from liabilities damages, losses and costs including but not limited to reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the consultant and other persons employed or utilized by the design professional in the performance of the contract. Any contracts between the design professional and employees or consultants utilized in the performance of this contract shall include language satisfactory to the District's attorney in which the subcontractor agrees to indemnify and hold the District harmless as specified herein.

15.2. The consultant acknowledges and agrees that District would not enter into this Contract without this indemnification of District by the 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.

15.3. 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 SIXTEEN
SUCCESSORS AND ASSIGNS**

16.1. 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 SEVENTEEN
REMEDIES**

17.1. 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 EIGHTEEN
CONFLICT OF INTEREST**

18.1. 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.

18.2. 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 NINETEEN
DEBT**

19.1. 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
NONDISCRIMINATION**

20.1. 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-ONE
ENFORCEMENT COSTS**

21.1. 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-TWO
NOTICE**

22.1. 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-THREE
MODIFICATION OF SCOPE OF WORK**

23.1. 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.

23.2. 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.

23.3. 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-FOUR MODIFICATION

24.1. 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-FIVE MISCELLANEOUS

25.1. 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.

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

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

25.4. 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.

25.5. 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.

25.6. 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-SIX
SEVERABILITY**

26.1. 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.

Consultant: Metcalfe & Eddy, Inc.
(Print or Type Company Name)

BY:


Asst. Secretary
Richard D. Howard
Sr. Vice President


~~Chief Executive Officer~~ (signature)
Vice President

Mark S. Blanchard, Vice President
(Print or Type Name)

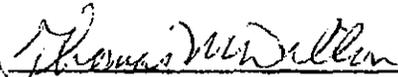
**KEY LARGO WASTEWATER TREATMENT
DISTRICT**

Its Chair

ATTEST:

Clerk to the Board

Approved as to form



KLWTD Board Attorney

CERTIFICATE OF ASSISTANT SECRETARY

METCALF & EDDY, INC.

I, Richard D. Howard, do hereby certify that I am Assistant Secretary of Metcalf & Eddy, Inc., a Delaware corporation (the Corporation).

I hereby further certify that Mark Blanchard is a Vice President of this Corporation and has the authority to execute the Key Largo Wastewater Treatment District's Contract for Consulting / Professional Services on behalf of the Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand, as of this 12th day of January , 2004.


Richard D. Howard
Assistant Secretary

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

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 contracts 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]

**ATTACHMENT I
CONSULTANT'S HOURLY RATE SCHEDULE**

METCALF & EDDY, INC.

LABOR	Hourly Rate
<i>CONSULTING/ENGINEERING</i>	
Proj Dir/Principal/Sr Tech Dir (Gr E09-E10)	175
Sr Proj Mgr/Sr Tech Spec II (Gr E08)	156
Proj Mgr/Sr Proj Sci II or Eng II/Sr Tech Spec I/Sr Proj Des Eng II (Gr E07)	131
Sr Proj Sci I or Sr Proj Eng I/Tech Spec II/ Sr Proj Des Eng I (Gr E06)	113
Proj Sci II or Proj Eng II/Tech Spec I/Sr Des Eng II (Gr E05)	102
Proj Sci I or Proj Eng I/Sr Sci II or Sr Eng II/Tech Spec I/Sr Des Eng I (Gr E04)	89
Sr Sci I or Sr Eng I/Des Eng II (Gr E03)	85
Sci II or Eng II/Des Eng I/ Spec II (Gr E02)	78
Sci I or Eng I/Proj Asst/Spec I (Gr E01)	71
<i>CONSTRUCTION/FIELD SERVICES</i>	
Proj Const Mgr/Sr Const Spec (GrE07)	116
Const Spec II/Fld Proj Mgr II/Res Rep II (Gr E06)	101
Const Spec I/Fld Proj Mgr I/Res Rep I (Gr E05)	91
Sr Field Const Svcs Spec/Estimator (Gr E03-E04)	75
Field Const Svcs Spec/Inspector (Gr E01-E02)	61
Sr Foreman/Sr Laborer II (Gr N04)	63
Foreman II/Sr Laborer I/Sr Operator (Gr N03)	51
Foreman I/Laborer II/ Operator (Gr N02)	39
Laborer (Gr N01)	33
<i>DESIGN AND DRAFTING</i>	
Sr Tech III/Sr Designer II (Gr N05)	91
Sr Tech II/Sr Designer I (Gr N04)	71
Sr Tech I/Sr Designer/Sr Drafter (Gr N03)	58
Tech II/Drafter (Gr N02)	44
Eng Aide (Gr N01)	37
<i>PROJECT SUPPORT SERVICES</i>	
Paralegal/Sr Coordinator/Sr Clerk II (Gr N04)	71
Sr Sect or Admin Asst/Coordinator II/Sr Clerk I (Gr N03)	58
Secretary/Coordinator/Clerk II (Gr N02)	44
Clerk I (Gr N01)	37

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.]

MARSH

CERTIFICATE OF INSURANCE

CERTIFICATE NUMBER
LOS-000389448-01

PRODUCER
Marsh Risk & Insurance Services
777 South Figueroa Street
CA License #0437153
Los Angeles, CA 90017
Attn: Michelle Ridgle (213) 346-5588

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER OTHER THAN THOSE PROVIDED IN THE POLICY. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES DESCRIBED HEREIN.

06510 -AECOM-CAS-2003 M&E LLAFL CORAL FL

COMPANIES AFFORDING COVERAGE	
COMPANY	A ACE American Insurance Company
COMPANY	B
COMPANY	C Illinois Union Insurance Company
COMPANY	D N/A

INSURED
METCALF & EDDY, INC.
800 DOUGLAS ENTRANCE, SUITE 770
CORAL GABLES, FL 33134

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

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS		
A	GENERAL LIABILITY	HDO G20589905	04/01/03	04/01/04	GENERAL AGGREGATE	\$ 1,000,000	
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS - COMP/OP AGG	\$ 1,000,000	
	<input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR				PERSONAL & ADV INJURY	\$ 1,000,000	
	<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT				EACH OCCURRENCE	\$ 1,000,000	
					FIRE DAMAGE (Any one fire)	\$ 1,000,000	
					MED EXP (Any one person)	\$	
A	AUTOMOBILE LIABILITY	ISA H07849631	04/01/03	04/01/04	COMBINED SINGLE LIMIT	\$ 1,000,000	
	<input checked="" type="checkbox"/> ANY AUTO				BODILY INJURY (Per person)	\$	
	<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident)	\$	
	<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE	\$	
	GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT	\$	
	<input type="checkbox"/> ANY AUTO				OTHER THAN AUTO ONLY:	\$	
					EACH ACCIDENT	\$	
	EXCESS LIABILITY				AGGREGATE	\$	
	<input type="checkbox"/> UMBRELLA FORM				EACH OCCURRENCE	\$	
	<input type="checkbox"/> OTHER THAN UMBRELLA FORM				AGGREGATE	\$	
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				WC STATUTORY LIMITS	OTHER	
	<input type="checkbox"/> THE PROPRIETOR/PARTNERS/EXECUTIVE OFFICERS ARE:				<input type="checkbox"/> INCL	EL EACH ACCIDENT	\$
					<input type="checkbox"/> EXCL	EL DISEASE-POLICY LIMIT	\$
						EL DISEASE-EACH EMPLOYEE	\$
C	OTHER ARCHITECTS & ENG. PROFESSIONAL LIAB.	EON G21654693 001 "CLAIMS MADE" "	04/01/03	04/01/04	\$1,000,000 PER CLAIM/AGGREGATE DEFENSE INCLUDED		

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS
RE: VARIOUS PROFESSIONAL AND ENGINEERING SERVICES. KEY LARGO WASTEWATER TREATMENT DISTRICT IS NAMED AS ADDITIONAL INSURED FOR GL & AL COVERAGES, BUT ONLY AS RESPECTS WORK PERFORMED BY OR ON BEHALF OF THE NAMED INSURED. SUCH INSURANCE AFFORDED SHALL BE PRIMARY AND ANY INSURANCE CARRIED BY CERTIFICATE HOLDER & ADDITIONAL INSURED SHALL BE EXCESS AND NOT CONTRIBUTORY FOR GL & AL COVERAGES. SEVERABILITY OF INTEREST/CROSS LIABILITY WORDING IS INCLUDED FOR GL &

CERTIFICATE HOLDER

KEY LARGO WASTEWATER TREATMENT DISTRICT
ATTN: FAITH DOYLE, CLERK OF THE BOARD
POST OFFICE BOX 491
KEY LARGO, FL 33037

CANCELLATION
SHOULD ANY OF THE POLICIES DESCRIBED HEREIN BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED HEREIN, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER AFFORDING COVERAGE, ITS AGENTS OR REPRESENTATIVES, OR THE ISSUER OF THIS CERTIFICATE.
MARSH USA INC.
BY: John F Wesley *[Signature]*

VALID AS OF: 12/05/03

ADDITIONAL INFORMATION

DATE (MM/DD/YY)
12/05/03

PRODUCER
Marsh Risk & Insurance Services
777 South Figueroa Street
CA License #0437153
Los Angeles, CA 90017
Attn: Michelle Ridgle (213) 346-5588

COMPANIES AFFORDING COVERAGE
COMPANY
E
COMPANY
F

06510 -AECOM-CAS-2003 M&E LLAFL CORAL FL

INSURED
METCALF & EDDY, INC.
800 DOUGLAS ENTRANCE, SUITE 770
CORAL GABLES, FL 33134

COMPANY
G
COMPANY
H

CONTINUED FROM DESCRIPTION SECTION:
AL COVERAGES.

CERTIFICATE HOLDER

KEY LARGO WASTEWATER TREATMENT DISTRICT
ATTN: FAITH DOYLE, CLERK OF THE BOARD
POST OFFICE BOX 491
KEY LARGO, FL 33037

MARSH USA INC. BY
John F Wesley *[Signature]*

POLICED CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)
12/5/2003

PRODUCER DM
Aon Risk Services, Inc. of Southern California
707 Wilshire Boulevard, Suite 6000
Los Angeles, California 90017
(213) 630-3200

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

COMPANIES AFFORDING COVERAGE

COMPANY LETTER	A	Insurance Co. of the State of PA
COMPANY LETTER	B	
COMPANY LETTER	C	
COMPANY LETTER	D	
COMPANY LETTER	E	

INSURED
Metcalfe & Eddy, Inc
800 Douglas Entrance, Suite 770
Coral Gables, FL 33134

COVERAGES

THIS IS TO CERTIFY THAT 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. THE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	ALL LIMITS IN THOUSANDS												
	GENERAL LIABILITY COMMERCIAL GENERAL LIABILITY CLAIMS MADE OCCURRENCE OWNERS & CONTRACTORS PROTECTIVE				<table style="width: 100%; border-collapse: collapse;"> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$</td></tr> <tr><td>PRODUCTS-COMP/OPS AGGREGATE</td><td style="text-align: right;">\$</td></tr> <tr><td>PERSONAL & ADVERTISING INJURY</td><td style="text-align: right;">\$</td></tr> <tr><td>EACH OCCURRENCE</td><td style="text-align: right;">\$</td></tr> <tr><td>FIRE DAMAGE (ANY ONE FIRE)</td><td style="text-align: right;">\$</td></tr> <tr><td>MEDICAL EXPENSE (ANY ONE PERSON)</td><td style="text-align: right;">\$</td></tr> </table>	GENERAL AGGREGATE	\$	PRODUCTS-COMP/OPS AGGREGATE	\$	PERSONAL & ADVERTISING INJURY	\$	EACH OCCURRENCE	\$	FIRE DAMAGE (ANY ONE FIRE)	\$	MEDICAL EXPENSE (ANY ONE PERSON)	\$
GENERAL AGGREGATE	\$																
PRODUCTS-COMP/OPS AGGREGATE	\$																
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EACH OCCURRENCE	\$																
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DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/RESTRICTIONS/SPECIAL ITEMS: RE: VARIOUS PROFESSIONAL AND ENGINEERING SERVICES. MEFL8906

CERTIFICATE HOLDER

KEY LARGO WASTEWATER TREATMENT DISTRICT
ATTN: FAITH DOYLE, CLERK OF THE BOARD
P.O. BOX 491
KEY LARGO, FL 33037

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT. ~~BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.~~
AUTHORIZED REPRESENTATIVE

AMENDMENT NUMBER ONE

To

Contract for Consulting/Professional Service

By and between

Key Largo Wastewater Treatment District

And

Metcalf & Eddy, Inc.

THIS AMENDMENT Number One to the Contract for Consulting/Professional Service ("Contract") by and between the Key Largo Wastewater Treatment District ("District") and Metcalf & Eddy, Inc. is entered into and effective this ___ day of _____, 2004.

WHEREAS, some or all of the services to be provided by Consultant under the Contract will consist of design of, and other services related to, capital improvements; and

WHEREAS, payment or the time of payment for such services may be contingent upon receipt of federal funds or federal approval;

NOW, THEREFORE, the parties agree to, and do hereby amend the Contract by adding a new Paragraph 4.6, as follows:

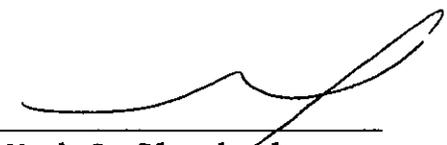
4.6. A Work Authorization issued by the District will include advice whether payment or the time of payment for services described therein will be contingent upon receipt of federal funds or federal approval. The District will exercise due diligence to apply promptly for any needed federal funds or federal approval. Notwithstanding any other provision of this Contract, and any attachment, appendix, or exhibit thereto, the time within which a payment is due for services described in the Work Authorization shall be extended by a duration equal to the time taken to obtain the receipt of federal funds or federal approval.

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

District
Key Largo Wastewater Treatment District

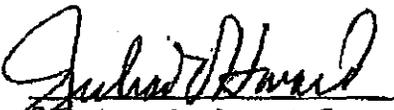
Consultant
Metcalf & Eddy, Inc.

By: _____
Its: Chairman

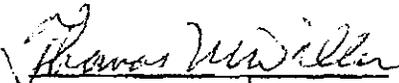
By: 
Name: Mark S. Blanchard
Its: ~~Chief Executive Officer~~
Vice President

Attest:

By: _____
Its: Clerk

By: 
Its: ~~Secretary Assistant Secretary~~
Richard D. Howard
Sr. Vice President

Approved as to Form:

By: 
KLWTD Attorney

Key Largo Wastewater Treatment District

Contract for Consulting/Professional Service

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CONTRACT FOR CONSULTING/PROFESSIONAL SERVICES

This Contract is made and entered into this _____ day of _____, 2003, by and between The PBS&J (Company Name) whose principal place of business is at 2001 N.W. 107 Avenue, Miami, FL 33172 (address) (the "Consultant"), whose Federal I.D. number is 59-0896138 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 Key Largo, Florida.

WITNESSETH

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:

<u>PATRICIA A. CARNEY</u>	<u>, Project Manager</u>	MARC P. WALCH, Project
<u>PBS&J</u>	<u>, Company Name</u>	PBS&J Director
<u>2001 N.W. 107 Avenue</u>	<u>, Address</u>	482 South Keller Road
<u>Miami, FL 33172</u>	<u>, Address</u>	Orlando, FL 32810
<u>(305) 592-7275 Ext. 3218</u>	<u>, Telephone number</u>	(407) 647-7275 Ext. 393
<u>(305) 594-9574</u>	<u>, Fax number</u>	(407) 647-0624

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 DISTRICT'S RESPONSIBILITIES

2.1. 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.

2.2. 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.

2.3. 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.

2.4. 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.

2.5 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 THREE TIME

3.1. 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.

3.2. 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.

3.3. 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.

3.4. 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 FOUR COMPENSATION

4.1. 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.

4.2. 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 District'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.

4.3. 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.

4.4. "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.

4.5. 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 FIVE WAIVER OF CLAIMS

5.1. 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 SIX TRUTH IN NEGOTIATION REPRESENTATIONS AND PUBLIC ENTITY CRIMES STATEMENT

6.1. 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.

6.2. 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.

6.3. 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 SEVEN TERMINATION OR SUSPENSION

7.1. 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.

7.2. If, after notice of termination of this Contract as provided for in paragraph 7.1 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 7.1, then the notice of termination given pursuant to paragraph 7.1 shall be deemed to be the notice of termination provided for in paragraph 7.3 below and Consultant's remedies against District shall be the same as and limited to those afforded Consultant under paragraph 7.3 below.

7.3. 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.

7.4. Upon termination, and final payment of fees hereunder, the Consultant shall deliver to the District all original papers, records, documents, drawings, models, and other material set forth and described in this Contract.

7.5. 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 EIGHT PERSONNEL

8.1. 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.

8.2. 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.

8.3. 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.

8.4. 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.

8.5. 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 NINE
SUBCONTRACTING**

9.1. 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 TEN
FEDERAL AND STATE TAX**

10.1. 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.

10.2. 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 ELEVEN
AVAILABILITY OF FUNDS**

11.1. 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 TWELVE
OWNERSHIP OF DOCUMENTS**

12.1. 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 provided the District shall remain obligated to pay Consultant all monies due under this Contract in the normal payment cycle. 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.

12.2. With respect to and in consideration for the indemnification provided by District in paragraph 12.1. above, Consultant agrees to pay to District \$10.00, the sufficiency and receipt of which is acknowledged through the signing of this Contract.

12.3. 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 THIRTEEN MAINTENANCE OF RECORDS

13.1. 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 FOURTEEN INSURANCE

14.1. 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.

14.2. 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.

14.3. 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 14.7 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 14.7, 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 14.7. 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.

14.4. 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.

14.5. 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.

14.6. 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.

14.7. 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 FIFTEEN
INDEMNIFICATION**

15.1. The consultant agrees to indemnify and hold harmless the District, its officers, and employees from liabilities damages, losses and costs including but not limited to reasonable attorneys' fees, to the extent caused by the negligence, recklessness, or intentionally wrongful conduct of the consultant and other persons employed or utilized by the design professional in the performance of the contract. Any contracts between the design professional and employees or consultants utilized in the performance of this contract shall include language satisfactory to the District's attorney in which the subcontractor agrees to indemnify and hold the District harmless as specified herein.

15.2. The consultant acknowledges and agrees that District would not enter into this Contract without this indemnification of District by the 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.

15.3. 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 SIXTEEN
SUCCESSORS AND ASSIGNS**

16.1. 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 SEVENTEEN
REMEDIES**

17.1. 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 EIGHTEEN
CONFLICT OF INTEREST**

18.1. 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.

18.2. 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 NINETEEN
DEBT**

19.1. 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
NONDISCRIMINATION**

20.1. 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-ONE
ENFORCEMENT COSTS**

21.1. 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-TWO
NOTICE**

22.1. 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-THREE
MODIFICATION OF SCOPE OF WORK**

23.1. 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.

23.2. 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.

23.3. 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-FOUR MODIFICATION

24.1. 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-FIVE MISCELLANEOUS

25.1. 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.

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

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

25.4. 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.

25.5. 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.

25.6. 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-SIX
SEVERABILITY**

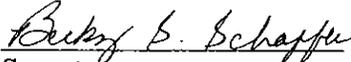
26.1. If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such term or provision, to persons or circumstances other than those as to which it 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.

Consultant: PBS&J
(Print or Type Company Name)

BY: 
~~Chief Executive Officer (signature)~~
Richard A. Wickett
Chairman of the Board

(Print or Type Name)


Secretary
Becky S. Schaffer

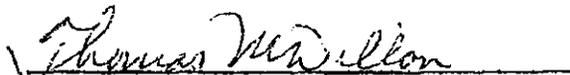
**KEY LARGO WASTEWATER TREATMENT
DISTRICT**

Its Chair

ATTEST:

Clerk to the Board

Approved as to form



KLWTD Board Attorney

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

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 contracts 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 B

CONSULTANT'S EMPLOYEE HOURLY RATE SCHEDULE

Job Class/Title	Hourly Rate
Principal	\$186
Project Manager	\$146
Sr Engineer	\$102
Junior Engineer	\$78
Technical Advisory Staff	\$189
Sr Architect	\$108
Scientist I	\$78
Scientist II	\$93
Construction Manager	\$128
Resident Inspector	\$83
Cost Estimator	\$98
Survey Manager	\$98
Surveyor II	\$77
Surveyor I	\$60
Rodperson	\$30
Draftsperson	\$57
Data Processing	\$57
Secretary	\$41

NOTE: The rates shown above shall be firm for a period of one year starting on 07/01/03

PBS&I (07-01-03)

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.]

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MMDDYYYY)
12/17/2003

PRODUCER (305)822-7800 FAX (305)827-0585
 Collinsworth, Alter, Fowler, Dowling
 & French Group Inc.
 P. O. Box 9315
 Miami Lakes, FL 33014-9315

INSURED Post, Buckley, Schuh & Jernigan, Inc.
 d/b/a PBS&J
 2001 NW 107 Avenue
 Miami, FL 33172

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.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Continental Casualty Company A XV	
INSURER B: American Casualty Co of Reading, PA A XV	
INSURER C: Lloyds of London A- XV	
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 ADD'L LTR	INSR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MMDDYY)	POLICY EXPIRATION DATE (MMDDYY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Contractual Liab <input checked="" type="checkbox"/> Broad Form PD GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input checked="" type="checkbox"/> LOC	GL247843206	09/30/2003	09/30/2004	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 25,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGG \$ 2,000,000
		AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	BUA247843223	09/30/2003	09/30/2004	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
		EXCESS UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	CUP2068179760	09/30/2003	09/30/2004	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$ \$ \$
B		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	WC247843268	09/30/2003	09/30/2004	<input checked="" type="checkbox"/> WC STATL TORY LIMITS <input type="checkbox"/> OTH-ER EL. EACH ACCIDENT \$ 1,000,000 EL. DISEASE - EA EMPLOYEE \$ 1,000,000 EL. DISEASE - POLICY LIMIT \$ 1,000,000
		OTHER Professional and Pollution Liability	WC247843268	09/30/2003	09/30/2004	\$2,000,000 Limits Ea Claim and Annual Aggregate 11/11/1961 Retrodate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 Ref: Key Largo Wastewater Treatment District's Request for Qualifications for Continuing Engineering Services. Key Largo Wastewater Treatment District is named additional insured on the general and auto liability, excluding professional services. Insurance evidenced by this certificate shall be primary. Said coverage contains severability of interest provision. Issuing companies will provide 30 days written notice of cancellation, non-renewal and/or material reduction of coverage/limits.

CERTIFICATE HOLDER

Key Largo Wastewater Treatment District
 P.O. Box 491
 Key Largo, FL 33037

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
 Meade Collinsworth/EEC 

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

AMENDMENT NUMBER ONE

To

Contract for Consulting/Professional Service

By and between

Key Largo Wastewater Treatment District

And

THIS AMENDMENT Number One to the Contract for Consulting/Professional Service ("Contract") by and between the Key Largo Wastewater Treatment District ("District") and _____ is entered into and effective this ____ day of _____, 2004.

WHEREAS, some or all of the services to be provided by Consultant under the Contract will consist of design of, and other services related to, capital improvements; and

WHEREAS, payment or the time of payment for such services may be contingent upon receipt of federal funds or federal approval;

NOW, THEREFORE, the parties agree to, and do hereby amend the Contract by adding a new Paragraph 4.6, as follows:

4.6. A Work Authorization issued by the District will include advice whether payment or the time of payment for services described therein will be contingent upon receipt of federal funds or federal approval. The District will exercise due diligence to apply promptly for any needed federal funds or federal approval. Notwithstanding any other provision of this Contract, and any attachment, appendix, or exhibit thereto, the time within which a payment is due for services described in the Work Authorization shall be extended by a duration equal to the time taken to obtain the receipt of federal funds or federal approval.

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

District
Key Largo Wastewater Treatment District

Consultant
PBS&J

By: _____
Its: Chairman

By: 
Name: Richard A. Wickett
Its: ~~Chief Executive Officer~~

Attest:

Chairman of the Board

By: _____
Its: Clerk

By: Bradley P. Schryver
Its: Secretary

Approved as to Form:

By: Thomas M. Dillon
KLWTD Attorney

**KLWTD Board Meeting
February 4, 2004**

Item F - 3

**Approval of the Revised Haskell
Change Proposal for Key Largo Park**

CHANGE ORDER AGREEMENT
Key Largo Wastewater Treatment District

Contract No.:	Design-Build Wastewater Treatment System	Change Order No.:
	Key Largo Trailer Village Area	001
	(The Haskell Company)	

The following changes to the Contract are hereby made part of the Contract Documents.

ORIGINAL CONTRACT PRICE	\$ 7,970,000.00
Price of all previous Change Orders	\$ 0.00
PRICE of this Change Order	\$ 76,794.00
The Current Contract Price including this Change Order	\$ 8,046,794.00

II. ORIGINAL CONTRACT COMPLETION DATE	
Original Completion Date	<u>September 1, 2005</u>
Total of all previous Contract Time Adjustments	<u>0 Days</u>
Contract Time Adjustment this Change Order	<u>0 Days</u>
Revised Contract Time	<u>N/A</u>
Revised Completion Date	<u>September 1, 2005</u>

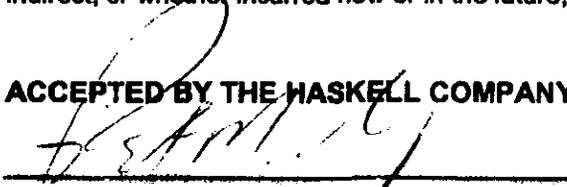
III. WORK CHANGED BY THIS CHANGE ORDER

Item	Change Proposal	Issue	Description	Cost
1	No. 1 – Rev 2	02-001	Key Largo Park Design	\$76,794.00
			Change Order Total	\$76,794.00

All requirements of the original Contract Documents shall remain in full force and effect except as modified herein. Work or services affected by this Change Order are subject to all provisions of the original Contract Documents not specially changed by this Change Order. KLWTD and THE HASKELL COMPANY agree that the sum agreed to in this Change Order constitutes a full and complete settlement of the issues set forth in this Change Order. THE HASKELL COMPANY accepts the terms of this Change Order as full compensation for all costs of equipment, manpower, materials, overhead, profit and delay damages, and for all its costs, whether direct or indirect, or whether incurred now or in the future, related to the issues set forth in this Change Order.

ACCEPTED BY THE HASKELL COMPANY:

APPROVED BY KLWTD:



 Peter M. Kinsley

Title: Division Leader Date: 1/26/04

 Title: Date:



THE HASKELL COMPANY

AMERICA'S DESIGN-BUILD LEADER®

Peter M. Kinsley
Division Leader - Water

January 23, 2004

**Re: Wastewater Management System For
The Key Largo Trailer Village Area
Key Largo, Florida
Change Proposal No. 1 – Revision 2
Issue No. 02-001 – Key Largo Park
Design and Construction (Design
Only)**

Mr. Robert Sheets
Government Services Group, Inc.
1500 Mahan Drive
Suite 250
Tallahassee, Florida 32308

Dear Mr. Sheets:

Per the request of the Key Largo Wastewater Treatment District (KLWTD) provided below is our amended proposal to provide design services for the Key Largo Park project. As you are aware, The Haskell Company's original proposal dated November 11, 2003 was reviewed and approved by the KLWTD on November 19, 2003 and performance of the services associated with that proposal were initiated immediately upon approval. The purpose of this document is to expand the November 11, 2003 proposal to include commitments with regard to deliverables and schedule in which a formal Change Order can be prepared and executed.

Scope of Work

The Key Largo Park project was previously designed such that the project could be bid and constructed in three separate phases. The flexibility provided by this design approach introduced additional construction cost that could be reduced if the collection system of the Key Largo Park was redesigned into a single, fully coordinated project and combined with the collection system of the Key Largo Village project.

As stated in the attached December 16, 2003 letter, The Haskell Company's engineer Brown and Caldwell will review the existing design of the Key Largo Park and prepare a revised design approach based upon a single, fully coordinated collection system being constructed in a single phase. By redesigning the collection system in this manner, significant footage of collection system piping will be eliminated thus reducing the cost of construction.

Once the 60% Design Development Submittal is reviewed and approved by the KLWTD, The Haskell Company will prepare a cost proposal for permitting and construction of the redesigned collection system. The cost proposal will provide verification of the anticipated savings as well as provide the KLWTD the option of combining the design and construction of the Key Largo Park project into the Key Largo Village project Design-Build Agreement.

Mr. Robert Sheets
January 23, 2004
Page 2

Deliverables

Design of the Key Largo Park project will be simultaneous with design of the Key Largo Village project and includes the following deliverables and issue dates:

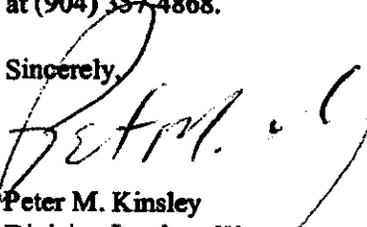
- Concept Review Submittal - Issue On February 4, 2004
- 30% Design Development Submittal - Issue On January 7, 2004 (Complete)
- 60% Design Development Submittal - Issue On February 18, 2004
- 90% Design Development Submittal - Issue On March 31, 2004
- FINAL Design Development Submittal - Issue On April 28, 2004
- Design-Build Cost Proposal - Issue On March 1, 2004

Cost and Payment Terms

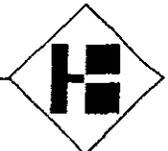
The lump sum cost for this proposal is Seventy-Six Thousand Seven Hundred and Ninety-Four Dollars and Zero Cents (\$76,794.00). Payment for services rendered will be on a percent complete basis billed monthly as is defined by the Design-Build Agreement for the Key Largo Village project.

Should you have any questions or require further information, please do not hesitate to contact me at (904) 357-4868.

Sincerely,


Peter M. Kinsley
Division Leader - Water

cc: Mr. Walt Messer, DN Higgins, Inc.
Mr. Stuart Oppenheim, Brown and Caldwell
Issue No. 02-001





THE HASKELL COMPANY

ARCHITECTURE • ENGINEERING • CONSTRUCTION • REAL ESTATE SERVICES

CHANGE PROPOSAL SUMMARY

NO. 1R2

PROJECT NAME: Wastewater Management System for the Key Largo Trailer Village Area	PROJECT NO: THC - 6701643
LOCATION: Key Largo, Florida	DATE: 11/11/2003
OWNER: Key Largo Wastewater Treatment District (KLWTD)	DRAWING NO: Not Applicable
ISSUE NO.: 02-001 - Key Largo Park Design and Construction (DESIGN ONLY)	SPEC. SECTION: Not Applicable

REFERENCE RFI NO.: _____ WORK DIRECTIVE NO.: _____ RFP NO.: KLWTD Letter dated 8/28/03

DESCRIPTION: Per the request of the KLWTD, provide engineering services for the Key Largo Park project under the terms and conditions of the Key Largo Trailer Village project. The scope of Change Proposal No. 1, Revision 2 includes design only and specifically excludes permitting and construction. All warranties and guarantees included in the Design-Build Agreement are enforceable only for work designed and constructed and are specifically excluded from design only services. It is understood that it is the intent of the KLWTD to issue subsequent change orders for construction of the Key Largo Park project once design is complete and final construction cost are determined.

PRICING INFORMATION

1. DIRECT LABOR	SKILL/TRADE	MAN-HOURS	RATE	COST
1.A PRODUCT LABOR:	Project Director	20.00 MH		1,800.00
	Project Manager	0.00 MH	\$ 70.00	\$ -
	Superintendent	0.00 MH	\$ 70.00	\$ -
	Foreman	0.00 MH	\$ 45.00	\$ -
	Operator	0.00 MH	\$ 45.00	\$ -
	Millwright	0.00 MH	\$ 35.00	\$ -
	Carpenter	0.00 MH	\$ 35.00	\$ -
	Laborer	0.00 MH	\$ 30.00	\$ -
	SUBTOTAL (1)			\$ 1,800.00

2. MATERIALS AND EQUIPMENT	DESCRIPTION	QUANTITY	UNIT PRICE	COST
2.A INCORPORATED IN WORK:	General Conditions	1	\$ 1,000.00	\$ 1,000.00
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
2.B EQUIPMENT:			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
2.C SALES TAX:	Sales Tax (LS)	1	\$ -	\$ -
	SUBTOTAL (2)			\$ 1,000.00

3. SUBCONTRACTORS	NAME	DESCRIPTION OF WORK	COST	
3.A DIRECT:				
3.B LOWER TIER:	Not Applicable	Not Applicable		
	SUBTOTAL (3)			\$ -

4. CONSULTANTS	NAME	DESCRIPTION OF WORK	COST
	Brown and Caldwell	Vacuum Sewer System Engineering	\$ 68,207.00
			SUBTOTAL (4)
			\$ 68,207.00

5. FEE STRUCTURE	NAME	COST	PERCENT	FEE
A. Contractor				
1. Direct Labor:				
2. Material and Equipment:		1,000.00	5%	\$ 50.00
B. Subcontractors:		\$ -	5%	\$ -
C. Consultants		\$ 68,207.00	5%	\$ 3,410.35
				\$
				SUBTOTAL (1-5)
				\$
D. Bonds and Insurance			3.00%	
TOTAL COST OF THIS CHANGE PROPOSAL (All deductions shown in parentheses):				TOTAL
				\$ 76,794

EXTENSION OF CONTRACT TIME:
As part of this Change Proposal, the Contractor requests an extension of Contract Time of 0 days.
Justification:

If direction to proceed is issued such that design of the Key Largo Park can occur concurrently with design of the Key Largo Trailer Village, no additional time will be added to the construction schedule. If direction to proceed is not issued during the November 19, 2003 Board Meeting, then design of the Key Largo Trailer Village will have advanced such that designing the two projects concurrently will not be possible and additional time may be required to complete this scope of work. In additions, delays in design will impact future construction.

RECORD DOCUMENTS: As part of this Change Proposal, the Contractor shall provide applicable record drawing information effected by this change.
Signed: _____
Title: Project Director Date: 11/11/2003
Contractor: The Haskell Company

RECOMMENDATION by ENGINEER: (Forward to Owner for Review)

See attached Brown and Caldwell letter.

Signature of Engineer: _____ Date: _____

ACCEPTANCE BY OWNER: (return to engineer for processing)

Signature of Owner's Authorized Representative: _____ Date: _____

Engineer to prepare necessary change order _____ Engineer to Re-negotiate change proposal as noted above _____ Other as above _____

OWNER:	CONTRACTOR:	PROJECT:
	FIELD:	NO.:
ENGINEER:	OTHER:	DATE:

DESCRIPTION	COST CODE	QUANTITY	UOM	LABOR		MAY & SUBCONTRACTS			COMMENTS	
				UNIT COST	EXTENSION	UNIT COST	EXTENSION			
PROJECT MANAGEMENT										
Project Director	01110	1.0	WK	3,600.00		0	0.00	0	\$0	w/ Change Proposal
Project Manager	01111	1.0	WK	2,800.00		0	0.00	0	\$0	
Assistant Project Manager	01112	1.0	WK	1,900.00		0	0.00	0	\$0	
Superintendent	01121	1.0	WK	2,500.00		0	0.00	0	\$0	
	01521	0.0	MTH			0	350.00	0	\$0	
	01521	0.0	LS			0	0.00	0	\$0	
	01521	0.0	MTH			0	190.00	0	\$0	
	01533	0.0	LS			0	0.00	0	\$0	
	01532	0.0	EA			0	0.00	0	\$0	
	01533	0.0	LS			0	0.00	0	\$0	
	01532	0.0	EA			0	0.00	0	\$0	
	01531	0.0	MTH			0	250.00	0	\$0	
	01531	0.0	MTH			0	100.00	0	\$0	
		0.0	MTH			0	100.00	0	\$0	
		1.0	LS			0	1,000.00	0	\$1,000	
	01342	0.0	TRIP			0	500.00	0	\$0	
	01342	0.0	TRIP			0	300.00	0	\$0	
	01343	0.0	TRIP			0	0.00	0	\$0	
	01342	0.0	TRIP			0	500.00	0	\$0	
	01348	0.0	MTH			0	100.00	0	\$0	
	01822	0.0	EACH			0	0.00	0	\$0	
	01811	0.0	MTH			0	1,500.00	0	\$0	
	01813	0.0	MTH			0	0.00	0	\$0	
		0.0	MTH			0	500.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
		0.0	EA			0	0.00	0	\$0	
		0.0	MTH			0	0.00	0	\$0	
	01911	0.0	WK			0	0.00	0	\$0	
	01921	0.0	LS			0	0.00	0	\$0	
	01911	0.0	MTH			0	0.00	0	\$0	
	01411	0.0	LS			0	0.00	0	\$0	
	01413	0.0	LS			0	0.00	0	\$0	
	01413	0.0	LS			0	0.00	0	\$0	
	01225	0.0	LS			0	0.00	0	\$0	
		0.0	MTH			0	0.00	0	\$0	
		0.0	MTH			0	400.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
		0.0	MTH			0	300.00	0	\$0	
		0.0	MTH			0	250.00	0	\$0	
		0.0	MTH			0	75.00	0	\$0	
		0.0	MTH			0	200.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
		0.0	EACH			0	0.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
	01511	0.0	LS			0	0.00	0	\$0	
	01511	0.0	LS			0	0.00	0	\$0	
	01511	0.0	MTH			0	500.00	0	\$0	
	01511	0.0	LS			0	0.00	0	\$0	
	01518	0.0	MTH			0	0.00	0	\$0	
	01518	0.0	LS			0	0.00	0	\$0	
	01518	0.0	MTH			0	100.00	0	\$0	
	01516	0.0	GAL			0	0.00	0	\$0	
		0.0	HR			0	0.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
		0.0	MTH			0	300.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
	01535	0.0	MTH			0	125.00	0	\$0	
	01541	0.0	MTH			0	200.00	0	\$0	
	01541	0.0	MTH			0	200.00	0	\$0	
	01551	0.0	SF			0	0.00	0	\$0	
	01551	0.0	LS			0	0.00	0	\$0	
	01552	0.0	SF			0	0.00	0	\$0	
		0.0	MTH			0	0.00	0	\$0	
	01551	0.0	LF			0	0.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
		0.0	HR			0	0.00	0	\$0	
	01551	0.0	LS			0	0.00	0	\$0	
		0.0	LS			0	0.00	0	\$0	
	01551	0.0	SF			0	0.00	0	\$0	
Safety Glasses	01556	0	EA			0	0.00	0	\$0	
Hard Hats	01556	0	EA			0	0.00	0	\$0	



GENERAL CONDITIONS ESTIMATE
Design & Permitting - Concurrent

DATE:

PREPARED BY: PMK

DESCRIPTION	DESI CODE	QUANTITY	U/M	LABOR		MAT & SUBCONTRACTS			COMMENTS
				UNIT COST	EXTENSION	UNIT COST	EXTENSION		
Back Support	01556	0.0	EA			0	0.00	0	\$0
Drug Testing	01555	0.0	EA			0	0.00	0	\$0
Safety Equipment & Supplies	01556	0.0	MTH			0	0.00	0	\$0
Safety Award Program	01831	0.0	% LBR			0	0.00%	0	\$0
SITE SECURITY									
Temporary Fence	01553	0.0	LF			0	0.00	0	\$0
Alarm Service	01554	0.0	MTH			0	0.00	0	\$0
Guard Removal/Re Water	01554	0.0	HR			0	0.00	0	\$0
TEMPORARY FACILITIES									
Road Maintenance	01524	0.0	LS			0	0.00	0	\$0
Roads lay down and trailer area	01524	0.0	LS			0	0.00	0	\$0
CLEAN-UP									
Daily Cleanup - Job Site	01543	0.0	WK			0	0.00	0	\$0
Trash Hauling & Dump Charges - Job Site	01542	0.0	WK			0	0.00	0	\$0
Clean Up - Office Trailers	01543	0.0	MTH			0	0.00	0	\$0
Road Clean Up	01524	0.0	WK			0	0.00	0	\$0
CLOSE-OUT									
Municipal	01440	0.0	LS			0	0.00	0	\$0
Warranty Trg		0.0	LS			0	0.00	0	\$0
COMP. OWNED EQUIPMENT									
Company Owned Trucks	01611	0.0	MTH			0	0.00	0	\$0
Company Owned Other Equipment	01612	0.0	MTH			0	0.00	0	\$0
Equipment Rental Insurance		0.0	LS			0	0.00	0	\$0
EQUIPMENT - OUTSIDE VEND.									
Not-Company Owned Trucks/Trailers	01621	0.0	MTH			0	0.00	0	\$0
Not-Company Owned Other Equipment	01622	0.0	MTH			0	0.00	0	\$0
EQUIP. FUEL & MAINTENANCE									
Maintenance & Repairs	01600	0.0	MTH			0	0.00	0	\$0
Equipment & Truck Fuel	01602	0.0	MTH			0	0.00	0	\$0
Industrial Gases	01601	0.0	MTH			0	0.00	0	\$0
NON-POWER TOOLS									
Expendable Tools	01641	0.0	LS			0	0.00	0	\$0
FREIGHT									
Freight & Unloading	01350	0.0	LS			0	0.00	0	\$0
MAT'L HANDLING EQUIP.									
Crane	01623	0.0	DY			0	0.00	0	\$0
Material Hoist	01624	0.0	LS			0	0.00	0	\$0
Lull	01622	0.0	MTH			0	0.00	0	\$0
Scaffolding	01627	0.0	MTH			0	0.00	0	\$0
PERMITS, LICENSES & INS.									
DEP Permit	01311	0.0	LS			0	0.00	0	\$0
County Permit	01312	0.0	LS			0	0.00	0	\$0
DGT Permit	01312	0.0	LS			0	0.00	0	\$0
SFWMD Permit	01312	0.0	LS			0	0.00	0	\$0
Residential Permit	01312	0.0	LS			0	0.00	0	\$0
Plumbing Permit	01312	0.0	LS			0	0.00	0	\$0
Permit Expediting	01312	0.0	LS			0	0.00	0	\$0
Licenses	01316	0.0	LS			0	0.00	0	\$0
SURETY BONDS									
Sub Grant	01332	0.0	LS			0	0.00	0	\$0
Performance & Payment Bond	01331	0.0	LS			0	0.00	0	\$0
General Liability Insurance	01331	0.0	LS			0	0.00	0	\$0
Builder's Risk Insurance	01331	0.0	LS			0	0.00	0	\$0
SPECIAL SERVICES									
Legal Expense	01351	0.0	LS			0	0.00	0	\$0
LABOR BURDEN									
Payroll, Faxes, & Insurance	01041	0.0	% LBR			0	0.00%	0	\$0
Admin. Premium	01043	0.0	% LBR			0	0.00%	0	\$0
PCE Burden	01042	0.0	% LBR			0	0.00%	0	\$0

TOTALS>>>>>>>>>>

\$1,000

West Side Rd
8300 NW 33rd Street, Suite 100
Miami, Florida 33122

Tel: (305) 418-4090
Fax: (305) 418-4924

www.browncaldwell.com

**BROWN AND
CALDWELL**

December 16, 2003

Peter Kinsley
Division Leader - Water/Wastewater
The Haskell Company
Haskell Building -
Jacksonville, FL 32231-4100

24533.001/1

Subject: Change Order to Design Build Contract with Key Largo Wastewater Treatment Board for redesign services for Key Largo Park

Dear Mr. Kinsley:

Please find attached our Scope of Work (Exhibit A) and our Fee Schedule (Exhibit B) for the engineering design service associated with the redesign of Key Largo Park wastewater collection system.

We anticipate combining the Key Largo Park and the Key Largo Trailer Village collection system construction plans and specification into one project. We anticipate submitting for one construction permit.

Please issue an authorization to proceed with this design as soon as possible.

Should you have any questions please do not hesitate to contact Joe Paterniti or me at 305-418-4090.

Very truly yours,

BROWN AND CALDWELL



Stuart Oppenheim, P.E.
Project Manager

Joe Paterniti, Brown and Caldwell

RECEIVED
THE HASKELL COMPANY

22 03

JACKSONVILLE, FLORIDA
HOME OFFICE

Key Largo Park Collection System Redesign Services

EXHIBIT A

SCOPE OF WORK

Background

The Key Largo Wastewater Treatment Board (KLWWTB) has selected The Haskell Company (THC) for their Design Build Consultant for the Key Largo Trailer Village. Brown and Caldwell (BC) is the Engineering Design Consultant on THC team. The KLWWTB has requested that THC prepare a change order to include the Key Largo Park collection system to the project. This Scope of Work represents a description of BC's tasks required to incorporate the Key Largo Park collection system into the project.

Another engineering firm recently designed Key Largo Park. This previous design was a completed so that the system could be bid and constructed in phases. Our revised design will combine the Park and the Trailer village into a single project. They will be constructed as one project. The KLWWTB anticipates there will be cost savings with this approach. They hope to take advantage of these savings to serve as many residents as possible with this project.

BC has prepared three (3) scenarios for the Park collection system layout and assisted with the estimation of construction cost for each. These costs were shared with the KLWWTB. Our Scope of Work is based on serving all the occupied lots in the Key Largo Park and adjacent Sunset Waterway subdivisions. Collection mains will be provided in front of all unoccupied lots for future connection.

The following amended tasks are in the same order as in our original contract with THC. These tasks are in addition to those previously authorized. We anticipate preparing concept level, 60%, 99% and final completion level plans and specifications under the following Scope of Work:

Scope of Work

TASK 4A – Concept Review Submittal

Objective: To provide a basis of understanding of what will be incorporated into the completed project.

Activities:

4.1 Concept Review Submittal Report

Principal elements to be included in the Basis of Design Report include:

- Project Description
- Design Data
- Basis of Design Standards
- Project Master Schedule and Design Period Schedule
- Geotechnical Investigation Reports
- Design Drawing List
- Technical Specifications List
- Preliminary Collection System Layout

4.2 Submit Documents

Submit 7 Copies of Draft and Final Concept Review Submittal

Products:

- I. Completed draft and final concept review submittal

**TASK 9A – PARK COLLECTION SYSTEM 60% DESIGN DEVELOPMENT
PROGRESS SUBMITTAL**

Objective: To prepare the Park Collection System 60% Design Development Submittal

Activities:

9.1 Prepare Park Collection System Design Development Progress Submittal

- Park Collection System Plan And Profiles
- Park Collection System Details specific to the Park Project
- Park Collection System Specifications specific to the Park Project.

Based on Scenario B (Vacuum mains in front of all lots, no pits for vacant lots) it is estimated that at least 26 new drawings will be required,

Submit Documents

Submit Seven copies of the documents a set of reproducible, and a CD will be provided.

Products:

Product from this task is the Park Collection System 60% Design Development Progress Submittal.

TASK 10A – PARK COLLECTION SYSTEM PRE-FINAL DESIGN SUBMITTAL (99%)

Objective: To prepare Park Collection System pre-final Design Submittal (99%)

Activities:

Prepare Park Collection System Pre-Final Design Submittal

Park Collection System Plan And Profiles

Park Collection System Details

Park Collection System Specifications

Submit Documents

Seven copies of the documents a set of reproducible, and a CD will be provided.

Products:

Product from this task is the Park Collection System Pre-Final Design Submittal.

TASK 11A – PARK COLLECTION SYSTEM FINAL DESIGN

Objective: To prepare Park Collection System Final Design Documents

Activities:

11.1 Preparation of Park Collection System plans and specifications.

- Park Collection System Plan and Profiles
- Park Collection System Details
- Park Collection System Specifications

Products

- 1 Product from this task is the final Park Collection System design submittal.

ADDITIONAL SERVICES – EVALUATE SCENARIOS

Objective: In response to District policy proposals, provide Engineer's opinion of the associated design and cost impacts upon the collection system.

Activities:

The District recognizes that certain policy issues remain to be resolved. Some of these policy issues or scenarios can have a significant impact upon the project's engineering and construction cost. Brown and Caldwell will respond to questions posed by the District by assessing the policy impacts through the development of engineering and construction cost opinions. This Task will be considered an Additional Service and will be based on the number of scenarios that are requested for evaluation.

Products:

1. Products from this Task will be a schedule of estimated material quantities and marked-up drawings that identify the scenario's collection system.

Exhibit B

Key Largo Park Collection System ReDesign Services

TASK	DESCRIPTION	BC				
1	Project Coordination	\$0.00				
2	Geotechnical Engineering	\$0.00				
3	Surveying	\$0.00				
4	Concept Review Submittal	\$12,519.00				
5	Design Development Progress Submittal (30 %)	\$0.00				
6	Design Development Progress Submittal (60 %)	\$0.00				
7	Pre-Final Design Submittal (99 %)	\$0.00				
8	Final Design Submittal	\$0.00				
9	Design Progress Submittal - Collection System (60%)	\$27,752.80				
10	Pre-Final Design Submittal (99%)	\$20,663.60				
11	Final Design - Collection System	\$7,271.00				
12	Permitting	\$0.00				
13	Plans	\$0.00				
	Subtotal	\$68,206.60				

KLWTD Board Meeting February 4, 2004

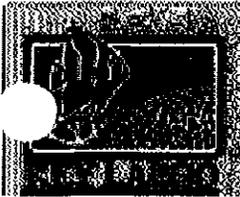
Item G - 1

**Annual Audit and
CAFR Presentation**
(Please see the supplemental report.)

**KLWTD Board Meeting
February 4, 2004**

Item G - 2

Financial Update



**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
Thomas Dillon, Board Attorney

FROM: David R. Miles, Director of Finance

DATE: January 28, 2004

RE: Quarterly Financial Reports for the Quarter Ended December 31, 2003

Dear Commissioners:

Attached are four quarterly financial reports from the Key Largo Wastewater Treatment District accounting records as of December 31, 2003. The first is a Statement of Revenues and Expenses and Changes in Fund Net Assets for the Key Largo. Year to date it shows operating revenue has exceeded expenses by \$29,936.42 due to receipt of the SFWMD grant. Total net assets are \$ (46,205.28).

The second report shows a balance sheet (Statement of Net Assets in Governmental Accounting). Our assets are cash of \$62,257.72, with liabilities of \$108,462.50. Net assets again equal \$ (46,205.28).

The third report is a Statement of Revenues and Expenditures, with a budget to actual comparison. It shows for the operating account our total revenues in the first quarter of FY 2004 were \$21.93, comprised entirely of interest income. Our expenses were \$40,082.46, leaving an operating deficit of \$40,060.53. This was expected by management, pending receipt of the Monroe County MSTU taxes (received on January 16, 2004).

The fourth report is a pair of charts showing budget to actual revenues and expenses for the two capital projects. For Key Largo Park, there was no revenue and \$7,791.76 in expenditures. For Key Largo Trailer Village, there was \$100,000.00 in revenue and \$13,726.86 in expenditures, for a net surplus of \$86,273.14 in the quarter.

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

KEY LARGO WASTEWATER TREATMENT DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

For The Quarter Ended December 31, 2003

OPERATING REVENUES:

Grants	\$ 100,000.00
Other operating revenues	-
Total operating revenues	<u>\$ 100,000.00</u>

OPERATING EXPENSES:

Board meeting expense	\$ 7,200.00
Copy/delivery charges	2,711.40
Postage expense	(656.79)
Insurance expense	3,750.00
Miscellaneous expenses	
Legal newspaper ads	826.77
Dues & subscriptions	175.00
Travel	-
Telephone	168.73
P/R tax-FICA	446.40
P/R tax-Medicare	104.40
Management contract	38,650.00
Legal - general counsel	1,419.05
Utility rate consultant	-
Engineering services	15,268.62
Audit & accounting services	-
Regulatory/permit fees	-
Total operating expenses	<u>\$ 70,063.58</u>

Operating income (loss)	<u>\$ 29,936.42</u>
-------------------------	---------------------

NON OPERATING REVENUES (EXPENSES):

Interest income	21.93
Total non operating revenues (expenses)	<u>\$ 21.93</u>

Change in net assets	29,958.35
Total net assets beginning of year	<u>(76,163.63)</u>

Total net assets end of December 2003	<u><u>\$ (46,205.28)</u></u>
---------------------------------------	------------------------------

Key Largo Wastewater Treatment District
Statement of Net Assets
As of December 31, 2003

ASSETS:

Cash and cash equivalents	\$ 62,257.72
Total assets	<u>\$ 62,257.22</u>

LIABILITIES:

Current liabilities:

Accounts payable	\$ -
Accrued interest payable	2,212.50
Accrued expenses	<u>6,250.00</u>
Total current liabilities	<u>\$ 8,462.50</u>

Non current liabilities:

Due to Monroe County	<u>\$ 100,000.00</u>
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Total liabilities	<u>\$ 108,462.50</u>
-------------------	----------------------

NET ASSETS:

Unrestricted	<u>(46,205.28)</u>
Total net assets	<u>\$ (46,205.28)</u>

Key Largo Wastewater Treatment District
Statement of Revenues and Expenditures
From 10/1/2003 Through 12/31/2003

01KL - Key Largo Wastewater Treat Dis

		Total Budget	First Quarter Budget	First Quarter Actual	Quarterly Budget Variance	Percent Quarterly Budget	Total Budget Variance
Special Projects	519002	122,000.00	30,500.00	0.00	30,500.00	0.00	122,000.00
Total Board Expenses		247,428.00	61,857.00	14,725.91	47,131.09	23.81	232,702.09
Operating & Management Services							
Management Contract	512005	129,600.00	32,400.00	32,400.00	0.00	100.00	97,200.00
Total Operating & Management		129,600.00	32,400.00	32,400.00	0.00	100.00	97,200.00
Professional Services							
Legal - General Counsel	514001	60,000.00	15,000.00	1,419.05	13,580.95	9.46	58,580.95
Audit & Accounting Services	514006	10,300.00	2,575.00	0.00	2,575.00	0.00	10,300.00
Construction Services	514008	0.00	0.00	0.00	0.00	0.00	0.00
Total Professional Services		70,300.00	17,575.00	1,419.05	16,155.95	8.07	68,880.95
Other Costs							
Special Litigation	514009	48,000.00	12,000.00	0.00	12,000.00	0.00	48,000.00
Web Page Enhancements	515012	5,000.00	1,250.00	0.00	1,250.00	0.00	5,000.00
Interest Paid	570002	0.00	0.00	0.00	0.00	0.00	0.00
Total Other Costs		53,000.00	13,250.00	0.00	13,250.00	0.00	53,000.00
Transfers Out							
Transfer to Debt Service Fund	591001	21,525.00	5,381.25	0.00	5,381.25	0.00	21,525.00
Capital Program Transfer	591004	7,000.00	1,750.00	0.00	1,750.00	0.00	7,000.00
Total Transfers Out		28,525.00	7,131.25	0.00	7,131.25	0.00	28,525.00
Total Expenses		528,853.00	132,213.25	40,082.46	92,130.79	30.32	480,308.04
Increase (Decrease)		77,209.00	19,302.25	(40,060.53)	(59,362.78)	(207.54)	(116,775.89)

Key Largo Wastewater Treatment District

Statement of Revenues and Expenditures

From 10/1/2003 Through 12/31/2003

01KL - Key Largo Wastewater Treat Dis
 KL0401 - Key Largo Park Construction

		Total Budget	Current Year Actual	Percent Total Budget Remaining	Total Budget Variance
Revenues					
FDEP WW Grant	334351	1,660,000.00	0.00	(100.00)	(1,660,000.00)
FDEP PH II WW Construction	334352	187,312.00	0.00	(100.00)	(187,312.00)
DCA- Cess Pit Grant	334353	690,445.00	0.00	(100.00)	(690,445.00)
304 Cess Pit Fund MC	337303	705,200.00	0.00	(100.00)	(705,200.00)
MC 148 Fund	337306	<u>356,000.00</u>	<u>0.00</u>	<u>(100.00)</u>	<u>(356,000.00)</u>
Total Revenues		<u>3,598,957.00</u>	<u>0.00</u>	<u>(100.00)</u>	<u>(3,598,957.00)</u>
Expenses					
Professional Services					
Vacuum Collection System Const	535001	1,097,000.00	0.00	100.00	1,097,000.00
Tie-in To Trailer Vill Vacuum	535002	60,000.00	0.00	100.00	60,000.00
Proport. Share KL WWTP	535003	600,000.00	0.00	100.00	600,000.00
Future Construction	535004	1,336,957.00	0.00	100.00	1,336,957.00
Plan, Design, Permit, Bidding	535101	355,000.00	0.00	100.00	355,000.00
Const. Mgmt. & Admin.	535102	<u>150,000.00</u>	<u>7,791.76</u>	<u>94.81</u>	<u>142,208.24</u>
Total Professional Services		<u>3,598,957.00</u>	<u>7,791.76</u>	<u>99.78</u>	<u>3,591,165.24</u>
Total Expenses		<u>3,598,957.00</u>	<u>7,791.76</u>	<u>99.78</u>	<u>3,591,165.24</u>
Increase (Decrease)		<u>0.00</u>	<u>(7,791.76)</u>		<u>(7,791.76)</u>

Key Largo Wastewater Treatment District

Statement of Revenues and Expenditures

From 10/1/2003 Through 12/31/2003

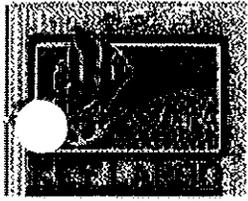
01KL - Key Largo Wastewater Treat Dis
 KL0402 - Key Largo Trailer Village Cons

		Total Budget	Current Year Actual	Percent Total Budget Remaining	Total Budget Variance
Revenues					
FEMA PH I WW Construction	331351	1,097,143.00	0.00	(100.00)	(1,097,143.00)
FEMA Phase II Construction	331352	4,388,571.00	0.00	(100.00)	(4,388,571.00)
DCA- Cess Pit Grant	334353	535,155.00	0.00	(100.00)	(535,155.00)
DCA- Unmet Needs	334354	914,286.00	0.00	(100.00)	(914,286.00)
MC 304 Fund FEMA PH 1&2	337302	914,285.00	0.00	(100.00)	(914,285.00)
304 Cess Pit Fund MC	337303	224,327.00	0.00	(100.00)	(224,327.00)
304 Land Purchase MC	337304	826,234.00	0.00	(100.00)	(826,234.00)
SFWMD Grant	337305	<u>100,000.00</u>	<u>100,000.00</u>	<u>0.00</u>	<u>0.00</u>
Total Revenues		<u>9,000,001.00</u>	<u>100,000.00</u>	<u>(98.89)</u>	<u>(8,900,001.00)</u>
Expenses					
Professional Services					
Vacuum Collection System Const	535001	5,311,489.00	0.00	100.00	5,311,489.00
Proport. Share KL WWTP	535003	2,058,511.00	0.00	100.00	2,058,511.00
Plan, Design, Permit, Bidding	535101	386,953.00	0.00	100.00	386,953.00
Const. Mgmt. & Admin.	535102	400,000.00	13,726.86	96.57	386,273.14
Land Purchase	535104	<u>826,234.00</u>	<u>0.00</u>	100.00	<u>826,234.00</u>
Total Professional Services		<u>8,983,187.00</u>	<u>13,726.86</u>	<u>99.85</u>	<u>8,969,460.14</u>
Total Expenses		<u>8,983,187.00</u>	<u>13,726.86</u>	<u>99.85</u>	<u>8,969,460.14</u>
Increase (Decrease)		<u>16,814.00</u>	<u>86,273.14</u>		<u>69,459.14</u>

KLWTD Board Meeting
February 4, 2004

Item G - 3

Update on the Tax Exempt Status



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

TO: Key Largo Wastewater Treatment District Commissioners

CC: Robert E. Sheets, General Manager
Faith Doyle, Clerk to the Board
Charles Sweat, Director of Operations
Thomas Dillon, Board Attorney

FROM: David R. Miles, Director of Finance

DATE: January 27, 2004

RE: Key Largo Wastewater Treatment District Tax Exempt Certificate

Dear Commissioners:

Please find attached a Consumer's Certificate of Exemption form for the Key Largo Wastewater Treatment District for your information. This certificate is necessary to obtain a tax exemption for State of Florida sales taxes on all purchases made by the District and paid from the District's bank account.

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



Consumer's Certificate of Exemption

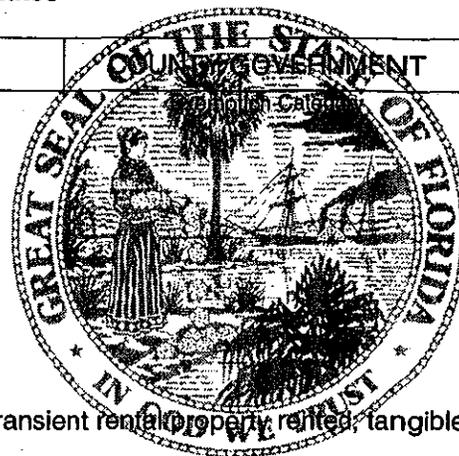
Issued Pursuant to Chapter 212, Florida Statutes

DR-14
R. 01/02

85-8012964332C-7	12/10/2003	12/31/2008	COUNTY GOVERNMENT
Certificate Number	Effective Date	Expiration Date	

This certifies that

KEY LARGO WASTEWATER TREATMENT DISTRICT
614 N WYMORE RD
WINTER PARK FL 32789-2862



is exempt from the payment of Florida sales and use tax on real property rented, transient rental property rented, tangible personal property purchased or rented, or services purchased.



Important Information for Exempt Organizations

DR-14
R. 01/02

1. You must provide all vendors and suppliers with an exemption certificate before making tax-exempt purchases. See Rule 12A-1.039, Florida Administrative Code (FAC).
2. Your *Consumer's Certificate of Exemption* is to be used solely by your organization for your organization's customary nonprofit activities.
3. Purchases made by an individual on behalf of the organization are taxable, even if the individual will be reimbursed by the organization.
4. This exemption applies only to purchases your organization makes. The sale or lease to others by your organization of tangible personal property, sleeping accommodations or other real property is taxable. Your organization must register, and collect and remit sales and use tax on such taxable transactions. Note: Churches are exempt from this requirement except when they are the lessor of real property (Rule 12A-1.070, FAC).
5. It is a criminal offense to fraudulently present this certificate to evade the payment of sales tax. Under no circumstances should this certificate be used for the personal benefit of any individual. Violators will be liable for payment of the sales tax plus a penalty of 200% of the tax, and may be subject to conviction of a third degree felony. Any violation will necessitate the revocation of this certificate.
6. If you have questions regarding your exemption certificate, please contact the Exemption Unit of Central Registration at 850-487-4130. The mailing address is 5050 West Tennessee Street, Tallahassee, FL 32399-0100.

KLWTD Board Meeting February 4, 2004

Item H - 1

Legal Counsel's Report

Faith Doyle

From: Thomas M. Dillon [thomasdillon@terranova.net]
Sent: Thursday, January 22, 2004 9:20 AM
To: Andrew M. Tobin; Charles Brooks; Cris Beaty; Gary Bauman; Faith Doyle; Jerry Wilkinson
Cc: Ed Castle; Charles Sweat; David Miles; Jeff Weiler; Robert Sheets
Subject: Meeting with Collins

On Friday, 1/16//04, I met with County Attorney Richard Collins and Assistant County Attorney Rob Wolfe in Key West. I was told that Danny Kolhage was going to attend but he did not.

After some discussion and review of relevant statutes, Mr. Collins said that he was inclined to reverse the previous County Attorney's position regarding payment of the Board for meetings, as well as any other District administrative costs. He asked Mr. Wolfe to draft an opinion. Given Mr. Wolfe's evident hostility, it may take a while to actually get it.

Mr. Collins said that the County would like to develop a uniform policy for dealing with all wastewater districts. To that end, he asked me to look at the enabling legislation for FKAA so that legislation could be introduced to make the legislative authorization for KLWTD as consistent as possible with that of FKAA. I plan to do so next week.

Tom

KLWTD Board Meeting February 4, 2004

Item I - 1

**Design-Build Agreement
30% design submittal**

Faith Doyle

From: EdRCastle@aol.com

Sent: Thursday, January 22, 2004 8:00 AM

To: thomasdillon@terranova.net; csweat@govmserv.com; DMiles@govserv.com;
jeff@weilerengineering.org; rsheets@govserv.com; tobinlaw@terranova.net; CBrooks442@aol.com;
cris.beaty@ihrco.com; g.bauman@dolphinpatioandgrill.com; FDoyle@govmserv.com;
JERRY142@TERRANOVA.NET

Subject: Re: Design issues

Tom,

I am in agreement with you on the requirements and have been addressing them. I referred Peter Kinsley to the requirements of Exhibit G in an email sent on January 16th. Peter has assured me that he intends to deliver all required materials. Until such time, WEC will approve progress payment requests related to the 30% design submittal only in amounts proportional to the degree of completeness of the submittal.

Faith Doyle

From: Thomas M. Dillon [thomasdillon@terranova.net]

Sent: Wednesday, January 21, 2004 1:07 PM

To: Ed Castle; Charles Sweat; David Miles; Jeff Weiler; Robert Sheets; Andrew M. Tobin; Charles Brooks; Cris Beaty; Gary Bauman; Faith Doyle; Jerry Wilkinson

Subject: Design issues

I am attaching a memorandum regarding design issues under the Design-Build Agreement. This effort started as an attempt to explain the requirements of the 30% design document. However, my analysis indicates substantial noncompliance with the process as described in the agreement, so I have provided further information.

It is essential to review Exhibit G to the agreement to understand the process contemplated for the design process. I have the Exhibit as part of a large pdf file and will provide the pdf file to anyone who needs it.

Tom

Memo

To: Key Largo Wastewater Treatment District
From: Thomas M. Dillon
CC: District Staff
Date: 1/21/2004
Re: Design-Build Agreement design requirements

Note: This memorandum constitutes attorney work product and attorney communications.

The purposes of this memorandum are to (1) outline the design process in the Design-Build Agreement, and (2) ensure that staff is aware of the agreed design submittal and approval process. In particular, I am advising the District that it should limit comments concerning design submittals to issues of completeness, i.e., whether a submittal contains all of the information required under the Design-Build Agreement, and issues of whether a submittal is consistent with the intent of the Design Criteria and Performance Standards.

It is critical that the District preserves its right and obligation to ensure that it is satisfied with the design process, and also that the District does not inadvertently put itself in the position of accelerating the work by requiring more than is specified in the Design-Build Agreement. As shown in my italicized comments, below, some effort is required to ensure that contract administration gets on track.

Under Section 3.1 of the Design-Build Agreement, Haskell has the "sole and exclusive responsibility for design of the project ... regardless of KLWTD review or comment." The design documents must "comply strictly" with the Scope of Work as described in the agreement at Exhibit F. The design documents must include cost and dependability analysis of viable project alternatives. The District has the right to review and approve design documents at 30%, 60%, 90% and final design stages.

Exhibit G to the Design-Build Agreement summarizes the design process. Other parts of the Design-Build Agreement specify progress reporting requirements.

I. Monthly Progress Reports

The Design-Build Agreement provides monthly progress reporting requirements in Section 3.3.10. The monthly progress report must detail "work accomplished and an updated schedule." More specifically, this section requires:

- A summary of work activities during the reporting month,
- A listing of upcoming monthly work activities, including coordination with the KLWTD's operations,
- A listing of submittals delivered during the reporting month,
- A listing of submittals scheduled for delivery the following month,
- A listing of any permit violations,
- An updated schedule which reflects critical path activities.

In addition, Exhibit G, Section A provides for monthly progress reports and a monthly meeting and briefing of District staff and representatives.

TMD Comment: So far, I am aware of only two monthly progress reports submitted by Haskell. I received the August and September reports as attachments to an email from GSG sent 1/19/04. I am not aware of any monthly progress meetings having occurred.

The August report does not include an updated schedule showing critical path activities. The report indicates that certain events have occurred later than the dates shown in the column entitled "Scheduled Date." However, the source of the dates is not clear, and at least one of them is in conflict with the Preliminary Project Schedule in Exhibit B to the Design-Build Agreement.

The September report likewise does not include an updated schedule showing critical path activities. The report states that the Concept Review Submittal was delivered on September 8, 2003, one week ahead of schedule, indicating that the Concept Review Submittal was due September 15, 2003. This statement conflicts with the Preliminary Project Schedule and with other parts of the report, which show a due date of July 21, 2003. The basis for the statement that the Concept Review Submittal was delivered ahead of schedule is therefore unclear.

Obviously lacking are monthly progress reports for October, November, and December 2003. Without appropriate reporting, including schedules, it will be difficult, if not impossible, for the District to administer the Design-Build Agreement in a rational way, or to evaluate delay claims. I will be working with staff to provide responses to the reports received to date.

Exhibit G, Section A, further provides for timely District review and comment on submittals. However, District review does not relieve Haskell of its performance obligations.

II. Design Phase Reporting

The rights and obligations of the parties are set out in Section B of Exhibit G. This section includes some statements of intent and process, as well as descriptions of information to be included in the various design submittals.

The purpose of District review of design submittals is to examine consistency with the intent of the Design Criteria and Performance Standards and to provide input on "selected issues." The Design-Build Agreement does not specify what is meant by "selected issues" and until I have a better understanding of what is meant by that term, I am treating it as a nullity. The contract does not appear to give the District the authority to demand design changes except to ensure consistency with the intent of the Design Criteria and Performance Standards. Although Exhibit G, Section B, provides that "[t]he procedures to be followed for incorporating design changes requested by the KLWTD are specified in the Agreement," I did not find any such procedures in the Design-Build Agreement. I found only provisions for District decisions on value engineering issues, a general acknowledgement of District interest in the Scope of Work, and provisions for the Contractor to request design changes at the Contractor's sole cost and expense.

Exhibit G, Section B requires Haskell to submit a Design Submittal Protocol within 60 days following the Contract Date. The protocol is to include provision for comment periods, submittal dates, and the frequency of design progress meetings. Although the term "Contract Date" is capitalized, indicating that it is a defined term, there is no definition of the term in the Design-Build Agreement. However, the Design-Build Agreement recites that the agreement is effective as of 6/25/03. Using 6/25/03 as the "Contract Date," a Design Submittal Protocol was due 8/24/03. However, the August Monthly Progress Report does not indicate that any such protocol has ever been submitted. I understand from Mr. Sheets that Haskell submitted a document with that title on 1/21/04.

The first design submittal by Haskell is the Concept Review Submittal (Ex. G., § B.1), which the August Monthly Progress Report indicates was submitted on 9/8/03. I have not seen the Concept Review Submittal and I do not know whether the District has commented on it.

The second design submittal is the Design Development Progress Submittal (Ex. G., § B.2), also known as the 30% design. I have received a set of plans labeled "30% Submittal." It consists of collection system information. None of the other information specified in Exhibit G, Section B.2 appears to be in this submittal.

TMD Comment. The District should, if it has not already done so:

- *Demand the Design Submittal Protocol, review it, and comment promptly on its contents,*
- *Review the Concept Review Submittal and provide comments to Haskell concerning whether the submittal contains all of the information required in Exhibit G, Section B.1, and is consistent with the intent of the Design Criteria and Performance Standards,*
- *Review the Design Development Progress Submittal (30% Submittal) and provide comments to Haskell concerning whether the submittal contains all of the information required in Exhibit G, Section B.2, and is consistent with the intent of the Design Criteria and Performance Standards.*

KLWTD Board Meeting February 4, 2004

Item 1 - 2

Calusa Campground Presentation

**NOTE: PLEASE bring the
previously provided reports
from WEC**

Supplement to Weiler Engineering Corporation's Report
on Calusa Camp Resort RV Park

There are various groups involved in community wastewater planning and management, and they must interact before wastewater "community" customers, like condominium complexes, can be brought on-line. For example, the following groups may typically be involved:

- Local utility and community representatives
- Local citizens concerned about the project
- Engineering consultants for the utility
- Legal counsel for the parties
- State and local agencies regulating on-site systems and public health

There are several important characteristics of community wastewater customers which can have a profound impact on how the process works, and these characteristics must be addressed before construction of the proposed improvements begins. In a condominium complex, the owners are likely to be mostly concerned with the impact to their development, as well as the associated capital and ongoing costs, all of which should be considered by the utility and their engineer before proceeding.

The utility also must meet the water quality goals of regulatory agencies and at the same time deal with community residents and their issues in a productive manner. It is, therefore, vitally important that the utility choose an engineer who will not only do high quality technical work and meet the requirements of the various regulatory agencies, but also plan and design a system which fits the needs of the community.

To address the several special characteristics of community customers fully, the utility, together with their engineer will need to prepare and disseminate information to the proposed new customers in a number of ways, which may include mass mailings, community meetings. Effective communication must be established in order to achieve a consensus from the potential new customers.

All new residential and nonresidential connections must connect to the District's wastewater collection system where available. Additionally, these connections must pay the prevailing system plant capacity charge. These charges must be fair and equitable to all District wastewater users. It is this writer's opinion that it should be based on an Equivalent Residential Connection (ERC).

In summary, it is clear that community customers have special needs arising both from their size, composition and economic conditions, which must be considered and addressed prior to the finalization of connection criteria.

**KLWTD Board Meeting
February 4, 2004**

Item 1 - 3

Haskell Monthly Progress Reports

MONTHLY PROGRESS REPORT

FOR

DESIGN/BUILD WASTEWATER MANAGEMENT SYSTEM FOR THE

KEY LARGO TRAILER VILLAGE AREA

KEY LARGO, FLORIDA



MONTH OF OCTOBER, 2003

REPORT NO. 03

Submitted By:

William T. English
PROJECT MANAGER

Distribution: Mr. Robert Sheets/ Government Services Group
Mr. Charles Sweat/ Government Services Group
Mr. Ed Castle, P.E./The Weiler Engineering Corp.
Mr. Stu Oppenheim/ Brown & Caldwell
Mr. Peter M. Kinsley/ The Haskell Company
Mr. John Weir/ The Haskell Company

SECTION ONE

Project Summary

- General Progress of the Work
- Design and Permitting
- Procurement
- Construction
- Information Required To/From Owner

SECTION TWO

Project Schedule Narrative

- Project Schedule
- Key Dates

SECTION THREE

Accounting Narrative

- Contract Status
- Payment Status

SECTION FOUR

Photographs



**General Progress of
the Work**

The Haskell Company as well as representatives from Brown & Caldwell attended a special Board meeting on October 11, 2003. Dr. John Bratby was flown into Miami in order to attend the meeting. In addition, Joe Paterniti, Ted Hortenstine and Stu Oppenheim attended the meeting and presented testimony.

Design and Permitting

Brown & Caldwell submitted a revision to the original evaluation of the AWT processes on October 3, 2003. Also submitted on October 13, 2003 were review comments regarding FEMA's letter dated September 10, 2003. Design of the collection system was started based upon board approval of the Roe-Vac system.

The following summarizes dates and activities that took place during the month of October:

- Haskell forwards second written recommendation to utilize SBR to GSG on October 5, 2003.
- Weiler forwards written recommendation to utilize SBR to GSG on October 6, 2003.
- Per the request of GSG, Haskell forwards comments regarding FEMA's Draft environmental assessment on October 13, 2003. Also, on this date Haskell receives e-mail from GSG stating construction would be delayed until March of 2004. Haskell forwarded a Notice of Delay Per GSG's email dated 9/13/2003.
- At the October 17, 2003 Board meeting, Haskell, GSG, Weiler and Brown & Caldwell recommend SBR and reject USBF. The Board, in turn postpones selection of the secondary treatment process. The Board did select Roe-Vac at the same meeting.
- On October 31, 2003 Haskell forwards a Notice of Delay.

Design Issues:

- None to date.



Permitting: The status is as follows

<u>Permit</u>	<u>Date Submitted</u>	<u>Date Received</u>
---------------	-----------------------	----------------------

Procurement

The following scopes of work were procured during the month of October:

- None at this time.

Construction

No construction has begun at this time. First activities are expected to begin in early January of 2004.

**INFORMATION
REQUIRED TO/FROM
OWNER**

To Owner:

- None at this time.

From Owner:

- None at this time.



PROJECT SCHEDULE NARRATIVE
October 2003

**PROJECT SCHEDULE
NARRATIVE**

Work to be accomplished in the month of November:

-



KEY DATES
October 2003

EVENT	SCHEDULED DATE	ACTUAL DATE
Notice to Proceed	June 6, 2003	July 8, 2003
Kick-off Meeting	June 23, 2003	August 18 ,2003
Issue Concept Review Submittal	July 21, 2003	September 8, 2003
Issue 30% Design Develop. Submittal	September 1, 2003	
Issue 60% Design Develop. Submittal	October 13, 2003	
Issue 90% Design Develop. Submittal	November 24, 2003	
Issue Final Design Documents	December 22, 2003	
Complete Project Permitting	January 5, 2003	
Procurement (PO-S/C)	October 27, 2003	
Begin Constr. of Collection System	November 10, 2003	
Begin Constr. of WWTP	January 5, 2004	
Start-up/Operational Testing	October 25, 2004	
Substantial Completion	February 7, 2005	
Project Complete	March 7, 2005	



Contract Status

The Current Contract Status is as Follows:

- a. The current contract amount including no Change Orders is **\$7,970,000.00**

Original Contract Amount	\$7,970,000
Approved Changes	<u>0</u>
Revised Contract Amount	\$7,970,000

- b. The following proposals for changes have been forwarded for approval during the month of October:
- None at this time

<u>PCO</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
01	Trailer Park Village	9/5/03	\$2,555,882

Payment Status

The Current Payment Status is as Follows:

<u>Date Invoiced</u>	<u>Invoice Amount</u>	<u>Date Paid</u>
N/A	N/A	N/A



The Haskell Company
Key Largo Design-Build Wastewater System for the
Key Largo Trailer Village Area
Key Largo, Florida

Project Photographs

No Photograph Available

The Haskell Company
Key Largo Design-Build Wastewater System for the
Key Largo Trailer Village Area
Key Largo, Florida

Project Photographs

No Photograph Available

Proposed Development Project Awards

Project Number	Project Name	Phase	Start Date	End Date	Status
1000	General Project	Phase 1	01/01/2003	01/01/2003	Completed
1001	Phase 2	Phase 2	02/01/2003	02/01/2003	In Progress
1002	Phase 3	Phase 3	03/01/2003	03/01/2003	Not Started

Project Number	Project Name	Phase	Start Date	End Date	Status
1100	Phase 4	Phase 4	04/01/2003	04/01/2003	In Progress
1101	Phase 5	Phase 5	05/01/2003	05/01/2003	Not Started
1102	Phase 6	Phase 6	06/01/2003	06/01/2003	Not Started

Project Number	Project Name	Phase	Start Date	End Date	Status
1200	Phase 7	Phase 7	07/01/2003	07/01/2003	In Progress
1201	Phase 8	Phase 8	08/01/2003	08/01/2003	Not Started
1202	Phase 9	Phase 9	09/01/2003	09/01/2003	Not Started

Project Number	Project Name	Phase	Start Date	End Date	Status
1300	Phase 10	Phase 10	10/01/2003	10/01/2003	In Progress
1301	Phase 11	Phase 11	11/01/2003	11/01/2003	Not Started
1302	Phase 12	Phase 12	12/01/2003	12/01/2003	Not Started

Phase Proposed
 Phase Approved
 Phase Cancelled
 Issue Withdrawn in Progress

Conduct Risk Assessment
 Prepare Document Control System
 Prepare Cost Control System
 Prepare Schedule Control System
 Prepare Quality Assurance Plan

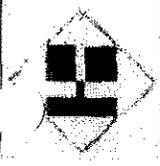
Prepare Concept Review Schedule
 Issue Concept Review Schedule
 KLUWNTD Review Concept Review Schedule
 Issue 01-003 - Selection of Secondary Treatment
 Conduct Secondary Investigation for Design
 Conduct Land Surveying for Design
 Prepare 20% Design Development Schedule
 Issue 20% Design Development Schedule
 KLUWNTD Review 20% Design Development Schedule
 Prepare 60% Design Development Schedule
 Issue 60% Design Development Schedule
 KLUWNTD Review 60% Design Development Schedule
 Prepare 90% Design Development Schedule
 Issue 90% Design Development Schedule
 KLUWNTD Review 90% Design Development Schedule
 Prepare Final Design Documents
 Issue Final Design Documents

Issue 03-001 - Key Largo Park Design
 Issue 01-004 - Site Collection System Schedule
 Prepare 20% Design Schedule - Collection
 Issue 20% Design Schedule - Collection
 KLUWNTD Review 20% Design Schedule - Collection
 Prepare 60% Design Schedule - Collection
 Issue 60% Design Schedule - Collection
 KLUWNTD Review 60% Design Schedule - Collection
 Prepare 90% Design Schedule - Collection
 Issue 90% Design Schedule - Collection

The Haskell Company

Key Largo Wastewater System Project

Preliminary Project Schedule - Oct '03 Update



Task	Description	Start	End	Duration	Predecessors	Successors
1305	KLWAFD Review and Design Approval - Collection	10/02/2004	09/01/2005	364		
1306	Prepare Final Design Submittal - Collection	10/02/2004	04/28/2005	209		
1307	Issue Final Design Submittal - Collection	04/28/2005	04/28/2005	0		
Permitting						
1308	Issue O&M - FISH Equipment/Installation	10/02/2004	03/01/2005	264		
1309	Receive FDEP Collection System Permit	04/01/2005	02/12/2006	344		
1310	Receive County Building Permit	04/01/2005	04/01/2005	0		
1311	Receive FDEP Plant Permit	04/01/2005	04/27/2005	26		
1312	Receive SHVEDD Plant Permit	04/01/2005	04/01/2005	0		
1313	Receive FISH Plant Permit	04/01/2005	04/01/2005	0		
1314	Complete Plant Permitting	04/01/2005	04/01/2005	0		
Construction						
1400	Buy Subcontract / Purchase Agreements	04/02/2005	04/11/2005	10		
1401	Execute Subcontract / Purchase Agreements	04/11/2005	04/11/2005	0		
1402	Order Material / Equipment	04/11/2005	04/11/2005	0		
1403	Approve Submittal / Signment	04/11/2005	04/11/2005	0		
1404	Parade and Deliver Materials / Equipment	04/11/2005	04/11/2005	0		
1405	Complete Final Procurement	04/11/2005	04/11/2005	0		
Startup / Commissioning						
1500	Scope of Equipment and Systems	10/02/2004	04/01/2005	209		
1501	Operational Testing of Equipment and Systems	04/01/2005	04/01/2005	0		
1502	Operational Training of Plant	04/01/2005	04/01/2005	0		
1503	Conduct Acceptance Testing	04/01/2005	04/01/2005	0		
1504	Conduct Owner Training	04/01/2005	04/01/2005	0		
1505	Conduct Regulatory Inspection	04/01/2005	04/01/2005	0		
1506	Address Submittal Completion	04/01/2005	04/01/2005	0		
Project Closeout						
1600	Prepare and Execute Final	10/02/2004	03/01/2005	264		
1601	Obtain Subcontract / Purchase Agreements	10/02/2004	04/01/2005	209		
1602	Address Final Procurement	04/01/2005	04/01/2005	0		

Wastewater Treatment Plant

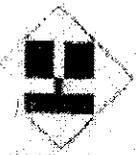
Site Work

Task	Description	Start	End	Duration	Predecessors	Successors
2000	Install Encoder Control Pumps	01/02/2005	04/01/2005	91		
2001	Perform Site Cleanup	04/01/2005	07/01/2005	91		
2002	Perform Demolition / Excavation	07/01/2005	07/28/2005	28		
2003	Install Foundation Reinforcement	07/28/2005	08/01/2005	4		
2004	Perform Site Grading	08/01/2005	08/27/2005	26		
2005	Install Site Improvements	08/27/2005	09/14/2005	18		
2006	Install Final Site Improvements	09/14/2005	09/14/2005	0		
2007	Install Final Site Improvements	09/14/2005	09/14/2005	0		
2008	Install Final Site Improvements	09/14/2005	09/14/2005	0		
2009	Install Final Site Improvements	09/14/2005	09/14/2005	0		
Utilities						
2100	Install Electrical Cabling	08/02/2004	08/02/2004	0		
2101	Install Final Process Piping	08/02/2004	11/23/2004	110		
2102	Install System Valve	08/02/2004	08/02/2004	0		
Structural						

The Haskell Company

Key Largo Wastewater System Project

Preliminary Project Schedule - Oct '03 Update

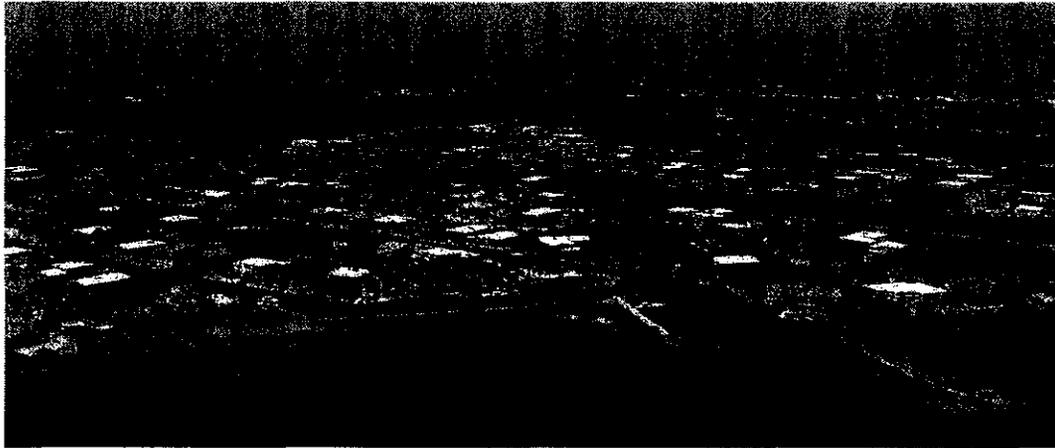


- KLWAFD Review and Design Approval - Collection
- Prepare Final Design Submittal - Collection
- Issue Final Design Submittal - Collection
- Issue O&M - FISH Equipment/Installation
- Receive FDEP Collection System Permit
- Receive County Building Permit
- Receive FDEP Plant Permit
- Receive SHVEDD Plant Permit
- Receive FISH Plant Permit
- Complete Plant Permitting
- Buy Subcontract / Purchase Agreements
- Execute Subcontract / Purchase Agreements
- Order Material / Equipment
- Approve Submittal / Signment
- Parade and Deliver Materials / Equipment
- Complete Final Procurement
- Scope of Equipment and Systems
- Operational Testing of Equipment and Systems
- Operational Training of Plant
- Conduct Acceptance Testing
- Conduct Owner Training
- Conduct Regulatory Inspection
- Address Submittal Completion
- Prepare and Execute Final
- Obtain Subcontract / Purchase Agreements
- Address Final Procurement
- Install Encoder Control Pumps
- Perform Site Cleanup
- Perform Demolition / Excavation
- Install Foundation Reinforcement
- Perform Site Grading
- Install Site Improvements
- Install Final Site Improvements
- Install Electrical Cabling
- Install Final Process Piping
- Install System Valve

MONTHLY PROGRESS REPORT

FOR

DESIGN/BUILD WASTEWATER MANAGEMENT SYSTEM FOR THE
KEY LARGO TRAILER VILLAGE AREA
KEY LARGO, FLORIDA



MONTH OF NOVEMBER, 2003

REPORT NO. 04

Submitted By:

William T. English
PROJECT MANAGER

Distribution: Mr. Robert Sheets/ Government Services Group
Mr. Charles Sweat/ Government Services Group
Mr. Ed Castle, P.E./The Weiler Engineering Corp.
Mr. Stu Oppenheim/ Brown & Caldwell
Mr. Peter M. Kinsley/ The Haskell Company
Mr. John Weir/ The Haskell Company

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the Work**

The Haskell Company as well as representatives from Brown & Caldwell attended a special Board meeting on October 11, 2003. Dr. John Bratby was flown into Miami in order to attend the meeting. In addition, Joe Paterniti, Ted Hortenstine and Stu Oppenheim attended the meeting and presented testimony.

Design and Permitting

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- At the October 17, 2003 Board meeting, Haskell, GSG, Weiler and Brown & Caldwell recommend SBR and reject USBF. The Board, in turn postpones selection of the secondary treatment process. The Board did select Roe-Vac at the same meeting.
- On October 31, 2003 Haskell forwards a Notice of Delay.

Design Issues:

- None to date.



Permitting: The status is as follows

<u>Permit</u>	<u>Date Submitted</u>	<u>Date Received</u>
---------------	-----------------------	----------------------

Procurement

The following scopes of work were procured during the month of October:

- None at this time.

Construction

No construction has begun at this time. First activities are expected to begin in early January of 2004.

**INFORMATION
REQUIRED TO/FROM
OWNER**

To Owner:

- None at this time.

From Owner:

- None at this time.



PROJECT SCHEDULE NARRATIVE
November 2003

**PROJECT SCHEDULE
NARRATIVE**

Work to be accomplished in the month of November:

-



KEY DATES
November 2003

EVENT	SCHEDULED DATE	ACTUAL DATE
Notice to Proceed	June 6, 2003	July 8, 2003
Kick-off Meeting	June 23, 2003	August 18, 2003
Issue Concept Review Submittal	July 21, 2003	September 8, 2003
Issue 30% Design Develop. Submittal	September 1, 2003	
Issue 60% Design Develop. Submittal	October 13, 2003	
Issue 90% Design Develop. Submittal	November 24, 2003	
Issue Final Design Documents	December 22, 2003	
Complete Project Permitting	January 5, 2003	
Procurement (PO-S/C)	October 27, 2003	
Begin Constr. of Collection System	November 10, 2003	
Begin Constr. of WWTP	January 5, 2004	
Start-up/Operational Testing	October 25, 2004	
Substantial Completion	February 7, 2005	
Project Complete	March 7, 2005	



Contract Status

The Current Contract Status is as Follows:

- a. The current contract amount including no Change Orders is **\$7,970,000.00**

Original Contract Amount	\$7,970,000
Approved Changes	<u>0</u>
Revised Contract Amount	\$7,970,000

- b. The following proposals for changes have been forwarded for approval during the month of November:

- None at this time

<u>PCO</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
01	Trailer Park Village	9/5/03	\$2,555,882

Payment Status

The Current Payment Status is as Follows:

<u>Date Invoiced</u>	<u>Invoice Amount</u>	<u>Date Paid</u>
10/29/03	\$136,698.52	Open



The Haskell Company
Key Largo Design-Build Wastewater System for the
Key Largo Trailer Village Area
Key Largo, Florida

Project Photographs

No Photograph Available

ne Haskell Company
Key Largo Design-Build Wastewater System for the
Key Largo Trailer Village Area
Key Largo, Florida

Project Photographs

No Photograph Available

General

Proposal Development / Project Award

1000	Submit Proposal	3	02/27/03	02/28/03					
1005	Review Proposal	35	02/27/03	04/06/03					
1010	Award Contract	35	04/16/03	07/08/03					
1015	Issue Notice to Proceed	0	07/08/03	07/08/03					

Project Initiation / Planning

1100	Conduct Kick-off Meeting	0	08/18/03	08/18/03					
1200	Prepare Document Control Systems	5	08/19/03	08/22/03					
1205	Prepare Cost Control Systems	5	08/19/03	08/22/03					
1210	Prepare Schedule Control Systems	5	08/19/03	08/22/03					
1215	Prepare Public Involvement Plan	10	12/01/03	12/12/03					
1220	Prepare Project Quality Assurance Plan	5	02/23/04	02/26/04					
1225	Prepare Project Specific Safety Plan	5	03/30/04	04/06/04					
1230	Prepare O&M Manuals	10	08/08/04	08/21/04					
1235	Prepare Acceptance Testing Plan	30	08/22/04	08/02/04					
1240	Prepare Transferring Plan	30	08/22/04	08/02/04					
1245	Prepare O&M Plan	30	08/22/04	08/02/04					

Design Development - Permit

1110	Prepare General Review Submittal	20	08/18/03	08/02/03					
1120	Final General Review Approval	0	08/04/03	08/04/03					
1130	ILWYTD Review Concept Review Submittal	10	08/06/03	10/06/03					
1250	Issue 01-003 - Revision of Secondary Treatment	05	08/17/03	12/23/03					
1140	ILWYTD Review Concept Review Submittal	20	10/02/03	12/04/03					
1150	Conduct Submittal Investigation for Design	30	12/01/03	12/30/03					
1160	Conduct Lead Sampling for Design	20	12/28/03	01/28/04					
1170	Issue 30% Design Development Submittal	0	01/28/04	01/28/04					
1180	ILWYTD Review 30% Design Development Submittal	10	02/27/04	02/26/04					
1190	Prepare 60% Design Development Submittal	20	03/10/04	03/09/04					
1200	ILWYTD Review 60% Design Development Submittal	0	03/09/04	03/09/04					
1210	Prepare 80% Design Development Submittal	10	03/09/04	03/22/04					
1220	ILWYTD Review 80% Design Development Submittal	20	03/22/04	04/19/04					
1230	Issue 90% Design Development Submittal	0	04/19/04	04/19/04					
1240	ILWYTD Review 90% Design Development Submittal	10	04/26/04	04/06/04					
1250	Prepare Final Design Documents	10	08/04/04	08/17/04					
1260	Issue Final Design Documents	0	08/17/04	08/17/04					

Design Development - Collection

1265	Issue 02-001 - Key Large Ponds Design	30	08/28/03	10/18/03					
1270	Issue 01-004 - New Collection System Selection	15	08/17/03	10/17/03					
1280	Prepare 30% Design Submittal - Collection	30	04/16/03	01/07/04					
1285	Issue 30% Design Submittal - Collection	0	01/07/04	01/07/04					
1290	ILWYTD Review 30% Design Submittal - Collection	10	01/08/04	04/21/04					
1295	Prepare 60% Design Submittal - Collection	20	04/22/04	02/18/04					
1300	ILWYTD Review 60% Design Submittal - Collection	0	02/18/04	02/18/04					
1305	Prepare 80% Design Submittal - Collection	10	02/18/04	02/23/04					
1310	ILWYTD Review 80% Design Submittal - Collection	20	02/23/04	02/01/04					
1315	Issue 90% Design Submittal - Collection	0	02/01/04	02/01/04					
1320	ILWYTD Review 90% Design Submittal - Collection	10	02/01/04	02/01/04					

1325	Issue 90% Design Submittal - Collection	0	02/01/04	02/01/04					
1330	Issue 90% Design Submittal - Collection	0	02/01/04	02/01/04					

Submit Proposal
 Review Proposal
 Award Contract
 Issue Notice to Proceed

Conduct Kick-off Meeting
 Prepare Document Control Systems
 Prepare Cost Control Systems
 Prepare Schedule Control Systems
 Prepare Public Involvement Plan
 Prepare Project Quality Assurance Plan
 Prepare Project Specific Safety Plan
 Prepare O&M Manuals
 Prepare Acceptance Testing Plan
 Prepare Transferring Plan
 Prepare O&M Plan

Prepare General Review Submittal
 Issue General Review Approval
 ILWYTD Review Concept Review Submittal
 Issue 01-003 - Revision of Secondary Treatment
 Conduct Submittal Investigation for Design
 Conduct Lead Sampling for Design
 Prepare 30% Design Development Submittal
 Issue 30% Design Development Submittal
 ILWYTD Review 30% Design Development Submittal
 Prepare 60% Design Development Submittal
 Issue 60% Design Development Submittal
 ILWYTD Review 60% Design Development Submittal
 Prepare 80% Design Development Submittal
 Issue 80% Design Development Submittal
 ILWYTD Review 80% Design Development Submittal
 Prepare Final Design Documents
 Issue Final Design Documents

Issue 02-001 - Key Large Ponds Design
 Issue 01-004 - New Collection System Selection
 Prepare 30% Design Submittal - Collection
 Issue 30% Design Submittal - Collection
 ILWYTD Review 30% Design Submittal - Collection
 Prepare 60% Design Submittal - Collection
 Issue 60% Design Submittal - Collection
 ILWYTD Review 60% Design Submittal - Collection
 Prepare 80% Design Submittal - Collection
 Issue 80% Design Submittal - Collection

The Haskell Company
 Key Largo Wastewater System Project
 Preliminary Project Schedule - Nov '03 Update



Activity	Start	End	Duration	Predecessors	Notes
2200 Perform Domestic Construction - VPS/ADMB	20/02/04	02/02/04	15d		
2201 Domestic Water Main - VPS/ADMB	20/02/04	02/02/04	15d		
2202 Perform Domestic Construction - PROCESS	20/02/04	02/02/04	15d		
2203 Install Final Soil & Drilling - VPS/ADMB	20/02/04	02/02/04	15d		
2204 Install Miscellaneous Metals - VPS/ADMB	20/02/04	02/02/04	15d		
2205 Install Miscellaneous Metals - PROCESS	20/02/04	02/02/04	15d		
Mechanical					
2206 Install Vacuum Pump Station - VPS/ADMB	20/02/04	02/02/04	15d		
2207 Install Process Pumps - VPS/ADMB	20/02/04	02/02/04	15d		
2208 Install Process Pumps - PROCESS	20/02/04	02/02/04	15d		
2209 Install Process Equipment - PROCESS	20/02/04	02/02/04	15d		
2210 Install Process Pumps - PROCESS	20/02/04	02/02/04	15d		
2211 Install Other Control Equipment - PROCESS	20/02/04	02/02/04	15d		
2212 Install Other Control Equipment - VPS/ADMB	20/02/04	02/02/04	15d		
2213 Install Process HVAC Piping - VPS/ADMB	20/02/04	02/02/04	15d		
2214 Install Process HVAC Piping - PROCESS	20/02/04	02/02/04	15d		
Electrical / Instrumentation					
2215 Perform Electrical Construction - VPS/ADMB	20/02/04	02/02/04	15d		
2216 Install Instrumentation Controls - VPS/ADMB	20/02/04	02/02/04	15d		
2217 Perform Electrical Construction - PROCESS	20/02/04	02/02/04	15d		
2218 Install Instrumentation Controls - PROCESS	20/02/04	02/02/04	15d		
AT&T/TELECOM					
2219 Install Telecomm System - VPS/ADMB	20/02/04	02/02/04	15d		
2220 Install Telecomm System - PROCESS	20/02/04	02/02/04	15d		
2221 Apply Process Control - VPS/ADMB	20/02/04	02/02/04	15d		
2222 Apply Process Control - PROCESS	20/02/04	02/02/04	15d		
2223 Install Control System - VPS/ADMB	20/02/04	02/02/04	15d		
2224 Install Control System - PROCESS	20/02/04	02/02/04	15d		
Collection System					
2225 Install Collection System - VILLAGE	20/02/04	02/02/04	15d		
2226 Install Collection System - US 1	20/02/04	02/02/04	15d		
2227 Perform 30 Day Run After Operational Testing	20/02/04	02/02/04	15d		
2228 Perform Maintenance - US 1	20/02/04	02/02/04	15d		
2229 Perform Maintenance - US 1	20/02/04	02/02/04	15d		

- Perform Domestic Construction - VPS/ADMB
- Domestic Water Main - VPS/ADMB
- Perform Domestic Construction - PROCESS
- Install Final Soil & Drilling - VPS/ADMB
- Install Miscellaneous Metals - VPS/ADMB
- Install Miscellaneous Metals - PROCESS
- Install Vacuum Pump Station - VPS/ADMB
- Install Process Pumps - VPS/ADMB
- Install Process Pumps - PROCESS
- Install Process Equipment - PROCESS
- Install Process Pumps - PROCESS
- Install Other Control Equipment - PROCESS
- Install Other Control Equipment - VPS/ADMB
- Install Process HVAC Piping - PROCESS
- Install Process HVAC Piping - VPS/ADMB
- Perform Electrical Construction - VPS/ADMB
- Install Instrumentation Controls - VPS/ADMB
- Perform Electrical Construction - PROCESS
- Install Instrumentation Controls - PROCESS
- Install Telecomm System - VPS/ADMB
- Install Telecomm System - PROCESS
- Apply Process Control - VPS/ADMB
- Apply Process Control - PROCESS
- Install Control System - VPS/ADMB
- Install Control System - PROCESS
- Install Collection System - VILLAGE
- Install Collection System - US 1
- Perform 30 Day Run After Operational Testing
- Perform Maintenance - US 1
- Perform Maintenance - US 1

MONTHLY PROGRESS REPORT

FOR

DESIGN/BUILD WASTEWATER MANAGEMENT SYSTEM FOR THE

KEY LARGO TRAILER VILLAGE AREA

KEY LARGO, FLORIDA



MONTH OF DECEMBER, 2003

REPORT NO. 05

Submitted By:

William T. English
PROJECT MANAGER

Distribution: Mr. Robert Sheets/ Government Services Group
Mr. Charles Sweat/ Government Services Group
Mr. Ed Castle, P.E./The Weiler Engineering Corp.
Mr. Stu Oppenheim/ Brown & Caldwell
Mr. Peter M. Kinsley/ The Haskell Company
Mr. John Weir/ The Haskell Company

SECTION ONE

Project Summary

- General Progress of the Work
- Design and Permitting
- Procurement
- Construction
- Information Required To/From Owner

SECTION TWO

Project Schedule Narrative

- Project Schedule
- Key Dates

SECTION THREE

Accounting Narrative

- Contract Status
- Payment Status

SECTION FOUR

Photographs



**General Progress of
the Work**

The Haskell Company as well as representatives from Brown & Caldwell attended a special Board meeting on October 11, 2003. Dr. John Bratby was flown into Miami in order to attend the meeting. In addition, Joe Paterniti, Ted Hortenstine and Stu Oppenheim attended the meeting and presented testimony.

Design and Permitting

Brown & Caldwell submitted a revision to the original evaluation of the AWT processes on October 3, 2003. Also submitted on October 13, 2003 were review comments regarding FEMA's letter dated September 10, 2003. Design of the collection system was started based upon board approval of the Roe-Vac system.

The following summarizes dates and activities that took place during the month of December:

- Haskell forwards second written recommendation to utilize SBR to GSG on October 5, 2003.
- Weiler forwards written recommendation to utilize SBR to GSG on October 6, 2003.
- Per the request of GSG, Haskell forwards comments regarding FEMA's Draft environmental assessment on October 13, 2003. Also, on this date Haskell receives e-mail from GSG stating construction would be delayed until March of 2004. Haskell forwarded a Notice of Delay Per GSG's email dated 9/13/2003.
- At the October 17, 2003 Board meeting, Haskell, GSG, Weiler and Brown & Caldwell recommend SBR and reject USBF. The Board, in turn postpones selection of the secondary treatment process. The Board did select Roe-Vac at the same meeting.
- On October 31, 2003 Haskell forwards a Notice of Delay.

Design Issues:

- None to date.



Permitting: The status is as follows

<u>Permit</u>	<u>Date Submitted</u>	<u>Date Received</u>
---------------	-----------------------	----------------------

Procurement

The following scopes of work were procured during the month of December:

- None at this time.

Construction

No construction has begun at this time. First activities are expected to begin in early March of 2004.

**INFORMATION
REQUIRED TO/FROM
OWNER**

To Owner:

- None at this time.

From Owner:

- None at this time.



PROJECT SCHEDULE NARRATIVE

December 2003

**PROJECT SCHEDULE
NARRATIVE**

Work to be accomplished in the month of January:

-



KEY DATES
December 2003

EVENT	SCHEDULED DATE	ACTUAL DATE
Notice to Proceed	June 6, 2003	July 8, 2003
Kick-off Meeting	June 23, 2003	August 18, 2003
Issue Concept Review Submittal	July 21, 2003	September 8, 2003
Issue 30% Design Develop. Submittal	September 1, 2003	
Issue 60% Design Develop. Submittal	October 13, 2003	
Issue 90% Design Develop. Submittal	November 24, 2003	
Issue Final Design Documents	December 22, 2003	
Complete Project Permitting	January 5, 2003	
Procurement (PO-S/C)	October 27, 2003	
Begin Constr. of Collection System	November 10, 2003	
Begin Constr. of WWTP	January 5, 2004	
Start-up/Operational Testing	October 25, 2004	
Substantial Completion	February 7, 2005	
Project Complete	March 7, 2005	



Contract Status

The Current Contract Status is as Follows:

- a. The current contract amount including no Change Orders is **\$7,970,000.00**

Original Contract Amount	\$7,970,000
Approved Changes	<u>0</u>
Revised Contract Amount	\$7,970,000

- b. The following proposals for changes have been forwarded for approval during the month of December:

- None at this time

<u>PCO</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
01	Trailer Park Village	9/5/03	\$2,555,882

Payment Status

The Current Payment Status is as Follows:

<u>Date Invoiced</u>	<u>Invoice Amount</u>	<u>Date Paid</u>
10/29/2003	\$136,698.52	Open
11/26/2003	\$48,600.00	Open



The Haskell Company
Key Largo Design-Build Wastewater System for the
Key Largo Trailer Village Area
Key Largo, Florida

Project Photographs

No Photograph Available

The Haskell Company
Key Largo Design-Build Wastewater System for the
Key Largo Trailer Village Area
Key Largo, Florida

Project Photographs

No Photograph Available



The Haskell Company
 Key Largo Wastewater System Project
 Preliminary Project Schedule - Dec '03 Update

Proposal Development - Project Award

1200	Submit Proposal	3/10/03	03/08/03
1205	Review Proposal	3/10/03	04/08/03
1210	Award Contract	3/10/03	07/08/03
1215	Issue Notice to Proceed	3/10/03	07/08/03

Project Controls / Planning

1220	Conduct Kick-off Meeting	0	08/19/03
1225	Prepare Document Control Systems	5/01/03	08/27/03
1230	Prepare Cost Control Systems	5/01/03	08/27/03
1235	Prepare Schedule Control Systems	5/01/03	08/27/03
1240	Prepare Public Involvement Plan	10/15/03	01/19/04
1245	Prepare Project Quality Assurance Plan	5/01/03	04/09/04
1250	Prepare Project Specific Safety Plan	5/01/03	04/09/04
1255	Prepare O&M Manuals	10/01/04	05/24/04
1260	Prepare Acceptance Testing Plan	10/01/04	06/01/04
1265	Prepare Training Plan	10/01/04	06/01/04
1270	Prepare O&M Plan	10/01/04	06/01/04

Design Development - Plans

1115	Prepare Concept Review Submittal	20/02/03	09/01/03
1120	Issue Concept Review Submittal	0	09/01/03
1125	KLWWTB Review Concept Review Submittal	10/02/03	10/08/03
1130	Issue 01-003 - Selection of Secondary Treatment	01/09/03	12/23/03
1135	Conduct Geotechnical Investigation for Design	01/09/03	01/07/04
1140	Conduct Land Surveying for Design	01/09/03	01/28/04
1145	Prepare 30% Design Development Submittal	01/09/03	01/29/04
1150	Issue 30% Design Development Submittal	0	01/29/04
1155	KLWWTB Review 30% Design Development Submittal	10/03/04	02/12/04
1160	Prepare 60% Design Development Submittal	20/02/04	03/11/04
1165	Issue 60% Design Development Submittal	0	03/11/04
1170	KLWWTB Review 60% Design Development Submittal	10/03/04	03/25/04
1175	Prepare 80% Design Development Submittal	20/02/04	04/01/04
1180	Issue 80% Design Development Submittal	0	04/01/04
1185	KLWWTB Review 80% Design Development Submittal	20/02/04	04/22/04
1190	Prepare 90% Design Development Submittal	0	04/22/04
1195	Issue 90% Design Development Submittal	10/03/04	05/06/04
1200	KLWWTB Review 90% Design Development Submittal	10/03/04	05/20/04
1205	Prepare P&ID Design Documents	0	06/01/04
1210	Issue P&ID Design Documents	0	06/01/04

Design Development - Collector

1245	Issue 02-001 - Key Largo Park Design	20/02/03	11/19/03
1250	Issue 03-004 - VAC Collection System Submittal	10/01/03	10/17/03
1255	Prepare 30% Design Submittal - Collection	5/1/03	01/09/04
1260	Issue 30% Design Submittal - Collection	0	01/09/04
1265	KLWWTB Review 30% Design Submittal - Collection	10/01/04	01/21/04
1270	Prepare 60% Design Submittal - Collection	20/02/04	02/16/04
1275	Issue 60% Design Submittal - Collection	0	02/16/04
1280	KLWWTB Review 60% Design Submittal - Collection	10/01/04	02/26/04
1285	Prepare 80% Design Submittal - Collection	20/02/04	03/10/04
1290	Issue 80% Design Submittal - Collection	0	03/10/04
1295	KLWWTB Review 80% Design Submittal - Collection	20/02/04	03/24/04
1300	Prepare 90% Design Submittal - Collection	0	03/24/04
1305	Issue 90% Design Submittal - Collection	0	03/24/04

Submit Proposal
 Review Proposal
 Award Contract
 Issue Notice to Proceed
 Conduct Kick-off Meeting
 Prepare Document Control Systems
 Prepare Cost Control Systems
 Prepare Schedule Control Systems
 Prepare Public Involvement Plan
 Prepare Project Quality Assurance Plan
 Prepare Project Specific Safety Plan
 Prepare O&M Manuals
 Prepare Acceptance Testing Plan
 Prepare Training Plan
 Prepare O&M Plan
 Prepare Concept Review Submittal
 Issue Concept Review Submittal
 KLWWTB Review Concept Review Submittal
 Issue 01-003 - Selection of Secondary Treatment
 Conduct Geotechnical Investigation for Design
 Conduct Land Surveying for Design
 Prepare 30% Design Development Submittal
 Issue 30% Design Development Submittal
 KLWWTB Review 30% Design Development Submittal
 Prepare 60% Design Development Submittal
 Issue 60% Design Development Submittal
 KLWWTB Review 60% Design Development Submittal
 Prepare 80% Design Development Submittal
 Issue 80% Design Development Submittal
 KLWWTB Review 80% Design Development Submittal
 Prepare 90% Design Development Submittal
 Issue 90% Design Development Submittal
 KLWWTB Review 90% Design Development Submittal
 Prepare P&ID Design Documents
 Issue P&ID Design Documents
 Issue 02-001 - Key Largo Park Design
 Issue 03-004 - VAC Collection System Submittal
 Prepare 30% Design Submittal - Collection
 Issue 30% Design Submittal - Collection
 KLWWTB Review 30% Design Submittal - Collection
 Prepare 60% Design Submittal - Collection
 Issue 60% Design Submittal - Collection
 KLWWTB Review 60% Design Submittal - Collection
 Prepare 80% Design Submittal - Collection
 Issue 80% Design Submittal - Collection
 KLWWTB Review 80% Design Submittal - Collection
 Prepare 90% Design Submittal - Collection
 Issue 90% Design Submittal - Collection

1310	12/01/03	03/04/04
1315	12/01/03	03/04/04
1320	12/01/03	03/04/04
1325	12/01/03	03/04/04
1330	12/01/03	03/04/04

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2286	Perform Chemical Oxidation - PROCESS	25	10/27/04	10/27/04	0
2287	Construct Manure Walls - VPS/DRAIN	35	10/24/04	10/24/04	1341
2279	Perform Chemical Oxidation - PROCESS	30	10/25/04	11/04/04	0
2275	Install Metal Joint & Sealing - VPS/DRAIN	3	10/15/04	10/15/04	1320
2228	Install Manureman Walls - VPS/DRAIN	5	11/05/04	11/11/04	1335
2229	Install Manureman Walls - PROCESS	10	11/22/04	11/22/04	1335
MANURE					
2200	Install Vacuum Pump Station - VPS/DRAIN	48	10/24/04	10/27/04	0
2203	Install Process Equipment - VPS/DRAIN	10	10/08/04	10/7/04	0
2204	Install Process Pump - VPS/DRAIN	10	10/22/04	11/04/04	0
2216	Install Process Equipment - PROCESS	42	11/08/04	11/04/04	0
2225	Install Process Pump - PROCESS	20	12/11/04	01/17/05	0
2202	Install Gas Control Equipment - PROCESS	10	02/24/05	02/19/05	264
2207	Install Gas Control Equipment - VPS/DRAIN	5	02/11/05	02/17/05	254
2205	Install Gas Control Equipment - PROCESS	5	02/19/05	02/24/05	454
2240	Install Plumbing HVAC Equipment - VPS/DRAIN	10	02/24/05	03/10/05	454
2249	Install Plumbing HVAC Piping - VPS/DRAIN	10	03/10/05	03/24/05	454

Electrical Requirements

2405	Perform Electrical Oxidation - VPS/DRAIN	30	10/29/04	12/09/04	254
2406	Install Instrumentation Controls - VPS/DRAIN	30	11/12/04	12/23/04	254
2410	Perform Electrical Oxidation - PROCESS	40	12/13/04	02/24/05	260
2414	Install Instrumentation Controls - PROCESS	40	10/22/04	10/24/05	0
COLLECTION SYSTEM					
2400	Install Flooding System - VPS/DRAIN	8	10/29/04	10/29/04	1300
2406	Install Pumps - VPS/DRAIN	5	03/20/05	02/21/06	454
2410	Apply Protective Coatings - VPS/DRAIN	10	04/07/05	04/14/05	454
2416	Apply Protective Coatings - PROCESS	10	04/14/05	04/20/05	454
2420	Install Sumps & Chasing - VPS/DRAIN	8	04/20/05	05/20/05	454
COLLECTION SYSTEM					
3000	Install Collection System - VLLAGE	220	02/18/04	02/18/05	180
3002	Install Collection System - US 1	40	11/22/04	02/18/05	164
3010	Perform 30-Day Clean Water Operational Training	30	03/17/05	04/13/05	304
3020	Perform Maintenance - VLLAGE	30	02/24/05	02/04/05	304
3020	Perform Maintenance - US 1	10	03/20/05	02/18/05	304

Install Chemical Oxidation - VPS/DRAIN
 Construct Manure Walls - VPS/DRAIN
 Perform Chemical Oxidation - PROCESS
 Install Metal Joint & Sealing - VPS/DRAIN
 Install Manureman Walls - VPS/DRAIN
 Install Manureman Walls - PROCESS
 Install Vacuum Pump Station - VPS/DRAIN
 Install Process Equipment - VPS/DRAIN
 Install Process Pump - VPS/DRAIN
 Install Process Equipment - PROCESS
 Install Process Pump - PROCESS
 Install Gas Control Equipment - PROCESS
 Install Gas Control Equipment - VPS/DRAIN
 Install Gas Control Equipment - PROCESS
 Install Plumbing HVAC Equipment - VPS/DRAIN
 Install Plumbing HVAC Piping - VPS/DRAIN

Perform Electrical Oxidation - VPS/DRAIN
 Install Instrumentation Controls - VPS/DRAIN
 Perform Electrical Oxidation - PROCESS
 Install Instrumentation Controls - PROCESS
 Install Flooding System - VPS/DRAIN
 Install Pumps - VPS/DRAIN
 Apply Protective Coatings - VPS/DRAIN
 Apply Protective Coatings - PROCESS
 Install Sumps & Chasing - VPS/DRAIN

Install Collection System - VLLAGE
 Install Collection System - US 1
 Perform 30-Day Clean Water Operational Training
 Perform Maintenance - VLLAGE
 Perform Maintenance - US 1

Sheet No.	02/2/03 13/03/04
Project No.	00000000000000000000
Drawn Date	02/2/03 13/03/04
Check Date	02/2/03 13/03/04
Issue Date	02/2/03 13/03/04

The Haskell Company
 Key Largo Wastewater System Project
 Preliminary Project Schedule - Dec '03 Update



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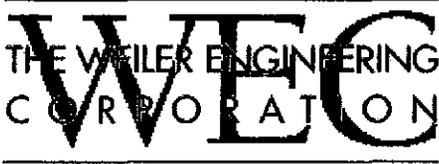
KLWTD Board Meeting February 4, 2004

Item 1 - 4

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WEC Engineering Status Report

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"Excellence in Engineering"

20020 Veterans Boulevard., Suite 7
Port Charlotte, FL 33954
(941) 764-6447 ph
(941) 764-8915 fax

Key Largo Wastewater Treatment District Engineering Status Report Period Ending 01/26/04

Client Issues

Calusa Camp Resort

Due to time constraints, the presentation of the Calusa Camp Resort evaluation was postponed until the February 4, 2004 Board meeting. At the meeting, WEC will provide a brief PowerPoint presentation of the report and will discuss the various connection issues with the Board.

GSG has provided comments on the Calusa Camp Resort item for inclusion on the February 4 agenda

Treatment Plant

At the January 21, 2004 meeting, the Board reversed the initial selection of treatment processes, voting to accept the Fluidyne ISAM SBR by a vote of 3 to 2.

Key Largo Park and Key Largo Trailer Village

The Key Largo Trailer Village collection system 30% Design Development drawings have been submitted and are currently under review by WEC staff. GSG staff have also reviewed the submittal and has provided comments to WEC. While the collection system 30% design is progressing, there has been no submittal on the 30% design for the wastewater treatment plant and plant site. The Haskell Company anticipates submittal of the treatment plant 30% design in early February.

Preliminary drawings of the Key Largo Park collection system redesign were provided along with the Key Largo Trailer Village drawings.

Board members Jerry Wilkinson and Charlie Brooks have asked to be provided with copies of the design development documents for their review and have asked to be included in the meetings scheduled to review the designs. The Haskell Company is to hold monthly progress meetings in the Key Largo area and intend to include review of the designs as part of these meetings. The Haskell Company has submitted a draft Design Submittal Protocol to WEC, GSG and Tom Dillon for review. Staff will review the Protocol, provide comments to Haskell and submit the finalized version to the Board for acceptance.

Haskell Pay Applications

WEC processed The Haskell Company pay applications No. 1, No. 2 and No. 3 during this period. A summary of the review is provided below.

Pay Applications No. 1 and No. 2

Pay Applications No. 1 and No. 2 were received simultaneously by WEC. Both contained an error in that Retainage was calculated at only 5% rather than the 10 % required by the Design/Build Agreement. WEC also asked for additional information to support the requests for progress payments on a number of categories. Based on the back-up documentation provided, WEC reduced some pay amounts as reflected below and increased the Retainage to 10%.

The Haskell Company made the reductions requested as shown above, resulting in the approved amounts tabulated below.

Application No. 1

Item	Gross Requested Billing	Gross Approved Billing	Retainage This Period	Net to Pay as Approved
2. Payment & Performance Bonds	\$12,500.00	\$12,500.00	\$1,250.00	\$11,250.00
3. Insurance	\$23,000.00	\$23,000.00	\$2,300.00	\$20,700.00
4. Supervision	\$28,000.00	\$28,000.00	\$2,800.00	\$25,200.00
5. Travel & Subsistence	\$9,557.00	\$9,557.00	\$955.70	\$8,601.30
14. Concept Review Submittal	\$99,852.00	\$78,830.25	\$7,883.03	\$70,947.52
TOTAL	\$172,909.00	\$151,887.25	\$15,188.73	\$136,698.52

Application No. 2

Item	Gross Requested Billing	Gross Approved Billing	Retainage This Period	Net to Pay as Approved
4. Supervision	\$5,000.00	\$5,000.00	\$500.00	\$4,500.00
5. Travel & Subsistence	\$2,000.00	\$2,000.00	\$200.00	\$1,800.00
14. Concept Review Submittal	\$3,000.00	\$0.00	\$0.00	\$0.00
15. 30% Design Development	\$47,000.00	\$47,000.00	\$4,700.00	\$42,300.00
TOTAL	\$57,000.00	\$54,000.00	\$5,400.00	\$48,600.00

Pay Application No. 3

The Haskell Company pay application No. 3 was also processed in this period. The request included a substantial portion (75%) of the 30% Design Development submittal total pay amount. WEC reviewed the submitted documents and reduced the approved pay amount. WEC also referred The Haskell Company to Exhibit G of the Design/Build Agreement. Exhibit G defines the work products to be submitted with each phase of the design process. Peter Kinsley responded to Ed Castle and committed to producing the required documents.

WEC estimates that two-thirds of the design work for the 30% submittal will involve layout of the collection system, with the remaining one-third representing the facilities to be designed at the wastewater treatment plant site. In WEC's estimation, The Haskell Company is at 75% completion of the 30% Design Development for the collection system and at 0% (based on submitted documents) completion of the 30% Design Development for the facilities at the wastewater treatment plant. The net result was a reduction in the approved pay amount for pay application No. 3 as tabulated below.

Application No. 3

Item	Gross Requested Billing	Gross Approved Billing	Retainage This Period	Net to Pay as Approved
4. Supervision	\$5,000.00	\$5,000.00	\$500.00	\$4,500.00
5. Travel & Subsistence	\$2,000.00	\$2,000.00	\$200.00	\$1,800.00
15. 30% Design Development	\$44,217.00	\$13,811.50	\$1,381.15	\$42,300.00
TOTAL	\$51,217.00	\$20,811.50	\$2,081.15	\$48,600.00

Regulatory Compliance Issues

No further compliance issues at this time.

Project Team Meetings and Actions

WEC participated in the normally scheduled weekly Working Group conference calls each Monday during the period. WEC also attended the January 7th and January 21st Board meetings. WEC met prior to each meeting with GSG and Tom Dillon in preparation for the Board meetings. The workshop scheduled to occur during the January 14th meeting was postponed due to the late hour.

**KLWTD Board Meeting
February 4, 2004**

Item K - 3

**Discussion of “Decision time”
email dated 1-22-04**

Commissioner Wilkinson

Faith Doyle

From: Jerry Wilkinson [jerry142@terranova.net]
Sent: Thursday, January 22, 2004 5:57 PM
To: Charles Sweat; Charles Fishburn; Faith Doyle; Robert Sheets
Cc: Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Subject: FW: Decision time

Robert:

Gary requested that I put this on the agenda for the next meeting.

Jerry

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranova.net]
Sent: Thursday, January 22, 2004 4:59 AM
To: Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Subject: Decision time

Gentlemen:

This is a privileged email!

I light of Tom's recent design/build comments and my suspicions for some time, I suggest we have a emergency workshop, or what ever one wants to call it, to establish methodology for assuring the citizens of Key Largo, especially those of Key Largo Trailer Village, that we can guarantee an AWT system at very reasonable costs.

If we cannot give them that assurance, we morally owe them to cancel this process now. It is not the end of the world. I will do in a heartbeat what I feel morally correct.

Having followed the Stock Island debacle and that being the only track record that I have, I have absolutely no confidence of Weiler Engineering Company (WEC) doing other basic inspection service and invoice verification quantitative analysis for the collection system.

I feel absolutely certain that the Haskell Company will deliver a system that will work for 30 days with limited input. From then on, it will be a total gamble and there is actually little we can do/afford.

I see no substantive progress being made on the transition process.

We and WEC made specific trade offs to GSG for the District to have Charles Fishburn as the District Engineer for these two projects. In quite a few meetings, we have not had any GSG engineer present. I believe GSG is and has been receiving in the neighborhood of \$5400 a month of which some is for engineering oversight.

I will not bury my head in the sand that the citizens will have to live with what this misguided train is delivering them. Judging from our present status, I definitely do not want additional funds provided until a viable management infrastructure is a proven fact.

I for one will resign regardless of what you choose to do. I am afraid if I feel this impotent, I will make the recommendation to the governor to disband the KLWTD. This will depend whether I believe it is my personal incompetence, or the inability of the group to correct the figurative "buck of worms" that we were handed. I have total confidence that we could have had we had total control and decision making from the beginning, but we do not. That being said, the citizens are in imminent financial and social danger.

I need to make this decision soon to allow the replacement on the forthcoming ballot in November.

Jerry

KLWTD Board Meeting
February 4, 2004

Item K - 4

**Discussion of email and other
communications since our last
meeting.**

Commissioner Brooks

Subj: B&C 30% drawings
Date: 1/16/2004 12:29:48 PM Eastern Standard Time
From: jerry142@terranova.net
To: peter.kinsley@thehaskellco.com, soppenheim@brwnald.com, jpaterniti@brwnald.com
CC: largosunset@hotmail.com, edrcastle@aol.com, Jeff@weilerengineering.org, csweat@govmserv.com, hallema@aol.com, Cris.Beaty@jhrco.com, cbrooks442@aol.com, Tobinlaw@terranova.net, g.bauman@mail.dolphinpatioandgrill.com

Gentlemen:

Please excuse the way I make these comments but not the comments. In my opinion, these are not even 10% drawings unless the carbon content is the gauge. The following are my comments, not necessary in order of importance, considering these are 10% and I withhold comments for the 30%:

General Comments -

1) Drawings must be made considering the lowest intelligent worker on the project, the worker in the field. Details insets are preferable to verbal descriptions and both should be shown. A non-English speaking construction worker can follow a detail if properly rendered.

2) Where are the spec's?

3) Where are the complete to date standard details? Standard details should be referenced on all drawings.

4) Where are the survey elevation profiles (not to be confused with plan profiles)? I do not understand how the gravity lines can be shown if uphill and down hill is not determinable. I assume that a survey was nearly the first step performed.

5) Where are the general views (Key or Overall maps)? The overall project which I call the "Key map/page/chart" is comparable to a house plan and breaks down and referenced to bedroom, bathroom number one, etc. Key Largo Park, Key Largo Trailer Village and Sunset Waterways will be confusing to all who do not live there for work scheduling, inspection, invoice, delivery, work completion and worker assignment purposes. I personally believe one key flow direction map is desirable.

6) Where are the trees, utility poles, overhead obstructions, mail boxes, fences, water meters, drafting legends, etc. I still maintain that aerial views should be shown, if for no other reason to document the conditions present and which exist for the basis for the engineering. For example, if there is tree in the ROW and the drawings depicts a service lateral to that point, that is where the subcontractor will place the pipe unless an approved change order is made. All this info should be on the survey. Yes, I read Buried Utility Note 6 and General Civil Note 7, but question the wisdom of hiding behind this fine print. Perhaps my magnifying glass don't reveal them.

7) Drawings should be rendered so in case of contractor defaults, future contractors can bid the job. Any competent construction worker should be able to at least find in these drawings what, where, how and how much he/she should be doing and this includes the specifications of materials, etc.

Specific comments, I am not an engineer and the drawing are so incomplete and the General Notes so broad that I may be way off base:

A) I question the correctness or completeness of Buried Utility Notes 4. I believe the 6-inch vertical clearance only applies where they cross.

B) I hope that General Civil Note 4. is correct. It is about time, but I believe it only applies to VSAN and not to SAN lines.

C) I cannot help myself - I question the wisdom and cost effectiveness of design such as indicated on sheet number C-121. On the other hand, perhaps the Buried Utilities Notes pass on to the contractor all the wisdom to place the service lateral and vacuum pits at the correct location for the homeowner.

Jerry Wilkinson

Chairman,
 Technical Committee
 KLWTD

Subj: **plan adequacy**
Date: 1/18/2004 7:55:59 AM Eastern Standard Time
From: thomasdillon@terranoval.net
To: tobinlaw@terranoval.net, cbrooks442@aol.com, cris.beaty@ihrco.com,
g.bauman@dolphinpatioandgrill.com, FDoyle@govmserv.com, JERRY142@TERRANOVA.NET
CC: EdRCastle@aol.com, csweat@govmserv.com, DMiles@govserv.com, jeff@weilerengineering.org,
rsheets@govserv.com

Jerry Wilkinson has expressed a concern about the completeness of the plans provided by Haskell. Here are my thoughts:

The short answer is that in a design-build agreement, there cannot be a contractor or subcontractor claim based on deficiencies in the plans. Since the contractor is the designer, it's his problem if they're deficient. That is the major advantage of design-build. Most institutional owners that I know about don't think that design-build is any cheaper over all than design-bid-build, because the owner pays for what is built. The major benefit is the impossibility of contractor claims based on plan deficiencies.

That said, we know that the design-builder has a financial incentive to build as cheaply as possible, and the design-builder is in a joint venture or similar relationship with the designer. Thus extra vigilance is needed to make sure that the owner gets all of the program that the owner is entitled to. In this case, Weiler's job is to make sure that happens, but the Board must also be vigilant.

Tom

Subj: **Haskell KLTV Progress reports for August & September 2003**
Date: 1/19/2004 10:50:06 AM Eastern Standard Time
From: FDoyle@govmserv.com
To: tobinlaw@terranova.net, cbrooks442@aol.com, cris.beaty@ihrc.com,
g.bauman@dolphinpatioandgrill.com, jerry142@terranova.net

FYI

<<Haskell Sept 2003 progress report.pdf>> <<Haskell August 03 progress report.pdf>>

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

Subj: RE: B&C 30% drawings
Date: 1/20/2004 6:05:28 PM Eastern Standard Time
From: peter.kinsley@thehaskellco.com
To: jerry142@terranova.net
CC: largosunset@hotmail.com, edrcastle@aol.com, Jeff@weilerengineering.org, csweat@govmserv.com, hallemma@aol.com, Cris.Beaty@ihrco.com, cbrooks442@aol.com, Tobinlaw@terranova.net, g.bauman@mail.dolphinpatioandgrill.com, jpaterniti@brwncald.com, soppenheim@brwncald.com

Jerry, we have not been ignoring you. I have prepared a schedule for design development that includes design review workshops and will gladly discuss your review comments in detail at that time. That being said, I would like to point out that most everything you have requested will be provided as the design progresses, but is a greater level of detail than what is traditionally provided at 30%. Thanks for your detailed review, your comments will certainly benefit the process and ultimately the project.

Peter M. Kinsley
 The Haskell Company
 Division Leader - Water
 904/ 357-4868 (phone)
 904/ 357-4282 (fax)

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranova.net]
Sent: Friday, January 16, 2004 1:31 PM
To: Peter Kinsley; Stuart Oppenheim; Joe Paterniti
Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Subject: B&C 30% drawings

Gentlemen:

Please excuse the way I make these comments but not the comments. In my opinion, these are not even 10% drawings unless the carbon content is the gauge. The following are my comments, not necessary in order of importance, considering these are 10% and I withhold comments for the 30%:
 General Comments -

- 1) Drawings must be made considering the lowest intelligent worker on the project, the worker in the field. Details insets are preferable to verbal descriptions and both should be shown. A non-English speaking construction worker can follow a detail if properly rendered.
- 2) Where are the spec's?
- 3) Where are the complete to date standard details? Standard details should be referenced on all drawings.
- 4) Where are the survey elevation profiles (not to be confused with plan profiles)? I do not understand how the gravity lines can be shown if uphill and down hill is not determinable. I assume that a survey was nearly the first step performed.
- 5) Where are the general views (Key or Overall maps)? The overall project which I call the "Key map/page/chart" is comparable to a house plan and breaks down and referenced to bedroom, bathroom number one, etc. Key Largo Park, Key Largo Trailer Village and Sunset Waterways will be confusing to all who do not live there for work scheduling, inspection, invoice, delivery, work completion and worker assignment purposes. I personally believe one key flow direction map is desirable.
- 6) Where are the trees, utility poles, overhead obstructions, mail boxes, fences, water meters, drafting legends, etc. I still maintain that aerial views should be shown, if for no other reason to document the conditions present and which exist for the basis for the engineering. For example, if there is tree in the ROW and the drawings depicts a service lateral to that point, that is where the subcontractor will place the pipe unless an approved change order is made. All this info should be on the survey. Yes, I read Buried Utility Note 6 and General Civil Note 7, but question the wisdom of hiding behind this fine print. Perhaps my

magnifying glass don't reveal them.

7) Drawings should be rendered so in case of contractor defaults, future contractors can bid the job. Any competent construction worker should be able to at least find in these drawings what, where, how and how much he/she should be doing and this includes the specifications of materials, etc.

Specific comments, I am not an engineer and the drawing are so incomplete and the General Notes so broad that I may be way off base:

A) I question the correctness or completeness of Buried Utility Notes 4. I believe the 6-inch vertical clearance only applies where they cross.

B) I hope that General Civil Note 4. is correct. It is about time, but I believe it only applies to VSAN and not to SAN lines.

C) I cannot help myself - I question the wisdom and cost effectiveness of design such as indicated on sheet number C-121. On the other hand, perhaps the Buried Utilities Notes pass on to the contractor all the wisdom to place the service lateral and vacuum pits at the correct location for the homeowner.

Jerry Wilkinson
Chairman,
Technical Committee
KLWTD

Subj: **Design issues**
Date: 1/21/2004 1:07:16 PM Eastern Standard Time
From: thomasdillon@terranova.net
To: EdRCastle@aol.com, csweat@govmserv.com, DMiles@govserv.com, jeff@weilerengineering.org,
rsheets@govserv.com, tobinlaw@terranova.net, cbrooks442@aol.com, cris.beaty@lhrco.com,
g.bauman@dolphinpatioandgrill.com, FDoyle@govmserv.com, JERRY142@TERRANOVA.NET

I am attaching a memorandum regarding design issues under the Design-Build Agreement. This effort started as an attempt to explain the requirements of the 30% design document. However, my analysis indicates substantial noncompliance with the process as described in the agreement, so I have provided further information.

It is essential to review Exhibit G to the agreement to understand the process contemplated for the design process. I have the Exhibit as part of a large pdf file and will provide the pdf file to anyone who needs it.

Tom

Subj: RE: B&C 30% drawings
Date: 1/22/2004 6:44:45 PM Eastern Standard Time
From: jerry142@terranova.net
To: EdRCastle@aol.com
CC: weiler7@comcast.net, jeff@weilerengineering.org, csweat@govmserv.com,
rsheets@govserv.com, thomasdillon@terranova.net

Ed and all:

Gary asked me to put my doubts on the agenda for the next meeting.

Some how I must know that all of you are aware of what the interests of the citizens of Key Largo are and are dedicated to serve them. I believe they are the similar to those of Stock Island, other than it appears that SI citizens are begging to connect at even greater costs that KL citizens, and the capability or something is not there judging from what I hear and the little that I have seen. I can only judge from what I have personally seen and that has not been encouraging. With a real set of plans and your comments, I will guarantee that I will have a good idea of where your interests are. Please allow me to qualify that. From being a former sub, I found that engineer's interests are somewhat different than mine were.

From all my conversations with local citizens, they expect the same as for water and electricity - it works constantly and reliable at a reasonable cost, and repairs occur infrequently at no apparent additional cost to them. Kind of like a hammer, get the correct of two choices pointed down and it is simple for most. There are engineers, billing people, repairmen behind the scenes and they do not care what they are doing as long as it works for \$35 a month, for example. The financing for capital recovery and connection is an unknown to most of them, but that will come.

I just grabbed my so called drawings and it opened on page C-101. If you are interested in the commercial citizens, they are the ones with the \$\$ to protest, why put the VPs in front and across their parking lots up hill when Rock Harbor Drive passes behind them downhill across grass and a mile shorter distance? Can you really serve the Waffle house and the Hardware Store (now closed) up hill and with a one single VP? This is from memory and I will go there tomorrow for the umpteenth time to verify this impromptu statement.

Most of the non-commercial citizens are unaware that a builder ran a 3/4" pipe from the meter to their house and the homeowner paid for it, or as for FKEC the utility paid for the service line to the weather head. They are a tad confused why this will cost upwards to \$7000, but if explained and a financing program provided they will gripe and move on one way or the other. Some are concerned what to do if catastrophic outages occur, or to use an analogy if the FKA pressure run away and the high pressure burst the pipes inside the house and floods it. The same if FKEC loses the neutral and every 110 vac appliance turned on goes up in smoke.

The track record in MC is not good. Hopefully, Little Venice will improve the average.

What makes it bad is that I do not trust what we are doing - Oh Ye of little faith! Seeing is believing and I even trust Jim Reynolds report that it worked in Europe, but I got to see it myself. I guarantee if it was coming to my house, I, by now, would have a second emergency septic system, a shorten candy cane ready and a shutoff valve (I have a ground floor bathroom). For me that would be simple as I have use of a backhoe and Keys Supply is a friend of mine. A backflow preventer is still not my choice unless it is cleanout type - now about \$450 off the shelf.

Jerry

-----Original Message-----

From: EdRCastle@aol.com [mailto:EdRCastle@aol.com]
Sent: Thursday, January 22, 2004 10:32 AM
To: jerry142@terranova.net
Cc: thomasdillon@terranova.net; rsheets@govserv.com; csweat@govmserv.com;
jeff@weilerengineering.org; weiler7@comcast.net
Subject: Re: B&C 30% drawings

Jerry,

I would like to assure you that District Staff is reviewing the drawings. I have requested scaled full-size sheets and am told they will be here today. WEC has three engineers working on this review (Jeff, Mike Hatfield and me). We have preliminary comments drafted, but will be able to comment more effectively after receipt of the scaled full size set. GSG staff is also reviewing the plans and drafting comments. Please rest assured that we intend to fully protect the interests of the citizens of Key Largo and the District.

Ed Castle
Project Manager

Subj: **Re: Design Issues**
Date: 1/22/2004 7:59:49 AM Eastern Standard Time
From: Ed R Castle
To: thomasdillon@terranova.net, csweat@govmserv.com, DMiles@govserv.com,
jeff@weilerengineering.org, rsheets@govserv.com, tobinlaw@terranova.net, CBrooks442,
cris.beaty@ihrco.com, g.bauman@dolphinpatioandgrill.com, FDoyle@govmserv.com,
JERRY142@TERRANOVA.NET

Tom,

I am in agreement with you on the requirements and have been addressing them. I referred Peter Kinsley to the requirements of Exhibit G in an email sent on January 16th. Peter has assured me that he intends to deliver all required materials. Until such time, WEC will approve progress payment requests related to the 30% design submittal only in amounts proportional to the degree of completeness of the submittal.

Subj: **Meeting with Collins**
Date: 1/22/2004 9:18:40 AM Eastern Standard Time
From: thomasdillon@terranova.net
To: tobinlaw@terranova.net, cbrooks442@aol.com, cris.beaty@ihcco.com,
g.bauman@dolphinpatioandgrill.com, FDoyle@govmserv.com, JERRY142@TERRANOVA.NET
CC: EdRCastle@aol.com, csweat@govmserv.com, DMiles@govserv.com, jeff@weilerengineering.org,
rsheets@govserv.com

On Friday, 1/16//04, I met with County Attorney Richard Collins and Assistant County Attorney Rob Wolfe in Key West. I was told that Danny Kolhage was going to attend but he did not.

After some discussion and review of relevant statutes, Mr. Collins said that he was inclined to reverse the previous County Attorney's position regarding payment of the Board for meetings, as well as any other District administrative costs. He asked Mr. Wolfe to draft an opinion. Given Mr. Wolfe's evident hostility, it may take a while to actually get it.

Mr. Collins said that the County would like to develop a uniform policy for dealing with all wastewater districts. To that end, he asked me to look at the enabling legislation for FKAA so that legislation could be introduced to make the legislative authorization for KLWTD as consistent as possible with that of FKAA. I plan to do so next week.

Tom

Subj: RE: B&C 30% drawings
Date: 1/22/2004 10:57:29 AM Eastern Standard Time
From: jerry142@terranova.net
To: peter.kinsley@thehaskellco.com, jpaterniti@brwncald.com
CC: largosunset@hotmail.com, edrcastle@aol.com, Jeff@weilerengineering.org, csweat@govmserv.com, hallemma@aol.com, Cris.Beaty@ihrc.com, cbrooks442@aol.com, Tobinlaw@terranova.net, g.bauman@mail.dolphinpatioandgrill.com, jpaterniti@brwncald.com, soppenheim@brwncald.com, rsheets@govserv.com, thortenstine@brwncald.com, william.english@thehaskellco.com

Peter:

Tom said something to the effect that d/b is to get a cheap price, avoid legal challenges between builder and designer and that I was expecting too much from D/b drawings. All that I will receive is a short-hand type plans as the there is the relationship between the designer and builder who understand each other. My reply is that I do not intend to learn shorthand or touch typing, so why send anything?

Based on this, I do see a mistake on my part. The Boyle's drawing were for KLP which was d/b/b; therefore not in short-hand. However, I do know that relationships do not last forever and the same "field workers" could care less whether it is d/b or d/b/b. If something happens to Higgins, I assume the surety company would have to pay for a doable set of drawings. I disclaim any knowledge of d/b. I simply maintain it there are repeated notes to "Construct 6" Service Lateral capped at property line (TYP)," there should be a referenced complete detail of construction, depth, placement, backfill, marking, material, etc. The citizen's plumber will charge a ton if he/she cannot locate the capped service lateral.

If Tom is correct using my interpretation, someone has a lot of education for me to understand how I am to exercise vigilance to provide the citizens with a functional and affordable wastewater system, or I will ask Governor Bush to explain it. In general, my immediate suggestion at about 0400 was to cancel this project, pay everybody off and start with a d/b/b system after we are properly financed and a viable management infrastructure system is in place.

I do not get paid to design wastewater, but I can tell you I have an ability to look at a set of drawing and detect something is wrong. I probably cannot tell you what is wrong. For example, for simple things I can take 15 minutes to lay a set of standard drawing out on the floor, count the number of points that I believe needs to be inspected that do not have a detail symbolic references and those are incorrect. If there are abbreviations that are not on the abbreviations sheet, then they mean whatever I want them to mean. In reality, it does not work that way. The sub and the GC trade boo-boos or make deals and the customer gets whatever it is. We use to trade initials on the drawing copy of whom ever felt disfavored just in case. I never heard of a court accepting the "initial" practice.

I no longer care whether you gravity uphill or down hill, but I do care if the Hot is on the right and the Cold is on the left. Both are basics, but one effects cost and the other effects the user. I will use the "capped service lateral" as an example for the user. The Board is going to have to give instructions as I have none. For example, should the service lateral be located for the convenience of the septic tank (I personally think not), where the lateral leaves the foundation (I personally think it should) or to forget it all together and screw the customer. I will suggest to the customer to take the easy way if it is not where it is marked - pay the plumber and take us to small claims court for damages. The hard way is for injunctive relief, but he/she will eventually have to connect. We have two engineers, GSG and WEC, making big bucks to do this, and they are going to have to attend to the details even if it is daily. All I need is their comments and with a set of drawings, I can comment.

The District needs a qualified Director and staff now or we should cut our losses and run. Every one gets paid, no lawsuits and the public not harmed. I am not gong to take the hit for misfeasance and/or malfeasance for future problems.

Jerry

-----Original Message-----

From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]

Sent: Thursday, January 22, 2004 5:24 AM

To: 'Jerry Wilkinson'; Joe Paterniti (E-mail)

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.

Subject: RE: B&C 30% drawings

Jerry, I did not see Tom Dillon's comments, but the design-build process is greatly benefited by the Owner's involvement. You are our client and meeting/exceeding your expectations is one of the primary goals of any project. I would guess that Tom stated that we as the design-builder are obligated to make the system work and that the KLWTD has no obligation in that regard. All that is true, but having the Owner involved in the design development process ensures that you as an Owner are not surprised by the final product produced. In addition, it gives voice to concerns of the community that we as the design-builder may not be aware of or simply may not appreciate the significance of. As stated, I value your input and the process/project will benefit from your involvement. With regard to your technical comments, I will table a response until we have our first design review workshop which is tentatively scheduled for February 4, 2004. This will bring structure to the process as well as give Brown and Caldwell an opportunity to review and prepare. One final comment, please do not get discouraged with design-build before we have even gotten started. Design development is just underway and we have not had our first review meeting. This is an interactive process with contribution from all project participants that adds value, shortens delivery and improves quality. It is far too early to compare the two delivery processes. Thanks...

Joe, please send Jerry a set of full size drawings to the address listed below.

Peter M. Kinsley
The Haskell Company
Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranova.net]
Sent: Wednesday, January 21, 2004 10:45 PM
To: Kinsley, Peter M.
Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.
Subject: RE: B&C 30% drawings

Peter:

I can see one difference. All that are mentioned are paid to looking at these drawings. I am not. I can only offer my opinions. A comment from me is most likely worth almost what I am charging - zero. I am not licensed, registered or certified and until I hear back from GSG, I am not even certain if I am insured. Does it make any difference whether the waterline in the U.S. median is 30" or 36" it would to me if for no other reason than not to appear incorrect.

After reading Tom Dillon's comments, who knows a thousand times more than I, why am I saying anything? I have no idea where the "owner" fits into this process, which continues to reinforce my preference for d/b/b. I am more concerned that there are people out there relying on me to deliver a process that function at the price the District has told them. What is more the county, state and federal governments do not either.

I can tell you that most think it is a 36" waterline and that there are gravity lines appearing to run up hill. I do not know how the plans call for a 2% vacuum line when the profile from Roovac is not available. I do not know why some Vacuum Valve Chambers are (TYP) and others are not. I assume TYP is typical so are there some non-typical. The abbreviations do not help me. I do know why some vacuum mains are open cut and others are not. The best that I can say is that there are 30% corrections on the 30% drawings.

My address is:
Jerry Wilkinson
38 East Beach Road
Tavernier, FL 33070.

-----Original Message-----

From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]

Sent: Wednesday, January 21, 2004 5:32 AM

To: 'Jerry Wilkinson'

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.

Subject: RE: B&C 30% drawings

In response to your comments below:

Exhibit G of the Design-Build Agreement defines the submittal requirement for 30% to include "preliminary wastewater collection system layout". This is precisely what was provided for the Village as well as the Park. As stated earlier, the majority of information you believe should have been included will be provided as the design advances. I cannot speak to what Boyle believes is 30% or what their contract required, but we have and will continue to adhere to what is required by our contract with Key Largo. In addition, I can assure you that I was not holding back because of the WWTP issue. Resolution of that issue took time, but I would never hold this or any other client hostage in that manner. With regard to providing half size drawings, I did that for your convenience. I prefer working with half size drawings, because I can carry them around and study them in areas where full size drawings simply will not work (airplanes primarily). In error, I assumed my preference would be everyone else's preference. Ed and Jeff are also unhappy with half size drawings so we are forwarding full size today. If you provide a mailing address, I will gladly forward you full size drawings as well. Please be advised that all subsequent design development submittals will be provided in full size to avoid any future hardship. Finally, I agree with your statement regarding organization and the need for a Key Map page. That is the one comment I made to Joe that could not be incorporated into the 30% design submittal prior to submission. The Key Map along with profiles, additional standard details, notes and specs will be included in the 60% set. As discussed, we intend on permitting the project off of the approved 60% design submittal, so I am sure that set of drawings will look a lot closer to what you are accustomed to. Once again, thanks for your scrutiny, it will only benefit the project and if you want to discuss further, do not hesitate to call.

Peter M. Kinsley
The Haskell Company
Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranova.net]

Sent: Tuesday, January 20, 2004 9:31 PM

To: Kinsley, Peter M.

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim

Subject: RE: B&C 30% drawings

Peter:

I have seen a lot of drawings but other than Boyles and B&C's, all have been 100%. I can tell you that Boyle slaughtered you at 30%; however, that was their downfall as they gave enough for substantive comments. For me it is a waste of time not to see 24" X 36" if I am truly interested. They kept promising aerials but they never came. I did see that they had for UEC at Little Venice and they were easy to read, but still not enough details shown. That is one way to keep the guys in the field confused.

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Monday, January 26, 2004 America Online: CBrooks442

general notes, detail legends, etc ready to mediate big time if it had gone that far. This fluff is almost the same in all drawings and usually does not change much from 30 to 100%. Your RFP response had more organization than these. There will not be much real design until Roevac gives the profiles, but organization and presentation we can work on. Let have on Key page solely for flow direction. You did it well in the RFP proposal for the Village. The Park has a tad more varying topography with more options.

I assume these cannot be done for computers where one can zoom in and follow using the slider bars.

Jerry

-----Original Message-----

From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]

Sent: Tuesday, January 20, 2004 5:01 PM

To: 'Jerry Wilkinson'

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim

Subject: RE: B&C 30% drawings

Jerry, we have not been ignoring you. I have prepared a schedule for design development that includes design review workshops and will gladly discuss your review comments in detail at that time. That being said, I would like to point out that most everything you have requested will be provided as the design progresses, but is a greater level of detail than what is traditionally provided at 30%. Thanks for your detailed review, your comments will certainly benefit the process and ultimately the project.

Peter M. Kinsley
The Haskell Company
Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranova.net]

Sent: Friday, January 16, 2004 1:31 PM

To: Peter Kinsley; Stuart Oppenheim; Joe Paterniti

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman

Subject: B&C 30% drawings

Gentlemen:

Please excuse the way I make these comments but not the comments. In my opinion, these are not even 10% drawings unless the carbon content is the gauge. The following are my comments, not necessary in order of importance, considering these are 10% and I withhold comments for the 30%:

General Comments -

1) Drawings must be made considering the lowest intelligent

worker on the project, the worker in the field. Details insets are preferable to verbal descriptions and both should be shown. A non-English speaking construction worker can follow a detail if properly rendered.

2) Where are the spec's?

3) Where are the complete to date standard details? Standard details should be referenced on all drawings.

4) Where are the survey elevation profiles (not to be confused with plan profiles)? I do not understand how the gravity lines can be shown if uphill and down hill is not determinable. I assume that a survey was nearly the first step performed.

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7) Drawings should be rendered so in case of contractor defaults, future contractors can bid the job. Any competent construction worker should be able to at least find in these drawings what, where, how and how much he/she should be doing and this includes the specifications of materials, etc. Specific comments, I am not an engineer and the drawing are so incomplete and the General Notes so broad that I may be way off base:

A) I question the correctness or completeness of Buried Utility Notes 4. I believe the 6-inch vertical clearance only applies where they cross.

B) I hope that General Civil Note 4. is correct. It is about time, but I believe it only applies to VSAN and not to SAN lines.

C) I cannot help myself - I question the wisdom and cost effectiveness of design such as indicated on sheet number C-121. On the other hand, perhaps the Buried Utilities Notes pass on to the contractor all the wisdom to place the service lateral and vacuum pits at the correct location for the homeowner.

Jerry Wilkinson
Chairman,
Technical Committee
KLWTD

Subj: **Decision time**
Date: 1/22/2004 4:57:03 AM Eastern Standard Time
From: jerry142@terranova.net
To: Cris.Beaty@ihrc.com, cbrooks442@aol.com, Tobinlaw@terranova.net,
g.bauman@mail.dolphinpatioandgrill.com

Gentlemen:

This is a privileged email!

I light of Tom's recent design/build comments and my suspicions for some time, I suggest we have a emergency workshop, or what ever one wants to call it, to establish methodology for assuring the citizens of Key Largo, especially those of Key Largo Trailer Village, that we can guarantee an AWT system at very reasonable costs.

If we cannot give them that assurance, we morally owe them to cancel this process now. It is not the end of the world. I will do in a heartbeat what I feel morally correct.

Having followed the Stock Island debacle and that being the only track record that I have, I have absolutely no confidence of Weiler Engineering Company (WEC) doing other basic inspection service and invoice verification quantitative analysis for the collection system.

I feel absolutely certain that the Haskell Company will deliver a system that will work for 30 days with limited input. From then on, it will be a total gamble and there is actually little we can do/afford.

I see no substantive progress being made on the transition process.

We and WEC made specific trade offs to GSG for the District to have Charles Fishburn as the District Engineer for these two projects. In quite a few meetings, we have not had any GSG engineer present. I believe GSG is and has been receiving in the neighborhood of \$5400 a month of which some is for engineering oversight.

I will not bury my head in the sand that the citizens will have to live with what this misguided train is delivering them. Judging from our present status, I definitely do not want additional funds provided until a viable management infrastructure is a proven fact.

I for one will resign regardless of what you choose to do. I am afraid if I feel this impotent, I will make the recommendation to the governor to disband the KLWTD. This will depend whether I believe it is my personal incompetence, or the inability of the group to correct the figurative "buck of worms' that we were handed. I have total confidence that we could have had we had total control and decision making from the beginning, but we do not. That being said, the citizens are in imminent financial and social danger.

I need to make this decision soon to allow the replacement on the forthcoming ballot in November.

Jerry

Subj: **FW: Decision time**
Date: 1/22/2004 4:55:41 PM Eastern Standard Time
From: jerry142@terranova.net
To: csweat@govmserv.com, hallema@aol.com, FDoyle@govmserv.com, rsheets@govserv.com
CC: Cris.Beaty@hrco.com, cbrooks442@aol.com, Tobinlaw@terranova.net,
g.bauman@mail.dolphinpatioandgrill.com

Robert:

Gary requested that I put this on the agenda for the next meeting.

Jerry

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranova.net]

Sent: Thursday, January 22, 2004 4:59 AM

To: Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman

Subject: Decision time

Gentlemen:

This is a privileged email!

I light of Tom's recent design/build comments and my suspicions for some time, I suggest we have a emergency workshop, or what ever one wants to call it, to establish methodology for assuring the citizens of Key Largo, especially those of Key Largo Trailer Village, that we can guarantee an AWT system at very reasonable costs.

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Jerry

Subj: RE: B&C 30% drawings
Date: 1/22/2004 1:02:12 PM Eastern Standard Time
From: peter.kinsley@thehaskellco.com
To: jerry142@terranova.net
CC: largosunset@hotmail.com, edrcastle@aol.com, Jeff@weilerengineering.org, csweat@govmserv.com, hallemma@aol.com, Cris.Beaty@ihrco.com, cbrooks442@aol.com, Tobinlaw@terranova.net, g.bauman@mail.dolphinpatioandgrill.com, jpaterniti@brwncald.com, soppenheim@brwncald.com, rsheets@govserv.com, thortenstine@brwncald.com, william.english@thehaskellco.com, jpaterniti@brwncald.com

Jerry

It seems to me that you are comparing what you believe should included in a set of drawings that is completely designed (100%) in lieu of what is typically included in a set of drawings that are at the 30% complete stage. I keep saying this, but trust me, you will be satisfied with the product we produce at the end of the design development process. If you were to see a set of drawings from a d/b/b project at this early stage of design, the drawings would look very similar to what has been provided. If you want and it is acceptable with sunshine, etc., please call me to discuss (904/759-5287). Thanks...

Peter M. Kinsley
 The Haskell Company
 Division Leader - Water
 904/ 357-4868 (phone)
 904/ 357-4282 (fax)

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranova.net]
Sent: Thursday, January 22, 2004 11:59 AM
To: Kinsley, Peter M.; Joe Paterniti (E-mail)
Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.
Subject: RE: B&C 30% drawings

Peter:

Tom said something to the effect that d/b is to get a cheap price, avoid legal challenges between builder and designer and that I was expecting too much from D/b drawings. All that I will receive is a short-hand type plans as the there is the relationship between the designer and builder who understand each other. My reply is that I do not intend to learn shorthand or touch typing, so why send anything?

Based on this, I do see a mistake on my part. The Boyle's drawing were for KLP which was d/b/b; therefore not in short-hand. However, I do know that relationships do not last forever and the same "field workers" could care less whether it is d/b or d/b/b. If something happens to Higgins, I assume the surety company would have to pay for a doable set of drawings. I disclaim any knowledge of d/b. I simply maintain it there are repeated notes to "Construct 6" Service Lateral capped at property line (TYP)," there should be a referenced complete detail of construction, depth, placement, backfill, marking, material, etc. The citizen's plumber will charge a ton if he/she cannot locate the capped service lateral.

If Tom is correct using my interpretation, someone has a lot of education for me to understand how I am to exercise vigilance to provide the citizens with a functional and affordable wastewater system, or I will ask Governor Bush to explain it. In general, my immediate suggestion at about 0400 was to cancel this project, pay everybody off and start with a d/b/b system after we are properly financed and a viable management infrastructure system is in place.

I do not get paid to design wastewater, but I can tell you I have an ability to look at a set of drawing and detect something is wrong. I probably cannot tell you what is wrong. For example, for simple things I can take 15 minutes to lay a set of standard drawing out on the floor, count the number of points that I believe needs to be inspected that do not have a detail symbolic references and those are incorrect. If there are abbreviations that are not on the abbreviations sheet, then they mean whatever I want them to

mean. In reality, it does not work that way. The sub and the GC trade boo-boos or make deals and the customer gets whatever it is. We use to trade initials on the drawing copy of whom ever felt disfavored just in case. I never heard of a court accepting the "initial" practice.

I no longer care whether you gravity uphill or down hill, but I do care if the Hot is on the right and the Cold is on the left. Both are basics, but one effects cost and the other effects the user. I will use the "capped service lateral" as an example for the user. The Board is going to have to give instructions as I have none. For example, should the service lateral be located for the convenience of the septic tank (I personally think not), where the lateral leaves the foundation (I personally think it should) or to forget it all together and screw the customer. I will suggest to the customer to take the easy way if it is not where it is marked - pay the plumber and take us to small claims court for damages. The hard way is for injunctive relief, but he/she will eventually have to connect. We have two engineers, GSG and WEC, making big bucks to do this, and they are going to have to attend to the details even if it is daily. All I need is their comments and with a set of drawings, I can comment.

The District needs a qualified Director and staff now or we should cut our losses and run. Every one gets paid, no lawsuits and the public not harmed. I am not gong to take the hit for misfeasance and/or malfeasance for future problems.

Jerry

-----Original Message-----

From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]

Sent: Thursday, January 22, 2004 5:24 AM

To: 'Jerry Wilkinson'; Joe Paterniti (E-mail)

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.

Subject: RE: B&C 30% drawings

Jerry, I did not see Tom Dillon's comments, but the design-build process is greatly benefited by the Owner's involvement. You are our client and meeting/exceeding your expectations is one of the primary goals of any project. I would guess that Tom stated that we as the design-builder are obligated to make the system work and that the KLWTD has no obligation in that regard. All that is true, but having the Owner involved in the design development process ensures that you as an Owner are not surprised by the final product produced. In addition, it gives voice to concerns of the community that we as the design-builder may not be aware of or simply may not appreciate the significance of. As stated, I value your input and the process/project will benefit from your involvement. With regard to your technical comments, I will table a response until we have our first design review workshop which is tentatively scheduled for February 4, 2004. This will bring structure to the process as well as give Brown and Caldwell an opportunity to review and prepare. One final comment, please do not get discouraged with design-build before we have even gotten started. Design development is just underway and we have not had our first review meeting. This is an interactive process with contribution from all project participants that adds value, shortens delivery and improves quality. It is far too early to compare the two delivery processes. Thanks...

Joe, please send Jerry a set of full size drawings to the address listed below.

Peter M. Kinsley
The Haskell Company
Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranova.net]

Sent: Wednesday, January 21, 2004 10:45 PM

To: Kinsley, Peter M.

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty;

Monday, January 26, 2004 America Online: CBrooks442

Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.

Subject: RE: B&C 30% drawings

Peter:

I can see one difference. All that are mentioned are paid to looking at these drawings. I am not. I can only offer my opinions. A comment from me is most likely worth almost what I am charging - zero. I am not licensed, registered or certified and until I hear back from GSG, I am not even certain if I am insured. Does it make any difference whether the waterline in the U.S. median is 30" or 36" it would to me if for no other reason than not to appear incorrect.

After reading Tom Dillon's comments, who knows a thousand times more than I, why am I saying anything? I have no idea where the "owner" fits into this process, which continues to reinforce my preference for d/b/b. I am more concerned that there are people out there relying on me to deliver a process that function at the price the District has told them. What is more the county, state and federal governments do not either.

I can tell you that most think it is a 36" waterline and that there are gravity lines appearing to run up hill. I do not know how the plans call for a 2% vacuum line when the profile from Roovac is not available. I do not know why some Vacuum Valve Chambers are (TYP) and others are not. I assume TYP is typical so are there some non-typical. The abbreviations do not help me. I do know why some vacuum mains are open cut and others are not. The best that I can say is that there are 30% corrections on the 30% drawings.

My address is:

Jerry Wilkinson
38 East Beach Road
Tavernier, FL 33070.

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From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]

Sent: Wednesday, January 21, 2004 5:32 AM

To: 'Jerry Wilkinson'

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.

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Peter M. Kinsley
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Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

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Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
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Jerry Wilkinson
Chairman,
Technical Committee
KLWTD

Subj: RE: B&C 30% drawings
Date: 1/22/2004 6:29:15 AM Eastern Standard Time
From: peter.kinsley@thehaskellco.com
To: jerry142@terranova.net, jpaterniti@brwncald.com
CC: largosunset@hotmail.com, edrcastle@aol.com, Jeff@weilerengineering.org, cswheat@govmserv.com, hallerma@aol.com, Cris.Beaty@ihrco.com, cbrooks442@aol.com, Tobinlaw@terranova.net, g.bauman@mail.dolphinpatioandgrill.com, jpaterniti@brwncald.com, soppenheim@brwncald.com, rsheets@govserv.com, thortenstine@brwncald.com, william.english@thehaskellco.com

Jerry, I did not see Tom Dillon's comments, but the design-build process is greatly benefited by the Owner's involvement. You are our client and meeting/exceeding your expectations is one of the primary goals of any project. I would guess that Tom stated that we as the design-builder are obligated to make the system work and that the KLWTD has no obligation in that regard. All that is true, but having the Owner involved in the design development process ensures that you as an Owner are not surprised by the final product produced. In addition, it gives voice to concerns of the community that we as the design-builder may not be aware of or simply may not appreciate the significance of. As stated, I value your input and the process/project will benefit from your involvement. With regard to your technical comments, I will table a response until we have our first design review workshop which is tentatively scheduled for February 4, 2004. This will bring structure to the process as well as give Brown and Caldwell an opportunity to review and prepare. One final comment, please do not get discouraged with design-build before we have even gotten started. Design development is just underway and we have not had our first review meeting. This is an interactive process with contribution from all project participants that adds value, shortens delivery and improves quality. It is far too early to compare the two delivery processes. Thanks...

Joe, please send Jerry a set of full size drawings to the address listed below.

Peter M. Kinsley
 The Haskell Company
 Division Leader - Water
 904/ 357-4868 (phone)
 904/ 357-4282 (fax)

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranova.net]

Sent: Wednesday, January 21, 2004 10:45 PM

To: Kinsley, Peter M.

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.

Subject: RE: B&C 30% drawings

Peter:

I can see one difference. All that are mentioned are paid to looking at these drawings. I am not. I can only offer my opinions. A comment from me is most likely worth almost what I am charging - zero. I am not licensed, registered or certified and until I hear back from GSG, I am not even certain if I am insured. Does it make any difference whether the waterline in the U.S. median is 30" or 36" it would to me if for no other reason than not to appear incorrect.

After reading Tom Dillon's comments, who knows a thousand times more than I, why am I saying anything? I have no idea where the "owner" fits into this process, which continues to reinforce my preference for d/b/b. I am more concerned that there are people out there relying on me to deliver a process that function at the price the District has told them. What is more the county, state and federal governments do not either.

I can tell you that most think it is a 36" waterline and that there are gravity lines appearing to run up hill. I do not know how the plans call for a 2% vacuum line when the profile from Roovac is not available. I do not know why some Vacuum Valve Chambers are (TYP) and others are not. I assume TYP is typical so are there some non-typical. The abbreviations do not help me. I do know why some vacuum mains are

open cut and others are not. The best that I can say is that there are 30% corrections on the 30% drawings.

My address is:
 Jerry Wilkinson
 38 East Beach Road
 Tavernier, FL 33070.

-----Original Message-----

From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]

Sent: Wednesday, January 21, 2004 5:32 AM

To: 'Jerry Wilkinson'

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.

Subject: RE: B&C 30% drawings

In response to your comments below:

Exhibit G of the Design-Build Agreement defines the submittal requirement for 30% to include "preliminary wastewater collection system layout". This is precisely what was provided for the Village as well as the Park. As stated earlier, the majority of information you believe should have been included will be provided as the design advances. I cannot speak to what Boyle believes is 30% or what their contract required, but we have and will continue to adhere to what is required by our contract with Key Largo. In addition, I can assure you that I was not holding back because of the WWTP issue. Resolution of that issue took time, but I would never hold this or any other client hostage in that manner. With regard to providing half size drawings, I did that for your convenience. I prefer working with half size drawings, because I can carry them around and study them in areas where full size drawings simply will not work (airplanes primarily). In error, I assumed my preference would be everyone else's preference. Ed and Jeff are also unhappy with half size drawings so we are forwarding full size today. If you provide a mailing address, I will gladly forward you full size drawings as well. Please be advised that all subsequent design development submittals will be provided in full size to avoid any future hardship. Finally, I agree with your statement regarding organization and the need for a Key Map page. That is the one comment I made to Joe that could not be incorporated into the 30% design submittal prior to submission. The Key Map along with profiles, additional standard details, notes and specs will be included in the 60% set. As discussed, we intend on permitting the project off of the approved 60% design submittal, so I am sure that set of drawings will look a lot closer to what you are accustomed to. Once again, thanks for your scrutiny, it will only benefit the project and if you want to discuss further, do not hesitate to call.

Peter M. Kinsley
 The Haskell Company
 Division Leader - Water
 904/ 357-4868 (phone)
 904/ 357-4282 (fax)

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranova.net]

Sent: Tuesday, January 20, 2004 9:31 PM

To: Kinsley, Peter M.

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim

Subject: RE: B&C 30% drawings

Peter:

I have seen a lot of drawings but other than Boyles and B&C's, all have been 100%. I can tell you that Boyle slaughtered you at 30%; however, that was their downfall as they gave enough for substantive comments. For me it is a waste of time not to see 24" X 36" if

I am truly interested. They kept promising aerials but they never came. I did see that they had for UEC at Little Venice and they were easy to read, but still not enough details shown. That is one way to keep the guys in the field confused.

I assumed you were holding back because of the WWTP issue; however, I would have done the opposite. I would have had all the fluff key pages, indexes, general notes, detail legends, etc ready to mediate big time if it had gone that far. This fluff is almost the same in all drawings and usually does not change much from 30 to 100%. Your RFP response had more organization than these. There will not be much real design until Roevac gives the profiles, but organization and presentation we can work on. Let have on Key page solely for flow direction. You did it well in the RFP proposal for the Village. The Park has a tad more varying topography with more options.

I assume these cannot be done for computers where one can zoom in and follow using the slider bars.

Jerry

-----Original Message-----

From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]

Sent: Tuesday, January 20, 2004 5:01 PM

To: 'Jerry Wilkinson'

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim

Subject: RE: B&C 30% drawings

Jerry, we have not been ignoring you. I have prepared a schedule for design development that includes design review workshops and will gladly discuss your review comments in detail at that time. That being said, I would like to point out that most everything you have requested will be provided as the design progresses, but is a greater level of detail than what is traditionally provided at 30%. Thanks for your detailed review, your comments will certainly benefit the process and ultimately the project.

Peter M. Kinsley
The Haskell Company
Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

-----Original Message-----

From: Jerry Wilkinson [mailto:jerry142@terranoa.net]

Sent: Friday, January 16, 2004 1:31 PM

To: Peter Kinsley; Stuart Oppenheim; Joe Paterniti

Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman

Subject: B&C 30% drawings

Gentlemen:

Please excuse the way I make these comments but not the comments. In my opinion, these are not even 10% drawings unless the carbon content is the gauge. The following are my comments, not necessary in order of importance, considering these are 10% and I withhold comments for the 30%:

General Comments -

1) Drawings must be made considering the lowest intelligent worker on the project, the worker in the field. Details insets are preferable to verbal descriptions and both should be shown. A non-English speaking construction worker can follow a detail if properly rendered.

2) Where are the spec's?

3) Where are the complete to date standard details? Standard details should be referenced on all drawings.

4) Where are the survey elevation profiles (not to be confused with plan profiles)? I do not understand how the gravity lines can be shown if uphill and down hill is not determinable. I assume that a survey was nearly the first step performed.

5) Where are the general views (Key or Overall maps)? The overall project which I call the "Key map/page/chart" is comparable to a house plan and breaks down and referenced to bedroom, bathroom number one, etc. Key Largo Park, Key Largo Trailer Village and Sunset Waterways will be confusing to all who do not live there for work scheduling, inspection, invoice, delivery, work completion and worker assignment purposes. I personally believe one key flow direction map is desirable.

6) Where are the trees, utility poles, overhead obstructions, mail boxes, fences, water meters, drafting legends, etc. I still maintain that aerial views should be shown, if for no other reason to document the conditions present and which exist for the basis for the engineering. For example, it there is tree in the ROW and the drawings depicts a service lateral to that point, that is where the subcontractor will place the pipe unless an approved change order is made. All this info should be on the survey. Yes, I read Buried Utility Note 6 and General Civil Note 7, but question the wisdom of hiding behind this fine print. Perhaps my magnifying glass don't reveal them.

7) Drawings should be rendered so in case of contractor defaults, future contractors can bid the job. Any competent construction worker should be able to at least find in these drawings what, where, how and how much he/she should be doing and this includes the specifications of materials, etc.

Specific comments, I am not an engineer and the drawing are so incomplete and the General Notes so broad that I may be way off base:

A) I question the correctness or completeness of Buried Utility Notes 4. I believe the 6-inch vertical clearance only applies where they cross.

B) I hope that General Civil Note 4. is correct. It is about time, but I believe it only applies to VSAN and not to SAN lines.

C) I cannot help myself - I question the wisdom and cost effectiveness of design such as indicated on sheet number C-121. On the other hand, perhaps the Buried Utilities Notes pass on to the contractor all the wisdom to place the service lateral and vacuum pits at the correct location for the homeowner.

Jerry Wilkinson
Chairman,
Technical Committee
KLWTD

MONTHLY PROGRESS REPORT

FOR

DESIGN/BUILD WASTEWATER MANAGEMENT SYSTEM FOR THE

KEY LARGO TRAILER VILLAGE AREA

KEY LARGO, FLORIDA



MONTH OF AUGUST, 2003

REPORT NO. 01

Submitted By:

William T. English
PROJECT MANAGER

Distribution: Mr. Robert Sheets/ Government Services Group
Mr. Charles Sweat/ Government Services Group
Mr. Ed Castle, P.E./The Weiler Engineering Corp.
Mr. Stu Oppenheim/ Brown & Caldwell
Mr. Peter M. Kinsley/ The Haskell Company
Mr. John Weir/ The Haskell Company

SECTION ONE

Project Summary

- General Progress of the Work
- Design and Permitting
- Procurement
- Construction
- Information Required To/From Owner

SECTION TWO

Project Schedule Narrative

- Project Schedule
- Key Dates

SECTION THREE

Accounting Narrative

- Contract Status
- Payment Status

SECTION FOUR

Photographs



**General Progress of
the Work**

The Notice to Proceed was issued on July 8, 2003. A Kick-off Meeting was conducted on August 18, 2003 at Brown & Caldwell's Orlando office. Development of the Concept Review Submittal has been initiated. Project document, cost and schedule control systems have been developed.

Design and Permitting

Brown & Caldwell began preparing the Concept Review Submittal.

Design Issues:

- None to date.

Permitting: The status is as follows

<u>Permit</u>	<u>Date Submitted</u>	<u>Date Received</u>
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Procurement

The following scopes of work were procured during the month of August:

- None to date

Construction

No construction has begun at this time. First activities are expected to begin in early January of 2004.

**INFORMATION
REQUIRED TO/FROM
OWNER**

To Owner:

- None at this time.

From Owner:

- None at this time.



PROJECT SCHEDULE NARRATIVE

August 2003

PROJECT SCHEDULE NARRATIVE

Work to be accomplished in the month of September:

- Issue Concept Review Submittal
- Begin 30% Design Development Submittal



KEY DATES
August 2003

EVENT	SCHEDULED DATE	ACTUAL DATE
Notice to Proceed	June 6, 2003	July 8, 2003
Kick-off Meeting	June 23, 2003	August 18, 2003
Issue Concept Review Submittal	July 21, 2003	
Issue 30% Design Develop. Submittal	September 1, 2003	
Issue 60% Design Develop. Submittal	October 13, 2003	
Issue 90% Design Develop. Submittal	November 24, 2003	
Issue Final Design Documents	December 22, 2003	
Complete Project Permitting	January 5, 2003	
Procurement (PO-S/C)	October 27, 2003	
Begin Constr. of Collection System	November 10, 2003	
Begin Constr. of WWTP	January 5, 2004	
Start-up/Operational Testing	October 25, 2004	
Substantial Completion	February 7, 2005	
Project Complete	March 7, 2005	



Contract Status

The Contract Status is as Follows:

- a. The current contract amount including no Change Orders is \$7,970,000.00

Original Contract Amount	\$7,970,000
Approved Changes	<u>0</u>
Revised Contract Amount	\$7,970,000

- b. The following proposals for changes have been forwarded for approval:

<u>PCO</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
N/A	N/A	N/A	N/A

Payment Status

The Payment Status is as Follows:

<u>Date Invoiced</u>	<u>Invoice Amount</u>	<u>Date Paid</u>
N/A	N/A	N/A



The Haskell Company
Key Largo Design-Build Wastewater System for the
Key Largo Trailer Village Area
Key Largo, Florida

Project Photographs

No Photograph Available

The Haskell Company
Key Largo Design-Build Wastewater System for the
Key Largo Trailer Village Area
Key Largo, Florida

Project Photographs

No Photograph Available

MONTHLY PROGRESS REPORT

FOR

DESIGN/BUILD WASTEWATER MANAGEMENT SYSTEM FOR THE

KEY LARGO TRAILER VILLAGE AREA

KEY LARGO, FLORIDA



MONTH OF SEPTEMBER, 2003

REPORT NO. 02

Submitted By:

**William T. English
PROJECT MANAGER**

**Distribution: Mr. Robert Sheets/ Government Services Group
Mr. Charles Sweat/ Government Services Group
Mr. Ed Castle, P.E./The Weiler Engineering Corp.
Mr. Stu Oppenheim/ Brown & Caldwell
Mr. Peter M. Kinsley/ The Haskell Company
Mr. John Weir/ The Haskell Company**

SECTION ONE

Project Summary

- General Progress of the Work
- Design and Permitting
- Procurement
- Construction
- Information Required To/From Owner

SECTION TWO

Project Schedule Narrative

- Project Schedule
- Key Dates

SECTION THREE

Accounting Narrative

- Contract Status
- Payment Status

SECTION FOUR

Photographs



**General Progress of
the Work**

Subsequent to the August Kick-off Meeting, The Haskell Company's designer, Brown & Caldwell initiated project design. During the month of September, The Concept Review Submittal was prepared and forwarded. In addition, significant work was performed with regard to the selection of the secondary treatment process and vacuum collection system.

Design and Permitting

The Haskell Company submitted the Concept Review Submittal on September 8, 2003. It should be noted that the submittal was delivered one week ahead of schedule. Subsequent to that time, The Haskell Company and Brown & Caldwell conducted additional studies and presentations in support of the KLWTD's decision making process. The following summarizes the additional work performed by The Haskell Company and Brown & Caldwell in the month of September:

- On September 15, 2003, The Haskell Company and Brown & Caldwell conducted vendor presentations with the KLWTD, GSG and Weiler Engineering. Representatives from the two secondary treatment processes and two vacuum collection systems being considered for the project presented.
- During the September 17, 2003 Board Meeting, The Haskell Company and Brown & Caldwell presented their evaluation of the two secondary treatment processes and the two vacuum collection systems under consideration. The SBR secondary treatment process and Roovac vacuum collection system were both recommended.
- On September 24, 2003, The Haskell Company and Brown and Caldwell prepared and submitted a written evaluation and recommendation of AWT processes to the KLWTD. This report included process comparisons and economic and non-economic comparisons. Considerable research was conducted and performance data collected and analyzed. The recommendation was as presented during the September 17, 2003 Board Meeting and included the SBR secondary treatment process manufactured by Fluidyne Corporation.
- On September 24, 2003, The Haskell Company and Brown and Caldwell prepared and submitted a written evaluation



and recommendation of the vacuum collection systems to the KLWTD. This report included performance comparisons and economic and non-economic comparisons. Considerable research was conducted and strengths and weaknesses of each system was determined and analyzed. The recommendation was as presented during the September 17, 2003 Board Meeting and included the vacuum collection system manufactured by Roediger.

- On September 30, 2003, The Haskell Company and Brown and Caldwell prepared and submitted a second written evaluation and recommendation of the vacuum collection systems to the KLWTD. This report expanded upon the September 24, 2003 document in response to GSG's request for additional information.

Design Issues:

- None to date.

Permitting: The status is as follows

<u>Permit</u>	<u>Date Submitted</u>	<u>Date Received</u>
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Procurement

The following scopes of work were procured during the month of September:

- Nutting Engineers have been contracted to conduct the geotechnical investigation for this project.

Construction

No construction has begun at this time. First activities are expected to begin in early January of 2004.

**INFORMATION
REQUIRED TO/FROM
OWNER**

To Owner:

- None at this time.

From Owner:

- Selection of the secondary treatment process.
- Selection of the vacuum collection system.



PROJECT SCHEDULE NARRATIVE
September 2003

**PROJECT SCHEDULE
NARRATIVE**

Work to be accomplished in the month of October:

- Prepare 30% Design Development Submittal.
- Conduct Geotechnical Investigation.



KEY DATES
September 2003

EVENT	SCHEDULED DATE	ACTUAL DATE
Notice to Proceed	June 6, 2003	July 8, 2003
Kick-off Meeting	June 23, 2003	August 18, 2003
Issue Concept Review Submittal	July 21, 2003	September 8, 2003
Issue 30% Design Develop. Submittal	September 1, 2003	
Issue 60% Design Develop. Submittal	October 13, 2003	
Issue 90% Design Develop. Submittal	November 24, 2003	
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Procurement (PO-S/C)	October 27, 2003	
Begin Constr. of Collection System	November 10, 2003	
Begin Constr. of WWTP	January 5, 2004	
Start-up/Operational Testing	October 25, 2004	
Substantial Completion	February 7, 2005	
Project Complete	March 7, 2005	



Contract Status

The Current Contract Status is as Follows:

- a. The current contract amount including no Change Orders is **\$7,970,000.00**

Original Contract Amount	\$7,970,000
Approved Changes	<u>0</u>
Revised Contract Amount	\$7,970,000

- b. The following proposals for changes have been forwarded for approval:

- Haskell submitted Change Proposal No. 1 on September 5, 2003.
- Haskell submitted Change Proposal No. 1 - Revision 1 on September 16, 2003.

<u>PCO</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
01	Trailer Park Village	9/5/03	\$2,555,882
01R1A	Trailer Park Village	9/9/03	\$2,528,423
01R1B	Trailer Park Village	9/9/03	\$2,933,694
01R1C	Trailer Park Village	9/9/03	\$3,331,328

Payment Status

The Current Payment Status is as Follows:

<u>Date Invoiced</u>	<u>Invoice Amount</u>	<u>Date Paid</u>
N/A	N/A	N/A



The Haskell Company
Key Largo Design-Build Wastewater System for the
Key Largo Trailer Village Area
Key Largo, Florida

Project Photographs

No Photograph Available

The Haskell Company
Key Largo Design-Build Wastewater System for the
Key Largo Trailer Village Area
Key Largo, Florida

Project Photographs

No Photograph Available

**KLWTD Board Meeting
February 4, 2004**

Item K - 5

**Update and discussion of the PMP
regarding future Federal funding
through the Army Corps of
Engineers/South Florida Water
Management District**

Commissioner Brooks

Trish

KLWTD Initial Projects Report
Along attached spreadsheet

January 20, 2004

KLWTD presently has two projects underway. 1.) The Key Largo Trailer Village project is a design build project. A design build contract was signed and issued in June of 2003. The project is in the 30% design phase and is scheduled to break ground in May 2004. The total project is scheduled for completion in August 2005. This project has been funded by FEMA unmet needs funds. The WWTP site has been acquired by the district and has completed all peer-review. 2.) The Key Largo Park Section A was originally a bid construct contract that has been funded by the State of Florida. The Key Largo Park section A, through creative negotiations has been merged with the Key Largo Trailer Village project. The combined projects with several funding sources are presently at the status as stated above. All matching funds have been acquired and the projects are ready for 60% 90% design, construction and completion.

As the attached spreadsheet "KLWTD Initial Projects" indicates the district has several options in the district's continued endeavors to develop projects that will ultimately sewer all of the district's geographical areas. But of course these projects are subject to the funding mechanisms that may be available. The district will be in a good position once the KLTV WWTP is constructed and operational. The WWTP has excess capacity over and above the initial capacity planned in the above projects. This will give the district the ability to readily provide collection systems to the surrounding areas in increments that would match the available funding. Areas of readiness that are not 20 can overnight become 20s. Should the funding mechanisms be sufficient to support the larger projects such as Lake Surprise/Sexton Cove the district can readily embrace larger projects or combinations thereof. Monroe county's proposed plan of providing \$30 million bonding money to KLWTD would be an impetus that will allow the district to embrace larger projects such as Lake Surprise and other large areas. But of course this is not sufficient to sewer the entire district and federal funding will still be required.

Sincerely
Charles Brooks
KLWTD Liaison

Robert & ED

Attached is the matrix we need to provide to Patricia Carney today, please review and if you can fill-in the projects "estimated cost for projects" 7 through 10. The spreadsheet should calculate the federal funding column at 65% of the estimated cost.

Any comments and or addition changes are welcome. Any text you wish to provide will be appreciated regarding the updated status of each project as mentioned in Patricia's previous e-mail.

I will be finishing this out today and forwarding to Patricia Carney today.

So hopefully fast-track is the order in the day.

Thanks
Charlie
KLWTD Project Delivery Team Liaison

Key Largo Wastewater Treatment District

Schedule of Existing and Possible Wastewater Treatment Projects

Project #	MMWWP Priority	Study Area PAED	Project Name	Project Type	Hot Spot Area	Readiness(out of 20)	Projected Cost	Potential Allowance from Federal Funding	Possible District Recommendations	Mile markers estimate	Projected Project Status
1	1	19/20	Lake Surprise/Sextion Cove, Ocean Estates Adjacent areas on US 1	Col/Sys-WWTP	Y	20	\$11,000,000	\$7,150,000	Provide community wastewater collection system with interim 0.165 mgd WWTP	105.5-107	Next anticipated large-scale project, to be implemented when future federal funds or DCA-- bonding funds are identified.
2	2	18	Key Largo Trailer Village	Col/Sys-WWTP	Y	20	\$8,000,000		Provide community wastewater collection system with 0.183 mgd WWTP	102	Design build contract issued June 2003, project is in 30% design phase, scheduled to break ground May 2004, project completion scheduled August 2005
3	15	17	Key Largo Park Sec A	Col/Sys	Y	20	\$1,100,000		Neighborhood collection system only - KLTV WWTP to provide wastewater treatment	101	Design build contract issued June 2003, project is in 30% design phase, scheduled to break ground May 2004, project completion scheduled August 2005
4	15	17	Key Largo Park Sec B	Col/Sys	Y	20	\$4,300,000	\$2,795,000	Neighborhood collection system only - KLTV WWTP to provide wastewater treatment	100.5-101	Design build contract issued June 2003, project is in 30% design phase, scheduled to break ground May 2004, project completion scheduled August 2005
5	15	17	Sunset Waterways	Col/Sys	Y	20	\$1,000,000	\$650,000	Neighborhood collection system only - KLTV WWTP to provide wastewater treatment	102	under review by the district for connection to the KLTV WWTP. -- reviewing funding sources to make this connection possible
6	2	18	Calusa Camp Resort	Col/Sys	Y	20	\$1,100,000	\$715,000	Neighborhood collection system only - KLTV WWTP to provide wastewater treatment	102	district reviewing impacts of connection to the KLWTD -- Trailer Village wastewater treatment system-- study complete
7	2	18	Hibiscus Park	Col/Sys	Y	20		\$0	Neighborhood collection system only - KLTV WWTP to provide wastewater treatment	102	this neighborhood is in the vicinity of the KL TV project and can cost effectively be connected to the KL TV treatment plant. The connection of this neighborhood will improve the cost per benefit ratio.
8	2	18	Largo Gardens	Col/Sys	Y	20		\$0	Neighborhood collection system only - KLTV WWTP to provide wastewater treatment	102	this neighborhood is in the vicinity of the KL TV project and can cost effectively be connected to the KL TV treatment plant. The connection of this neighborhood will improve the cost per benefit ratio.
9	8	17	Buttonwood Shores	Col/Sys	Y	16		\$0	Neighborhood collection system only - KLTV WWTP to provide wastewater treatment	100	this neighborhood is in the vicinity of the KL TV project and can cost effectively be connected to the KL TV treatment plant. The connection of this neighborhood will improve the cost per benefit ratio.
10		18	Tradewinds, Newport Village	Forcemain	Y	16		\$0	Existing Collection Systems - Possible a forcemain could pickup both @ relativley low cost	102	this neighborhood is in the vicinity of the KL TV project and can cost effectively be connected to the KL TV treatment plant. The connection of this neighborhood will improve the cost per benefit ratio.