June 16th

2004

Key Largo Wastewater Treatment District

Guest Sign In Sheet

Wednesday, June 16, 2004

****Please Print****

Name & Company	E mail	Phone
1. Joan (Mowery) Barrow	Joanhegr@bellsouth.net	451-4195
2. DAVID BARROW	davidtbarrow@aol.com	"
3. Ann Henson	amhenson@keypreporter.com	
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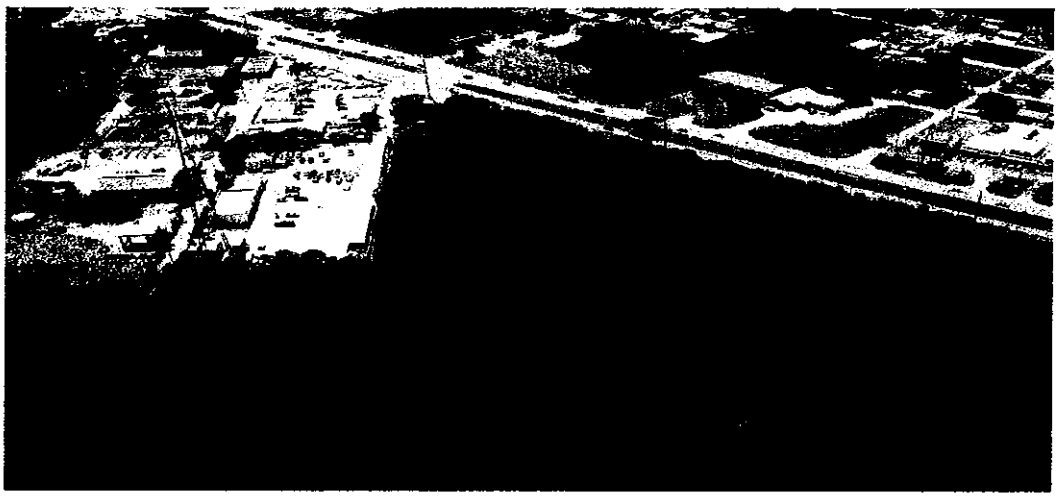
MONTHLY PROGRESS REPORT

FOR

DESIGN/BUILD WASTEWATER MANAGEMENT SYSTEM FOR THE
KEY LARGO TRAILER VILLAGE AREA
KEY LARGO, FLORIDA



MONTH OF MAY, 2004
REPORT NO. 10

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. Stuart Oppenheim/ Brown & Caldwell
Mr. Peter M. Kinsley/ The Haskell Company
Mr. John Weir/ The Haskell Company
Mr. Chuck Fishburn/District General Manager

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 continued design and permitting of the vacuum collection system for the Key Largo Village and Key Largo Park as well as the wastewater treatment plant during the month of May.

Design and Permitting

The design team held the 60% Plant Design review on May 4, 2004. Brown & Caldwell continued working towards the 99% Collection System Design Drawings as well as the 99% Wastewater Treatment Plant during the month of May.

The following summarizes the work performed by The Haskell Company and Brown & Caldwell in the month of May:

- Brown and Caldwell continued design of the Key Largo Village and Key Largo Park Collection System as well as design of the wastewater treatment plant.

Design Issues:

- Comments received for the 60% WWTP design drawings were discussed at the 60% design meeting and brought to closure.

Permitting:

- The permit applications for the DEP, FDOT and Monroe County Right of Way have been submitted for the Key Largo Park and Key Largo Village Collection Systems.
- The Planning Commission has reviewed and recommended **approval** for a minor conditional use permit. A resolution will be drafted for internal review and formal approval at the commission meeting on June 23rd.

Permit	Date Submitted/Proposed	Date Received
DRC	March 23, 2004	March 23, 2004
Planning Comm	May 26, 2004	
DEP Collection*	April 6, 2004	
FDOT Utility	April 6, 2004	May 11, 2004
DEP Wastewater	May 7, 2004	
DEP/WMD Env	May 7, 2004	
Monroe Co. ROW	April 6, 2004	May 21, 2004
Environmental Res.	May 7, 2004	
Building Permit	July 1, 2004	
DEP Injection Well	May 7, 2004	

* Comments received from permit application.

Procurement

The following scopes of work were procured during the month of May:

- Initiated discussions with a local well drilling subcontractor.

Construction

No construction has begun at this time. First activities for the collection system and wastewater treatment plant are scheduled for August of 2004.

INFORMATION REQUIRED TO/FROM OWNER

To Owner:

- None at this time.

From Owner:

- Decision on how to treat vacant lots.
- Decision on how to treat Calusa Campground.
- Direction regarding KLWTD purchased equipment.

PROJECT SCHEDULE NARRATIVE

Work performed in the month of May:

- Prepare 99% Design Development Submittal – Treatment Plant
- Prepare 99% Design Development Submittal – Collection System
- Submission for Permits – Collection System
- Submission for Permits – Wastewater Treatment Plant

Work to be performed in the month of June:

- Prepare 99% Design Development Submittal – Treatment Plant
- Prepare 99% Design Development Submittal – Collection System
- Planning Commission Formal Approval – June 23rd
- Permit Expedition

Unresolved schedule delays experienced on the project:

Issue No. 01-012 – FEMA Environmental Assessment

- On October 13, 2003, The Haskell Company received an e-mail from GSG stating that due to delays associated with FEMA's Environmental Assessment, construction would be delayed until March of 2004. In response to that message, on October 13, 2003 The Haskell Company issued a Notice of Delay.
- On December 22, 2003, The Haskell Company received a letter from GSG requesting verification and substantiation of the October 13, 2003 Notice of Delay.
- On December 29, 2003, The Haskell Company responded to GSG's December 22, 2003 letter requesting verification and substantiation of our October 13, 2003 Notice of Delay.
- On February 10, 2004, The Haskell Company received a letter from GSG requesting verification and substantiation of the October 13, 2003 Notice of Delay.
- On March 17, 2004, The Haskell Company responded to GSG's February 10, 2004 letter requesting verification and substantiation of our October 13, 2003 Notice of Delay.
- The Haskell Company received March 31, 2004 memorandum from Thomas Dillon, denying reimbursement of time and cost associated with Issue 01-012.
- On May 17, 2004, The Haskell Company responded to Thomas Dillon's March 31, 2004 memorandum denying reimbursement of time and cost associated with Issue 01-012.

- The Haskell Company received May 24, 2004 a memorandum from Thomas Dillon advising the Board to grant additional contract time of 90 days and that further time and compensation would be addressed at a later time.

Issue No. 01-003 – Selection of Secondary Treatment Process

- On October 17, 2003, the KLWTD postponed their decision regarding selection of the secondary treatment process. In response to that postponement, on October 31, 2003 The Haskell Company issued a Notice of Delay.
- On November 5, 2003, the KLWTD postponed their decision regarding selection of the secondary treatment process.
- On November 19, 2003, the KLWTD again postponed their decision regarding selection of the secondary treatment process.
- On December 3, 2003, the KLWTD selects USBF in lieu of SBR as the secondary treatment process for the project.
- On December 12, 2003, The Haskell Company issued a continuation of the October 31, 2003 Notice of Delay due to KLWTD's selection of a treatment process not capable of meeting the effluent requirements of the project.
- On December 22, 2003, The Haskell Company received a letter from GSG requesting verification and substantiation of the October 31, 2003 and December 12, 2003 Notices of Delay.
- On December 23, 2003, The Haskell Company initiates design of the wastewater treatment plant in advance of resolving the secondary process treatment issue.
- On December 29, 2003, The Haskell Company responded to GSG's December 22, 2003 letter requesting verification and substantiation of our October 31, 2003 and December 12, 2003 Notices of Delay.
- On January 14, 2004, the KLWTD voted to use SBR as the secondary treatment process.
- On February 10, 2004, The Haskell Company received a letter from GSG requesting verification and substantiation of the October 31, 2003 Notice of Delay.
- On March 17, 2004, The Haskell Company responded to GSG's February 10, 2004 letter requesting verification and substantiation of our October 31, 2003 Notice of Delay.
- The Haskell Company received March 31, 2004 memorandum from Thomas Dillon, denying reimbursement of time and cost associated with Issue 01-003.
- On May 17, 2004, The Haskell Company responded to Thomas Dillon's March 31, 2004 memorandum denying

reimbursement of time and cost associated with Issue 01-012.

- The Haskell Company received May 24, 2004 a memorandum from Thomas Dillon advising the Board to grant additional contract time of 90 days and that further time and compensation would be addressed at a later time.

Contract Status

The Current Contract Status is as Follows:

a. The current contract amount including one Change Order is **$8,043,767**

Original Contract Amount	$7,970,000
Approved Changes	73,767
Revised Contract Amount	$8,043,767

b. The following change proposals have been submitted for consideration:
- Haskell submitted Change Proposal No. 1 on September 5, 2003.
- Haskell submitted Change Proposal No. 1 – Revision 1 on September 16, 2003.
- Haskell submitted Change Proposal No. 1 – Revision 2 on November 11, 2003.
- KLWTD approves Change Proposal No. 1 – Revision 2 on November 19, 2003 with formal Change Order to follow.
- Haskell resubmitted Change Proposal No. 1- Revision 3 on March 2, 2004 for signature.

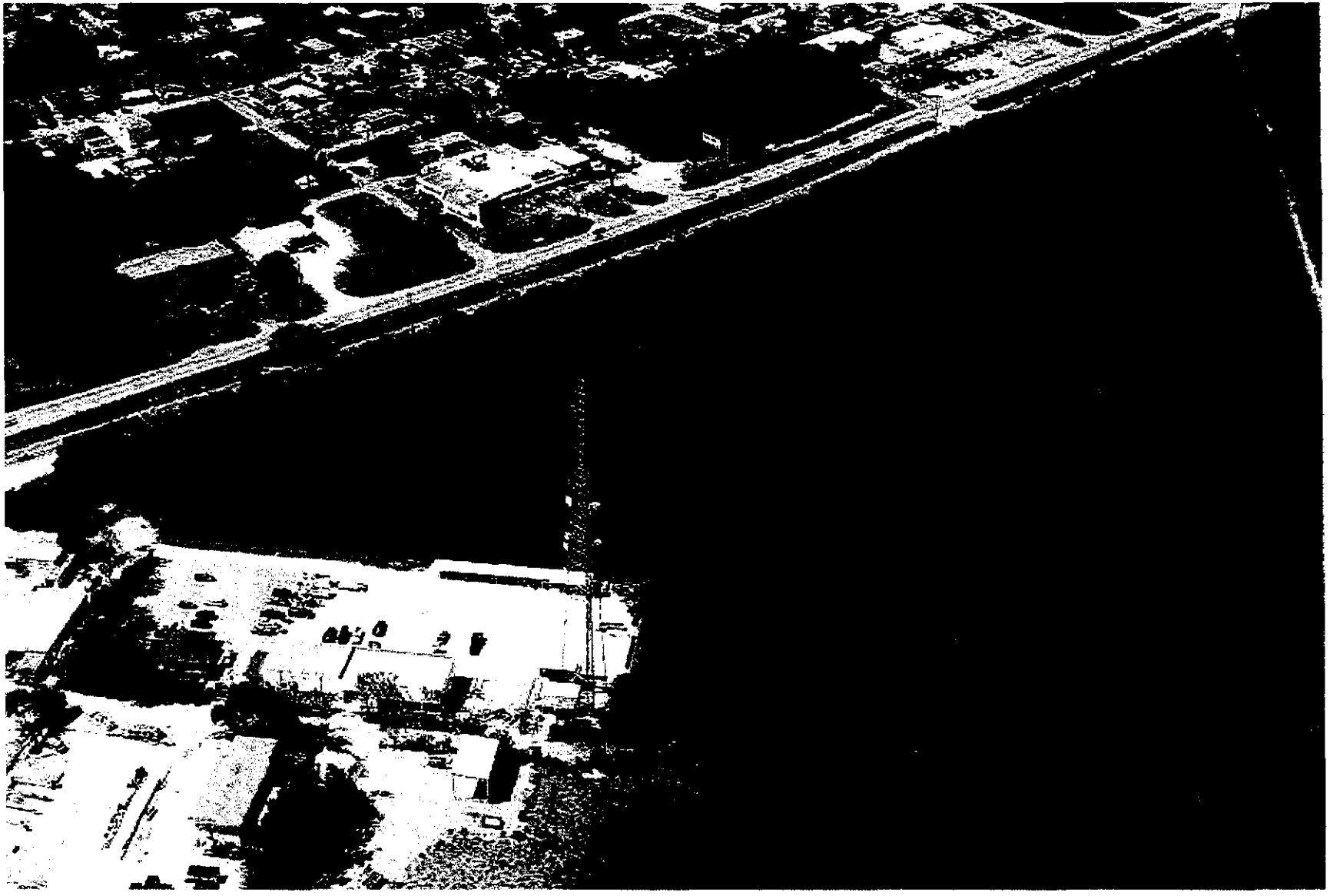
PCO	Description	Date	Amount
01	Trailer Park Village	9/05/03	$2,555,882
01R1A	Trailer Park Village	9/16/03	$2,528,423
01R1B	Trailer Park Village	9/16/03	$2,933,694
01R1C	Trailer Park Village	9/16/03	$3,331,328
01R2	Trailer Park Village	11/11/04	$76,794
01R3	Trailer Park Village	3/02/04	$73,767

Payment Status

The Current Payment Status is as Follows:

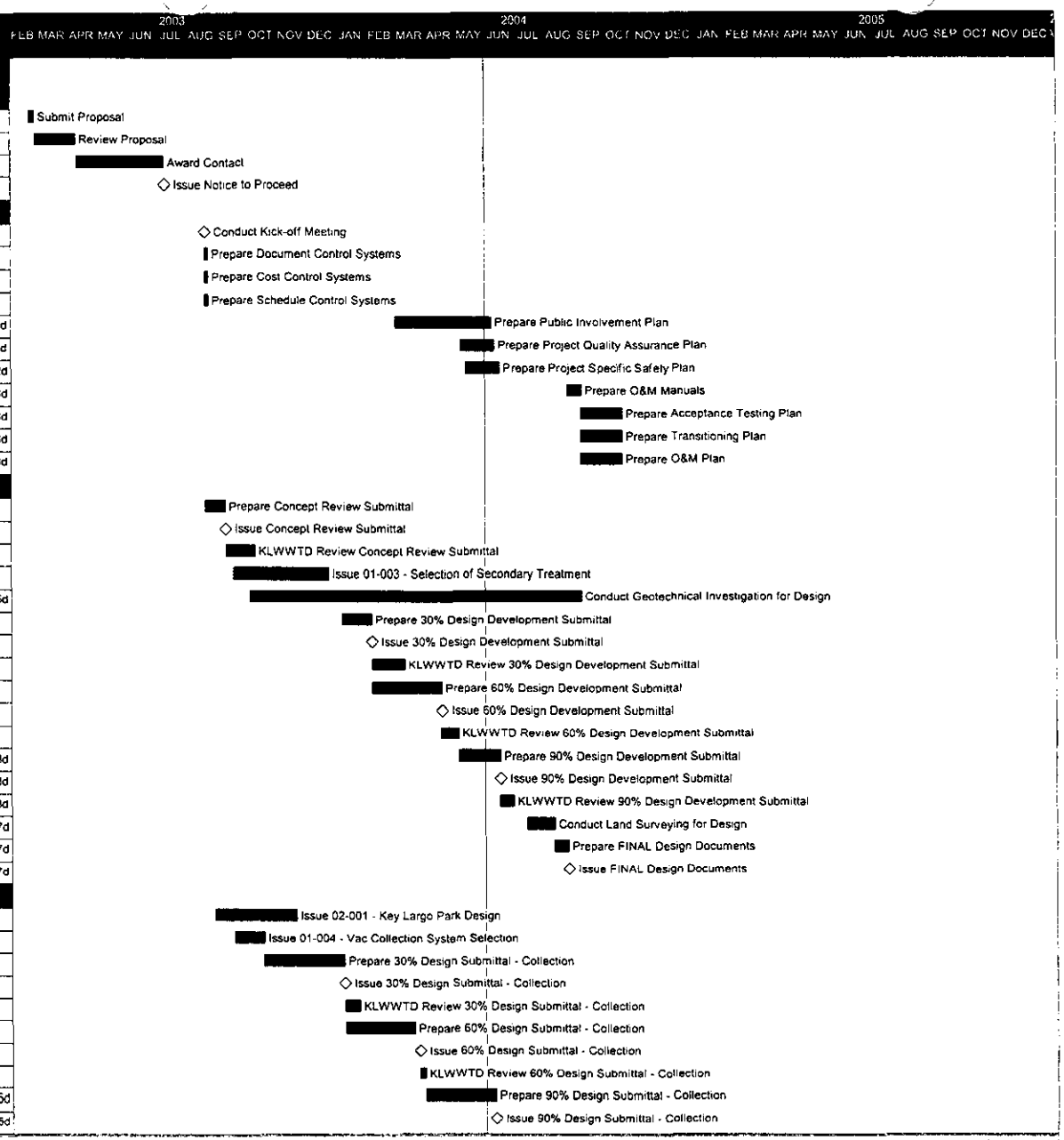
Month Invoiced	Invoice Amount	Date Paid
October 2003	$136,698.33	1-16-04
November 2003	$48,600.00	2-13-04
December 2003	$18,730.35	2-13-04
January 2004	$49,994.10	3-15-04
February 2004-01	$73,089.28	4-21-04
February 2004-02	$41,248.80	4-21-04
March 2004	$33,191.16	4-21-04
April 2004-01	$41,021.49	5-24-04
April 2004-02	$6,750.00	5-24-04

EVENT	ORIGINAL SCHEDULE	UPDATED SCHEDULE	ACTUAL DATE
Notice to Proceed	June 6, 2003	July 8, 2003	July 8, 2003
Kick-off Meeting	June 23, 2003	August 18, 2003	August 18, 2003
Issue Concept Review Submittal	July 21, 2003	Sept. 8, 2003	September 8, 2003
Issue 30% Design Develop. Submittal	September 1, 2003	Feb. 4, 2004	Feb. 4, 2004
Issue 60% Design Develop. Submittal	October 13, 2003	April 16, 2004	April 16, 2004
Issue 90% Design Develop. Submittal	November 24, 2003	June 15, 2004	
Issue Final Design Documents	December 22, 2003	August 23, 2004	
Complete Project Permitting	January 5, 2003	Sept. 13, 2004	
Procurement (PO-S/C)	October 27, 2003	Nov. 15, 2004	
Begin Constr. of Collection System	November 10, 2003	August 9, 2004	
Begin Constr. of WWTP	January 5, 2004	Sept. 13, 2004	
Start-up/Operational Testing	October 25, 2004	July 18, 2005	
Substantial Completion	February 7, 2005	Nov. 7, 2005	
Project Complete	March 7, 2005	Dec. 5, 2005	



No jobsite photographs available.

Activity ID	Description	Original Duration	Early Start	Early Finish	Total Float
General					
Proposal Development / Project Award					
1000	Submit Proposal	3	02/21/03	02/26/03	
1005	Review Proposal	35	02/27/03	04/09/03	
1010	Award Contact	33	04/10/03	07/08/03	
1015	Issue Notice to Proceed	0		07/08/03	
Project Controls / Planning					
1100	Conduct Kick-off Meeting	0		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	03/01/04	06/07/04	12d
1220	Prepare Project Quality Assurance Plan	5	05/07/04	06/10/04	12d
1225	Prepare Project Specific Safety Plan	5	05/12/04	06/15/04	12d
1230	Prepare O&M Manuals	10	08/23/04	09/06/04	163d
1235	Prepare Acceptance Testing Plan	30	09/06/04	10/18/04	163d
1240	Prepare Transitioning Plan	30	09/06/04	10/18/04	163d
1245	Prepare O&M Plan	30	09/06/04	10/18/04	163d
Design Development - Plant					
1115	Prepare Concept Review Submittal	20	08/19/03	09/08/03	
1120	Issue Concept Review Submittal	0		09/08/03	
1125	KLWWTD Review Concept Review Submittal	10	09/09/03	10/09/03	
1250	Issue 01-003 - Selection of Secondary Treatment	60	09/17/03	12/23/03	
1110	Conduct Geotechnical Investigation for Design	20	10/03/03	09/06/04	325d
1130	Prepare 30% Design Development Submittal	20	01/05/04	02/04/04	
1135	Issue 30% Design Development Submittal	0		02/04/04	
1140	KLWWTD Review 30% Design Development Submittal	10	02/05/04	03/09/04	
1145	Prepare 60% Design Development Submittal	20	02/05/04	04/16/04	
1150	Issue 60% Design Development Submittal	0		04/16/04	
1155	KLWWTD Review 60% Design Development Submittal	8	04/16/04	05/03/04	
1160	Prepare 90% Design Development Submittal	20	05/04/04	06/15/04	-8d
1165	Issue 90% Design Development Submittal	0		06/15/04	-8d
1170	KLWWTD Review 90% Design Development Submittal	10	06/15/04	06/29/04	-8d
1105	Conduct Land Surveying for Design	20	07/12/04	08/09/04	-37d
1175	Prepare FINAL Design Documents	10	08/09/04	08/23/04	-37d
1180	Issue FINAL Design Documents	0		08/23/04	-37d
Design Development - Collection					
1345	Issue 02-001 - Key Largo Park Design	36	08/28/03	11/19/03	
1255	Issue 01-004 - Vac Collection System Selection	13	09/17/03	10/17/03	
1260	Prepare 30% Design Submittal - Collection	54	10/17/03	01/07/04	
1265	Issue 30% Design Submittal - Collection	0		01/07/04	
1270	KLWWTD Review 30% Design Submittal - Collection	10	01/08/04	01/23/04	
1275	Prepare 60% Design Submittal - Collection	20	01/08/04	03/18/04	
1280	Issue 60% Design Submittal - Collection	0		03/23/04	
1285	KLWWTD Review 60% Design Submittal - Collection	10	03/24/04	03/29/04	
1290	Prepare 90% Design Submittal - Collection	20	03/30/04	06/09/04	5d
1295	Issue 90% Design Submittal - Collection	0		06/09/04	5d



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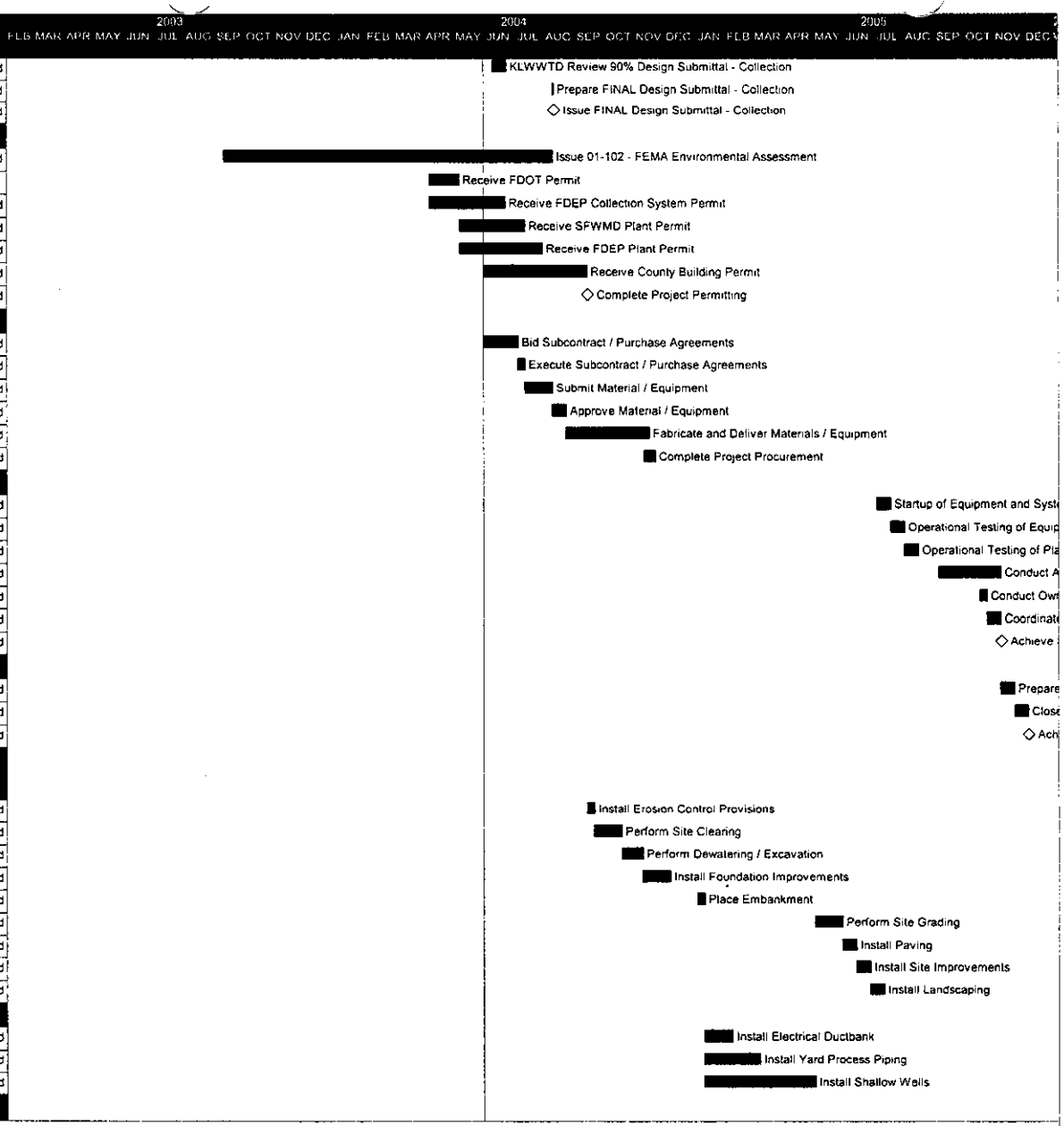
The Haskell Company

Key Largo Wastewater System Project

Preliminary Project Schedule - May '04 Update

Activity ID	Description	Original Duration	Early Start	Early Finish	Total Float
1330	KLWWTD Review 90% Design Submittal - Collection	10	06/09/04	06/23/04	5d
1335	Prepare FINAL Design Submittal - Collection	10	08/09/04	08/10/04	-28d
1340	Issue FINAL Design Submittal - Collection	0		08/10/04	-28d
Permitting					
1350	Issue 01-102 - FEMA Environmental Assessment	105	09/10/03	08/09/04	-67d
1320	Receive FDOT Permit	60	04/06/04	05/06/04	
1300	Receive FDEP Collection System Permit	40	04/06/04	06/22/04	-33d
1310	Receive SFWMD Plant Permit	60	05/07/04	07/12/04	-7d
1305	Receive FDEP Plant Permit	60	05/07/04	07/30/04	-21d
1315	Receive County Building Permit	40	05/31/04	09/13/04	-52d
1325	Complete Project Permitting	0		09/13/04	-52d
Procurement					
1400	Bid Subcontract / Purchase Agreements	25	05/31/04	07/05/04	-17d
1405	Execute Subcontract / Purchase Agreements	5	07/05/04	07/12/04	-17d
1410	Submit Material / Equipment	20	07/12/04	08/09/04	-17d
1415	Approve Material / Equipment	10	08/09/04	08/23/04	-17d
1420	Fabricate and Deliver Materials / Equipment	60	08/23/04	11/15/04	-17d
1425	Complete Project Procurement	0		11/15/04	-17d
Start-up / Operational Testing					
1500	Startup of Equipment and Systems	10	07/04/05	07/18/05	-52d
1505	Operational Testing of Equipment and Systems	10	07/18/05	08/01/05	-52d
1510	Operational Testing of Plant	10	08/01/05	08/15/05	-52d
1515	Conduct Acceptance Testing	45	09/05/05	11/07/05	-67d
1520	Conduct Owner Training	5	10/17/05	10/24/05	-67d
1600	Coordinate Regulatory Inspections	10	10/24/05	11/07/05	-67d
1605	Achieve Substantial Completion	0		11/07/05	-67d
Project Closeout					
1610	Prepare and Execute Punchlist	10	11/07/05	11/21/05	-67d
1615	Closeout Subcontract / Purchase Agreements	10	11/21/05	12/05/05	-67d
1620	Achieve Final Completion	0		12/05/05	-67d
Wastewater Treatment Plant					
Site Work					
2000	Install Erosion Control Provisions	5	09/13/04	09/20/04	-52d
2005	Perform Site Clearing	20	09/20/04	10/18/04	-52d
2010	Perform Dewatering / Excavation	15	10/18/04	11/08/04	-52d
2015	Install Foundation Improvements	20	11/08/04	12/06/04	-52d
2020	Place Embankment	5	01/03/05	01/10/05	-27d
2025	Perform Site Grading	20	05/02/05	05/30/05	18d
2030	Install Paving	10	05/30/05	06/13/05	18d
2035	Install Site Improvements	10	06/13/05	06/27/05	18d
2040	Install Landscaping	10	06/27/05	07/11/05	18d
Utilities					
2105	Install Electrical Ductbank	20	01/10/05	02/07/05	-27d
2100	Install Yard Process Piping	40	01/10/05	03/07/05	58d
2110	Install Shallow Wells	80	01/10/05	05/02/05	18d
Structural					



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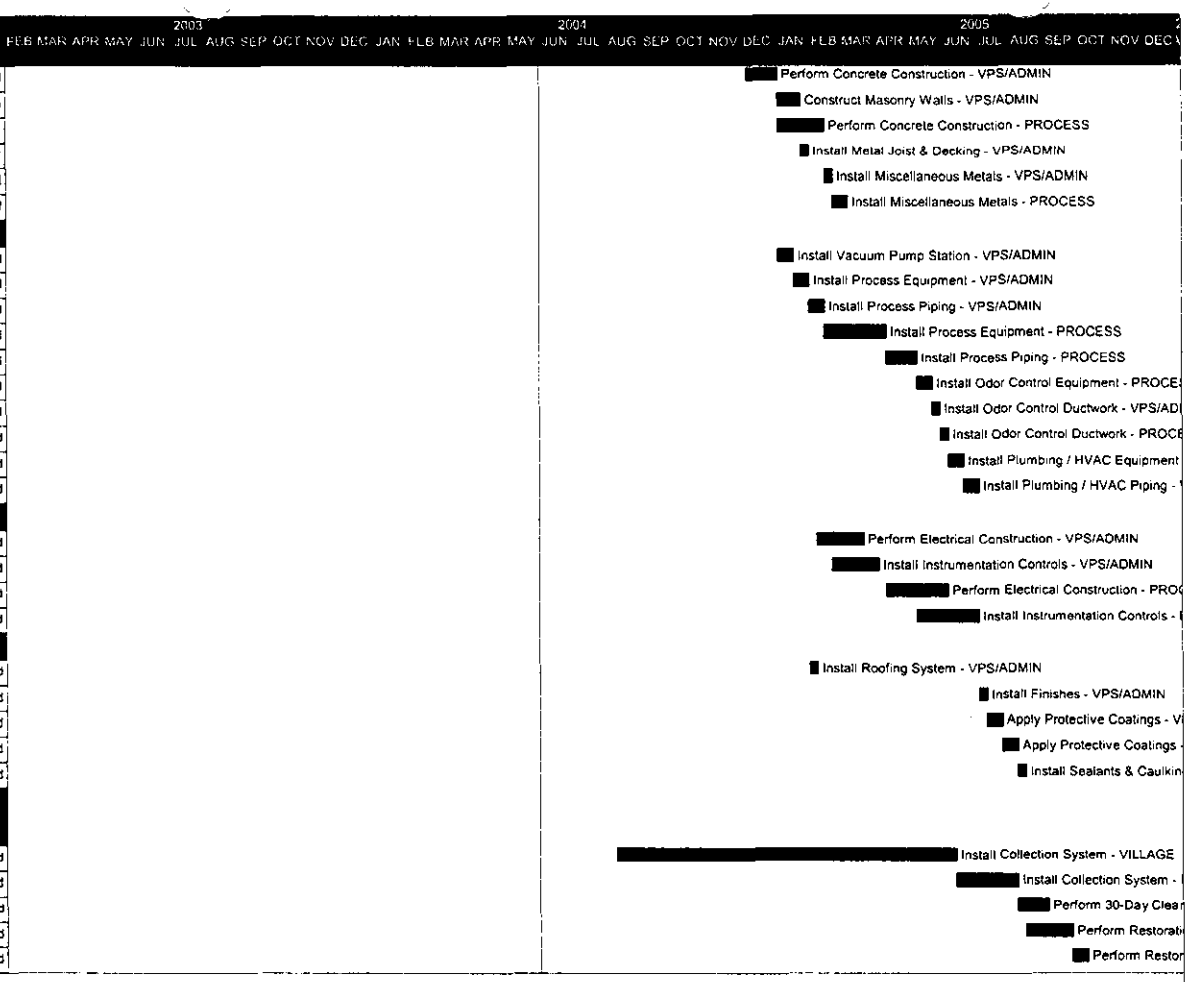
The Haskell Company

Key Largo Wastewater System Project

Preliminary Project Schedule - May '04 Update

Activity ID	Description	Original Duration	Early Start	Early Finish	Total Float
2200	Perform Concrete Construction - VPS/ADMIN	20	12/06/04	01/03/05	-52d
2205	Construct Masonry Walls - VPS/ADMIN	15	01/03/05	01/24/05	78d
2210	Perform Concrete Construction - PROCESS	30	01/03/05	02/14/05	-52d
2215	Install Metal Joist & Decking - VPS/ADMIN	5	01/24/05	01/31/05	78d
2220	Install Miscellaneous Metals - VPS/ADMIN	5	02/14/05	02/21/05	83d
2225	Install Miscellaneous Metals - PROCESS	10	02/21/05	03/07/05	83d
Mechanical					
2300	Install Vacuum Pump Station - VPS/ADMIN	10	01/03/05	01/17/05	-52d
2305	Install Process Equipment - VPS/ADMIN	10	01/17/05	01/31/05	-52d
2310	Install Process Piping - VPS/ADMIN	10	01/31/05	02/14/05	-52d
2315	Install Process Equipment - PROCESS	40	02/14/05	04/11/05	-52d
2320	Install Process Piping - PROCESS	20	04/11/05	05/09/05	-52d
2325	Install Odor Control Equipment - PROCESS	10	05/09/05	05/23/05	-27d
2330	Install Odor Control Ductwork - VPS/ADMIN	5	05/23/05	05/30/05	-27d
2335	Install Odor Control Ductwork - PROCESS	5	05/30/05	06/06/05	-7d
2340	Install Plumbing / HVAC Equipment - VPS/ADMIN	10	06/06/05	06/20/05	-7d
2345	Install Plumbing / HVAC Piping - VPS/ADMIN	10	06/20/05	07/04/05	-7d
Electrical / Instrumentation					
2400	Perform Electrical Construction - VPS/ADMIN	30	02/07/05	03/21/05	-27d
2405	Install Instrumentation Controls - VPS/ADMIN	30	02/21/05	04/04/05	-27d
2410	Perform Electrical Construction - PROCESS	40	04/11/05	06/06/05	28d
2415	Install Instrumentation Controls - PROCESS	40	05/09/05	07/04/05	-52d
Architectural					
2500	Install Roofing System - VPS/ADMIN	5	01/31/05	02/07/05	78d
2505	Install Finishes - VPS/ADMIN	5	07/04/05	07/11/05	-7d
2510	Apply Protective Coatings - VPS/ADMIN	10	07/11/05	07/25/05	-7d
2515	Apply Protective Coatings - PROCESS	10	07/25/05	08/08/05	-7d
2520	Install Sealants & Caulking - VPS/ADMIN	5	08/08/05	08/15/05	-7d
Collection System					
Utilities					
3000	Install Collection System - VILLAGE	220	08/09/04	06/13/05	-67d
3005	Install Collection System - US 1	40	06/13/05	08/08/05	-67d
3010	Perform 30-Day Clean Water Operational Testing	20	08/08/05	09/05/05	-67d
3015	Perform Restoration - VILLAGE	30	08/15/05	09/26/05	-47d
3020	Perform Restoration - US 1	10	09/26/05	10/10/05	-47d



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The Haskell Company

Key Largo Wastewater System Project

Preliminary Project Schedule - May '04 Update

Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]

Sent: Monday, June 14, 2004 10:46 AM

To: Charles Fishburn; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Faith Doyle; Gary Bauman (E-mail); Jerry Wilkinson

Cc: Robert Sheets; EdRCastle@aol.com; David Miles; Charles Sweat; Charles Fishburn; Jeff Weiler; weiler7@comcast.net

Subject: Fishburn Contract

Since my last work on this, I have learned that direct payment of Chuck's health insurance premiums will not result in their exclusion from his taxable income, unless the health insurance plan is a District plan.

Attached are two revised contract forms with the health insurance provisions deleted. Form "a" would become effective on June 20. Form "b" would become effective June 1, and the District would not pay Chuck separately for the work performed between June 2 and June 19.

Tom

GSG
Government Services Group, Inc.

Government Services Group, Inc.
Dedicated to solving funding and service delivery issues in the Public sector

1500 Mahan Drive, Suite 250 Tallahassee, FL 32308 • Phone (850) 681-3717 • Fax (850) 224-7206
280Wekiva Springs Road, Suite 203 • Longwood, FL 32779 • Phone (407) 629-6900 • Fax (407) 629-6963

June 15, 2004

Mr. Gary Bauman
Chairman, Board of Directors
Key Largo Wastewater Treatment District
P.O. Box 491
Key Largo, FL 33037

Dear Mr. Bauman:

At the June 2, 2004 Board of Directors meeting the GSG staff was requested to provide a list of residual functions that the Board Clerk and the Finance Department perform for the Key Largo Wastewater Treatment District and the estimated number of hours on a monthly basis to perform these functions. It is recognized that these functions do not require exactly the same number of hours each month, but the numbers provided are a rough average.

Attached are two lists of functions performed. The first list contains the recurring functions performed by the Clerk to the Board. Not including travel time, the current staff spends between eighty (80) and ninety (90) hours per month on the Board Clerk recurring workload. The second list contains those functions performed by the Finance Department. Not including travel time, between thirty (30) and forty (40) hours each month are spent performing routine financial functions for the District. This does not include workload peaks related to preparing for the annual audit and budget preparation. Grant management functions (and related time spent) is expected to grow somewhat as we enter the construction phase of the Haskell and Higgins contracts. It is anticipated the routine time spent may increase to 40-50 hours per month as construction begins.

I trust this information responds adequately to the Board's request at the June 2, 2004 meeting. If I can be of further assistance, please call me at (407) 629-6900.

Sincerely,

David R. Miles
Chief Financial Officer

Cc: Commissioners, KLWTD Board
Thomas Dillon, Board Attorney
Charles Fishburn, General Manager

KEY LARGO WASTEWATER TREATMENT DISTRICT
RECURRING
ADMINISTRATION AND CLERK FUNCTIONS

1. Prepare Board agenda and related materials for all regular and special meetings
    a. drafting and placing the advertisement for the meeting
    b. drafting items with staff members
    c. finalizing items with staff members
    d. typing
    e. copying
    f. binding
    g. shipping

2. Attend Board meetings
    a. set up of hall
    b. set up of audio equipment
    c. type draft minutes of the meeting
    d. records the meeting on audio tapes

3. Board meeting follow-up
    a. initial review of the meeting minutes for updating the working group agenda and future meeting agendas
    b. distribution of executed documents for records maintenance
    c. prepare the final meeting minutes for acceptance by the Board

4. Records Maintenance
    a. review and attest resolutions, contracts and work authorizations
    b. provide copies to the Key Largo Library, Secretary, Official Records and electronic KLWTD records

5. Working Group Agenda preparation of the agenda and participation in the weekly Meetings

6. Public interaction that include answering inquiries on the KLWTD phone line

7. Answering emails and phone calls from staff concerning upcoming agenda items

ESTIMATED TIME TO DO THE ABOVE RECURRING FUNCTIONS RANGES FROM 80 – 90 HOURS PER MONTH.

KEY LARGO WASTEWATER TREATMENT DISTRICT
Financial Management Functions

1. Develop annual capital and operating budgets.
2. Assist Monroe County in preparing documents to support MSTU tax levy.
3. Prepare agenda items to meet agenda deadlines of 7 days prior to each meeting.
   a. Recurring items:
      1. Payments pending list for Board of Commissioner approval.
      2. Monthly status of cash balance.
      3. Monthly statement of net assets.
      4. Quarterly statement of revenue and expense marked to budget.
   b. Non-Recurring items:
      1. Special Studies.
      2. Bids and requests for proposals.
      3. Grant status reports.
      4. Dunn and Bradstreet reports.
4. Assist in preparation of grant requests, including preparing financial schedules to support requests.
5. Prepare grant invoices and submit to grantor agencies.
6. Follow-up with grantor agencies to obtain payments and to respond to granter agency questions.
7. Deposit grant receipts in District bank account.
8. Record all receipts in District books of account.
9. Prepare bank line of credit requests.
10. Prepare bank line of credit draw requests as needed, and obtain Board of Commissioner approval.
11. Prepare journal entries in District books of accounts related to line of credit.
12. Enter all disbursements into District books of accounts and prepare checks to pay invoices, after obtaining Board approval.
13. Establish and maintain suspense file for all payment requests disapproved by Board.
14. Follow-up with District attorney, District Engineer and vendors to clear up causes of payment disapproval.
15. Reschedule payments for Board approval once clarification obtained.
16. Sign checks, obtain second signature for checks over $2,500.00 and mail payments to vendors.
17. Reproduce copies of checks, payment vouchers, invoices and other back-up for use in obtaining grant reimbursement.
18. Code and post accounts payable/expense transactions to District books of accounts.
19. Coordinate annual audit with Districts' auditor (prepare RFP to select same every 4-5 years or as required).
20. Prepare fixed asset and construction-in-progress entries in District books of account.
21. Prepare fiscal year end closing statements including:
    - Accrue payroll amounts for prior FY.
    - Accrue payable amounts for prior FY.

- Accrue interest expenses for prior FY.
- Accrue accounts and grants receivable for prior FY.
- Accrue revenue for prior FY.
- Prepare trial balance and statement of revenue and expense.
- Provide amortization and depreciation schedules (FY 2004) and thereafter.

22. Provide auditors copies of items in item 21 above. Respond to auditor inquiries.
23. Draft narrative for comprehensive annual financial report and report schedules.
24. Review and edit auditor's drafted footnotes to financial statement.
25. Review and approve all schedules in CAFR prepared by auditor.
26. Review auditor's management letter and provide management response letter.
27. Obtain CAFR printing and submit to State of Florida regulatory agencies, bank and any federally mandated repositories (required for bond compliance if District ever issues revenue bonds to public).
28. Prepare and submit statutory annual financial report to State Department of Banking and Finance after obtaining auditors concurrence. Coordinate it with External Auditor prior to submission, as required by Statute.
29. Perform District risk management functions including obtaining insurance, payment of premiums, filing and monitoring any claims and providing required documentation to insurer.
30. Contracting with payroll company to pay compensation to Board members and handle necessary tax, unemployment compensation and related payroll reporting to Federal Government and State of Florida
31. Coordinate with FKAA, Monroe County, Monroe County Clerk of Courts, and three state and federal agencies and SFWMD to ensure grant compliance is completed properly. This is designed to avoid any claim for improper expenditure and subsequent refund of grant proceeds.

ESTIMATED TIME TO DO THE ABOVE RECURRING FUNCTIONS RANGES FROM 30-40 HOURS PER MONTH. WE BELIEVE THIS AMOUNT WILL INCREASE SLIGHTLY IN THE NEAR FUTURE, AS THE CONSTRUCTION PHASE OF THE TWO CONTRACTS BEGIN AND THE DISTRICT DIRECTLY BUYS MATERIALS TO DELIVER TO THE CONTRACTOR.

Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda
5:00 PM Wednesday, June 16, 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. Approval of the Draft June 2, 2004 Meeting Minutes

E. Public Comment

F. Legal Counsel's Report
1. Discussion of Effective Date of Resignation
2. Discussion of Applicability of Florida's Public Records Act to Certain Documents
3. Update on the Haskell Notice of Delay info memo
4. Update on Am. No. 1 to the Haskell Contract (prompt pay act and change of notices)
5. Update on Legislative Change (House Bill 471)

G. Action Items
1. Approval of a Motion to Reconsider the Selection of a District Manager
2. Approval of the Manager-Select Contract
3. Approval of the Pending Payments List for June 8, 2004
4. Approval of Resolution 2004-01 of the KLWTD Approving Direct Equipment Purchases pulled
5. Approval of DCA Grant Agreement for FEMA Project 1249-25 pulled

H. General Manager's Report
1. Discussion of Commercial Connections (Calusa Camp Resort)
2. Discussion of a Rate Study
3. Discussion of the System Development Change Options
4. Discussion of Rental Space
5. Discussion of an RFP for the next project
6. Discussion of Site Mitigation Plan
7. Discussion of Transfer of the Official KLWTD Records from Orlando to Key Largo
8. Status of the MSTU Funds

I. Engineer's Report
1. Design Review Status
2. Adjustment of WEC Monthly Invoicing

J. Public Comment

K. Commissioner's Items
   1. Discussion of the CFO and Clerk Positions – Chairman Bauman
   2. Discussion for possible action of the manager/manager-select and attorney to contract for temporary office space on a month-to-month tenancy not to exceed $1.25 per square foot and a total cost of $1,000 including utilities monthly – Commissioner Wilkinson
   2.a. Discussion of Bank of America as temporary office space on a month-to-month basis – Commissioner Tobin
   3. Discussion for possible action of the manager/manager-select and attorney to contract for communications (telephone/DSL) capability transferable within the island of Key Largo – Commissioner Wilkinson
   4. Discussion for possible action of the authority of the manager/manager-select to spend not-to-exceed $5,000.00 for office startup equipment, fixtures, furniture, supplies and other office needed materials – Commissioner Wilkinson
   5. Discussion for possible action of directing the outgoing manager and staff to prepare a comprehensive list of accounts payable and receivable, insurances, mandated reports with submission dates, etc. accompanied with a contact person, email and mailing address, telephone number and other necessary items necessary for the transition to local management. The intent is that all expected services, tasks, accounts, contacts, etc. necessary for the proper management of the KLWTD whether major or minor be disclosed promptly to the incoming manager and the District – Commissioner Wilkinson

L. Update on past agenda items:
   1. FEMA FONSI Status
   2. Water Quality Testing
   3. Resolution of $100K Loan repayment issue
   4. Site mitigation
   5. KLP vacant lot resolution
   6. Project request for FEMA deadline extension
   7. CDBG Grants and/or funds for private connections
   8. Procedures
   9. Web Site Development

M. Meeting Adjournment

Draft

KLWTD June 2, 2004 Meeting Minutes

DRAFT

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

5:00 PM Wednesday, June 2, 2004
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

Board members present

Gary Bauman, Chairman
Charles Brooks
Andrew M. Tobin
Jerry Wilkinson

Staff present

David Miles, CFO
Thomas Dillon, Board Attorney
Charles F. Fishburn, General Manager Select
Faith Doyle, Board Clerk

Guests Present

Mark Weis, Key Largo resident
Robert E. Burt, KLTV Homeowners Association President

A. Call to Order

Chairman Bauman called the meeting to order at 5:00 p.m.

B. Pledge of Allegiance

The pledge was recited.

C. Additions, Deletions or Corrections to the Regular Agenda

Commissioner Brooks suggested deleting all regular agenda items to look at the FEMA funding/DCA grant agreement along with site mitigation issue. It was suggested the item be moved up on the agenda.

Mr. Tom Dillon stated that he has the signed agreement from GSG for the signature of the Chair and Secretary and once executed it would be filed with the clerk.

D. Approval of the Draft May 5, 2004 Meeting Minutes, May 15, 2004 Meeting Minutes and the May 19, 2004 Meeting Minutes.

Commissioner Brooks moved to approve the May 5, May 15 and May 19, 2004 meeting minutes. Commissioner Wilkinson seconded the motion.

Commissioner Tobin voted no because he had not read the minutes. All others present were in favor and the motion carried.

E. Public Comment

No one present wished to address the Board.

F. Legal Counsel Report

Mr. Dillon stated that his email of June 2, 2004 concerning contract issues (Am. No. 1 and the delay notice) had been copied to all members of the Board and Mr. Kinsley of Haskell. He will update the Board when he receives a response.

1. Update on the Haskell Notice of Delay

Mr. Dillon reports that he is close to settling the final issues and he recommends 90 days of additional contract time, with the understanding that no claim for extended overhead would be made. Discussion ensued on the issue. Increased costs of labor and materials cannot be resolved at this time. Mr. Dillon stated that Haskell would forward a memo explaining what benefits the District would get from having Haskell do the KLP work. It was the consensus of the Board for Mr. Dillon to continue the negotiation process without implying that the additional KLP work would be used for bargaining.

2. Update on direct/indirect costs issue

Mr. Dillon stated that Haskell has agreed to his definition of direct/indirect costs and if it is applied consistently the next change order should not cause difficulties. Commissioner Brooks questioned if this was a resolved issue and if further Board action was required. Mr. Dillon stated that no further action from the Board would be required.

3. Update on Haskell bonding and insurance

Mr. Dillon stated that the percent of mark up for bonding and insurance had been reduced from 3% to 2.395%. Mr. Dillon explained the rationale for changing the percentage of mark up on the cost of bonding and insurance. Mr. Dillon noted that the issue could be revisited and is negotiable.

4. Update on the lease of potential rental space

Mr. Dillon stated that he had not pursued this item because it was the Board's wishes to have the new manager involved in choosing the new location. Mr. Dillon had received a copy of the Bank of America lease. It was the consensus of the Board to have this item moved from the Legal Counsel section to the General Manager section.

Direct Equipment Purchases

Mr. Dillon requested to update the Board concerning action item G3 "Approval of the KLWTD making Direct Equipment Purchases". He stated that after discussions with Haskell that they would work out any risk factors on direct equipment purchases as mentioned in his memo that was provided as back up for item G3. Mr. Dillon noted that Exhibit J of the contract depicts the items that could be purchased directly.

Discussion ensued on the risks of direct purchase. It was noted that the General Manager should have authority to sign purchase orders to avoid delays in ordering materials so that work is not slowed by delays in ordering.

Commissioner Brooks suggested a blanket purchase order with releases. Mr. Dillon agreed that the blanket purchase order would be best if it was issued on KLWTD letterhead and specified one person to sign for the goods. Discussion ensued on writing a resolution defining the person in authority, the maximum amount of releases and other procedures.

Mr. Miles noted that to comply with Florida statutes, the signatures on the purchase order, receipt of goods, individual draws and receiving reports must be signed by the official District representative. The procedure must also comply with the prompt payment act per Mr. Miles and should be considered. Discussion ensued on the KLWTD disbursement resolution that authorizes the General Manager to approve expenditures up to $2,500, the Prompt Pay Act and the checking accounts dual signature requirements.

Commissioner Wilkinson stated that he strongly opposes any direct purchases by the District.

Mr. Dillon proposed that he draft a resolution for consideration at the next meeting. It was the consensus of the Board to have the resolution as an action item on the June 16, 2004 agenda. Mr. Miles was asked to provide a forecasting memo on funding the direct purchase concept including the cost of administrative overhead.

Mr. Miles asked the Board if he should plan to attend the June 16, 2004 meeting. It was the consensus of the Board that he attends by phone.

G. Action Items

1. Approval of the manager-select contract

Mr. Dillon stated that the issue appears to be if it would be more beneficial to the District to hire EJ Fishburn Corporation as a contractor or Charles F. Fishburn as an individual District employee. Mr. Dillon had distributed his opinion via memorandums. Mr. Dillon has received some Board responses concerning the negotiation. Mr. Dillon suggested that resolution of the employee versus corporation issue be made and then a discussion of the salary, vacation time and other employment issues be addressed.

Discussion ensued on the employment status of the General Manager and what should be included in the employment contract. A termination clause was discussed with Mr. Dillon stated that a 90 day clause would be included. Commissioner Brooks

stated that he was not in favor of a contract and that a full time employee of the District whose sole attention would be the district. Discussion continued on the terms of employment. Commissioner Wilkinson would favor a contract if it were defined correctly. Commissioner Tobin was in favor of contracting with a corporation because of the tax advantages. Chairman Bauman was in favor of a contracted employee because the District has not developed any employment policies.

Mr. Fishburn was asked his opinion. He gave figures of his suggested contract fees and costs. Mr. Fishburn would want to have the future employees under contract with EJ Fishburn.

Discussion ensued concerning the costs and the legality of having staff members that were not direct District employees and personal performance of duties by a contracted firm. Mr. Dillon stated that any contract must have a personal performance clause.

Commissioner Wilkinson supports the General Manager being an employee of the District. He does not believe the avoidance of paying social security taxes by the District should be a consideration because the taxes will ultimately be paid.

Commissioner Brooks believed the Board wanted to move away from contracted staff. The vision of accomplishing more for less money is being confused. The Board is looking at a contract situation with a local contracting firm instead of a Tallahassee based firm and the numbers quoted are very high in his opinion.

Chairman Bauman stated that the Board and Mr. Fishburn must agree to the terms and presently Mr. Fishburn prefers a contract.

Commissioner Wilkinson moved to table the item until later in the meeting at 6:20 p.m. The motion died due to lack of a second.

Chairman Bauman requested the salary/compensation be outlined again by Mr. Fishburn. Mr. Fishburn stated that he would decrease the original $100,000 requested to $96-98,000.00 plus a 10% 401k contribution and insurance allotment. Mr. Fishburn stated that he would drop out the inspection services fees if needed.

Discussion ensued on the cost of manager services and for CFO and clerk duties.

Commissioner Brooks stated concern with the inspection functions being done by the chief administrator and the District being charged extra for it. The engineer on staff should be doing inspections. Discussion on the inspections continued concerning whom the Board looks to when problems arise with inspections and the potential conflicts with the administrative person doing the inspections.

Commissioner Wilkinson stated that he does not support contract employment or direct purchases.

Discussion ensued on if two contracts would be required for the administrator and the inspector and if they could be the same person. It was confirmed that inspections

would not begin until August at the earliest and that is when the District would start paying for inspection services.

Discussion ensued on the present cost of the management contract ($204,000 approximately) and the option that some inspection fees and grant administration services could be reimbursed from grant proceeds to increase the salary package.

Mr. Dillon interjected that how Mr. Fishburn is paid shouldn't effect how the grant will reimburse the District. The grants should help cover overhead. Mr. Dillon believes the Board should not divide the salary with division of duties. The staff would work at the Board's direction to ensure that grant projects carried a fair share of District overhead. Mr. Dillon suggested hiring Mr. Fishburn as an employee with the responsibility of seeing that inspections are done correctly and compensating him with a fair salary as general manager.

Commissioner Brooks asked at what level GSG would be involved from this point forward. It was the consensus of the Board that the services of Mr. Charles L. Sweat would no longer be required. Mr. Ed Castle was asked if GSG would be required to review plans. Mr. Castle was of the opinion that GSG reviews would no longer be necessary.

Mr. Fishburn stated that he is qualified more so than others in the Keys and that in his opinion salary equates to respect from others in the community. He is concerned because as a public employee his salary will be known. Commissioner Brooks rebutted that he doesn't equate respect by paying a big salary to a manager and it is not a good premise to make a salary decision.

Commissioner Wilkinson moved to approve Mr. Fishburn to be hired at a salary of $95,000.00 per annum as a full-time employee of the KLWTD. The motion died due to lack of a second.

Commissioner Tobin moved to approve the District pay EJ Fishburn $95,250.00 as a corporation, provided that Chuck Fishburn is the person performing the personal services as a contract amount as proposed. The contract should be clear that the cost of insurance and benefits would be born by EJ Fishburn by including an insurance provision. Discussion ensued on automobile, workers compensation and professional liability insurances. **Commissioner Wilkinson seconded the motion for discussion.** Commissioner Wilkinson personally wants to see Mr. Fishburn as general manager, however he is concerned with how additiona staff would be hired. Commissioner Wilkinson wants to see GSG phased out. Discussion continued on hiring a secretary/clerk, contracting for management services and compensation. Chairman Bauman was opposed to the amount of compensation. Chairman Bauman requested a roll call vote.

Commissioner Beaty	**Not Present**
Commissioner Brooks	**No**
Commissioner Tobin	**Yes**
Commissioner Wilkinson	**Yes**
Chairman Bauman	**No**

The motion did not pass due to a tie vote.

Mr. Dillon stated that as the Board Attorney he was required to express his concern with Mr. Fishburn acting as general manager on the Board's behalf without an agreement in place. Commissioner Brooks suggested hiring Mr. Fishburn on an interim basis as an hourly employee.

Commissioner Brooks moved to approve that Mr. Fishburn be hired on an interim basis as a contractor for $80,000 per annum until the issue is brought to the Board for possible reconsideration. The motion died due to lack of a second.

Mr. Robert Burt requested to make public comment and the Chair granted the request. Mr. Burt stated that he would suggest hiring Mr. Fishburn at $100,000 as an employee so that the projects could get moving. He is concerned with getting the job done and making it happen. He would like to provide good news to the KLTV residents at the July 22nd meeting. He is concerned that the Board is not moving forward on the projects and it is the Board's responsibility to do so.

Commissioner Tobin renewed his motion at $95,000.00. The motion died due to lack of a second.

Commissioner Wilkinson moved to approve Mr. Fishburn at $99,000.00 annual as compensation for either a contract or District employee to be decided at the next meeting. The motion died due to lack of a second.

Chairman Bauman recessed the meeting at 7:35 p.m.
Chairman Bauman reconvened the meeting at 7:50 p.m.

Chairman Bauman stated that he was prepared to call the item at an impasse and table it until a future meeting.

Commissioner Brooks moved to approve hiring Mr. Fishburn at $50.00 per hour with a cap of 40 hours a week as a contractor until June 19, 2004. Commissioner Wilkinson seconded the motion for discussion. Commissioner Brooks asked if this would bind the actions of Mr. Fishburn as general manager. Mr. Dillon stated it would and Mr. Fishburn would be considered a temporary employee until an agreement could be reached. The question was called and Chairman Bauman requested a roll call vote.

Commissioner Beaty	**Not Present**
Commissioner Brooks	**Yes**
Commissioner Tobin	**Yes**
Commissioner Wilkinson	**Yes**
Chairman Bauman	**Yes**

The motion carried.

2. Approval of the pending payments list

Commissioner Wilkinson asked if WEC was approaching the full contract amount for their services. Mr. Castle stated that WEC would work for the duration of the project at the contracted amount. Discussion ensued on the terms of the contract and the fact that WEC is being paid for inspection services that have not begun. Commissioner Tobin requested a letter informing the Board of the verbal agreement that WEC is billing for half of the contracted amount per month.

Commissioner Wilkinson moved to approve the pending payments list. Commissioner Tobin seconded the motion. Commissioner Brooks asked why there were no GSG invoices included. Mr. Miles stated that none were received for payment this cycle. Commissioner Brooks questioned what GSG has been doing for the KLWTD. Mr. Miles stated that the time sheets have been sent to each Board member by email for all service contracts along with invoice copies and expense reimbursement requests. Discussion ensued on GSG reporting estimated hours to Chairman Bauman under terms of the GSG amended contract. It was the consensus of the Board that Mr. Miles is to send an email summary of the basic GSG administrative hours to Chairman Bauman and copy all of the Board. **All were in favor of approving the pending payments list and the item was unanimously approved.**

3. Approval of the KLWTD making Direct Equipment Purchases

The item was tabled and had been discussed earlier in the meeting. The Board requested a procedure for making direct purchases and that a resolution setting the procedure be placed on the next agenda for action.

4. Approval of the Public Notices for the meetings scheduled from July through September 2004

Commissioner Brooks moved to approve the notices for the July and August meetings only. Commissioner Tobin seconded the motion. All were in favor and the item was unanimously approved.

5. Approval to reduce the number of Mylar copies required for submittal

Commissioner Brooks moved to approve the reduction to the number of Mylar copies required for submittal. Commissioner Tobin seconded the motion. All were in favor and the motion was unanimously approved.

H. General Manager's Report

1. Discussion of DCA Grant Agreement for FEMA Project 1249-25

Mr. Dillon presented the agreement. He stated there are several housekeeping items that need to be addressed. Mr. Dillon forwarded the Board an email following up on the conference call that was held to address the concerns of the Board. The conveyance of the open space was discussed and Mr. Dillon stated that there is an

opportunity to increase the amount of space to be used by the KLWTD if needed. Mr. Dillon noted that all items outlined in the memo have been addressed. He stated that Mr. Fishburn is on board with the issue and will be ready to take over on the mitigation issue. Discussion ensued on the site mitigation and if Haskell is to clear the lot under terms of the contract.

Mr. Dillon and Mr. Fishburn are developing mitigation costs to submit to Murray Nelson to be considered by the County for payment. The Board requested the agreement be placed as an action item on the June 16, 2004 agenda.

Discussion concerning the conveyance agreement, the biological report and the finding of non-significant impact ensued. Commissioner Brooks stated that he was concerned with portions of the mitigation letter submitted by the FKAA in particular the replacement of dead trees at a rate of three to one. It was noted that the biological opinion doesn't require it and that the County may have a transplantation requirement but it should be reviewed and it could be negotiable.

ACTION ITEM

I. Engineer's Report

1. Status report for the period ending May 25, 2004

Mr. Castle presented the report and asked if there were any questions. Commissioner Brooks asked about the design review for the 99% drawings. Mr. Castle had not received the 99% percent drawings but a meeting would be scheduled no sooner than 7 days after their receipt.

Commissioner Wilkinson quested the vacant lot issue. Mr. Castle stated that he is waiting for the true vacant lots and will update the Board in the future.

2. Update on Influent Characteristics

Mr. Castle presented the letter from Haskell concerning influent characteristics. He stated that they might be stronger than defined in the RFP and preliminary design report. The letter presented explained how the higher loadings would be handle.

Commissioner Wilkinson questioned the status of the Calusa Camp Resort issue. He had requested it be an agenda item and it was not placed on the agenda. Discussion ensued. It was the consensus of the Board to have a continuing commercial connection (Calusa Camp Resort) status update under the general manager's report until the issue was resolved.

J. Public comment

No one present wished to address the Board.

K. Commissioner's Items

1. Discussion of the CFO and Clerk positions – Chairman Bauman

Chairman Bauman stated the Board must decide if the manger would be responsible for hiring additional staff or if it should be a joint decision that includes the Board. Mr. Fishburn believes that until a secretary/clerk is hired he will have difficulties administering his duties. Commissioner Tobin suggested that Mr. Fishburn be given authority to advertise for a secretary/administrative assistant for general clerical duties and he should make a recommendation of who to hire at the June 19, 2004 meeting. Commissioner Wilkinson agreed.

No Board action was taken on this item.

2. Discussion for possible action of the manager/manager-select and attorney to contract for temporary office space on a month-to-month tenancy not to exceed $1.25 per square foot and a total cost of $1,000 including utilities monthly-commissioner Wilkinson

Mr. Fishburn informed the Board that he has entered into a week-to-week rental at his own risk in the temporary storage facilities. Commissioner Tobin and Mr. Fishburn will meet with Bank of America to discuss renting a space with them.

No Board action was taken on this item.

3. Discussion for possible action of the manager/manager-select and attorney to contract for communications (telephone/DSL) capability transferable within the island of Key Largo – Commissioner Wilkinson

No Board action was taken on this item.

Commissioner Wilkinson excused himself from the meeting at 9:10p.m.

Commissioner Tobin stated that he believes the manager should be given the authority to take action on items relating to the administration of his duties.

Commissioner Brooks excused himself from the meeting at 9:14p.m.

4. Discussion for possible action of the authority of the manager/manager-select to spend not-to-exceed $5,000.00 for office startup equipment, fixtures, furniture, supplies and other office needed materials – Commissioner Wilkinson

No action was taken on this item.

5. Discussion for possible action of directing the outgoing manager and staff to prepare a comprehensive list of accounts payable and receivable, insurances, mandated reports with submission dates, etc. accompanied with a contact person, email and mailing address, telephone number and other necessary items necessary for the transition to local management. The intent is that all expected services, tasks, accounts, contacts, etc. necessary for the proper

management of the KLWTD whether major or minor be disclosed promptly to the incoming manager and the District – Commissioner Wilkinson

No action was taken on this item.

6. Update on past agenda items:
    a. FEMA FONSI Status
    b. Water Quality Testing
    c. Resolution of $100K Loan repayment issue
    d. Site mitigation
    e. KLP vacant lot resolution
    f. Project request for FEMA deadline extension
    g. CDBG Grants and/or funds for private connections
    h. Procedures
    i. Web Site Development

No action was taken on this item.

7. Meeting Adjournment

Chairman Bauman adjourned the meeting at 9:14 p.m.

KLWTD Board Meeting
June 16, 2004

Item F - 1

Discussion of Effective Date of Resignation

Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]

Sent: Tuesday, June 08, 2004 11:13 AM

To: Charles Fishburn; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Faith Doyle; Gary Bauman (E-mail); Jerry Wilkinson

Cc: Robert Sheets; EdRCastle@aol.com; David Miles; Charles Sweat; Charles Fishburn; Jeff Weiler; weiler7@comcast.net

Subject: Effective date of resignation

Mr. Bauman has requested advice whether a board member may submit his resignation with a future effective date.

Based on my review of relevant statutes, I believe that resignation subject to a future effective date is permitted under Florida law.

Fla. Stat. 189, which governs special districts is silent on the subject of resignation.

The Key Largo Wastewater Treatment District Act does not address effective date of resignation.

Other Florida laws contemplate resignations subject to delayed effective dates.

Fla. Stat. 99.012, which requires a public officer to resign from public office in order to run for another office with a concurrent term, expressly provides for a delayed effective date.

Other statutes permit delayed resignation from corporate boards of directors and other functions. It is fairly common for executive officers of government agencies to resign subject to a delayed effective date.

Although I have not found express statutory authorization for resignation from a special district position with a delayed effective date where the resigning officer does not intend to seek another office, I believe that the practice of resignation subject to a delayed effective date is well-established in government and business. Therefore, I think that resignation from the District Board subject to a delayed effective date is legally permissible.

Tom

JERRY WILKINSON

38 East Beach Road
Tavernier, Florida 33070
jerry142@terranova.net

June 2, 2004

The Honorable Jeb Bush
Governor of the State of Florida
Executive Office of the Governor
PL-05 The Capitol
Tallahassee, FL 32399-0001

Subject: Resignation

Dear Governor Bush:

I submit my resignation from the Key Largo Wastewater District Board of Governors created by 2002-337, Laws of Florida, effective November 1, 2004.

I can no longer play with the other kids in the sandbox .

My term is for four (4) years; therefore, please institute the necessary steps to have an elective replacement placed on the Monroe County ballot for the November election.

Yours very truly,

Jerry Wilkinson

Cc: The Honorable Glenda Hood
Secretary of State
R. A. Gray Building
500 S. Bronough
Tallahassee, FL 32399-0250

305-852-1620 **www.keyshistory.org**

KLWTD Board Meeting
June 16, 2004

Item F - 2

Discussion of Applicability of Florida's Public Records Act to Certain Documents

Thomas M. Dillon

Memo

To: Key Largo Wastewater Treatment District

From: Thomas M. Dillon

CC: District Clerk

Date: 6/8/04

Re: Applicability of Florida's Public Records Act to certain documents

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Mr. Wilkinson has referred to me two documents purporting to request copies of public records from him. This memorandum will address the question whether the requested materials are subject to disclosure under the Public Records Act, Fla. Stat. 119.

The writer has not examined any materials that might be responsive to the requests. I recommend that Mr. Wilkinson examine the materials, if any, and make a determination whether they meet the definition of "public records" as discussed below. I am available to assist in the review.

If the requested materials are "public records", they must be made available for inspection and copying. If they are not "public records", then Mr. Wilkinson may, but need not, make them available for inspection and copying.

Materials Requested

The first document is a letter from Laurie Kurnatz, of The Citizen, dated 6/3/04 requesting copies of the following materials:

> All notes, memoranda, correspondence, and electronic records written or received from [sic] state Rep. Ken Sorensen regarding the possibility of your running for Monroe County Commissioner.

The second document is an undated letter from Robert Silk, of the Upper Keys Times, apparently received by Mr. Wilkinson on 6/3/04 requesting copies of the following materials:

> All notes, memoranda, correspondence, and electronic records written or received between yourself and Rep. Ken Sorensen, beginning with Tuesday and continuing to today, June 3.

Public Records Act

Florida's Public Records Act, Florida Statutes Chapter 119, expresses the policy of the state to provide access to public records. Fla. Stat. 119.01.

"Public records" are defined in the Act as:

> [A]ll documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.
>
> Fla. Stat. 119.011(1). (Emphasis added.)

The Act requires an agency or official to permit inspection, examination, and copying of public records upon request. Fla. Stat. 119.07

The materials requested by Ms. Kurnatz do not appear to be "public records"

"Public records" are materials that are either

- made or received pursuant to law or ordinance, or
- made or received in connection with the transaction of official business by any agency

Ms. Kurnatz's request set out above is limited to materials concerning the possibility of Mr. Wilkinson's running for County Commissioner. I am not aware of any law or ordinance under which these materials would have been made or received, and I conclude that such records would not appear to be "made or received pursuant to law or ordinance." Further, since the requested materials concern only the possibility of Mr. Wilkinson running for County Commissioner, I do not believe that the records have anything to do with "the transaction of official business by any agency."

The materials requested by Mr. Silk may be public records

The second request is somewhat broader than Ms. Kurnatz's request. Mr. Silk has requested all materials that constitute notes, memoranda, correspondence, and electronic records between Mr. Wilkinson and Mr. Sorensen. In order to determine whether materials responsive to Mr. Silk's request are public records subject to disclosure, it would be necessary to review the materials for content.

Because the Public Records Act imposes criminal penalties for violation, I recommend that Mr. Wilkinson undertake a careful review of the responsive materials and determine whether they were made or received pursuant to law or ordinance, or whether they were made or received in connection with the transaction of official District business.

I am available to assist in such review if requested.

KLWTD Board Meeting
June 16, 2004

Item F - 5

Update on Legislative Change
(House Bill 471)

Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]
Sent: Tuesday, June 08, 2004 11:43 AM
To: TODD.LAURA
Cc: SPARKS.PATTY; MERRILL.HOLLY; CAPTDRKEN@aol.com
Subject: Re: legislation

Thanks, Laura

----- Original Message -----
From: TODD.LAURA
To: Thomas Dillon
Cc: CAPTDRKEN@aol.com ; MERRILL.HOLLY ; SPARKS.PATTY
Sent: Tuesday, June 08, 2004 11:14 AM
Subject: RE: legislation

Tom:

The bill has been enrolled, but now needs to be signed off by the "officers" (Clerk of the House and Secretary of the Senate) as well as the Senate President & House Speaker. Once they sign off, it goes to the Governor for his signature, veto or to become law without signature. It could be a while before we know anything. I have contacted the Governor's office in an attempt to get a feel from his people regarding the bill, and am waiting for a response.

Laura

-----Original Message-----
From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Monday, June 07, 2004 4:30 PM
To: TODD.LAURA
Subject: legislation

Laura,

Now that Jerry Wilkinson has resigned, the need to know whether the Governor will veto the bill for the KLWTD has become critical. Can you let me know the status of the bill and when it will become law if not signed?

Tom

KLWTD Board Meeting
June 16, 2004

Item G - 1

Approval of a Motion to Reconsider the Selection of a District Manager

Approval of a motion to reconsider the selection of a district manager.

Whereas --- the District passed a motion 4 to 1 on May 19, 2004 (see minutes) to " negotiate with Charles Fishburn for the manager's position". This motion in no way can be conceived or should have been conceived as actually hiring Mr. Fishburn as either an employee under contract or as a contractor. The motion as simply stated was to begin negotiations with Mr. Fishburn.

Whereas -- our legal counsel Mr. Dillon advised the Board Mr. Fishburn on the strength of the motion made on the 19th of May 2004 Mr. Fishburn had no legal status as the district manager until such time as a formal contract and been instituted.

Whereas -- Mr. Fishburn has severed his relationship/employment with GSG prior to securing his position with the KLWTD. Mr. Fishburn knowing full well he had not finalized his future employment with the District and did so at his own risk.

Whereas -- Mr. Fishburn's actions in relinquishing his position with GSG should in no way be an obligation to the District to replace Mr. Fishburn's employment, salary or benefits.

Whereas -- Mr. Fishburn in the interim has knowingly taken unauthorized actions on behalf of the District without legal authority to do so. He has secured office space and began the installation of a telephone line. He may have done so with the communication or encouragement of perhaps one or two commissioners of the District. If this be the case Mr. Fishburn through his inappropriate actions has demonstrated his lack of understanding of carrying out the District's administrative tasks while adhering to the democratic process of a governmental body.

Whereas -- Mr. Fishburn was one of three candidates who applied for the administrative position as district manager. His credentials as an administrator were on the surface less than the other two candidates but his salary requirements where 25% higher than the other two candidates.

Whereas -- Mr. Fishburn stated acceptable salary requirements are far above the competing candidates salary requirements.

Whereas -- Mr. Fishburn's stated acceptable salary requirements may be too excessive for the position he is wishing to fill.

Whereas -- Mr. Fishburn's administrative credentials may not be sufficient to carry out the administrative duties of the District.

Recommendation

The KLWTD reconsider the selection process for the district manager position.

Charles Brooks
KLWTD Commissioner
June 8, 2004

KLWTD Board Meeting
June 16, 2004

Item G - 2

Approval of the Manager-Select Contract

Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]

Sent: Monday, June 07, 2004 4:28 PM

To: Charles Fishburn; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Faith Doyle; Gary Bauman (E-mail); Jerry Wilkinson

Subject: Fishburn contract

Faith, please place this in the agenda for the next meeting.

I am attaching two draft contract forms for Mr. Fishburn. I am not making a recommendation as to the compensation terms, but I believe that I have drafted them appropriately should the Board agree to them.

Both forms would treat him as an employee.

Mr. Fishburn has offered to accept a salary of $92,000/yr. with $12,000 being paid on his behalf for health insurance.

He is asking for 12 paid vacation days/yr, and State holidays.

He is asking for a cost of living adjustment annually and the possibility of a merit increase annually.

At his request, I have deleted the provision from an earlier form requiring him to keep time records, but have retained the requirement to keep records to support a charge by the District against grant funds for administrative costs.

The two forms are submitted to allow the District to continue with the interim arrangement of $50/hr from June 2 to June 19 (version "a") or to retain him for the entire month of June (version "b")

Tom

GENERAL MANAGER EMPLOYMENT AGREEMENT

THIS GENERAL MANAGER EMPLOYMENT AGREEMENT ("Agreement") is entered into as of June 1, 2004 between the Key Largo Wastewater Treatment District, an independent special district created by Chapter 2002-337, Laws of Florida (the "District"), and Charles F. Fishburn ("General Manager").

1. Employment.

   a. The District hereby employs General Manager, and General Manager hereby accepts employment with the District, on the terms set forth in this Agreement. This Agreement is an "at will" agreement. Either party may terminate this Agreement without cause upon 90 days' written notice to the other party. In addition, the District may terminate this Agreement for disability or cause pursuant to Section 7 hereof. Unless sooner terminated, this Agreement shall terminate on May 31, 2006.

   b. General Manager shall serve as the District's General Manager. General Manager shall provide senior management services and shall perform such duties relating thereto as may be determined and assigned to General Manager from time to time by the District's Board of Directors, to whom General Manager shall report. Exhibit A to this Agreement sets out the minimum duties of the General Manager.

   c. General Manager shall keep all records that may be required to support any charge by the District against any grant or other funding for work performed by General Manager.

   d. General Manager is a public official as that term is used in the Florida Statutes, and is subject to all ethical and other legal constraints applicable to public officials.

   e. During the term of this Agreement, General Manager shall devote his best efforts, knowledge and skill and shall devote substantially all of his working time and attention to the performance of his duties as aforesaid, except during such periods as General Manager shall be ill, disabled, or on vacation as provided by this Agreement.

2. Place of Employment. General Manager shall be afforded an office and support services.

3. Compensation.

   a. The Compensation rate for the General Manager is $92,000 per annum.

   b. General Manager hereby elects to receive a portion of the Compensation in kind, i.e., the District shall directly pay premiums on behalf of General Manager to a health insurance plan to be named by General Manager, in the amount of $12,000 per annum, instead of paying that amount in salary to the General Manager. General Manager shall provide to the District all information necessary to allow the payments to be made directly. It is the understanding of the District and General Manager that, for Federal Income Tax purposes, these payments will be excluded from wages paid to General Manager. If, at any time, the District or General Manager determines that direct payment of these health insurance premiums imposes an undue burden upon a party to this Agreement, the parties shall confer to determine whether such payments should be terminated or modified. Upon not less than sixty days' written notice from General Manager, the District shall direct the payments to an alternate health insurance carrier, or shall terminate the direct payments and pay the funds to the General Manager in money.

   c. General Manager's salary shall be payable once each month on the last day, commencing on June 30, 2004, in the amount of $7,667, less $1,000.00 in direct insurance payments.

   d. General Manager shall pay the employee's share of any payroll taxes required under applicable law, by payroll deduction, and District shall bear and be responsible for the employer's share of any taxes on wages paid as required under applicable law.

   e. Effective June 1, 2005, General Manager's compensation shall be adjusted in accordance with the percentage change in the U.S. Department of Labor

Consumer Price Index (CPI-W), for the Urban Wage Earners and Clerical Workers, All Items, Monroe County or nearest geographic area.

f. In addition, the District may elect to provide General Manager an increase in Compensation based on General Manager's performance during the past year.

4. Vacation. General Manager shall be entitled to 12 days of paid vacation during each calendar year. General Manager shall schedule such vacation to minimize the inconvenience and other impacts to the District.

5. Holidays. General Manager is entitled to the following holidays: New Year's Day, Birthday of Martin Luther King, Jr. (third Monday in January), Memorial Day, Independence Day, Labor Day, Veterans' Day (November 11), Thanksgiving Day, Friday after Thanksgiving, Christmas Day. If any holiday falls on a Saturday, the holiday shall be observed on the preceding Friday; if any holiday falls on a Sunday, the holiday shall be observed on the next Monday.

6. Benefits. The General Manager understands and agrees that the District has not adopted any employee benefit plans, and that the General Manager shall be responsible for obtaining and providing his own health insurance and other benefits as he deems appropriate.

7. Travel Expenses. The District shall pay for or reimburse General Manager in accordance with the District's standard policies for travel off the island of Key Largo for the purpose of carrying on District business. The District's standard policies for reimbursement of travel expenses are those set forth in Florida Statutes Section 112.061.

8. Termination for Disability or Cause. This Agreement may be terminated by the District, acting through its Board of Directors, only upon any of the following events:

a. The expiration of 30 days following written notice given by the Board of Directors of the District to General Manager of the District's election to terminate this Agreement following General Manager's Disability. "Disability" means the inability of General Manager to perform substantially all of the duties required of General

Manager by this Agreement by reason of physical or mental incapacity for a period of two consecutive months, or a period of more than 90 days in the aggregate in any 18 month period.

b. A determination by the District's Board of Directors that Cause exists to terminate this Agreement, and written notice of termination for Cause is given by the Board of Directors of the District to General Manager. "Cause" means any of the following events or conditions:

   i. A material breach by General Manager of any material provision of this Agreement.

   ii. Any act by General Manager in violation of the obligations imposed upon public officials under applicable law.

   iii. Fraud or other dishonest act by General Manager involving the District.

   iv. General Manager's conviction of a felony.

   Provided that in the case of the foregoing clauses (i), (ii), and (iii), "Cause" shall exist only if General Manager fails to cure such breach, within 30 days of receipt of written notice thereof, to the satisfaction of the District's Board of Directors.

c. The death of General Manager.

9. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given (a) when personally delivered, (b) on the business day following deposit of such notice with a reputable overnight courier service, or (c) sent by certified mail, return receipt requested, postage prepaid, as follows:

   If to the District:

   Chairman, Board of Directors
   Key Largo Wastewater Treatment District
   P.O. Box 491
   Key Largo, Florida 33037

With a copy to:

Thomas M. Dillon
94220 Overseas Highway, #2B
Tavernier, Florida 33070-3005

If to General Manager:

Charles F. Fishburn
161 Dubonnet Road
Tavernier, Florida 33070

Either party may change such party's address for the purpose of this Section by written notice similarly given.

10. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, such provision shall be construed and enforced to the extent possible as if it had been more narrowly drawn so as not to be invalid or unenforceable, and such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement. However, if either party determines in good faith that, as a result of a provision of this agreement being held invalid or unenforceable, this Agreement no longer serves the purposes for which it was written, that party may terminate this agreement upon not less than sixty days' written notice.

11. Entire Agreement. This Agreement sets forth the parties' final and entire agreement, and supersedes any and all prior understandings, with respect to the subject matter hereof.

12. Assignment; Ratification of Agreement. No right or obligation under this Agreement may be assigned or delegated by either the District or General Manager without the prior written consent of the other party, and any purported assignment or delegation of any such right or obligation without such consent shall be null and void.

13. No Waiver. No failure or delay by either party in exercising any right, option, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right, option, power or privilege.

14. Amendment. This Agreement can only be amended, waived or terminated by a writing signed by both the District and General Manager.

15. Applicable Law. This Agreement shall be governed by and construed and interpreted in accordance with the internal law of the State of Florida, without reference to its rules as to conflicts of law.

16. Headings. The section headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Key Largo Wastewater Treatment District

By _____
Gary Bauman
Its Chairman

Attest

By _____
Cris Beaty
Its Secretary

General Manager

_____
Charles F. Fishburn

Exhibit A
Minimum Duties for General Manager

A. Executing Board's direction in identifying, selecting and contracting with rate consultants, auditors, insurance consultants, lab service contractors, consulting engineers, hydro-geologies, and other consultants and professionals required by the District.

B. Acting as custodian of the District's books and records, which shall be maintained in accordance with Florida Statutes Section 189.9.

C. As directed by the District Board, serving as intergovernmental liaison between the District and local governments within which the District provides wastewater service, including, without limitation, coordination of service extensions with applicable comprehensive plans, communicating with public officials on all matters that pertain to the District, attending governing board and staff meetings to discuss District issues.

D. Preparing an annual consumer confidence report as required by law.

E. Overseeing two customer mailings each year to all District customers regarding Board initiatives.

F. Providing the Board, or individual members thereof, upon request, with data or information concerning District construction and operations, and providing advice and recommendations to the Board.

G. Coordinating with District's Chief Financial Officer, Engineer, and Counsel, staff, and supervising other District staff.

H. Negotiating leases, contracts, and other agreements, including consultant services, for the District, subject to Board approval.

I. Overseeing all governmental filings.

J. Monitoring the performance of all terms and conditions in all leases, contracts, and agreements, and notifying the Board of known violations thereof.

K. Monitoring the operations and billing functions of the District and ensuring compliance with the Board's policy and direction.

L. Preparing annual reports.

M. Consulting with, and supervision of, contractors as reasonably required and necessary with regard to construction of capital projects.

N. In consultation with the District Engineer and District Counsel, as appropriate, issuing interpretations and clarifications of contract documents.

   a. Evaluating requests for substitutions or deviations therefrom.

b. Providing recommendations concerning requests for substitutions or deviations therefrom.

c. Preparing work orders.

d. Monitoring all required project records.

e. Reviewing applications for payment.

f. Conducting comprehensive inspections of construction projects.

g. Developing list of items needing completion or correction.

O. Negotiating contracts with engineers and other consultants regarding scope and cost of proposed contract change orders.

P. Providing proof of compliance with funding and grant requirements.

Q. Requesting advances and reimbursements consistent with funding and grant requirements.

R. Exercising due diligence with respect to construction management efforts consistent with governmental standards.

GENERAL MANAGER EMPLOYMENT AGREEMENT

THIS GENERAL MANAGER EMPLOYMENT AGREEMENT ("Agreement") is entered into as of June 20, 2004 between the Key Largo Wastewater Treatment District, an independent special district created by Chapter 2002-337, Laws of Florida (the "District"), and Charles F. Fishburn ("General Manager").

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   a. The District hereby employs General Manager, and General Manager hereby accepts employment with the District, on the terms set forth in this Agreement. This Agreement is an "at will" agreement. Either party may terminate this Agreement without cause upon 90 days' written notice to the other party. In addition, the District may terminate this Agreement for disability or cause pursuant to Section 7 hereof. Unless sooner terminated, this Agreement shall terminate on June 30, 2006.

   b. General Manager shall serve as the District's General Manager. General Manager shall provide senior management services and shall perform such duties relating thereto as may be determined and assigned to General Manager from time to time by the District's Board of Directors, to whom General Manager shall report. Exhibit A to this Agreement sets out the minimum duties of the General Manager.

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c. General Manager's salary shall be payable once each month on the last day, commencing on July 31, 2004, in the amount of $7,667, less $1,000.00 in direct insurance payments. General Manager's Compensation for the month of June, 2004 shall be prorated to reflect employment for only one-third of the month, and shall be in the amount of $2,556, less $1,000.00 in direct insurance payments.

d. General Manager shall pay the employee's share of any payroll taxes required under applicable law, by payroll deduction, and District shall bear and be responsible for the employer's share of any taxes on wages paid as required under applicable law.

e. Effective July 1, 2005, General Manager's compensation shall be adjusted in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index (CPI-W), for the Urban Wage Earners and Clerical Workers, All Items, Monroe County or nearest geographic area.

f. In addition, the District may elect to provide General Manager an increase in Compensation based on General Manager's performance during the past year.

4. Vacation. General Manager shall be entitled to 12 days of paid vacation during each calendar year. General Manager shall schedule such vacation to minimize the inconvenience and other impacts to the District.

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Agreement following General Manager's Disability. "Disability" means the inability of General Manager to perform substantially all of the duties required of General Manager by this Agreement by reason of physical or mental incapacity for a period of two consecutive months, or a period of more than 90 days in the aggregate in any 18 month period.

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   iii. Fraud or other dishonest act by General Manager involving the District.

   iv. General Manager's conviction of a felony.

   Provided that in the case of the foregoing clauses (i), (ii), and (iii), "Cause" shall exist only if General Manager fails to cure such breach, within 30 days of receipt of written notice thereof, to the satisfaction of the District's Board of Directors.

c. The death of General Manager.

9. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given (a) when personally delivered, (b) on the business day following deposit of such notice with a reputable overnight courier service, or (c) sent by certified mail, return receipt requested, postage prepaid, as follows:

   If to the District:

   Chairman, Board of Directors
   Key Largo Wastewater Treatment District
   P.O. Box 491
   Key Largo, Florida 33037

With a copy to:

Thomas M. Dillon
94220 Overseas Highway, #2B
Tavernier, Florida 33070-3005

If to General Manager:

Charles F. Fishburn
161 Dubonnet Road
Tavernier, Florida 33070

Either party may change such party's address for the purpose of this Section by written notice similarly given.

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11. Entire Agreement. This Agreement sets forth the parties' final and entire agreement, and supersedes any and all prior understandings, with respect to the subject matter hereof.

12. Assignment; Ratification of Agreement. No right or obligation under this Agreement may be assigned or delegated by either the District or General Manager without the prior written consent of the other party, and any purported assignment or delegation of any such right or obligation without such consent shall be null and void.

13. No Waiver. No failure or delay by either party in exercising any right, option, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right, option, power or privilege.

14. Amendment. This Agreement can only be amended, waived or terminated by a writing signed by both the District and General Manager.

15. Applicable Law. This Agreement shall be governed by and construed and interpreted in accordance with the internal law of the State of Florida, without reference to its rules as to conflicts of law.

16. Headings. The section headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Key Largo Wastewater Treatment District

By _____
Gary Bauman
Its Chairman

Attest

By _____
Cris Beaty
Its Secretary

General Manager

_____
Charles F. Fishburn

Exhibit A
Minimum Duties for General Manager

A. Executing Board's direction in identifying, selecting and contracting with rate consultants, auditors, insurance consultants, lab service contractors, consulting engineers, hydro-geologies, and other consultants and professionals required by the District.

B. Acting as custodian of the District's books and records, which shall be maintained in accordance with Florida Statutes Section 189.9.

C. As directed by the District Board, serving as intergovernmental liaison between the District and local governments within which the District provides wastewater service, including, without limitation, coordination of service extensions with applicable comprehensive plans, communicating with public officials on all matters that pertain to the District, attending governing board and staff meetings to discuss District issues.

D. Preparing an annual consumer confidence report as required by law.

E. Overseeing two customer mailings each year to all District customers regarding Board initiatives.

F. Providing the Board, or individual members thereof, upon request, with data or information concerning District construction and operations, and providing advice and recommendations to the Board.

G. Coordinating with District's Chief Financial Officer, Engineer, and Counsel, staff, and supervising other District staff.

H. Negotiating leases, contracts, and other agreements, including consultant services, for the District, subject to Board approval.

I. Overseeing all governmental filings.

J. Monitoring the performance of all terms and conditions in all leases, contracts, and agreements, and notifying the Board of known violations thereof.

K. Monitoring the operations and billing functions of the District and ensuring compliance with the Board's policy and direction.

L. Preparing annual reports.

M. Consulting with, and supervision of, contractors as reasonably required and necessary with regard to construction of capital projects.

N. In consultation with the District Engineer and District Counsel, as appropriate, issuing interpretations and clarifications of contract documents.

   a. Evaluating requests for substitutions or deviations therefrom.

   b. Providing recommendations concerning requests for substitutions or deviations therefrom.

   c. Preparing work orders.

d. Monitoring all required project records.

e. Reviewing applications for payment.

f. Conducting comprehensive inspections of construction projects.

g. Developing list of items needing completion or correction.

O. Negotiating contracts with engineers and other consultants regarding scope and cost of proposed contract change orders.

P. Providing proof of compliance with funding and grant requirements.

Q. Requesting advances and reimbursements consistent with funding and grant requirements.

R. Exercising due diligence with respect to construction management efforts consistent with governmental standards.

KLWTD Board Meeting
June 16, 2004

Item G - 3

Approval of the Pending Payments List for June 8, 2004

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

TO: Key Largo Wastewater Treatment District Board Members

CC: Charles Fishburn, General Manager
Robert Sheets, CEO GSG, Inc.
Faith Doyle, Clerk to the Board
Charles Sweat, Director of Operations
Thomas Dillon, Board Attorney

FROM: David R. Miles, Director of Finance

DATE: June 8, 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 June 8, 2004 the District had $240,954.19 in its bank account. We have $202,891.68 in invoices in-hand for payment by July 7, 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 as of June 8, 2004:

Administration & Operations:	$183,559.95
Key Largo Park:	(31,163.68)
Key Largo Trailer Village:	88,557.92
Total	$ 240,954.19

A request for $129,607.00 for Monroe County matching funds for use in the Key Largo Park project, submitted March 23, 2004 is still pending. A follow-up letter was sent May 27, 2004. We have also followed up numerous times with George Garratt telephonically. This funding is essential to get the KL Park cash flow in the black.

Draw Request number 3 in the amount of $41,390.28 for the FY 2004 MSTU funds was submitted to Monroe County on May 28, 2004 covering March, April and May disbursements by the District. A request is being prepared to draw down an additional $450,000 advance from FKAA in order to meet significantly larger draws from the Haskell Company. An invoice on hand of $163,559.31 for the month of May will fully deplete the available KL Trailer Village balances and leave a deficit of $79,170.14. This draw, if honored, will remove all except about $45,000 left of the FEMA Phase I money held by FKAA.

Key Largo Wastewater Treat...t District
Payments Pending, June 16, 2004
Prepared June 8, 2004

Date of Invoice	Vendor	Invoice #	Description	Payment Category	Invoice Amount	Date Due	Date Paid
Cash Balance Forward for Administration & Operations					**$183,542.98**		
05/31/04	Interest Earning for May 2004				16.97		
Total Available					**$183,559.95**		
05/30/04	Cooke Communications	03/20/95	Legal Ads for May 2004	1	$ 229.50	6/21/04	
06/01/04	Florida Municipal Insurance Trust	1045-4	Fourth Installment Billing - 03/04 Fund Year	1	1,894.00	7/1/04	
06/04/04	Governmental Services Group, Inc.	03021-7758	KLWWTD Management Fee for May 2004	1	10,800.00	Upon Receipt	
06/07/04	Governmental Services Group, Inc.	03021-7762	KLWWTD Copy & Postage Charges for May 2004	1	876.58	Upon Receipt	
05/31/04	Thomas M. Dillon	1019	Professional Services for the month of May 2004	1	5,512.64	Upon Receipt	
Total Invoices for Administration & Operations					**19,312.72**		
Balance Forward if All Admin & Operations Invoices Paid					**$164,247.23**		
Cash Balance Forward for Key Largo Park					**$ (31,163.68)**		
06/04/04	Governmental Services Group, Inc.	03049-7759	KLWWTD Park Project for May 2004	2	$ 1,752.50	Upon Receipt	
05/31/04	The Haskell Company	053104-3	Design Services-Key Largo Park	2	$ 14,098.40	Upon Receipt	
Total Invoices for Key Largo Trailer Park					**$ 15,850.90**		
Balance Forward if All Key Largo Park Invoices Paid					**$ (47,014.58)**		
Cash Balance Forward for Key Largo Trailer Village					**$ 88,557.92**		
06/04/04	Governmental Services Group, Inc.	03051-7760	KLWWTD Trailer Village Project for May 2004	3	$ 4,168.75	Upon Receipt	
05/31/04	The Haskell Company	053104-8	Design-Bld WWMS Key Largo Trailer Village	3	$ 163,559.31	Upon Receipt	
Total Invoices for Key Largo Trailer Village					**167,728.06**		
Balance Forward if All Key Largo Trailer Village Invoices Paid					**(79,170.14)**		
Total All Invoices					**$202,891.68**		

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
June 16, 2004

Item G - 4

Approval of Resolution 2004-01
Approving Direct Purchases

This item will be provided under separate cover.

KLWTD Board Meeting
June 16, 2004

Item G - 5

Approval of
DCA Grant Agreement
for
FEMA Project 1249-25

Thomas M. Dillon

Memo

To: Key Largo Wastewater Treatment District

From: Thomas M. Dillon

CC: District Staff

Date: 5/18/2004

Re: DCA Grant Agreement

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

I have reviewed the grant agreement form transmitted by the Florida Department of Community Affairs under date of May 20, 2004 [sic]. My comments follow:

Page 13: Section 16(b) specifies the requirements to obtain advance payments. Option 2 should be checked and an amount filled in based on expected expenditures during the first 3 months of the Agreement. Attachment F must be completed to specify the amount of the advance payment and an explanation of the necessity for and proposed use of the advanced funds.

Page 17: Section 22 seems to anticipate that vendor invoices will be submitted to the DCA for payment. I do not understand that to be the expected method of payment of vendors.

Attachment A:

Page A-1: Re: Open Space:

The first paragraph states only that the District "will permanently preserve the un-used [sic] portion of the WWTP project parcel (18.4 acres) for conservation purposes, and restore 2.6 acres of tropical hardwood hammock to replace the project site's protected lost habitat functions."

However, the third paragraph provides that "The construction phase may proceed with adherence to the various mitigation measures and permitting requirements referenced in the SFONSI." Therefore, the Agreement incorporates by reference all of the requirements expressed in the SFONSI, and all the requirements incorporated by reference in the SFONSI, notably the U.S. Fish & Wildlife Service Biological Opinion, which serves as the basis for the SFONSI. Note that these requirements are stated in a letter of 5/16/04 from

FEMA to the Florida Division of Emergency Management, attached as Pages A-3 and A-4. Note further that although the SFONSI was apparently intended to be attached to the Agreement beginning at Page A-8, only the odd-numbered pages of the SFONSI were copied.

Based on the foregoing, it is my opinion that when the District signs this Agreement, the District will be contractually bound to perform all of the requirements in the SFONSI and the Biological Opinion, including:

- Locating a site or sites totaling 2.6 acres for hardwood hammock habitat restoration on the island of Key Largo. Biological Opinion Condition No. 1.
- Coordinating with a suitable environmental lands management program to receive title to the hardwood hammock not proposed for development. Biological Opinion Condition No. 2.

The District must provide FEMA with a copy of all applicable permits and other pertinent documents that demonstrate compliance with the SFONSI before construction and receipt of federal funds.

I recommend that the District complete efforts to specify exactly the manner in which these conditions will be satisfied prior to signing the Agreement.

Page A-5: Schedule of Values:

The district should confirm that the schedule of values is consistent with the schedule of values in the Haskell Design-Build Agreement.

Conclusions:

Based on the foregoing, I recommend that the District complete the following before signing the Agreement:

- Obtain written confirmation of agreement by FEMA and the U.S. Fish & Wildlife Service to precise means and methods by which the District may satisfy the conditions of the SFONSI. I understand the principal conditions to be related to conservation of open space, but I recommend that the District obtain confirmation that all conditions precedent to construction and receipt of federal funds have been, or will be, satisfied.
- Obtain written confirmation of the source(s) of funds to be used to meet the District's obligations related to conservation of open space.
- Determine the amount of any needed funds advances and complete the appropriate forms.
- Determine whether Section 22 (P. 17) is applicable to this project.
- Ensure that the schedule of values at Pages A-5 – A-7 is consistent with the Design-Build Agreement.
- Replace the incomplete copy of the SFONSI with a complete copy.

Contract Number: 04UN-6P-11-54-15-
CFDA Number: 97.039

DISASTER RELIEF FUNDING AGREEMENT

This Agreement is between the State of Florida, Department of Community Affairs (the "Department"), and Key Largo Wastewater Treatment District (the "Recipient"). This Agreement is based on the existence of the following conditions:

WHEREAS, Hurricane Georges had a devastating impact upon the State of Florida; and

WHEREAS, the severity of the damage and losses resulted in a declaration of emergency by the Governor in Executive Order 98-232 ; and

WHEREAS, in consequence of Hurricane Georges, the President of the United States declared Hurricane George a major emergency in FEMA-1249-DR-FL, Key Largo Wastewater Treatment District; and

WHEREAS, the Agreement between the State of Florida and the Federal Emergency Management Agency ("FEMA") governing the use of such funds has made available funding to meet the unmet needs of local governments; and

WHEREAS, under the Emergency Management Act, as amended, the Department has authority to administer federal financial assistance from FEMA consequent to a presidential declaration of disaster; and

WHEREAS, the Department has received these grant funds from the federal government, and has the authority to subgrant these funds to the Recipient upon the terms and conditions hereinafter set forth; and

WHEREAS, the Recipient represents that it is fully qualified and eligible to receive these grant funds to provide the services identified herein.

Based upon the existence of the foregoing conditions, the parties agree to the following:

(1) SCOPE OF WORK.

The Recipient shall fully perform the obligations in accordance with the Budget and Scope of Work, Attachment A of this Agreement.

(2) INCORPORATION OF LAWS, RULES, REGULATIONS AND POLICIES

Both the Recipient and the Department shall be governed by applicable State and Federal laws, rules and regulations, including but not limited to those identified in Attachment B.

(3) PERIOD OF AGREEMENT.

A draft of this item was provided in its entirety in the 6-2-04 agenda book. A complete and revised document will be forwarded under separate cover.

KLWTD Board Meeting
June 16, 2004

Item H - 1

Discussion of Commercial Connections (Calusa Camp Resort)

THE WEILER ENGINEERING CORPORATION

"Excellence in Engineering"

20020 Veterans Boulevard., Suite 7
Port Charlotte, FL 33954
(941) 764-6447 ph
(941) 764-8915 fax

Calusa Camp Connection

Provisions should be made for providing sewer main lines in the right-of-way for the future connection of Calusa Camp to the KLWTD sewer system. To avoid unnecessary costs, the work should be done concurrently with the work for KLTV. A choice must be made whether to provide a vacuum main or a force main. The following should be considered in making this decision:

- A vacuum main in the right-of-way is less costly to the public, but would require that Calusa Camp install an internal vacuum system

- A force main in the right-of-way is more costly to the public, but would reduce the costs to the property owners in Calusa Camp by approximately $750 per lot.

Either method would make sewer service available, according to State and County ordinances, and therefore connection to the system would be required.

Some additional information for consideration:

- The cost to the owners of the RV lots includes all work necessary in the park to make the system water tight.
- Each lot owner's share of the total cost ranges from $1860 to $2675, depending on the selection of connection method
- The cost to owners of individual residential property owners in KLTV and KLP will most likely range from $3000 to more than $10,000
- KLWTD could offer to accept easements and assume ownership of an internal vacuum system with all new pipe, but I would not recommend assuming ownership of the gravity collection system and pump stations, even after being upgraded.
- Long term costs to the lot owners in Calusa Camp for owning and operating a series of pump stations and force mains and gravity lines should be considered.
- Most wastewater utilities do not provide infrastructure on private property
- FKAA has provided infrastructure on private property at Ocean Isles Fish Camp in the Little Venice project
- FKAA has stated in a public meeting that it will allow commercial properties that consist of single family dwelling units to choose between granting easements and allowing FKAA to install infrastructure on the private property, or to install their own infrastructure. (FKAA would spend public money to install the infrastructure, but then would bill each dwelling unit as a full EDU. If the owner elected to install it's own infrastructure, the property would be billed at a commercial rate based on consumption)

KLWTD Board Meeting
June 16, 2004

Item H - 2

Discussion of a Rate Study

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

TO: Key Largo Wastewater Treatment District Board Members

FROM: Charles Fishburn, General Manager

DATE: June 8, 2004

RE: Rate Study

We need to begin to look at the rate structure for our current project and future projects. A rate study will provide the Board an added tool in making decisions on which projects we are to move forward with. As you can see from the selected sections of the attached rate studies for Marco Island, Little Venice, Bay Point and Conch Key.

RECOMMENDATION

Staff will present a recommendation on the direction for a rate study at the July 21, 2004 Board meeting.

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

Public Resources Management Group, Inc.
Utility, Rate, Financial and Management Consultants

February 4, 2004

The Honorable Chairman and
City Council
City of Marco Island
50 Bald Eagle Drive
Marco Island, FL 34145

Subject: **Water and Wastewater Capital Facilities Fee Review**

Ladies and Gentlemen:

We have completed our review of the capital facilities fees for the City of Marco Island, Florida (the "City") water and wastewater system (the "System") and have summarized the results of our analysis, assumptions, and conclusions in this Report, which is submitted for your consideration. This Report summarizes the basis for the proposed capital facilities fees for water and wastewater services in order to provide a source of funding to meet the City's capital expenditure requirements allocable to growth in the City's service territory. This analysis was prepared to evaluate and consolidate the current capital facilities fees as a result of the recent acquisition of the System from Florida Water Services Corporation (the Marco Island and Marco Shores utility systems).

As set forth in this Report, we are recommending that water system capital facilities fees be increased from $833 to $2,725 for the Marco Island service area and from $985 to $2,725 for the Marco Shores service area per Equivalent Residential Connection (ERC). For the wastewater system, we are recommending an increase to the existing capital facilities fee from $2,600 to $2,910 for the Marco Island service area and from $1,549 to $2,910 for the Marco Shores service area per ERC. The proposed capital facilities fees are based on the recovery of capital-related costs anticipated to be incurred by the City to expand water and wastewater service as identified in the City's Five-Year Capital Improvement Program developed for the acquisition of the System, which documented the capital expenditure requirements for the fiscal year period of 2004 to 2008. As such, the proposed water and wastewater capital facilities fees were designed to recover the anticipated expansion-related capital costs of each utility system and are considered reasonable by Public Resources Management Group, Inc.

At the outset of the study, it was determined that the proposed water and wastewater capital facilities fees should meet a number of goals and objectives. These goals and objectives dealt primarily with criteria related to fee sufficiency and level. Specifically, the major objectives considered in this study included:

- The capital facilities fees should be sufficient to fund the projected capital requirements associated with providing water and wastewater service to new development;

- To the extent practical, the capital facilities fees should not be used to fund deficiencies in the capital needs of the water and wastewater utility systems (i.e., no expenditures for renewal and replacement or upgrade of facilities serving existing customers);

- The capital facilities fees should be based upon reasonable level of service standards that meet the needs of the City, are indicative of the criteria used for long term infrastructure planning, and are similar to industry standards; and

- The capital facilities fees should be generally competitive with fees in effect in neighboring jurisdictions.

The proposed water and wastewater capital facilities fees presented in this Report should meet these objectives. Based on information provided by the City and the assumptions and considerations outlined in this Report, Public Resources Management Group, Inc. considers the proposed charges to be cost-based, reasonable, and representative of the identified capital funding requirements of the System as identified by the City.

Following this letter, we have provided an executive summary of the report that outlines our recommendations and conclusions to the City. The accompanying report provides additional details regarding the analyses conducted on behalf of the City.

We appreciate the cooperation and assistance given to us by the City and its staff in the completion of the study.

Very truly yours,

Public Resources Management Group, Inc.

Robert J. Ori
President

Jeffrey M. Wilson
Senior Consultant

EXECUTIVE SUMMARY AND RECOMMENDATIONS

The purpose of capital facilities fees are to assign, to the extent practical, growth-related capital costs to those new customers responsible for such costs. To the extent development imposes identifiable added capital investment necessary to provide water and wastewater system (the "System") services, equity and modern capital funding practices suggest the assignment of such cost to those residents or System users responsible for such added costs. Municipalities have recognized this capital funding strategy for many years as being an appropriate method of funding the increased capital requirements as a result of development within the service area of the System.

The existing capital facilities fees for the System were made effective by the City Council of Marco Island pursuant to Ordinance No. 2003-19, approved on October 20, 2003 (the "Fee Ordinance"). The current capital facilities fees adopted by the City were the existing fees charged by Florida Water Services Corporation (FWS) at the time of acquisition of the Marco Island and Marco Shores service areas and did not necessarily reflect the capital burden imposed by development for the specific Marco service areas. The fees charged by FWS were based on uniform state-wide composite average of all their service areas and did not necessarily reflect the capital burden imposed by development for the specific Marco service areas. The City has identified a significant amount of capital improvements to meet anticipated system capacity needs in the near future due to the continued growth of the utility service territory. In order to provide a funding source consistent with the anticipated capital plan for the System, the City retained Public Resources Management Group, Inc. (PRMG) to review the capital facilities fees and recommend changes to the level of the fees charged where considered warranted.

The following is a summary of the observations and recommendations developed by PRMG during our investigation, analyses, and preparation of the Report.

1. The imposition of capital facilities fees must meet the rational nexus requirements as determined by case law whereby the benefits received by the applicant (new development) must be reasonably related to the capital cost of providing utility services. The proposed charges were designed to meet these provisions based on the information made available by the City to PRMG.

2. The existing water capital facilities fee is $833 for the Marco Island service area and $985 for the Marco Shores service area per equivalent residential connection ("ERC") and was made effective by the City by the adoption of the Fee Ordinance on October 20, 2003. An ERC represents the average daily capacity allocable to an individually metered residential customer receiving service through a 3/4-inch service. Generally, a typical residence would equate to 1.0 ERC with all other accounts/development being expressed as a multiple of ERCs based on the amount of flow (average daily use) of such account/development. The capital facilities fees for service are applied on an ERC basis.

3. The existing wastewater capital facilities fee is $2,600 for the Marco Island service area and $1,549 for the Marco Shores service area per ERC and was made effective by the City by the adoption of the Fee Ordinance on October 20, 2003.

4. The existing water and wastewater capital facilities fees do not adequately recover the identifiable cost of plant capacity and transmission line (backbone) capacity allocable to incremental customer growth. The City should consider adopting the proposed water and wastewater capital facilities fees as presented in this Report and shown below:

	Rate per ERC
Water	$2,725
Wastewater	2,910
Combined	$5,635

5. The recommended water system capital facilities fee of $2,725 represents an increase of $1,842 and $1,740 for the Marco Island and Marco Shores service areas respectively, when compared to the existing fee. The recommended wastewater system capital facilities fee of $2,910 represents an increase of $310 and $1,361 for the Marco Island and Marco Shores service areas respectively, when compared to the existing fee. Although the overall adjustment in the proposed fees is material, the level of fees charged is directly related to the anticipated capital improvement program.

6. It is recommended the City adopt a revised Capital Facilities Fee application methodology to assist the City in recognizing the diverse capacity requirements of the residential and commercial customer classes. The capital facilities fees are applied to two (2) customer classifications. These customer classifications include a) individually metered single-family residential service (which recognizes differences in household size based on the number of bedrooms for the single-family residential dwelling unit and size [square footage] of the dwelling unit); and b) all other customers, including multi-family residential service and, non-residential or commercial service.

   The capital facilities fee methodology proposed herein was based on: i) the limitations and conflicts in trying to apply the determination of fees especially for the commercial and institutional customer classes; ii) a review of methods used by other neighboring utilities; iii) our experience in setting fees for other similar utilities; and iv) the policy goal of better matching capacity utilization to fee levels (benefit vs. cost). A detailed discussion of the recommended and alternative application methodologies is contained in Section 3 of this report.

7. For the purposes of determining the appropriate ERC value to apply to single family residential connections to the System, the value should be based on the size of the household structure or attributes to recognize the customer diversity in capacity need. Reference is made to Appendix A in this report for the ERC value which is summarized below:

Criteria	ERC
1,500 square feet (s.f.) or less, with 2 bedrooms or less	0.67
1,501 to 2,500 s.f., with 4 bedrooms or less	1.00
For each additional bedroom above four (4) bedrooms, or each additional 750 s.f. of building area, or fraction thereof in a dwelling unit above 2,500 s.f.	0.33

8. With respect to determining the appropriate ERC value to apply to the commercial and master metered multi-family residential classes (the "commercial service class"), the ERC should be determined on an individual (case by case) basis with the anticipated flow requirements per day being estimated by the City during the development project. The rate of the capital facilities fee charged for the commercial service class shall be calculated based on the average necessary level of service capacity calculated on an estimated average daily flow basis figured in terms of gallons per day by and through the use of Equivalent Residential Connections as according to the formula below:

$$\text{Water Fee} = \frac{\text{Average Dependable Daily Capacity Expressed on a GPD basis}}{\text{450 GPD}} \times \frac{\text{Water Rate}}{\text{ERC}}$$

$$\text{Wastewater Fee} = \frac{\text{Average Dependable Daily Capacity Expressed on a GPD basis}}{\text{275 GPD}} \times \frac{\text{Wastewater Rate}}{\text{ERC}}$$

To the extent no estimated average daily flow requirement is available, the City should estimate the ERCs for the specific account based on the schedule included in Table 3-1, (and reproduced in Appendix A, located at the end of this report, that recognizes specific customer attributes, where appropriate). This approach is based, generally, on published information from the State of Florida Department of Health and Rehabilitative Services within Section 64E-6 of the Florida Administrative Code (F.A.C.). Section 64E-6 of the F.A.C. and ordinances from other water and wastewater utility providers were used to develop a comprehensive rate tariff which would allow the City maximum implementation flexibility if there is no available average dependable daily capacity flow information for this particular account.

9. The Level of Service (LOS) standard utilized in the development of the capital facilities fees in this report is as follows:

	ERC Factor (gpd)
Water Service	450
Wastewater Service	275

(gpd) = gallons per day – average annual daily use

The following is a summary of the sources considered in the analysis:

Source	Gallons Per Day Per ERC	
	Water	Wastewater
FPSC Rule 25-30.020 FAC	350	280
FDEP General/Typical Design Standards	350	280
2003 LOS Report (*)	432	216
Average GPD Per ERC (Last 4 Years)	541	278
Current City Capital Facilities Fee Ordinance	255	171
(*) Determined as follows:		
Estimated Persons per Household	2.16	2.16
Average Daily Flow (gpcd)	200	100
Average Flow Per ERC	432	216

10. The City has undertaken a capital improvement program to insure that adequate facilities exist to meet future customer growth and corresponding System capacity needs. Based on information contained within the Five-Year Capital Improvement Program provided by City staff, the following is a summary of capacity additions assumed to be constructed in the next five years and recognized in the fee determination:

	Capacity Added (MGD) [*]	Period
New Water Plant Capacity:		
Marco Island Reverse Osmosis Plant Expansion	1.000	2004-2008
Marco Island Lime Softening Plant	1.000	2004-2008
Marco Shores Lime Softening Plant	0.280	2004-2008
Total	2.280	

[*] Represents maximum day capacity for water plants.

11. The development of the capital costs included in the derivation of the capital facilities fees was based on the improvements-driven method. Specifically, the fees were predicated on the estimated cost of the additional capital expenditures identified in the City's Five-Year Capital Improvement Program, adjusted to recognize the removal of certain projects not considered applicable to the capital facilities fee calculations. Such capital costs were allocated between existing and future customers based on the estimated benefit afforded to such customers predicated on the intent of the expenditures, existing and future capacity needs of the System, and other factors.

12. The following is a comparison of water and wastewater capital facilities fees (impact fees) charged by other neighboring Florida entities for typical single-family residential development. A more detailed comparison of the residential impact fees expressed on a per ERC basis (typical for a residential impact fee) is included on Table ES-1 attached herein.

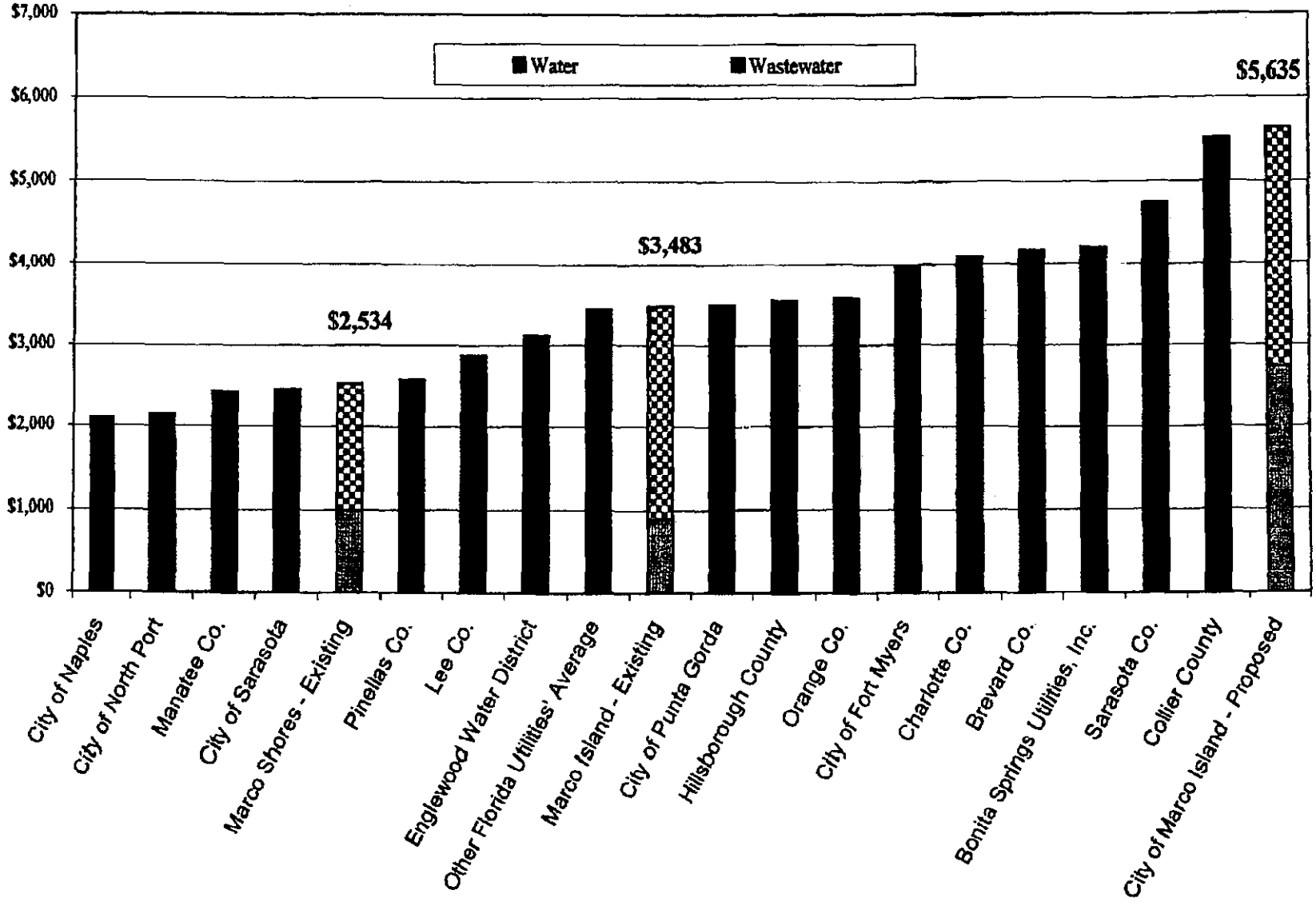
	Water	Wastewater	Combined
City of Marco Island			
Existing Capital Facilities Fees			
Marco Island	$883	$2,600	$3,483
Marco Shores	985	1,549	2,534
Proposed Consolidated Capital Facilities Fees	2,725	2,910	5,635
Other Florida Utilities			
Bonita Springs Utilities, Inc.	1,640	2,565	4,205
Charlotte County [1]	1,518	2,570	4,088
Collier County [1]	2,570	2,950	5,520
City of Fort Myers	2,023	1,966	3,989
Lee County	1,140	1,735	2,875
Sarasota County	2,720	2,031	4,751

[1] Entities that are in the process of reviewing the current capital facilities fees.

13. As a result of the City's ongoing capital improvements program relative to providing water and wastewater service to its retail customers, the water and wastewater capital facilities fees should be reviewed for adequacy not less than every two (2) years.

14. The proposed capital facilities fees should be adopted and implemented by the City as early as possible recognizing current capital projects underway in order to fully recover the cost of constructing new water and wastewater facilities intended to serve new development.

Figure ES-1
City of Marco Island
Comparison of Water and Wastewater Capital Facilities Fees Per Equivalent Residential Connection (ERC)



Jun 08 2004 5:38PM KLWWTD FISHBURN 305 852 2477 P.5

Public Resources Management Group, Inc.
Utility, Rate, Financial and Management Consultants

April 26, 2004

The Honorable Chairman and
Members of the Authority Board of Directors
Florida Keys Aqueduct Authority
1100 Kennedy Drive
Key West, FL 33041

Subject: **Conch Key/Duck Key Wastewater Service District and Bay Point Wastewater Service District - Financial Feasibility Report**

Ladies and Gentlemen:

Presented herein is our Financial feasibility report (the "Report") summarizing our analyses and findings associated with the financing of wastewater collection and treatment and disposal systems located within certain portions of unincorporated Monroe County (the "County") for consideration by the Authority Board of Directors of the Florida Keys Aqueduct Authority (the "Authority"). The capital program to be financed includes the construction of wastewater facilities to serve the Conch Key/Duck Key Wastewater Service District (the "Conch Key/Duck Key System") and separate wastewater facilities to serve the Bay Point Wastewater Service District (the "Bay Point System"). The principal purpose of this Report is to i) present a general discussion on the wastewater needs of the Florida Keys located within the County; ii) discuss more specifically the Authority's wastewater facilities programs, including a summary of the capital improvement programs for the Conch Key/Duck System and Bay Point System; iii) provide a forecast of the financial needs of the Authority's wastewater program, including the Little Venice Wastewater District project (the "Little Venice System") currently under construction; and iv) summarize the preliminary rates for service. Additionally, the Report is structured to assist the Authority in securing funds (e.g., from local banking institutions) for the construction of the infrastructure associated with the various wastewater facilities programs.

This Report contains preliminary financial projections of capital costs and the anticipated operations of the Authority's various wastewater collection, treatment, and effluent disposal systems (the "FKAA Wastewater System"). The FKAA Wastewater System includes all individual wastewater systems with the Authority's wastewater service area. For purposes of this report, the FKAA System includes the Little Venice System, Conch Key/Duck Key System, and Bay Point System. The Little Venice System is currently under construction with all customers expected to be connected by September 2004. Construction bids for the Conch Key/Duck Key System and Bay Point System were received by the Authority in December 2003. While the Little Venice System is located within the City of Marathon, this Report does not include financial projections for the Authority to provide service to the entire City of Marathon. The

341 NORTH MAITLAND AVENUE - SUITE 300 - MAITLAND, FL 32751
TELEPHONE (407) 628-2600 - FAX (407) 628-2610 EMAIL prmg@prmginc.com

feasibility report completed for the Authority in October 2001 contemplated wastewater service to the entire City of Marathon. Because the implementation strategy and construction costs for the City of Marathon are uncertain as of the date of this Report, this service area is not included as part of this Report. The Authority staff has provided the cost estimate for design and construction of the Conch Key/Duck Key System and Bay Point System and certain direct costs associated with the ongoing operating expenses, which are in this report for informational purposes. Public Resources Management Group, Inc. (PRMG) has compiled the financial projections and the corresponding estimated rates and fees for service considered necessary to meet the projected financial requirements of the FKAA Wastewater System. PRMG offers no opinion on the cost of the project or any engineer-related aspects associated with any project herein.

In the preparation of this Report, PRMG has relied upon financial, statistical and operational data regarding the FKAA Wastewater System which have been derived from operating reports and records prepared by the Authority and assumptions regarding the management of the individual systems after completion of the various wastewater facilities projects. The financial projections reflected in this Report are based on discussions with and information provided by the Authority, information of the operations of other utilities in Florida, as well as certain assumptions and analyses made by us with respect to such financial projections. The FKAA Wastewater System's ability to meet its financial commitments and requirements and comply with the anticipated covenants associated with the borrowing of funds to meet the capital expenditure requirements are subject to the assumptions and considerations identified in the Report and information obtained during preparation of the Report. As such, the Report should be read in its entirety. It should be noted that while we believe the sources of such information, assumptions and projections to be reasonable for the purposes of this Report, we offer no assurances with respect thereto. The actual results achieved during the forecast period reflected in this Report may vary from those projected and such variations could be material. Such projections are, therefore, subject to adjustment and we can give no assurances that the projections will be realized.

This Report summarizes the results of our studies and analyses up to the date of this Report. Prospective lenders, users, or interested third parties should not rely upon the information contained in this Report for a current description of any matters set forth herein as of any date subsequent to the date of this Report. Changed conditions occurring or becoming known after such date could affect the material presented herein to the extent of such changes.

Very truly yours,

Public Resources Management Group, Inc.

Robert J. Ori
President

Anthony Hairston
Senior Consultant

RATES, FEES, AND CHARGES

General

As part of the Little Venice System financing, the Authority adopted the Master Bond Resolution No. 00-20 as amended ("Master Bond Resolution"), authorizing the issuance of the outstanding wastewater bonds. The Master Bond Resolution requires the Authority to fix, establish and maintain such rates and collect fees, rates or other charges for the services or facilities of the System, so as to provide Net Revenues in each fiscal year (Net Revenues being defined as total System revenues less the cost of Operation and Maintenance Expenses) that should meet certain debt service coverage relationships and the financial policies of the System. Specifically, the Bond Resolution requires that: i) the Net Revenues of the System be sufficient to provide a debt service coverage ratio of 1.20 times the annual debt service payment; or ii) the Net Revenues and Impact Fees (system development charges) be sufficient to provide a debt service coverage ratio of 1.25 times the annual debt service payment. The primary reason for the two-part coverage test is that a majority of the source of funds used for repayment of the cost of financing the Project will be derived from system development charges to be collected on an installment basis using the "Uniform Method" (a non-ad valorem assessment is allowed by Florida Statutes). It is anticipated by the Authority that proceeds of the Sewer Bonds issued during the Fiscal Year 2004 (the "Series 2004 Bonds") to fund a portion of the Conch Key/Duck Key System and the Bay Point System will initially be issued on a Junior Lien basis. It is expected that the Series 2004 Bonds will accede to Senior Lien status on a parity basis with the Outstanding Bonds after completion of the Conch Key/Duck Key System and Bay Point System projects, and thus will have the same rate covenant requirements. Additionally, the Authority also covenants that it will revise from time to time and as often as necessary the rates, fees, and charges so that the Net Revenues in each fiscal year are sufficient to meet the financial obligations of the FKAA Wastewater System.

The Authority has adopted wastewater fees and charges for the Little Venice System as part of its Provision of Wastewater Service rules adopted by the Authority Board on December 19, 2002 and revised April 1, 2004. The monthly rates for wastewater service in the Little Venice System area are established as follows:

Little Venice System Monthly Wastewater Rates [1]	
Base Facility Charge	
Single-Family Residential	$24.80 [2]
All Other Classes of Service (Meter Size)	
5/8 x1/4-inch	$24.80
1-inch	62.00
1-1/2-inch	124.00
2-inch	198.00
3-inch	372.00
4-inch	620.00
6-inch	1,240.00
Wastewater Flow Charge (per 1,000 gallons)	$5.11 [3]
Monthly Flat Charge for Customers with Alternative Water Supply	$50.00

[1] As obtained from the Authority's adopted Wastewater provision of Wastewater Service rules.

[2] Qualified Senior Citizen Service customers are not billed a monthly wastewater Base Facility Charge. Based on historical water customer statistics, approximately 15 of 737 future Little Venice wastewater accounts currently quality for Senior Citizen Service.

[3] Wastewater flow charges are based on metered potable water use (exclusive of individually metered water-only service) which is provided by the Authority. The wastewater flow charge for single-family residential customers is capped at 12,000 gallons per month.

Based on estimated usage of 4,000 gallons derived from the detailed customer billing records (water use), the average wastewater bill for residential Little Venice System customers will currently be $45.24 per month. The Authority has not formally adopted monthly rates for the Conch Key/Duck Key System and Bay Point System service areas as of the date of this Report. Prior to the finalization of construction and the implementation of service, it is expected that formal rates will be adopted by the Authority and the monthly wastewater rates for these service areas will have a similar rate structure to the Little Venice System rates.

Based on the projected revenue requirements (expenditures) of each respective service area and the customer billing determinates as previously discussed, an average rate per EDU for the Conch Key/Duck Key System and Bay Point System service areas is estimated herein. Based on these parameters, the following average rate per EDU is recognized in the financial forecast:

	Average Monthly Rate
Conch Key/Duck Key System	$51.00 per EDU
Bay Point System	$54.00 per EDU

As can be seen above, the average monthly rates per EDU for each respective service area are slightly different and are based on the estimated expenditure requirements of each service area. Based on discussions with the Authority, it is assumed that the rates for each service area will be predicated on each area's cost of service. The estimated average monthly rate per EDU is based on the projected expenditure requirements reflected in this Report and support the overall net revenues of the System as summarized on Table 8.

The following table provides a comparison of the estimated monthly cost of providing wastewater service for a single-family residential customer of the Authority. Monthly costs shown in the comparison are calculated reflecting a 5/8 x 3/4-inch meter with a usage level consistent with the assumed service area needs. Also included on the wastewater comparison are bills calculated under rates of other neighboring utilities located within Monroe County and other similar wastewater utilities in Florida as of March 2004. The monthly bills of the various other utilities used for the comparison are exclusive of local taxes, if any. The comparison assuming a 5/8 x 3/4-inch meter represents the majority of the wastewater customers anticipated to be served by the Authority (essentially all consist of residential service) and the majority of customers for the other utilities reflected in the comparison. It is estimated that the average residential customer in the FKAA Wastewater System will utilize between 3,000 and 4,000 gallons of wastewater service per month. As shown below, the anticipated rates for service for the various FKAA Wastewater System districts are comparable to rates charged for other wastewater customers located in the Florida Keys.

	Residential Service Average Monthly Wastewater Bill – 4,000 Gallons of Service
Little Venice System	$45.24 [1]
Conch Key/Duck Key System (per Average EDU)	51.00[2]
Bay Point System (per Average EDU)	54.00[2]
<u>Other Florida Keys Utilities</u>	
K.W. Resort Utilities, Inc. [3][4]	36.41
City of Key West	35.45
Key Haven Utilities, Inc. [4]	55.27
Ocean Reef Utilities Association [4]	48.33
<u>Other Similar Utilities</u>	
City of Marco Island	$32.25
Marco Shores [5]	46.84
City of Sanibel	31.52

[1] Amount shown for Little Venice System reflects actual rates adopted by the Authority.

[2] Amounts represent the estimated average monthly bill per EDU. It is anticipated that the Authority will adopt rates for these service districts with a rate structure similar to the Little Venice System.

[3] Reflects rates as adjusted for Price Index Rate Application as approved by the Florida Public Service Commission effective May 2004.

[4] Represents utilities regulated by the Florida Public Service Commission

[5] The Marco Shores utility is owned and operated by the City of Marco Island.

As can be seen in the comparison, the estimated average monthly rates for the Conch Key/Duck Key System and Bay Point System produce bills that are somewhat higher than those charged for similar levels of service by other neighboring utilities. However, the Little Venice System rates for wastewater service adopted by the Authority are comparable to other existing wastewater utilities. For the purposes of this comparison, the average residential customer is assumed to use approximately 4,000 gallons of monthly wastewater service. Although the rates anticipated for the Authority for certain service areas appear to be higher, it must be recognized that the Authority's wastewater system will consist of assets that represent current values (versus historical or embedded costs of the utilities). Additionally, because of the treatment requirements mandated by regulatory agencies for the Authority's wastewater system, the utility must have advanced wastewater treatment requirements. Except for the City of Key West, those utilities presented on the table currently do not utilize advanced wastewater treatment and disposal methods.

It should also be noted that in the development of the rates do not reflect the cost of abandonment of on-site septic tanks and associated individual package plants and the connection to the utility system. These costs are generally the responsibility of the property owner and are not normally included in the monthly rates for wastewater service.

System Development Charges (Impact Fees)

As part of the plan to finance construction, the Authority has adopted system development charges (impact fees) for the Little Venice System and plans to adopt similar charges for the Conch Key/Duck Key System and Bay Point System. The charges are applied to new development requiring wastewater capacity in an effort to fund the capital costs of such capacity and equitably assign such costs to those users that are imposing the need for the construction of capital facilities. This application of a system development charge is commonly used by Florida utilities to fund the expansion or construction of utility plants required to service new customers.

The preliminary system development charges for the Conch Key/Duck Key System and Bay Point System reflected in this Report are based upon an equitable and proportionate share of the cost of the wastewater transmission, treatment, and effluent disposal capacity of each individual wastewater system. According to the Authority's adopted wastewater fees and charges, applicants associated with new development must pay the applicable system development charge prior to the issuance of a building permit. However, the Authority may provide a means by which existing dwelling units and structures (properties already developed and receive water service, but not currently receiving wastewater service) within a newly created wastewater service district may pay the system development charge over a period not to exceed twenty (20) years. Based on the anticipated Project costs associated with the wastewater facilities required for each of the service areas described herein and the level of service requirements (expressed on a gallon per daily flow per equivalent dwelling unit basis), the following system development charge for each applicable service area is reflected herein:

Wastewater System	
Description	Amount
Level of Service (gpd per EDU)	167
System Development Charge	
Little Venice System (adopted)	$4,700
Conch Key/Duck Key System (estimated)	4,700
Bay Point System (estimated)	4,700

With respect to the billing of the system development charges, the Authority has initiated the process of utilizing the Uniform Method of billing as provided by Chapter 197, Florida Statutes (i.e., non-ad valorem assessment included on the property bill). This methodology allows the Authority to begin collecting capital costs in advance of customer connection and thereby reduce the overall cost of the wastewater program (i.e., avoided interest carrying charges on financing of project construction). As such, use of the Uniform Method is an installment-based payment that has the same seniority in payment as ad valorem taxes. The Authority reports that this assessment has begun with 2003 tax bill in November 2003 for the Little Venice System. It is anticipated that assessments for the Conch Key/Duck Key System and Bay Point System will begin with the 2004 tax bill in November 2004.

The table below provides a comparison of the system development charges anticipated for the Authority's wastewater service areas and those currently being charged by other similar utilities. As shown below, the Authority's currently estimated system development charges for the wastewater program are higher when compared to other utilities. It should be noted that when making this comparison that these charges for other communities may not: i) reflect current construction costs of new facilities but embedded costs of facilities constructed several years ago; ii) the high quality level of wastewater treatment being required of the Authority (i.e., advanced wastewater treatment); iii) the recognition of all costs of transmission and collection facilities necessary to provide service; and iv) the use of deep well injection as the method of effluent disposal.

	Wastewater System Development Charge
FKAA Wastewater System	
Little Venice System (adopted)	$4,700
Conch Key/Duck Key System (estimated)	4,700
Bay Point System (estimated)	4,700
Other Florida Keys Utilities (existing)	
K.W. Resort Utilities, Inc.	$2,700
City of Key West	2,010
Key Haven Utilities, Inc.	1,200
Other Florida Utilities (existing)	
City of Marco Island	2,910
Marco Shores	2,910
City of Sanibel	2,914

Table 4

Florida Keys Aqueduct Authority
Wastewater System

Summary of Monthly Sales and System Development Charge Revenue

Line No.			Projected Fiscal Year Ending September 30, 2005	2006	2007	2008	2009
	MONTHLY RATE REVENUE						
	Little Venice Service Area						
1	Average Annual EDU's Served		968	968	968	968	968
2							
3	Unit ($/EDU)	(1)	$ 37.00	$ 37.37	$ 37.74	$ 38.12	$ 38.50
4	Annual Rate Revenue - Little Venice		$ 429,748	$ 434,045	$ 438,343	$ 442,756	$ 447,170
5							
6	**Conch Key Service Area**						
7	Average Annual EDU's Served		443	626	626	626	626
8							
9	Unit ($/EDU)	(1)	$ -	$ 51.00	$ 51.51	$ 52.03	$ 52.55
10	Annual Rate Revenue - Conch Key		$ -	$ 383,112	$ 386,943	$ 390,849	$ 394,756
11							
12	**Bay Point Service Area**						
13	Average Annual EDU's Served		-	434	434	434	434
14							
15	Unit ($/EDU)	(1)	$ 54.00	$ 54.00	$ 54.54	$ 55.09	$ 55.64
16	Annual Rate Revenue - Bay Point		$ -	$ 281,232	$ 284,044	$ 286,909	$ 289,773
17							
18							
19	**Combined System Rate Revenues**		**$ 429,748**	**$ 1,098,389**	**$ 1,109,330**	**$ 1,120,514**	**$ 1,131,699**

Footnotes on Page 3 of 3.

Florida Keys Aqueduct Authority
Wastewater System

Little Venice Wastewater Program

Projection of Operating Expenses - Little Venice Project

Line No.			Escalation Reference	Fiscal Year Ending September 30, 2005	2006	2007	2008	2009
	Wastewater Collection cont.							
38	Other	5.00%	Inflation	712	741	770	801	833
39	Purchased Power		Commodity	-	-	-	-	-
40	Chemicals		Commodity	-	-	-	-	-
41	Materials and Supplies		Inflation	513	526	539	552	566
42	Contractual Services - Engineering		Contractual	-	-	-	-	-
43	Contractual Services - Accounting		Contractual	-	-	-	-	-
44	Contractual Services - Legal		Inflation	-	-	-	-	-
45	Contractual Services - Other/Plant Operations		Inflation	-	-	-	-	-
46	Rent Expense (equipment/machinery)		Inflation	-	-	-	-	-
47	Transportation Expense		Inflation	2,614	2,679	2,746	2,815	2,885
48	Insurance		Insure	-	-	-	-	-
49	Advertising		Inflation	-	-	-	-	-
50	Office Supplies		Margin	-	-	-	-	-
51	Repairs and Maintenance of Plant		Repair	14,759	14,943	15,130	15,357	15,588
52	Telephone/Communications		Inflation	185	190	194	199	204
53	Postage		Margin	-	-	-	-	-
54	Transportation Expense		Inflation	2,614	2,679	2,746	2,815	2,885
55	Miscellaneous - Other		Margin	256	259	262	266	269
56	Travel and Training		Constant	-	-	-	-	-
57	Total Wastewater Collection			40,979	42,117	43,292	44,545	45,840
	Other Authority and Customer Service Costs							
	Cost Reimbursements:							
58	Wastewater Administration		Calculated	27,300	28,200	29,200	30,200	31,300
59	Customer Service and Billing Costs		Calculated	24,500	24,800	25,100	25,400	25,700
60	Less Amount Capitalized to Project Cost		Calculated	-	-	-	-	-
61	Bad Debt Expense	0.50%	Calculated	2,149	2,170	2,192	2,214	2,236
62	Contingency Allowance (% of Operating Exp.) @	7.50%	Calculated	25,665	26,404	27,171	27,964	28,786
63	Total Other Authority and Customer Billing Costs			79,614	81,574	83,663	85,778	88,022
64	Total Operating Expenses			$ 370,009	$ 380,621	$ 391,643	$ 403,027	$ 414,841

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Table 5

Florida Keys Aqueduct Authority
Wastewater System

Little Venice Wastewater Program

Summary of Escalation Factors for Expense Projections

Line No.		Escalation Reference	Fiscal Year Ending September 30, 2004	2005	2006	2007	2008	2009	2010
1	Inflation Allowance (CPI)	Inflation	1.0210	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250
2	Constant Factor	Constant	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3	Marginal Escalator	Margin	1.0105	1.0125	1.0125	1.0125	1.0125	1.0125	1.0125
4	Labor Escalator	Labor	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
5	Contractual Services	Contractual	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300
6	Customer Escalator	Customer	1.0105	3.9749	1.0125	1.0125	1.0125	1.0125	1.0125
7	Commodity Escalator	Commodity	1.0000	4.0314	1.0250	1.0250	1.0250	1.0250	1.0250
8	Insurance Factor	Insure	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500
9	Repair and Maintenance	Repair	1.0100	1.0100	1.0125	1.0125	1.0150	1.0150	1.0150
10	Additional Item	Add1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
11	Additional Item	Add2	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
12	Additional Item	Add3	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
13	Elimination Factor	Eliminate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Table 8

Florida Keys Aqueduct Authority
Wastewater System

Projected Debt Service Coverage - FKAA Wastewater System

Line No.		Projected Fiscal Year Ending September 30, 2005	2006	2007	2008	2009
	System Revenues (1)					
	Sales Revenues from Rates					
1	Little Venice Service Area	$ 429,748	$ 434,045	$ 438,343	$ 442,756	$ 447,170
2	Conch Key Service Area	-	383,112	386,943	390,849	394,756
3	Bay Point Service Area	-	281,232	284,044	286,909	289,773
4						
5	Total Sales Revenues from Rates	429,748	1,098,389	1,109,330	1,120,514	1,131,699
6						
7	Other Operating Revenues	-	-	-	-	-
8	Interest Income (2)	2,658	4,643	5,768	6,237	7,195
9	Other Miscellaneous Income	-	-	-	-	-
10						
11	Total System Revenues	$ 432,406	$ 1,103,032	$ 1,115,098	$ 1,126,752	$ 1,138,893
12						
13	**Operating Expenses (3)**					
14	Little Venice Service Area	$ 370,009	$ 380,621	$ 391,643	$ 403,027	$ 414,841
15	Conch Key Service Area	-	325,032	337,191	349,821	362,941
16	Bay Point Service Area	-	237,417	244,996	252,831	260,932
17						
18	Total Operating Expenses	370,009	943,069	973,829	1,005,679	1,038,714
19						
20	Net Revenues (Exclusive of Capacity Fees)	$ 62,396	$ 159,962	$ 141,269	$ 121,073	$ 100,180
21	Capacity Fee Receipts and Interest Earnings (4)	284,165	497,811	497,811	497,811	497,811
22	Net Revenues (Inclusive of Capacity Fees)	$ 346,562	$ 657,773	$ 639,080	$ 618,884	$ 597,991
23						
24	**Other Expenditure Requirements**					
25	Loan Repayment On Utility Borrowing					
23	Series 2000 Bonds (Little Venice System)	218,260	218,260	218,260	218,260	218,260
24	Series 2001 Bonds (Marathon System) (5)	12,036	12,036	12,036	12,036	12,036
25	Series 2004 Bonds (Conch Key/Duck Key System and Bay Point System)	-	193,762	193,762	193,762	193,762
26	Annual Payment Requirements	230,296	424,058	424,058	424,058	424,058
27	Debt Service Coverage -					
28	Net Revenues without Capacity Fees (1.20 Minimum)	**0.27**	**0.38**	**0.33**	**0.29**	**0.24**
29	OR					
30	Net Revenues with Capacity Fees (1.25 Minimum)	**1.50**	**1.55**	**1.51**	**1.46**	**1.41**
31						
32	**Other Required Transfers**					
33	Transfer to the Debt Service Reserve Account (6)	-	-	-	-	-
34	Transfer to the R&R Account (minimum require.) (7)	21,487	54,919	55,466	56,026	56,585
35						
36	Net Amount Available for Other Purposes	$ 94,779	$ 178,796	$ 159,555	$ 138,800	$ 117,348

Footnotes on Page 2 of 2.

Table 8

Florida Keys Aqueduct Authority
Wastewater System

Projected Debt Service Coverage - FKAA Wastewater System

Footnotes:

(1) Amounts shown derived from Table 4.

(2) Amounts shown based on estimated balance in accounts assumed to be established by the Authority, including the Operating/surplus Account, Renewal and Replacement Account, and the Debt Service Account. No interest earnings on the Wastewater System Development Charge Account or any construction fund associated with and Project financing are included since such amounts are assumed to be restricted to such accounts.

(3) Amounts derived from Tables 5 through 7.

(4) Amounts obtained from Table 4.

(5) The Series 2001 Bonds for the Marathon System reflect annual debt service on $150,000 principal amortized over a 20 year period at a 5.0% annual interest rate. Principal amount of $150,000 is estimated based on $113,643 draw down as of 9/30/03 as obtained from the Authority's CAFR for Fiscal Year 2003 plus an allowance for any additional planning expenditures or capitalized interest not funded from other sources (such as grants or contributions). Amount does not reflect actual construction of Marathon System.

(6) Based on discussions with the Authority, no loan repayment reserve was assumed as a requirement from rate revenues; to the extent a reserve account is required to be established, it is assumed that a portion of the proceeds of any construction loan will be applied to the loan reserve requirements.

(7) Amount reflects annual deposit to the Renewal and Replacement Account established to accrue monies for facility replacement and upgrade and recognizes a minimum deposit requirement equal to five percent (5%) of the current period rate revenue.

ENGLEWOOD WATER DISTRICT

COMPARISON OF WATER & SEWER RATES WITHIN THE LOCAL AREA

ONE MONTH WATER BILL (4,000 gallons of usage)

Englewood Water District	$17.20
City of Sarasota	$18.14
Sarasota County Utilities	$20.02
North Port Utilities	$20.56
City of Venice	$21.71
Siesta Key Utility Authority	$22.89
Charlotte County Utilities	$28.75

ONE MONTH SEWER BILL (4,000 gallons of usage)

Siesta Key Utility Authority	$21.15
City of Venice	$23.05
City of Sarasota	$28.48
Englewood Water District	$28.83
Charlotte County Utilities	$33.41
North Port Utilities	$38.14
Sarasota County Utilities	$39.53

COMBINED WATER & SEWER FROM ABOVE

Siesta Key Utility Authority	$44.04
City of Venice	$44.76
Englewood Water District	$46.03
City of Sarasota	$46.62
North Port Utilities	$58.70
Sarasota County Utilities	$59.55
Charlotte County Utilities	$62.16

All rates above were verified as of November 12, 2003. Rates include each utilities base charge and usage charge to arrive at a total bill for 4,000 gallons.

KLWTD Board Meeting
June 16, 2004

Item H - 3

Discussion of the System Development Change Options

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

TO: Key Largo Wastewater Treatment District Board Members

FROM: Charles Fishburn, General Manager

DATE: June 8, 2004

RE: System Development Charge Options

System Development Charge Options Include the Following:

1. Full payment by property owners.
2. Collection over twenty years with District financing.
3. Flex choice plan.

OTHER CONSIDERATIONS:

FEMA requirements for low and very low-income property owners.

Mandatory sewer hookup requirements.

RECOMMENDATION:

Staff to present a recommendation at the July 21, 2004 meeting.

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

Cape Coral
FLORIDA
Utility Expansion Program
FlexChoice
The right solution for repayment flexibility

ayment Options

- Pay the assessment in its entirety
- Pay one utility in full, finance the remaining
- Finance with the City of Cape Coral and let the City determine yearly assessment amount
- FlexChoice Plan

The Need

Cape Coral
FLORIDA

- The current hardship program is too limiting.
- Customers need and want flexible financing options.

FlexChoice Features

- Property owners determine how much or how little to pay each year.
- $200 minimum annual payment.
- Property owners can pay off the assessment early without penalty.

FlexChoice Features

- The assessment accrues until the sale of the home, transfer of title or upon refinancing.

- This option is available for up to 20 years.

FlexChoice Program

City of Cape Coral Role

- Determines minimum annual payment amount for residents electing to make a payment
- Notifies FlexChoice participants annually of total amount due to date, including interest
- Collects accrued assessment when a property is sold, transferred or refinanced
- Collects balance of accrued assessment at the end of 20 year term

How FlexChoice Works

- Zero coupon bonds fund the improvements and match the assessments as they accrue.
- This type of funding is used commonly for college education bonds and school districts.
- This is the first time it has been used for utility expansion.

How the assessment accrues

Cape Coral FLORIDA

Average initial assessment	$11,600
5 years	$15,647
10 years	$21,105
15 years	$28,467
20 years	$38,398

Assumes 6% interest rate

How your house appreciates

Cape Coral
FLORIDA

Average property value	$150,000
5 years	$212,644
10 years	$301,449
15 years	$427,342
20 years	$602,811

Assumes a 7% annual appreciation

Frequently Asked Questions

Cape Coral
FLORIDA

Q. How can I qualify for this program?

A. All City of Cape Coral Utility Expansion customers qualify for this program.

Q. Can vacant lots apply for this option or only houses?

A. All lots would qualify.

Frequently Asked Questions

Cape Coral FLORIDA

Q. Can the homeowners elect to pay part of the assessment each year?

A. Yes. The City will establish a minimum payment amount and the customer can elect to pay as much or as little they wish each year over the minimum amount.

Q. What interest rate will apply?

A. At current market rates the interest will be 5-5⅝% (approx.)

Frequently Asked Questions

Cape Coral
FLORIDA

Q: What happens if a resident lives beyond the life of the [illegible]

A: The total remaining payment will be due at the end of the [illegible] year period.

Q: Will the assessment be due in the event of a death of spouse or divorce?

A: No

Q: Will the assessment be due if the property is transferred to an heir?

Flex Choice

Cape Coral
FLORIDA

The right solution for assessment affordability.

For more information, visit our web site at
www.capecoralutilityexpansion.net

MEMORANDUM TO THE BOARD

TO: Key Largo Board

FROM: Robert Sheets

SUBJECT: Key Largo Waste Water Treatment District
Housing Assistance Program/Implementation Plan

DATE:

Attached for your review and consideration is the implementation plan prepared by Mark Dale with the Monroe County Housing Authority. This plan is described in the attached memorandum has been developed to meet all of the FEMA requirements and it complies with the County's standards for assistance.

Mark Bell with the County's Housing Authority will be present at the November 5 meeting to answer any questions specifically about the program. The Board should keep in mind that this is an implementation plan designed to meet FEMA standards. As you can see from the depth of detail provided by Mr. Bell, this plan goes beyond the eligibility requirements by FEMA and articulates the method in which determinations will be made and the funds will be distributed.

The District and the County will have to finalize an inter-local agreement addressing responsibilities once the District has approved the plan. Also, based on the acts taken by the Board on the 5th, the District Manager will draft a cover letter to accompany the plan to be submitted to Ms. Science Kilner at FEMA.

It is the District Manager's recommendation that the Board approve this plan for adoption as our Housing Assistance Program and submit to FEMA immediately for their inclusion in the environmental assessment process.

Key Largo Waste Water
Treatment District Implementation Plan

The Key Largo area is approximately 14.4 square miles in total size and lies in the upper keys approximately 40 miles south of Miami. Within the greater Key largo area, there three (3) communities that will be initially affected by this wastewater project: Key Largo Park, Key Largo Trailer Village, and Sunset Park. The 2000 Block Level population for the three (3) Key Largo communities was 712 (6.0% of the Key Largo CDP population of 11,886). The Block Level data includes only these communities and not the surrounding population included in the Block Group. FKAA service records show 645 residents (commercial and government users were deleted) for these three (3) communities are connected and use the water service. 36 % of these service recipients have residents other than Key Largo, Florida.

In the Programmatic Environmental Assessment (PEA), Section 3.7, FEMA discussed the Socioeconomics for the Key Largo CDP. U.S. Census (2000) data for the Key Largo CDP indicates that about 31% of families had Median Family Income (MFI) less than $35,000 per year and about 32% had MFIs between $35,000 and $59,999 per year. The remaining 37% had MFIs greater than $60,000. The corresponding average family size for the Key Largo CDP was 2.8 people. The estimated population under the poverty level for the Key Largo CDP is 996. For the Block Level population these three (3) Key Largo communities that are under the poverty level is 92 that represents 9.2%.

In 2003, the annual MFI for Monroe County was estimated at $56,500. The indicator known as the "poverty threshold" is set for the entire nation and, with the exception of Alaska and Hawaii, is not adjusted for local cost-of living differences. For the year 2003, the poverty threshold is set at an annual income of $15,250 for a household of three people (U.S. Census, 2003). In areas like the Keys, where the cost of living is higher than the national average, $15,250 consequently buys less, effectively making a household near the poverty threshold in the Keys poorer than similar households in areas where the cost of living is lower. The Monroe County Housing Authority currently uses the first two tiers of the U.S. Department of Housing and Urban Development's (HUD's) MFI-based income levels to administer its low-income assistance programs. To administer their programs fairly, HUD makes annual projections of MFI by county and adjusts for family size. The first two tiers of low- and very low-income levels are set as percentages of the county MFI. In 2003, the income limits for a family of three in Monroe County were $40,700 for the low-income level and $25,450 for the very low-income level.

Table below shows HUD's FY 2003 poverty, very low-and low-income levels for various family sizes in Monroe County.

	Number of People In Household				
	1	**2**	**3**	**4**	**5**
Low-Income	$31,650	$36,150	$40,700	45,200	$48,800
Very Low-Income	$19,800	$22,600	$25,450	$28,250	$30,500
Poverty	$11,850	$13,550	$15,250	$16,950	$18,300

Based on the above statistics, the FKAA estimates that up to 25% of homestead exempt property owners within the service area may be considered low- and very low-income (Note: A homestead exemption is a 3% annual limit on property tax increases, available to those property owners who are year-round county residents [FKAA, 2002]). As described in PEA Section 3.7, it has been determined that low- and very low-income service recipients would incur a financial hardship if their wastewater management costs increased.

The installation of systems that meet Florida Statutory Treatment Standards, under any of the alternatives, would improve water quality in shallow aquifers, canals, and near-shore marine waters, and to a lesser extent, off-shore marine waters as well. The resulting reduced fecal contamination and nutrient pollution would likely reduce adverse effects on public health. Low-income and minority populations are expected to benefit from these wastewater management improvements to the same degree as other Keys demographic populations.

Under the No Action Alternative, FEMA would not fund the Key Largo wastewater management projects. To comply with Florida Statutory Treatment Standards of 2010, residents and businesses would have to use other funding for improvements. As described in PEA Section 3.6.3 (Local Fees and Taxes), the No Action Alternative may result in higher wastewater management costs for Key Largo residents and businesses than would be expected with the benefit of FEMA funding. No disproportionately high or adverse effects on minority populations are expected, unless they are also low-income.

The No Action Alternative will not be considered, because under the No Action Alternative, households at or below the low-income level would incur financial hardship if their wastewater management costs increase to levels that approximate the affordability threshold cited in PEA Section 3.6.3.1.2, of near 2% of Median Household Income (approximately $75/month). Unmitigated, increased wastewater management costs would disproportionately and adversely affect low-income populations, as the increased financial burden would represent a higher percentage of their discretionary income.

Under Alternative 2, New Wastewater Treatment Plant Construction, the estimated system capital cost to service recipients, after grant funding has been applied, would be about $2,700, per EDU. In addition, property owners would pay for their abandonment and lateral costs, estimated to be between $1,500 and $5,000 per residence. The estimated monthly service operation and maintenance fee for continuing operation and maintenance of the WWTP would be about $35 per EDU, with no capital cost applied to the monthly service fee (Shelby, Pers. Comm., 2003).

Under Alternative 3, New Wastewater Transmission System Construction, costs to Key Largo service recipients are not expected to be comparable to those under Alternative 2. Alternative 3 is an environmentally sensitive and a cost prohibitive alternative that is a non-viable solution for Key Largo.

Executive Order (EO) 12898 (Environmental Justice), entitled "Federal Action to Address Environmental Justice in Minority Populations," directs Federal agencies "to make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations in the United States..." To reduce costs to low-income and very low-income service recipients in compliance with EO 12898, financial assistance guidelines have been developed.

Under this EO, FEMA has provided a minimum requirement to be met:

- Low-income property owners would receive assistance with at least 70% of their system capital cost; and 70% of their existing system abandonment and lateral costs, up to $3,000.

- Very low-income property owners would receive assistance with at least 90% of their system capital cost, and 90% of their existing system abandonment and lateral costs, up to $3,000.

The assistance guidelines presented above represent a minimum goal and will be required during project implementation in order for the Monroe County/FKAA to receive FEMA grant funding. Monroe County has adopted an Implementation Plan for utilization of county funds for the Key Largo program area and will meet the FEMA minimum requirements. This Implementation Plan is to be administered through the Monroe County Housing Authority (MCHA) for eligible households seeking assistance under this program. Costs to low-income service recipients may be further offset at the County's discretion. Further assistance could come from State grant funding made available from Community Development Block Grants, the State Housing Initiative Partnership Program, and/or a project contingency made available from existing State and Federal grant funding. The County has identified recently awarded CDBG funds that are available to help low-income wastewater service recipients throughout the county. However, because of the anticipated contracting to build the wastewater treatment facility, the present grant is expected to be exhausted and closed out before the treatment facility is completed. It is anticipated that the present CDBG Contract Agreement will be closed out in sufficient time to allow for another application to be applied for with DCA prior to sewer connection by the Key Largo residents.

The 90% / 70% assistance program set forth is designed to address the needs of low-income and very low-income property owners. FEMA does not have specific requirements under EO 12898 to assist low-income renters. The County will provide such assistance to homeowners that rent to income eligible tenants. The County intends to provide the same level of service to this renting population. With the implementation of the FEMA assistance program and the use of FEMA grant funding and Monroe County funding, no highly disproportionate or adverse affects would be felt by low-income or very-low income

As described in PEA Section 3.7, the estimated amount of assistance available to cover the system capital costs for homestead-exempt low- and very low-income property owners for Alternative 2 for Key Largo is shown on the next page.

Low-Income and Very Low-Income Funding Assistance for the System Capital Cost of $2,700

	Amount of Assistance % of Connection Fee Covered	Estimated System Capital Cost After Assistance	Estimated Annual Payment Assessed with Property Tax*
Low-Income Qualified Family	70%	$810.00	$65.00
Very Low-Income Qualified Family	90%	$270.00	$22.00

* Amortized annual payment of principal plus interest at 5.0% under a 20-year non-ad valorem special assessment. Actual interest rates at the time of assessment issuance will vary.

Low-income property owners would receive assistance with at least 70% of their system capital cost; and 70% of their existing system abandonment and lateral costs, up to $3,000. Very low-income property owners would receive assistance with at least 90% of their system capital cost, and 90% of their existing system abandonment and lateral costs, up to $3,000. Under Alternative 2, for low-income property owners, the estimated resulting system capital cost after assistance would be about $810 in one payment or about $65.00 a year for 20 years (about $1,300.00 total). For very low-income property owners, the estimated resulting system capital cost after assistance would be about $270 in one payment, or about $22.00 a year for 20 years (about $433.00 total).

Under both Alternative 2 and 3, property owners unable to pay their system capital cost in full at the time of availability of service would be able to make amortized annual payments of principal plus interest under a 20-year, non-ad valorem special assessment, which would be included on their annual property taxes (FKAA, 2003).

Because the property owner's total cost for abandonment and lateral costs will vary from one property to the next, it is not possible to estimate the final cost with the assistance program. Nevertheless, the assistance program would cover at least 90% of this cost for very low-income

property owners (up to $3,000 total) and at least 70% of this cost for low-income property owners (up to $3,000 total).

At this time, no programs would be available to help low- and very low-income populations with the payment of monthly operation and maintenance fees.

The Community Development Program Administrator, Special Programs Office (SPO), Monroe County Housing Authority (MCHA) will be administrator of this program and implement the program.

The Implementation Plan is administered according to the County's Housing Assistance Plan (HAP)(Amended).

In part, the HAP states that all funds awarded will be in the form of grants to the homeowners and loans to property owners providing rentals to qualified beneficiaries.

The process for selecting, accepting, reviewing and approving requests for assistance will be by advertisement in local newspapers of general circulation on at least four occasions. This process will provide a minimum sixty (60) day application period. Additional outreach activities shall include, press releases, announcements at public meetings and notification to the following: non-profit organizations, social service providers, local churches, daycare providers and organizations serving the elderly. Any subsequent application periods necessary shall meet the criteria outlined above.

Properties to be addressed shall meet all of the following criteria:

Priority #1

Single family
Owner occupied
Primary residence
Contain Housing Code, Housing Quality Standards or Health/Safety Violations or sewer connection requirements

Priority #2

Property owners
Single family or multifamily rental properties
Occupied by qualified beneficiaries has sewer connection requirements.

Applications received within the application period(s) which meet the primary criteria above shall be prioritized based on the schedule outlined herein. Those household/projects receiving the greatest priority score shall be addressed until all available funding has been expended.

Priorities	
Elderly (one owner greater than 62 yrs.)	10
Disabled household member	10
Documented Multiple Housing Code violations	10
Very low income	05
Children in household (greater than 2)	05
Length of Ownership (greater than 15 yrs.)	05
(0-5yrs = 0; 6-10yrs = 2; 11-15yrs = 3; 16yrs+ = 5)	
Single head of household (2 or more persons)	05

Note: In the event of tie scores, very low-income households will receive priority.

The Monroe County will address sewer connections of property owners of single family or multifamily rental properties, occupied by qualified beneficiaries. In the event of funds availability and completion of all applicants under priority #1, the County will address the sewer connection under this process. Assistance will be provided as a loan. Applicants will execute a note secured by a mortgage on the subject property. The term of the note will be for five (5) years at zero (0) percent interest and requires no regular payments. The principal balance shall be forgiven by 1/5th annually on the anniversary date. The mortgage shall contain affordability covenants that require that during the term of the loan, the property shall be rented on an annual lease to very low- and low-income households subject to annual income certification.

Prior to starting the application process, a pre-application survey will be conducted to collect specific demographic data for the three (3) Key Largo communities. The data will assist in determining the number of participants and the level of funding that will be required to meet the FEMA mitigation requirements. This survey will also provide an advanced announcement of the funding assistance available to the residents.

At a later date, following the contracting for the construction of the wastewater treatment facility, the application process will begin. The process is based on of the County HAP. The application consists of: a cover letter; application instructions; application form for information on address, household composition, income level, and, status – owner-occupied, primary residence or owner renting to eligible tenant; release form; resident income certification form; social security consent for release of information form; statement of no tax return form. The SPO staff works with each applicant to ensure the forms are completed correctly, with the necessary supporting documents. After the application period has closed and all applications are completed, a letter from the SPO staff is sent to the applicant. The letter is provided to inform the applicant that they have a complete application and that the have or have not met the CDBG applicant eligibility requirements.

Once all applicant issues are resolved, an order-of-merit listing is prepared for approval by the CATF and forwarded to the BOCC for conflict of interest resolution and approval. Based on the funding allocated, and the number of applicants on the list, a household dollar amount will be awarded to each applicant.

When the funding for each household is known, the SPO staff sends a letter of commitment to the household that will include instructions on contracting a plumber to connect their home to the sewer system and their septic/cesspit abandonment. At this point the SPO staff works directly with the applicant to ensure timely payments are made to the plumbers and the contract requirements are being met, i.e., permits obtained, county inspections made, DOH certifications received for system abandonment, etc. Payments are for work completed.

To pay for this program, funding requests are made to DCA from a combination of the individual funding amount awarded to the eligible household and the plumbing contractor costs. The owners, primary-residence receives the money as a grant. The owners renting to income eligible tenants, receive their funding in the form of a promissory note, as stated in the HAP. The SPO staff coordinates all of the payments through the County.

Thomas M. Dillon

Memo

To: Key Largo Wastewater Treatment District

From: Thomas M. Dillon

CC: None

Date: 11/26/2003

Re: Mandatory sewer connections

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

At the Board's November 19 meeting, Mr. Wilkinson asked me to research the question of mandatory sewer hookups.

As detailed below, State law provides that the owners of certain onsite sewage treatment and disposal systems ("OSTDS") are required to connect to public sewerage systems. The parallel Monroe County ordinance is similar, but more stringent than State law.

Based on my review of State and Monroe County law, I believe that it is advisable for the District to evaluate the Colusa Campground connection issues in order to allow the District to take timely steps to either notify the Colusa Campground of the availability of the District system or to seek Department of Environmental Protection ("DEP") concurrence in a determination that connection should be waived in the public interest due to public health considerations.

Florida law requires hookups under certain circumstances.

Section 381.00655, Fla. Stat. provides, in relevant part:

> (1) (a) The owner of a properly functioning [OSTDS] ... must connect the system or the building's plumbing to an available ... sewerage system within 365 days after written notification by the owner of the ... sewerage system that the system is available for connection. The ... sewerage system must notify the owner of the [OSTDS] of the availability of the central sewerage system. No less than 1 year prior to the date the sewerage system will become available, the ... sewerage system shall notify the affected owner of the [OSTDS] of the anticipated availability of the sewerage system and shall also notify the owner that the owner will be required to connect to the sewerage system within 1 year of the actual availability. .... Nothing in this paragraph limits the power of a municipality or county to enforce other laws for the protection of the public health and safety.
>
> (b) The owner of an [OSTDS] that needs repair or modification to function in a sanitary manner or to comply with the requirements of §§ 381.0065-381.0067 or rules adopted under those sections must connect to an available ... sewerage system within 90 days after written notification from the department. In hardship cases, upon request of the owner, the department may approve an extension of not more than 90 days for sewerage connection. ....

(2) The provisions of subsection (1) or any other provision of law to the contrary notwithstanding:

....

(b) A ... sewerage system may, with the approval of the department, waive the requirement of mandatory onsite sewage disposal connection if it determines that such connection is not required in the public interest due to public health considerations.

This provision requires the owner of an OSTDS to connect to the public sewerage system under the following conditions:

1. The public sewerage system must be "available." The term "available" has a complex definition.
    a. The public sewerage system must be capable of being connected to the plumbing of the establishment or residence and must have adequate permitted capacity to accept the sewage. § 381.0065(2)(a).
    b. If the property is a residential subdivision lot, a single-family residence, or an establishment with an estimated sewage flow of 1,000 gallons/day or less, the connection must exist in a public easement or right-of-way that abuts the property line. § 381.0065(2)(a)(1).
    c. If the property is an establishment with an estimated sewage flow in excess of 1,000 gallons/day, the connection must be within 50 feet of the property line. § 381.0065(2)(a)(2).
    d. Other conditions apply to proposed subdivisions and areas zoned for industrial or manufacturing purposes. § 381.0065(2)(a)(3).
2. The public sewerage system must notify the owner of a properly functioning OSTDS no less than one year prior to the date the sewerage system will become available. § 381.00655(1)(a). If the OSTDS is not functioning properly, the DEP can require hookup on 90 days' notice. § 381.00655(1)(b).
3. The public sewerage system may, with DEP approval, waive the connection requirement if the system determines that connection is not required in the public interest due to public health considerations. § 381.00655(2)(b).

Note that counties are permitted to make additional, and presumably more stringent, laws. § 381.00655(1)(a).

Based on the foregoing, I believe that Colusa Campground may be required under State law to connect to the District sewer system, assuming that:

1. The Colusa Campground sewage is:
    a. estimated at 1,000 gallons/day or less and the connection will be available in a public easement abutting the property, or
    b. estimated at more than 1,000 gallons/day and the connection will be available in a public easement within 50 feet of the property;
2. The District notifies Colusa Campground of the need to connect not less than one year prior to the date the District system will be available; and
3. The District does not, with DEP approval, waive connection based on a determination that connection is not required in the public interest due to public health considerations.

<u>Monroe County law is similar to, but more stringent than, State law.</u>

Monroe County has adopted ordinances parallel to State law.

Monroe County requires connection of an OSTDS to a public sewerage system within <u>30</u> days after notice that the public sewerage system is available. § 15.5-21, Monroe County Code. This is more stringent than State law.

Further, Monroe County has not provided for waiver by the public sewerage system of mandatory connection based on a public health determination.

Therefore, I recommend that the District evaluate connection of the Colusa Campground to the District system. This would allow the District to understand whether such connection is required by law, and to take appropriate steps to notify Colusa Campground of the availability of the District system on a timely basis. Also, if the District concludes on the basis of the evaluation that connection of Colusa is not required in the public interest due to public health considerations, the District could begin to take the steps necessary to obtain DEP concurrence.

KLWTD Board Meeting
June 16, 2004

Item I - 1

Design Review Status

THE WEILER ENGINEERING CORPORATION

"Excellence in Engineering"

6630 Front Street, Stock Island
Key West, Florida 33040
(305) 295-3301 ph
(305) 295-0143 fax

MEMORANDUM

To: KLWTD Board

From: Ed Castle

Date: June 8, 2004

Re: Design Review Meetings

According to Peter Kinsley, we can expect delivery of the 99% drawings for the collection system on Wednesday or Thursday, June 9th or 10th. The 99% design of the treatment plant will follow in approximately one week.

Per the Design Submittal Protocol, the KLSTD reviewers will submit written comments on the design submittal to The Haskell Company two days prior to the scheduled review meeting. The meeting is to be schedule for a minimum of 7 working days after receipt of the drawings. Thus, the collection system review meeting will take place June 18th or later. A review meeting for the treatment plant design will follow these same guidelines.

The Haskell Company will notify the KLWTD Board Members and Staff of the date, time and location of the review meetings.

KLWTD Board Meeting
June 16, 2004

Item I - 2

Adjustment of WEC Monthly Invoicing

THE WEILER ENGINEERING CORPORATION

"Excellence in Engineering"

6630 Front Street, Stock Island
Key West, Florida 33040
(305) 295-3301 ph
(305) 295-0143 fax

MEMORANDUM

To: KLWTD Board

From: Ed Castle

Date: June 8, 2004

Re: Reduction in Monthly Pay Requests

As stated at the June 2, 2004 KLWTD Board meeting, Weiler Engineering has reduced the amounts of the monthly billing for the Key Largo Trailer Village and Key Largo Park projects. GSG, serving as the District's Manager, was informed on the reduction via fax on December 31, 3003. As stated in the fax:

"The Weiler Engineering Corporation work authorizations for Key Largo Trailer Village and Key Largo Park are lump sum contracts. WEC was instructed by the Board to submit pay requests in equal monthly installments over the anticipated duration of the work. Due to delays, it appears that the work will not be completed in the time originally predicted. In light of this, WEC is reducing the monthly invoice for the duration of the design phase. Once design is completed and construction has begun, WEC will readjust the monthly invoices to reflect the projected duration of the construction phase."

The original monthly amount being invoiced was $5,710.51 for KLP and $9,558.11 for KLTV. These invoices have been reduced to $3,968.31 and $5,653.65 respectively. They will remain at this reduced rate until start of construction, at which time the remainder of the lump sum authorizations will be divided evenly into monthly invoices for the predicted construction period.

KLWTD Board Meeting
June 16, 2004

Item K - 2

Discussion for possible action to contract for a temporary office space

Key Largo Wastewater Treatment District
May 24, 2004

To: Key Largo Wastewater Board and staff

Subject: Back up material for proposed 6/2/04 KLWB meeting agenda item K. 2. Action for the manager/manager-select and attorney to contract for temporary office space on a month-to-month tenancy not to exceed $1.25 per square foot and a total cost of $1,000 including utilities monthly.

Discussion:

At our May 19th Board meeting, it was noted that the location of the Sante building would not be available for 90-120 days. Commissioner Tobin suggested that a six-month interim rental space be considered. See minutes.

At our May 19th Board meeting, it was further noted that the consensus of the Board that the Sante building is looked into along with a temporary rental space. Emphasis added. See minutes.

Regardless of the final semi-permanent office location, time will be required to negotiate and prepare it for occupancy.

Finding adequate space with a reasonable month-to-month cost and no long term lease may be difficult as well as expensive to find.

The manager, as the temporary occupier and user, should be given the discretion of select a location to his satisfaction as long as it is on the island of Key Largo.

Albeit temporary, as a governmental entity, a legal and legally sufficient contract with protection against employee, public and district liabilities should be made.

A satisfactory temporary location will allow time for a better and wiser selection of the semi-permanent location as opposed to a rush to judgment.

This temporary location will ameliorate possible delays in finding or preparing new premises for occupancy.

Recommendation:

The KLWB direct and authorize the manager and attorney to enter into such contract at this meeting.

/s/
Jerry Wilkinson
Commissioner, KLWB

Faith Doyle

From: Andrew Tobin [Tobinlaw@Terranova.net]
Sent: Tuesday, May 25, 2004 2:46 PM
To: Faith Doyle
Cc: Dillon, Thomas; Charles F. Fishburn (E-mail); Robert Sheets; Wilkinson, Jerry; Bauman, Gary; Chris Beaty; Charles Brooks (E-mail); Tobin, Andrew
Subject: Bank of America

Faith:

Please add the following as a discussion item:

I tried to hookup with Chris Sante but he was out of town last week, and very busy. I'm confident that we can work out a deal with him but it will probably be 6-7 months realistically before we can open for business at a new building.

In the meantime I think we should take the Bank of America space on a month to month basis. The price is right (utilities are included) and we dont have to worry if Chris is delayed for some reason.

Andy
Andrew M. Tobin
P.O. Box 620
Tavernier, FL 33070
305-852-3388
Tobinlaw@Terranova.net

KLWTD Board Meeting
June 16, 2004

Item K - 3

Discussion for possible action to contract for communications

Key Largo Wastewater Treatment District
May 24, 2004

To: Key Largo Wastewater Board and staff

Subject: Back up material for proposed 6/2/04 KLWB meeting agenda item K. 3. Action for the manager/manger-select and attorney to contract for communications (telephone/DSL) capability transferable within the island of Key Largo.

Discussion:

It is obvious that adequate communication services will be needed for the transition from out of county contracted services to local services and to conduct business of the KLWTD.

Since these proposed communication services are to be at a temporary location, the semi-permanent location has not been contracted and there are various telephone prefixes on the island of Key Largo; the contract should allow transferal of services within the prefixes on the island of Key Largo.

Contracts for business communication services are becoming increasingly complex and of longer duration, the attorney should review and approve the contract for legal sufficiency.

Recommendation:

The KLWB direct and authorize the manager and attorney to enter into such contract at this meeting.

/s/
Jerry Wilkinson
Commissioner, KLWB

KLWTD Board Meeting
June 16, 2004

Item K - 4

Discussion for possible action to purchase office startup equipment and supplies

Key Largo Wastewater Treatment District
May 24, 2004

To: Key Largo Wastewater Board and staff

Subject: Back up material for proposed 6/2/04 KLWB meeting agenda item K. 4. Action for the authority of the manger/manager-select to spend not to exceed $5,000.00 for office startup equipment, fixtures, furniture, supplies and other office needed materials.

Discussion:

It is obvious that adequate office equipment, furnishings and supplies will be needed for the establishment of a local professional office.

Most if not all of the office equipment, furnishings and supplies needed for a temporary location will be needed and will be transferable to the semi-permanent location when selected and contracted. The possibility of obtaining a semi-permanent office space with complete office equipment, furnishings and supplies is doubtful. If this occasion should occur, a reduced negotiated price should offset most of the costs.

It should not be interrupted that $5,000 will be the final and total cost of equipment, furnishings and supplies needed.

A method of providing for or reimbursing these expenditures must be established and approved.

Recommendation:

The KLWB authorize the manager to spend up to and not to exceed $5,000 for the startup equipment, furnishings and supplies for the temporary office. The KLWB should specify and or authorize a method of funding these costs realizing that they may be either used or new and coming from various sources.

/s/
Jerry Wilkinson
Commissioner, KLWB

KLWTD Board Meeting
June 16, 2004

Item K - 5

Discussion for possible action preparation of a comprehensive list of contacts, mandates and management tasks for the transition of local government.

Key Largo Wastewater Treatment District
May 24, 2004

To: Key Largo Wastewater Board and staff

Subject: Back up material for proposed 6/2/04 KLWB meeting agenda item K. 5. Direct the outgoing manager and staff to prepare a comprehensive list of accounts payable and receivable, insurances, mandated reports with submission dates, etc. accompanied with a contact person, email and mailing address, telephone number and other necessary items necessary for the transition to local management. The intent is that all expected services, tasks, accounts, contacts, etc. necessary for the proper management of the KLWTD whether major or minor be disclosed promptly to the incoming manager and the District.

Discussion:

There are thousands of tasks that must be transferred to complete this transition.

It is imperative that a complete list of all contacts, financial accounts, insurance accounts, vendors, service providers, etc. be provided as soon as possible for the transition from out of county contracted services to local services and to establish like or equivalent services for conducting the business of the KLWTD.

It is expected that some items will be omitted or inadvertently forgotten; therefore, it is expected that the list be updated promptly until the transition is complete.

Recommendation:

The KLWB direct the outgoing manager and staff to prepare and submit the first list to be received three working days before the next meeting to Mr. Fishburn and to the Board with any possible additions/omissions at the next meeting.

/s/
Jerry Wilkinson
Commissioner, KLWB

Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda
5:00 PM Wednesday, June 16, 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. Approval of the Draft June 2, 2004 Meeting Minutes

E. Public Comment

F. Legal Counsel's Report
1. Discussion of Effective Date of Resignation
2. Discussion of Applicability of Florida's Public Records Act to Certain Documents
3. Update on the Haskell Notice of Delay
4. Update on Am. No. 1 to the Haskell Contract (prompt pay act and change of notices)
5. Update on Legislative Change (House Bill 471)

G. Action Items
1. Approval of a Motion to Reconsider the Selection of a District Manager
2. Approval of the Manager-Select Contract
3. Approval of the Pending Payments List for June 8, 2004
4. Approval of Resolution 2004-01 of the KLWTD Approving Direct Equipment Purchases
5. Approval of DCA Grant Agreement for FEMA Project 1249-25

H. General Manager's Report
1. Discussion of Commercial Connections (Calusa Camp Resort)
2. Discussion of a Rate Study
3. Discussion of the System Development Change Options
4. Discussion of Rental Space
5. Discussion of an RFP for the next project
6. Discussion of Site Mitigation Plan
7. Discussion of Transfer of the Official KLWTD Records from Orlando to Key Largo
8. Status of the MSTU Funds

I. Engineer's Report
1. Design Review Status
2. Adjustment of WEC Monthly Invoicing

J. Public Comment

K. Commissioner's Items
   1. Discussion of the CFO and Clerk Positions – Chairman Bauman
   2. Discussion for possible action of the manager/manager-select and attorney to contract for temporary office space on a month-to-month tenancy not to exceed $1.25 per square foot and a total cost of $1,000 including utilities monthly – Commissioner Wilkinson
   2.a. Discussion of Bank of America as temporary office space on a month-to-month basis – Commissioner Tobin
   3. Discussion for possible action of the manager/manager-select and attorney to contract for communications (telephone/DSL) capability transferable within the island of Key Largo – Commissioner Wilkinson
   4. Discussion for possible action of the authority of the manager/manager-select to spend not-to-exceed $5,000.00 for office startup equipment, fixtures, furniture, supplies and other office needed materials – Commissioner Wilkinson
   5. Discussion for possible action of directing the outgoing manager and staff to prepare a comprehensive list of accounts payable and receivable, insurances, mandated reports with submission dates, etc. accompanied with a contact person, email and mailing address, telephone number and other necessary items necessary for the transition to local management. The intent is that all expected services, tasks, accounts, contacts, etc. necessary for the proper management of the KLWTD whether major or minor be disclosed promptly to the incoming manager and the District – Commissioner Wilkinson

L. Update on past agenda items:
   1. FEMA FONSI Status
   2. Water Quality Testing
   3. Resolution of $100K Loan repayment issue
   4. Site mitigation
   5. KLP vacant lot resolution
   6. Project request for FEMA deadline extension
   7. CDBG Grants and/or funds for private connections
   8. Procedures
   9. Web Site Development

M. Meeting Adjournment

Draft

KLWTD June 2, 2004 Meeting Minutes

DRAFT

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

5:00 PM Wednesday, June 2, 2004
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

Board members present

Gary Bauman, Chairman
Charles Brooks
Andrew M. Tobin
Jerry Wilkinson

Staff present

David Miles, CFO
Thomas Dillon, Board Attorney
Charles F. Fishburn, General Manager Select
Faith Doyle, Board Clerk

Guests Present

Mark Weis, Key Largo resident
Robert E. Burt, KLTV Homeowners Association President

A. Call to Order

Chairman Bauman called the meeting to order at 5:00 p.m.

B. Pledge of Allegiance

The pledge was recited.

C. Additions, Deletions or Corrections to the Regular Agenda

Commissioner Brooks suggested deleting all regular agenda items to look at the FEMA funding/DCA grant agreement along with site mitigation issue. It was suggested the item be moved up on the agenda.

Mr. Tom Dillon stated that he has the signed agreement from GSG for the signature of the Chair and Secretary and once executed it would be filed with the clerk.

D. Approval of the Draft May 5, 2004 Meeting Minutes, May 15, 2004 Meeting Minutes and the May 19, 2004 Meeting Minutes.

Commissioner Brooks moved to approve the May 5, May 15 and May 19, 2004 meeting minutes. Commissioner Wilkinson seconded the motion.

Commissioner Tobin voted no because he had not read the minutes. All others present were in favor and the motion carried.

E. Public Comment

No one present wished to address the Board.

F. Legal Counsel Report

Mr. Dillon stated that his email of June 2, 2004 concerning contract issues (Am. No. 1 and the delay notice) had been copied to all members of the Board and Mr. Kinsley of Haskell. He will update the Board when he receives a response.

1. Update on the Haskell Notice of Delay

Mr. Dillon reports that he is close to settling the final issues and he recommends 90 days of additional contract time, with the understanding that no claim for extended overhead would be made. Discussion ensued on the issue. Increased costs of labor and materials cannot be resolved at this time. Mr. Dillon stated that Haskell would forward a memo explaining what benefits the District would get from having Haskell do the KLP work. It was the consensus of the Board for Mr. Dillon to continue the negotiation process without implying that the additional KLP work would be used for bargaining.

2. Update on direct/indirect costs issue

Mr. Dillon stated that Haskell has agreed to his definition of direct/indirect costs and if it is applied consistently the next change order should not cause difficulties. Commissioner Brooks questioned if this was a resolved issue and if further Board action was required. Mr. Dillon stated that no further action from the Board would be required.

3. Update on Haskell bonding and insurance

Mr. Dillon stated that the percent of mark up for bonding and insurance had been reduced from 3% to 2.395%. Mr. Dillon explained the rationale for changing the percentage of mark up on the cost of bonding and insurance. Mr. Dillon noted that the issue could be revisited and is negotiable.

4. Update on the lease of potential rental space

Mr. Dillon stated that he had not pursued this item because it was the Board's wishes to have the new manager involved in choosing the new location. Mr. Dillon had received a copy of the Bank of America lease. It was the consensus of the Board to have this item moved from the Legal Counsel section to the General Manager section.

Direct Equipment Purchases

Mr. Dillon requested to update the Board concerning action item G3 "Approval of the KLWTD making Direct Equipment Purchases". He stated that after discussions with Haskell that they would work out any risk factors on direct equipment purchases as mentioned in his memo that was provided as back up for item G3. Mr. Dillon noted that Exhibit J of the contract depicts the items that could be purchased directly.

Discussion ensued on the risks of direct purchase. It was noted that the General Manager should have authority to sign purchase orders to avoid delays in ordering materials so that work is not slowed by delays in ordering.

Commissioner Brooks suggested a blanket purchase order with releases. Mr. Dillon agreed that the blanket purchase order would be best if it was issued on KLWTD letterhead and specified one person to sign for the goods. Discussion ensued on writing a resolution defining the person in authority, the maximum amount of releases and other procedures.

Mr. Miles noted that to comply with Florida statutes, the signatures on the purchase order, receipt of goods, individual draws and receiving reports must be signed by the official District representative. The procedure must also comply with the prompt payment act per Mr. Miles and should be considered. Discussion ensued on the KLWTD disbursement resolution that authorizes the General Manager to approve expenditures up to $2,500, the Prompt Pay Act and the checking accounts dual signature requirements.

Commissioner Wilkinson stated that he strongly opposes any direct purchases by the District.

Mr. Dillon proposed that he draft a resolution for consideration at the next meeting. It was the consensus of the Board to have the resolution as an action item on the June 16, 2004 agenda. Mr. Miles was asked to provide a forecasting memo on funding the direct purchase concept including the cost of administrative overhead.

Mr. Miles asked the Board if he should plan to attend the June 16, 2004 meeting. It was the consensus of the Board that he attends by phone.

G. Action Items

1. Approval of the manager-select contract

Mr. Dillon stated that the issue appears to be if it would be more beneficial to the District to hire EJ Fishburn Corporation as a contractor or Charles F. Fishburn as an individual District employee. Mr. Dillon had distributed his opinion via memorandums. Mr. Dillon has received some Board responses concerning the negotiation. Mr. Dillon suggested that resolution of the employee versus corporation issue be made and then a discussion of the salary, vacation time and other employment issues be addressed.

Discussion ensued on the employment status of the General Manager and what should be included in the employment contract. A termination clause was discussed with Mr. Dillon stated that a 90 day clause would be included. Commissioner Brooks

stated that he was not in favor of a contract and that a full time employee of the District whose sole attention would be the district. Discussion continued on the terms of employment. Commissioner Wilkinson would favor a contract if it were defined correctly. Commissioner Tobin was in favor of contracting with a corporation because of the tax advantages. Chairman Bauman was in favor of a contracted employee because the District has not developed any employment policies.

Mr. Fishburn was asked his opinion. He gave figures of his suggested contract fees and costs. Mr. Fishburn would want to have the future employees under contract with EJ Fishburn.

Discussion ensued concerning the costs and the legality of having staff members that were not direct District employees and personal performance of duties by a contracted firm. Mr. Dillon stated that any contract must have a personal performance clause.

Commissioner Wilkinson supports the General Manager being an employee of the District. He does not believe the avoidance of paying social security taxes by the District should be a consideration because the taxes will ultimately be paid.

Commissioner Brooks believed the Board wanted to move away from contracted staff. The vision of accomplishing more for less money is being confused. The Board is looking at a contract situation with a local contracting firm instead of a Tallahassee based firm and the numbers quoted are very high in his opinion.

Chairman Bauman stated that the Board and Mr. Fishburn must agree to the terms and presently Mr. Fishburn prefers a contract.

Commissioner Wilkinson moved to table the item until later in the meeting at 6:20 p.m. The motion died due to lack of a second.

Chairman Bauman requested the salary/compensation be outlined again by Mr. Fishburn. Mr. Fishburn stated that he would decrease the original $100,000 requested to $96-98,000.00 plus a 10% 401k contribution and insurance allotment. Mr. Fishburn stated that he would drop out the inspection services fees if needed.

Discussion ensued on the cost of manager services and for CFO and clerk duties.

Commissioner Brooks stated concern with the inspection functions being done by the chief administrator and the District being charged extra for it. The engineer on staff should be doing inspections. Discussion on the inspections continued concerning whom the Board looks to when problems arise with inspections and the potential conflicts with the administrative person doing the inspections.

Commissioner Wilkinson stated that he does not support contract employment or direct purchases.

Discussion ensued on if two contracts would be required for the administrator and the inspector and if they could be the same person. It was confirmed that inspections

would not begin until August at the earliest and that is when the District would start paying for inspection services.

Discussion ensued on the present cost of the management contract ($204,000 approximately) and the option that some inspection fees and grant administration services could be reimbursed from grant proceeds to increase the salary package.

Mr. Dillon interjected that how Mr. Fishburn is paid shouldn't effect how the grant will reimburse the District. The grants should help cover overhead. Mr. Dillon believes the Board should not divide the salary with division of duties. The staff would work at the Board's direction to ensure that grant projects carried a fair share of District overhead. Mr. Dillon suggested hiring Mr. Fishburn as an employee with the responsibility of seeing that inspections are done correctly and compensating him with a fair salary as general manager.

Commissioner Brooks asked at what level GSG would be involved from this point forward. It was the consensus of the Board that the services of Mr. Charles L. Sweat would no longer be required. Mr. Ed Castle was asked if GSG would be required to review plans. Mr. Castle was of the opinion that GSG reviews would no longer be necessary.

Mr. Fishburn stated that he is qualified more so than others in the Keys and that in his opinion salary equates to respect from others in the community. He is concerned because as a public employee his salary will be known. Commissioner Brooks rebutted that he doesn't equate respect by paying a big salary to a manager and it is not a good premise to make a salary decision.

Commissioner Wilkinson moved to approve Mr. Fishburn to be hired at a salary of $95,000.00 per annum as a full-time employee of the KLWTD. The motion died due to lack of a second.

Commissioner Tobin moved to approve the District pay EJ Fishburn $95,250.00 as a corporation, provided that Chuck Fishburn is the person performing the personal services as a contract amount as proposed. The contract should be clear that the cost of insurance and benefits would be born by EJ Fishburn by including an insurance provision. Discussion ensued on automobile, workers compensation and professional liability insurances. **Commissioner Wilkinson seconded the motion for discussion.** Commissioner Wilkinson personally wants to see Mr. Fishburn as general manager, however he is concerned with how additiona staff would be hired. Commissioner Wilkinson wants to see GSG phased out. Discussion continued on hiring a secretary/clerk, contracting for management services and compensation. Chairman Bauman was opposed to the amount of compensation. Chairman Bauman requested a roll call vote.

Commissioner Beaty	**Not Present**
Commissioner Brooks	**No**
Commissioner Tobin	**Yes**
Commissioner Wilkinson	**Yes**
Chairman Bauman	**No**

The motion did not pass due to a tie vote.

Mr. Dillon stated that as the Board Attorney he was required to express his concern with Mr. Fishburn acting as general manager on the Board's behalf without an agreement in place. Commissioner Brooks suggested hiring Mr. Fishburn on an interim basis as an hourly employee.

Commissioner Brooks moved to approve that Mr. Fishburn be hired on an interim basis as a contractor for $80,000 per annum until the issue is brought to the Board for possible reconsideration. The motion died due to lack of a second.

Mr. Robert Burt requested to make public comment and the Chair granted the request. Mr. Burt stated that he would suggest hiring Mr. Fishburn at $100,000 as an employee so that the projects could get moving. He is concerned with getting the job done and making it happen. He would like to provide good news to the KLTV residents at the July 22nd meeting. He is concerned that the Board is not moving forward on the projects and it is the Board's responsibility to do so.

Commissioner Tobin renewed his motion at $95,000.00. The motion died due to lack of a second.

Commissioner Wilkinson moved to approve Mr. Fishburn at $99,000.00 annual as compensation for either a contract or District employee to be decided at the next meeting. The motion died due to lack of a second.

Chairman Bauman recessed the meeting at 7:35 p.m.
Chairman Bauman reconvened the meeting at 7:50 p.m.

Chairman Bauman stated that he was prepared to call the item at an impasse and table it until a future meeting.

Commissioner Brooks moved to approve hiring Mr. Fishburn at $50.00 per hour with a cap of 40 hours a week as a contractor until June 19, 2004. Commissioner Wilkinson seconded the motion for discussion. Commissioner Brooks asked if this would bind the actions of Mr. Fishburn as general manager. Mr. Dillon stated it would and Mr. Fishburn would be considered a temporary employee until an agreement could be reached. The question was called and Chairman Bauman requested a roll call vote.

Commissioner Beaty	**Not Present**
Commissioner Brooks	**Yes**
Commissioner Tobin	**Yes**
Commissioner Wilkinson	**Yes**
Chairman Bauman	**Yes**

The motion carried.

2. Approval of the pending payments list

Commissioner Wilkinson asked if WEC was approaching the full contract amount for their services. Mr. Castle stated that WEC would work for the duration of the project at the contracted amount. Discussion ensued on the terms of the contract and the fact that WEC is being paid for inspection services that have not begun. Commissioner Tobin requested a letter informing the Board of the verbal agreement that WEC is billing for half of the contracted amount per month.

Commissioner Wilkinson moved to approve the pending payments list. Commissioner Tobin seconded the motion. Commissioner Brooks asked why there were no GSG invoices included. Mr. Miles stated that none were received for payment this cycle. Commissioner Brooks questioned what GSG has been doing for the KLWTD. Mr. Miles stated that the time sheets have been sent to each Board member by email for all service contracts along with invoice copies and expense reimbursement requests. Discussion ensued on GSG reporting estimated hours to Chairman Bauman under terms of the GSG amended contract. It was the consensus of the Board that Mr. Miles is to send an email summary of the basic GSG administrative hours to Chairman Bauman and copy all of the Board. **All were in favor of approving the pending payments list and the item was unanimously approved.**

3. Approval of the KLWTD making Direct Equipment Purchases

The item was tabled and had been discussed earlier in the meeting. The Board requested a procedure for making direct purchases and that a resolution setting the procedure be placed on the next agenda for action.

4. Approval of the Public Notices for the meetings scheduled from July through September 2004

Commissioner Brooks moved to approve the notices for the July and August meetings only. Commissioner Tobin seconded the motion. All were in favor and the item was unanimously approved.

5. Approval to reduce the number of Mylar copies required for submittal

Commissioner Brooks moved to approve the reduction to the number of Mylar copies required for submittal. Commissioner Tobin seconded the motion. All were in favor and the motion was unanimously approved.

H. General Manager's Report

1. Discussion of DCA Grant Agreement for FEMA Project 1249-25

Mr. Dillon presented the agreement. He stated there are several housekeeping items that need to be addressed. Mr. Dillon forwarded the Board an email following up on the conference call that was held to address the concerns of the Board. The conveyance of the open space was discussed and Mr. Dillon stated that there is an

opportunity to increase the amount of space to be used by the KLWTD if needed. Mr. Dillon noted that all items outlined in the memo have been addressed. He stated that Mr. Fishburn is on board with the issue and will be ready to take over on the mitigation issue. Discussion ensued on the site mitigation and if Haskell is to clear the lot under terms of the contract.

Mr. Dillon and Mr. Fishburn are developing mitigation costs to submit to Murray Nelson to be considered by the County for payment. The Board requested the agreement be placed as an action item on the June 16, 2004 agenda.

Discussion concerning the conveyance agreement, the biological report and the finding of non-significant impact ensued. Commissioner Brooks stated that he was concerned with portions of the mitigation letter submitted by the FKAA in particular the replacement of dead trees at a rate of three to one. It was noted that the biological opinion doesn't require it and that the County may have a transplantation requirement but it should be reviewed and it could be negotiable.

ACTION ITEM

I. Engineer's Report

1. Status report for the period ending May 25, 2004

Mr. Castle presented the report and asked if there were any questions. Commissioner Brooks asked about the design review for the 99% drawings. Mr. Castle had not received the 99% percent drawings but a meeting would be scheduled no sooner than 7 days after their receipt.

Commissioner Wilkinson quested the vacant lot issue. Mr. Castle stated that he is waiting for the true vacant lots and will update the Board in the future.

2. Update on Influent Characteristics

Mr. Castle presented the letter from Haskell concerning influent characteristics. He stated that they might be stronger than defined in the RFP and preliminary design report. The letter presented explained how the higher loadings would be handle.

Commissioner Wilkinson questioned the status of the Calusa Camp Resort issue. He had requested it be an agenda item and it was not placed on the agenda. Discussion ensued. It was the consensus of the Board to have a continuing commercial connection (Calusa Camp Resort) status update under the general manager's report until the issue was resolved.

J. Public comment

No one present wished to address the Board.

K. Commissioner's Items

1. Discussion of the CFO and Clerk positions – Chairman Bauman

Chairman Bauman stated the Board must decide if the manger would be responsible for hiring additional staff or if it should be a joint decision that includes the Board. Mr. Fishburn believes that until a secretary/clerk is hired he will have difficulties administering his duties. Commissioner Tobin suggested that Mr. Fishburn be given authority to advertise for a secretary/administrative assistant for general clerical duties and he should make a recommendation of who to hire at the June 19, 2004 meeting. Commissioner Wilkinson agreed.

No Board action was taken on this item.

2. Discussion for possible action of the manager/manager-select and attorney to contract for temporary office space on a month-to-month tenancy not to exceed $1.25 per square foot and a total cost of $1,000 including utilities monthly-commissioner Wilkinson

Mr. Fishburn informed the Board that he has entered into a week-to-week rental at his own risk in the temporary storage facilities. Commissioner Tobin and Mr. Fishburn will meet with Bank of America to discuss renting a space with them.

No Board action was taken on this item.

3. Discussion for possible action of the manager/manager-select and attorney to contract for communications (telephone/DSL) capability transferable within the island of Key Largo – Commissioner Wilkinson

No Board action was taken on this item.

Commissioner Wilkinson excused himself from the meeting at 9:10p.m.

Commissioner Tobin stated that he believes the manager should be given the authority to take action on items relating to the administration of his duties.

Commissioner Brooks excused himself from the meeting at 9:14p.m.

4. Discussion for possible action of the authority of the manager/manager-select to spend not-to-exceed $5,000.00 for office startup equipment, fixtures, furniture, supplies and other office needed materials – Commissioner Wilkinson

No action was taken on this item.

5. Discussion for possible action of directing the outgoing manager and staff to prepare a comprehensive list of accounts payable and receivable, insurances, mandated reports with submission dates, etc. accompanied with a contact person, email and mailing address, telephone number and other necessary items necessary for the transition to local management. The intent is that all expected services, tasks, accounts, contacts, etc. necessary for the proper

management of the KLWTD whether major or minor be disclosed promptly to the incoming manager and the District – Commissioner Wilkinson

No action was taken on this item.

6. Update on past agenda items:
    a. FEMA FONSI Status
    b. Water Quality Testing
    c. Resolution of $100K Loan repayment issue
    d. Site mitigation
    e. KLP vacant lot resolution
    f. Project request for FEMA deadline extension
    g. CDBG Grants and/or funds for private connections
    h. Procedures
    i. Web Site Development

No action was taken on this item.

7. Meeting Adjournment

Chairman Bauman adjourned the meeting at 9:14 p.m.

KLWTD Board Meeting
June 16, 2004

Item F - 1

Discussion of Effective Date of Resignation

Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]

Sent: Tuesday, June 08, 2004 11:13 AM

To: Charles Fishburn; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Faith Doyle; Gary Bauman (E-mail); Jerry Wilkinson

Cc: Robert Sheets; EdRCastle@aol.com; David Miles; Charles Sweat; Charles Fishburn; Jeff Weiler; weiler7@comcast.net

Subject: Effective date of resignation

Mr. Bauman has requested advice whether a board member may submit his resignation with a future effective date.

Based on my review of relevant statutes, I believe that resignation subject to a future effective date is permitted under Florida law.

Fla. Stat. 189, which governs special districts is silent on the subject of resignation.

The Key Largo Wastewater Treatment District Act does not address effective date of resignation.

Other Florida laws contemplate resignations subject to delayed effective dates.

Fla. Stat. 99.012, which requires a public officer to resign from public office in order to run for another office with a concurrent term, expressly provides for a delayed effective date.

Other statutes permit delayed resignation from corporate boards of directors and other functions. It is fairly common for executive officers of government agencies to resign subject to a delayed effective date.

Although I have not found express statutory authorization for resignation from a special district position with a delayed effective date where the resigning officer does not intend to seek another office, I believe that the practice of resignation subject to a delayed effective date is well-established in government and business. Therefore, I think that resignation from the District Board subject to a delayed effective date is legally permissible.

Tom

JERRY WILKINSON

38 East Beach Road
Tavernier, Florida 33070
jerry142@terranova.net

June 2, 2004

The Honorable Jeb Bush
Governor of the State of Florida
Executive Office of the Governor
PL-05 The Capitol
Tallahassee, FL 32399-0001

Subject: Resignation

Dear Governor Bush:

I submit my resignation from the Key Largo Wastewater District Board of Governors created by 2002-337, Laws of Florida, effective November 1, 2004.

I can no longer play with the other kids in the sandbox .

My term is for four (4) years; therefore, please institute the necessary steps to have an elective replacement placed on the Monroe County ballot for the November election.

Yours very truly,

Jerry Wilkinson

Cc: The Honorable Glenda Hood
Secretary of State
R. A. Gray Building
500 S. Bronough
Tallahassee, FL 32399-0250

305-852-1620 **www.keyshistory.org**

KLWTD Board Meeting
June 16, 2004

Item F - 2

Discussion of Applicability of Florida's Public Records Act to Certain Documents

Thomas M. Dillon

Memo

To: Key Largo Wastewater Treatment District

From: Thomas M. Dillon

CC: District Clerk

Date: 6/8/04

Re: Applicability of Florida's Public Records Act to certain documents

---

Mr. Wilkinson has referred to me two documents purporting to request copies of public records from him. This memorandum will address the question whether the requested materials are subject to disclosure under the Public Records Act, Fla. Stat. 119.

The writer has not examined any materials that might be responsive to the requests. I recommend that Mr. Wilkinson examine the materials, if any, and make a determination whether they meet the definition of "public records" as discussed below. I am available to assist in the review.

If the requested materials are "public records", they must be made available for inspection and copying. If they are not "public records", then Mr. Wilkinson may, but need not, make them available for inspection and copying.

Materials Requested

The first document is a letter from Laurie Kurnatz, of The Citizen, dated 6/3/04 requesting copies of the following materials:

> All notes, memoranda, correspondence, and electronic records written or received from [sic] state Rep. Ken Sorensen regarding the possibility of your running for Monroe County Commissioner.

The second document is an undated letter from Robert Silk, of the Upper Keys Times, apparently received by Mr. Wilkinson on 6/3/04 requesting copies of the following materials:

> All notes, memoranda, correspondence, and electronic records written or received between yourself and Rep. Ken Sorensen, beginning with Tuesday and continuing to today, June 3.

Public Records Act

Florida's Public Records Act, Florida Statutes Chapter 119, expresses the policy of the state to provide access to public records. Fla. Stat. 119.01.

"Public records" are defined in the Act as:

> [A]ll documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.
>
> Fla. Stat. 119.011(1). (Emphasis added.)

The Act requires an agency or official to permit inspection, examination, and copying of public records upon request. Fla. Stat. 119.07

The materials requested by Ms. Kurnatz do not appear to be "public records"

"Public records" are materials that are either

- made or received pursuant to law or ordinance, or
- made or received in connection with the transaction of official business by any agency

Ms. Kurnatz's request set out above is limited to materials concerning the possibility of Mr. Wilkinson's running for County Commissioner. I am not aware of any law or ordinance under which these materials would have been made or received, and I conclude that such records would not appear to be "made or received pursuant to law or ordinance." Further, since the requested materials concern only the possibility of Mr. Wilkinson running for County Commissioner, I do not believe that the records have anything to do with "the transaction of official business by any agency."

The materials requested by Mr. Silk may be public records

The second request is somewhat broader than Ms. Kurnatz's request. Mr. Silk has requested all materials that constitute notes, memoranda, correspondence, and electronic records between Mr. Wilkinson and Mr. Sorensen. In order to determine whether materials responsive to Mr. Silk's request are public records subject to disclosure, it would be necessary to review the materials for content.

Because the Public Records Act imposes criminal penalties for violation, I recommend that Mr. Wilkinson undertake a careful review of the responsive materials and determine whether they were made or received pursuant to law or ordinance, or whether they were made or received in connection with the transaction of official District business.

I am available to assist in such review if requested.

KLWTD Board Meeting
June 16, 2004

Item F - 5

Update on Legislative Change
(House Bill 471)

Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]
Sent: Tuesday, June 08, 2004 11:43 AM
To: TODD.LAURA
Cc: SPARKS.PATTY; MERRILL.HOLLY; CAPTDRKEN@aol.com
Subject: Re: legislation

Thanks, Laura

----- Original Message -----
From: TODD.LAURA
To: Thomas Dillon
Cc: CAPTDRKEN@aol.com ; MERRILL.HOLLY ; SPARKS.PATTY
Sent: Tuesday, June 08, 2004 11:14 AM
Subject: RE: legislation

Tom:

The bill has been enrolled, but now needs to be signed off by the "officers" (Clerk of the House and Secretary of the Senate) as well as the Senate President & House Speaker. Once they sign off, it goes to the Governor for his signature, veto or to become law without signature. It could be a while before we know anything. I have contacted the Governor's office in an attempt to get a feel from his people regarding the bill, and am waiting for a response.

Laura

-----Original Message-----
From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Monday, June 07, 2004 4:30 PM
To: TODD.LAURA
Subject: legislation

Laura,

Now that Jerry Wilkinson has resigned, the need to know whether the Governor will veto the bill for the KLWTD has become critical. Can you let me know the status of the bill and when it will become law if not signed?

Tom

KLWTD Board Meeting
June 16, 2004

Item G - 1

Approval of a Motion to Reconsider the Selection of a District Manager

Approval of a motion to reconsider the selection of a district manager.

Whereas --- the District passed a motion 4 to 1 on May 19, 2004 (see minutes) to " negotiate with Charles Fishburn for the manager's position". This motion in no way can be conceived or should have been conceived as actually hiring Mr. Fishburn as either an employee under contract or as a contractor. The motion as simply stated was to begin negotiations with Mr. Fishburn.

Whereas -- our legal counsel Mr. Dillon advised the Board Mr. Fishburn on the strength of the motion made on the 19th of May 2004 Mr. Fishburn had no legal status as the district manager until such time as a formal contract and been instituted.

Whereas -- Mr. Fishburn has severed his relationship/employment with GSG prior to securing his position with the KLWTD. Mr. Fishburn knowing full well he had not finalized his future employment with the District and did so at his own risk.

Whereas -- Mr. Fishburn's actions in relinquishing his position with GSG should in no way be an obligation to the District to replace Mr. Fishburn's employment, salary or benefits.

Whereas -- Mr. Fishburn in the interim has knowingly taken unauthorized actions on behalf of the District without legal authority to do so. He has secured office space and began the installation of a telephone line. He may have done so with the communication or encouragement of perhaps one or two commissioners of the District. If this be the case Mr. Fishburn through his inappropriate actions has demonstrated his lack of understanding of carrying out the District's administrative tasks while adhering to the democratic process of a governmental body.

Whereas -- Mr. Fishburn was one of three candidates who applied for the administrative position as district manager. His credentials as an administrator were on the surface less than the other two candidates but his salary requirements where 25% higher than the other two candidates.

Whereas -- Mr. Fishburn stated acceptable salary requirements are far above the competing candidates salary requirements.

Whereas -- Mr. Fishburn's stated acceptable salary requirements may be too excessive for the position he is wishing to fill.

Whereas -- Mr. Fishburn's administrative credentials may not be sufficient to carry out the administrative duties of the District.

Recommendation

The KLWTD reconsider the selection process for the district manager position.

Charles Brooks
KLWTD Commissioner
June 8, 2004

KLWTD Board Meeting
June 16, 2004

Item G - 2

Approval of the Manager-Select Contract

Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]

Sent: Monday, June 07, 2004 4:28 PM

To: Charles Fishburn; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Faith Doyle; Gary Bauman (E-mail); Jerry Wilkinson

Subject: Fishburn contract

Faith, please place this in the agenda for the next meeting.

I am attaching two draft contract forms for Mr. Fishburn. I am not making a recommendation as to the compensation terms, but I believe that I have drafted them appropriately should the Board agree to them.

Both forms would treat him as an employee.

Mr. Fishburn has offered to accept a salary of $92,000/yr. with $12,000 being paid on his behalf for health insurance.

He is asking for 12 paid vacation days/yr, and State holidays.

He is asking for a cost of living adjustment annually and the possibility of a merit increase annually.

At his request, I have deleted the provision from an earlier form requiring him to keep time records, but have retained the requirement to keep records to support a charge by the District against grant funds for administrative costs.

The two forms are submitted to allow the District to continue with the interim arrangement of $50/hr from June 2 to June 19 (version "a") or to retain him for the entire month of June (version "b")

Tom

GENERAL MANAGER EMPLOYMENT AGREEMENT

THIS GENERAL MANAGER EMPLOYMENT AGREEMENT ("Agreement") is entered into as of June 1, 2004 between the Key Largo Wastewater Treatment District, an independent special district created by Chapter 2002-337, Laws of Florida (the "District"), and Charles F. Fishburn ("General Manager").

1. Employment.

   a. The District hereby employs General Manager, and General Manager hereby accepts employment with the District, on the terms set forth in this Agreement. This Agreement is an "at will" agreement. Either party may terminate this Agreement without cause upon 90 days' written notice to the other party. In addition, the District may terminate this Agreement for disability or cause pursuant to Section 7 hereof. Unless sooner terminated, this Agreement shall terminate on May 31, 2006.

   b. General Manager shall serve as the District's General Manager. General Manager shall provide senior management services and shall perform such duties relating thereto as may be determined and assigned to General Manager from time to time by the District's Board of Directors, to whom General Manager shall report. Exhibit A to this Agreement sets out the minimum duties of the General Manager.

   c. General Manager shall keep all records that may be required to support any charge by the District against any grant or other funding for work performed by General Manager.

   d. General Manager is a public official as that term is used in the Florida Statutes, and is subject to all ethical and other legal constraints applicable to public officials.

   e. During the term of this Agreement, General Manager shall devote his best efforts, knowledge and skill and shall devote substantially all of his working time and attention to the performance of his duties as aforesaid, except during such periods as General Manager shall be ill, disabled, or on vacation as provided by this Agreement.

2. Place of Employment. General Manager shall be afforded an office and support services.

3. Compensation.

a. The Compensation rate for the General Manager is $92,000 per annum.

b. General Manager hereby elects to receive a portion of the Compensation in kind, i.e., the District shall directly pay premiums on behalf of General Manager to a health insurance plan to be named by General Manager, in the amount of $12,000 per annum, instead of paying that amount in salary to the General Manager. General Manager shall provide to the District all information necessary to allow the payments to be made directly. It is the understanding of the District and General Manager that, for Federal Income Tax purposes, these payments will be excluded from wages paid to General Manager. If, at any time, the District or General Manager determines that direct payment of these health insurance premiums imposes an undue burden upon a party to this Agreement, the parties shall confer to determine whether such payments should be terminated or modified. Upon not less than sixty days' written notice from General Manager, the District shall direct the payments to an alternate health insurance carrier, or shall terminate the direct payments and pay the funds to the General Manager in money.

c. General Manager's salary shall be payable once each month on the last day, commencing on June 30, 2004, in the amount of $7,667, less $1,000.00 in direct insurance payments.

d. General Manager shall pay the employee's share of any payroll taxes required under applicable law, by payroll deduction, and District shall bear and be responsible for the employer's share of any taxes on wages paid as required under applicable law.

e. Effective June 1, 2005, General Manager's compensation shall be adjusted in accordance with the percentage change in the U.S. Department of Labor

Consumer Price Index (CPI-W), for the Urban Wage Earners and Clerical Workers, All Items, Monroe County or nearest geographic area.

f. In addition, the District may elect to provide General Manager an increase in Compensation based on General Manager's performance during the past year.

4. Vacation. General Manager shall be entitled to 12 days of paid vacation during each calendar year. General Manager shall schedule such vacation to minimize the inconvenience and other impacts to the District.

5. Holidays. General Manager is entitled to the following holidays: New Year's Day, Birthday of Martin Luther King, Jr. (third Monday in January), Memorial Day, Independence Day, Labor Day, Veterans' Day (November 11), Thanksgiving Day, Friday after Thanksgiving, Christmas Day. If any holiday falls on a Saturday, the holiday shall be observed on the preceding Friday; if any holiday falls on a Sunday, the holiday shall be observed on the next Monday.

6. Benefits. The General Manager understands and agrees that the District has not adopted any employee benefit plans, and that the General Manager shall be responsible for obtaining and providing his own health insurance and other benefits as he deems appropriate.

7. Travel Expenses. The District shall pay for or reimburse General Manager in accordance with the District's standard policies for travel off the island of Key Largo for the purpose of carrying on District business. The District's standard policies for reimbursement of travel expenses are those set forth in Florida Statutes Section 112.061.

8. Termination for Disability or Cause. This Agreement may be terminated by the District, acting through its Board of Directors, only upon any of the following events:

a. The expiration of 30 days following written notice given by the Board of Directors of the District to General Manager of the District's election to terminate this Agreement following General Manager's Disability. "Disability" means the inability of General Manager to perform substantially all of the duties required of General

Manager by this Agreement by reason of physical or mental incapacity for a period of two consecutive months, or a period of more than 90 days in the aggregate in any 18 month period.

b. A determination by the District's Board of Directors that Cause exists to terminate this Agreement, and written notice of termination for Cause is given by the Board of Directors of the District to General Manager. "Cause" means any of the following events or conditions:

   i. A material breach by General Manager of any material provision of this Agreement.

   ii. Any act by General Manager in violation of the obligations imposed upon public officials under applicable law.

   iii. Fraud or other dishonest act by General Manager involving the District.

   iv. General Manager's conviction of a felony.

   Provided that in the case of the foregoing clauses (i), (ii), and (iii), "Cause" shall exist only if General Manager fails to cure such breach, within 30 days of receipt of written notice thereof, to the satisfaction of the District's Board of Directors.

c. The death of General Manager.

9. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given (a) when personally delivered, (b) on the business day following deposit of such notice with a reputable overnight courier service, or (c) sent by certified mail, return receipt requested, postage prepaid, as follows:

   If to the District:

   Chairman, Board of Directors
   Key Largo Wastewater Treatment District
   P.O. Box 491
   Key Largo, Florida 33037

With a copy to:

Thomas M. Dillon
94220 Overseas Highway, #2B
Tavernier, Florida 33070-3005

If to General Manager:

Charles F. Fishburn
161 Dubonnet Road
Tavernier, Florida 33070

Either party may change such party's address for the purpose of this Section by written notice similarly given.

10. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, such provision shall be construed and enforced to the extent possible as if it had been more narrowly drawn so as not to be invalid or unenforceable, and such invalidity or unenforceability shall not affect or render invalid or unenforceable any other provision of this Agreement. However, if either party determines in good faith that, as a result of a provision of this agreement being held invalid or unenforceable, this Agreement no longer serves the purposes for which it was written, that party may terminate this agreement upon not less than sixty days' written notice.

11. Entire Agreement. This Agreement sets forth the parties' final and entire agreement, and supersedes any and all prior understandings, with respect to the subject matter hereof.

12. Assignment; Ratification of Agreement. No right or obligation under this Agreement may be assigned or delegated by either the District or General Manager without the prior written consent of the other party, and any purported assignment or delegation of any such right or obligation without such consent shall be null and void.

13. No Waiver. No failure or delay by either party in exercising any right, option, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right, option, power or privilege.

14. Amendment. This Agreement can only be amended, waived or terminated by a writing signed by both the District and General Manager.

15. Applicable Law. This Agreement shall be governed by and construed and interpreted in accordance with the internal law of the State of Florida, without reference to its rules as to conflicts of law.

16. Headings. The section headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Key Largo Wastewater Treatment District

By _____
Gary Bauman
Its Chairman

Attest

By _____
Cris Beaty
Its Secretary

General Manager

_____
Charles F. Fishburn

Exhibit A
Minimum Duties for General Manager

A. Executing Board's direction in identifying, selecting and contracting with rate consultants, auditors, insurance consultants, lab service contractors, consulting engineers, hydro-geologies, and other consultants and professionals required by the District.

B. Acting as custodian of the District's books and records, which shall be maintained in accordance with Florida Statutes Section 189.9.

C. As directed by the District Board, serving as intergovernmental liaison between the District and local governments within which the District provides wastewater service, including, without limitation, coordination of service extensions with applicable comprehensive plans, communicating with public officials on all matters that pertain to the District, attending governing board and staff meetings to discuss District issues.

D. Preparing an annual consumer confidence report as required by law.

E. Overseeing two customer mailings each year to all District customers regarding Board initiatives.

F. Providing the Board, or individual members thereof, upon request, with data or information concerning District construction and operations, and providing advice and recommendations to the Board.

G. Coordinating with District's Chief Financial Officer, Engineer, and Counsel, staff, and supervising other District staff.

H. Negotiating leases, contracts, and other agreements, including consultant services, for the District, subject to Board approval.

I. Overseeing all governmental filings.

J. Monitoring the performance of all terms and conditions in all leases, contracts, and agreements, and notifying the Board of known violations thereof.

K. Monitoring the operations and billing functions of the District and ensuring compliance with the Board's policy and direction.

L. Preparing annual reports.

M. Consulting with, and supervision of, contractors as reasonably required and necessary with regard to construction of capital projects.

N. In consultation with the District Engineer and District Counsel, as appropriate, issuing interpretations and clarifications of contract documents.

   a. Evaluating requests for substitutions or deviations therefrom.

b. Providing recommendations concerning requests for substitutions or deviations therefrom.

c. Preparing work orders.

d. Monitoring all required project records.

e. Reviewing applications for payment.

f. Conducting comprehensive inspections of construction projects.

g. Developing list of items needing completion or correction.

O. Negotiating contracts with engineers and other consultants regarding scope and cost of proposed contract change orders.

P. Providing proof of compliance with funding and grant requirements.

Q. Requesting advances and reimbursements consistent with funding and grant requirements.

R. Exercising due diligence with respect to construction management efforts consistent with governmental standards.

GENERAL MANAGER EMPLOYMENT AGREEMENT

THIS GENERAL MANAGER EMPLOYMENT AGREEMENT ("Agreement") is entered into as of June 20, 2004 between the Key Largo Wastewater Treatment District, an independent special district created by Chapter 2002-337, Laws of Florida (the "District"), and Charles F. Fishburn ("General Manager").

1. Employment.

   a. The District hereby employs General Manager, and General Manager hereby accepts employment with the District, on the terms set forth in this Agreement. This Agreement is an "at will" agreement. Either party may terminate this Agreement without cause upon 90 days' written notice to the other party. In addition, the District may terminate this Agreement for disability or cause pursuant to Section 7 hereof. Unless sooner terminated, this Agreement shall terminate on June 30, 2006.

   b. General Manager shall serve as the District's General Manager. General Manager shall provide senior management services and shall perform such duties relating thereto as may be determined and assigned to General Manager from time to time by the District's Board of Directors, to whom General Manager shall report. Exhibit A to this Agreement sets out the minimum duties of the General Manager.

   c. General Manager shall keep all records that may be required to support any charge by the District against any grant or other funding for work performed by General Manager.

   d. General Manager is a public official as that term is used in the Florida Statutes, and is subject to all ethical and other legal constraints applicable to public officials.

   e. During the term of this Agreement, General Manager shall devote his best efforts, knowledge and skill and shall devote substantially all of his working time and attention to the performance of his duties as aforesaid, except during such periods as General Manager shall be ill, disabled, or on vacation as provided by this Agreement.

2. Place of Employment. General Manager shall be afforded an office and support services.

3. Compensation.

   a. The Compensation rate for the General Manager is $92,000 per annum.

   b. General Manager hereby elects to receive a portion of the Compensation in kind, i.e., the District shall directly pay premiums on behalf of General Manager to a health insurance plan to be named by General Manager, in the amount of $12,000 per annum, instead of paying that amount in salary to the General Manager. General Manager shall provide to the District all information necessary to allow the payments to be made directly. It is the understanding of the District and General Manager that, for Federal Income Tax purposes, these payments will be excluded from wages paid to General Manager. If, at any time, the District or General Manager determines that direct payment of these health insurance premiums imposes an undue burden upon a party to this Agreement, the parties shall confer to determine whether such payments should be terminated or modified. Upon not less than sixty days' written notice from General Manager, the District shall direct the payments to an alternate health insurance carrier, or shall terminate the direct payments and pay the funds to the General Manager in money.

   c. General Manager's salary shall be payable once each month on the last day, commencing on July 31, 2004, in the amount of $7,667, less $1,000.00 in direct insurance payments. General Manager's Compensation for the month of June, 2004 shall be prorated to reflect employment for only one-third of the month, and shall be in the amount of $2,556, less $1,000.00 in direct insurance payments.

   d. General Manager shall pay the employee's share of any payroll taxes required under applicable law, by payroll deduction, and District shall bear and be responsible for the employer's share of any taxes on wages paid as required under applicable law.

e. Effective July 1, 2005, General Manager's compensation shall be adjusted in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index (CPI-W), for the Urban Wage Earners and Clerical Workers, All Items, Monroe County or nearest geographic area.

f. In addition, the District may elect to provide General Manager an increase in Compensation based on General Manager's performance during the past year.

4. Vacation. General Manager shall be entitled to 12 days of paid vacation during each calendar year. General Manager shall schedule such vacation to minimize the inconvenience and other impacts to the District.

5. Holidays. General Manager is entitled to the following holidays: New Year's Day, Birthday of Martin Luther King, Jr. (third Monday in January), Memorial Day, Independence Day, Labor Day, Veterans' Day (November 11), Thanksgiving Day, Friday after Thanksgiving, Christmas Day. If any holiday falls on a Saturday, the holiday shall be observed on the preceding Friday; if any holiday falls on a Sunday, the holiday shall be observed on the next Monday.

6. Benefits. The General Manager understands and agrees that the District has not adopted any employee benefit plans, and that the General Manager shall be responsible for obtaining and providing his own health insurance and other benefits as he deems appropriate.

7. Travel Expenses. The District shall pay for or reimburse General Manager in accordance with the District's standard policies for travel off the island of Key Largo for the purpose of carrying on District business. The District's standard policies for reimbursement of travel expenses are those set forth in Florida Statutes Section 112.061.

8. Termination for Disability or Cause. This Agreement may be terminated by the District, acting through its Board of Directors, only upon any of the following events:

a. The expiration of 30 days following written notice given by the Board of Directors of the District to General Manager of the District's election to terminate this

Agreement following General Manager's Disability. "Disability" means the inability of General Manager to perform substantially all of the duties required of General Manager by this Agreement by reason of physical or mental incapacity for a period of two consecutive months, or a period of more than 90 days in the aggregate in any 18 month period.

b. A determination by the District's Board of Directors that Cause exists to terminate this Agreement, and written notice of termination for Cause is given by the Board of Directors of the District to General Manager. "Cause" means any of the following events or conditions:

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   ii. Any act by General Manager in violation of the obligations imposed upon public officials under applicable law.

   iii. Fraud or other dishonest act by General Manager involving the District.

   iv. General Manager's conviction of a felony.

   Provided that in the case of the foregoing clauses (i), (ii), and (iii), "Cause" shall exist only if General Manager fails to cure such breach, within 30 days of receipt of written notice thereof, to the satisfaction of the District's Board of Directors.

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   If to the District:

   Chairman, Board of Directors
   Key Largo Wastewater Treatment District
   P.O. Box 491
   Key Largo, Florida 33037

With a copy to:

Thomas M. Dillon
94220 Overseas Highway, #2B
Tavernier, Florida 33070-3005

If to General Manager:

Charles F. Fishburn
161 Dubonnet Road
Tavernier, Florida 33070

Either party may change such party's address for the purpose of this Section by written notice similarly given.

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11. Entire Agreement. This Agreement sets forth the parties' final and entire agreement, and supersedes any and all prior understandings, with respect to the subject matter hereof.

12. Assignment; Ratification of Agreement. No right or obligation under this Agreement may be assigned or delegated by either the District or General Manager without the prior written consent of the other party, and any purported assignment or delegation of any such right or obligation without such consent shall be null and void.

13. No Waiver. No failure or delay by either party in exercising any right, option, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof, or the exercise of any other right, option, power or privilege.

14. Amendment. This Agreement can only be amended, waived or terminated by a writing signed by both the District and General Manager.

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16. Headings. The section headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Key Largo Wastewater Treatment District

By _____
Gary Bauman
Its Chairman

Attest

By _____
Cris Beaty
Its Secretary

General Manager

_____
Charles F. Fishburn

Exhibit A
Minimum Duties for General Manager

A. Executing Board's direction in identifying, selecting and contracting with rate consultants, auditors, insurance consultants, lab service contractors, consulting engineers, hydro-geologies, and other consultants and professionals required by the District.

B. Acting as custodian of the District's books and records, which shall be maintained in accordance with Florida Statutes Section 189.9.

C. As directed by the District Board, serving as intergovernmental liaison between the District and local governments within which the District provides wastewater service, including, without limitation, coordination of service extensions with applicable comprehensive plans, communicating with public officials on all matters that pertain to the District, attending governing board and staff meetings to discuss District issues.

D. Preparing an annual consumer confidence report as required by law.

E. Overseeing two customer mailings each year to all District customers regarding Board initiatives.

F. Providing the Board, or individual members thereof, upon request, with data or information concerning District construction and operations, and providing advice and recommendations to the Board.

G. Coordinating with District's Chief Financial Officer, Engineer, and Counsel, staff, and supervising other District staff.

H. Negotiating leases, contracts, and other agreements, including consultant services, for the District, subject to Board approval.

I. Overseeing all governmental filings.

J. Monitoring the performance of all terms and conditions in all leases, contracts, and agreements, and notifying the Board of known violations thereof.

K. Monitoring the operations and billing functions of the District and ensuring compliance with the Board's policy and direction.

L. Preparing annual reports.

M. Consulting with, and supervision of, contractors as reasonably required and necessary with regard to construction of capital projects.

N. In consultation with the District Engineer and District Counsel, as appropriate, issuing interpretations and clarifications of contract documents.

   a. Evaluating requests for substitutions or deviations therefrom.

   b. Providing recommendations concerning requests for substitutions or deviations therefrom.

   c. Preparing work orders.

d. Monitoring all required project records.

e. Reviewing applications for payment.

f. Conducting comprehensive inspections of construction projects.

g. Developing list of items needing completion or correction.

O. Negotiating contracts with engineers and other consultants regarding scope and cost of proposed contract change orders.

P. Providing proof of compliance with funding and grant requirements.

Q. Requesting advances and reimbursements consistent with funding and grant requirements.

R. Exercising due diligence with respect to construction management efforts consistent with governmental standards.

KLWTD Board Meeting
June 16, 2004

Item G - 3

Approval of the Pending Payments List for June 8, 2004

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

TO: Key Largo Wastewater Treatment District Board Members

CC: Charles Fishburn, General Manager
Robert Sheets, CEO GSG, Inc.
Faith Doyle, Clerk to the Board
Charles Sweat, Director of Operations
Thomas Dillon, Board Attorney

FROM: David R. Miles, Director of Finance

DATE: June 8, 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 June 8, 2004 the District had $240,954.19 in its bank account. We have $202,891.68 in invoices in-hand for payment by July 7, 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 as of June 8, 2004:

Administration & Operations:	$183,559.95
Key Largo Park:	(31,163.68)
Key Largo Trailer Village:	88,557.92
Total	$ 240,954.19

A request for $129,607.00 for Monroe County matching funds for use in the Key Largo Park project, submitted March 23, 2004 is still pending. A follow-up letter was sent May 27, 2004. We have also followed up numerous times with George Garratt telephonically. This funding is essential to get the KL Park cash flow in the black.

Draw Request number 3 in the amount of $41,390.28 for the FY 2004 MSTU funds was submitted to Monroe County on May 28, 2004 covering March, April and May disbursements by the District. A request is being prepared to draw down an additional $450,000 advance from FKAA in order to meet significantly larger draws from the Haskell Company. An invoice on hand of $163,559.31 for the month of May will fully deplete the available KL Trailer Village balances and leave a deficit of $79,170.14. This draw, if honored, will remove all except about $45,000 left of the FEMA Phase I money held by FKAA.

KLWTD Board Meeting
June 16, 2004

Item G - 4

Approval of Resolution 2004-01
Approving Direct Purchases

This item will be provided under separate cover.

KLWTD Board Meeting
June 16, 2004

Item G - 5

Approval of
DCA Grant Agreement
for
FEMA Project 1249-25

Thomas M. Dillon

Memo

To: Key Largo Wastewater Treatment District

From: Thomas M. Dillon

CC: District Staff

Date: 5/18/2004

Re: DCA Grant Agreement

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

I have reviewed the grant agreement form transmitted by the Florida Department of Community Affairs under date of May 20, 2004 [sic]. My comments follow:

Page 13: Section 16(b) specifies the requirements to obtain advance payments. Option 2 should be checked and an amount filled in based on expected expenditures during the first 3 months of the Agreement. Attachment F must be completed to specify the amount of the advance payment and an explanation of the necessity for and proposed use of the advanced funds.

Page 17: Section 22 seems to anticipate that vendor invoices will be submitted to the DCA for payment. I do not understand that to be the expected method of payment of vendors.

Attachment A:

Page A-1: Re: Open Space:

The first paragraph states only that the District "will permanently preserve the un-used [sic] portion of the WWTP project parcel (18.4 acres) for conservation purposes, and restore 2.6 acres of tropical hardwood hammock to replace the project site's protected lost habitat functions."

However, the third paragraph provides that "The construction phase may proceed with adherence to the various mitigation measures and permitting requirements referenced in the SFONSI." Therefore, the Agreement incorporates by reference all of the requirements expressed in the SFONSI, and all the requirements incorporated by reference in the SFONSI, notably the U.S. Fish & Wildlife Service Biological Opinion, which serves as the basis for the SFONSI. Note that these requirements are stated in a letter of 5/16/04 from

FEMA to the Florida Division of Emergency Management, attached as Pages A-3 and A-4. Note further that although the SFONSI was apparently intended to be attached to the Agreement beginning at Page A-8, only the odd-numbered pages of the SFONSI were copied.

Based on the foregoing, it is my opinion that when the District signs this Agreement, the District will be contractually bound to perform all of the requirements in the SFONSI and the Biological Opinion, including:

- Locating a site or sites totaling 2.6 acres for hardwood hammock habitat restoration on the island of Key Largo. Biological Opinion Condition No. 1.
- Coordinating with a suitable environmental lands management program to receive title to the hardwood hammock not proposed for development. Biological Opinion Condition No. 2.

The District must provide FEMA with a copy of all applicable permits and other pertinent documents that demonstrate compliance with the SFONSI before construction and receipt of federal funds.

I recommend that the District complete efforts to specify exactly the manner in which these conditions will be satisfied prior to signing the Agreement.

Page A-5: Schedule of Values:

The district should confirm that the schedule of values is consistent with the schedule of values in the Haskell Design-Build Agreement.

Conclusions:

Based on the foregoing, I recommend that the District complete the following before signing the Agreement:

- Obtain written confirmation of agreement by FEMA and the U.S. Fish & Wildlife Service to precise means and methods by which the District may satisfy the conditions of the SFONSI. I understand the principal conditions to be related to conservation of open space, but I recommend that the District obtain confirmation that all conditions precedent to construction and receipt of federal funds have been, or will be, satisfied.
- Obtain written confirmation of the source(s) of funds to be used to meet the District's obligations related to conservation of open space.
- Determine the amount of any needed funds advances and complete the appropriate forms.
- Determine whether Section 22 (P. 17) is applicable to this project.
- Ensure that the schedule of values at Pages A-5 – A-7 is consistent with the Design-Build Agreement.
- Replace the incomplete copy of the SFONSI with a complete copy.

Contract Number: 04UN-6P-11-54-15-
CFDA Number: 97.039

DISASTER RELIEF FUNDING AGREEMENT

This Agreement is between the State of Florida, Department of Community Affairs (the "Department"), and Key Largo Wastewater Treatment District (the "Recipient"). This Agreement is based on the existence of the following conditions:

WHEREAS, Hurricane Georges had a devastating impact upon the State of Florida; and

WHEREAS, the severity of the damage and losses resulted in a declaration of emergency by the Governor in Executive Order 98-232 ; and

WHEREAS, in consequence of Hurricane Georges, the President of the United States declared Hurricane George a major emergency in FEMA-1249-DR-FL, Key Largo Wastewater Treatment District; and

WHEREAS, the Agreement between the State of Florida and the Federal Emergency Management Agency ("FEMA") governing the use of such funds has made available funding to meet the unmet needs of local governments; and

WHEREAS, under the Emergency Management Act, as amended, the Department has authority to administer federal financial assistance from FEMA consequent to a presidential declaration of disaster; and

WHEREAS, the Department has received these grant funds from the federal government, and has the authority to subgrant these funds to the Recipient upon the terms and conditions hereinafter set forth; and

WHEREAS, the Recipient represents that it is fully qualified and eligible to receive these grant funds to provide the services identified herein.

Based upon the existence of the foregoing conditions, the parties agree to the following:

(1) SCOPE OF WORK.

The Recipient shall fully perform the obligations in accordance with the Budget and Scope of Work, Attachment A of this Agreement.

(2) INCORPORATION OF LAWS, RULES, REGULATIONS AND POLICIES

Both the Recipient and the Department shall be governed by applicable State and Federal laws, rules and regulations, including but not limited to those identified in Attachment B.

(3) PERIOD OF AGREEMENT.

A draft of this item was provided in its entirety in the 6-2-04 agenda book. A complete and revised document will be forwarded under separate cover.

KLWTD Board Meeting
June 16, 2004

Item H - 1

Discussion of Commercial Connections (Calusa Camp Resort)

THE WEILER ENGINEERING CORPORATION

"Excellence in Engineering"

20020 Veterans Boulevard., Suite 7
Port Charlotte, FL 33954
(941) 764-6447 ph
(941) 764-8915 fax

Calusa Camp Connection

Provisions should be made for providing sewer main lines in the right-of-way for the future connection of Calusa Camp to the KLWTD sewer system. To avoid unnecessary costs, the work should be done concurrently with the work for KLTV. A choice must be made whether to provide a vacuum main or a force main. The following should be considered in making this decision:

- A vacuum main in the right-of-way is less costly to the public, but would require that Calusa Camp install an internal vacuum system

- A force main in the right-of-way is more costly to the public, but would reduce the costs to the property owners in Calusa Camp by approximately $750 per lot.

Either method would make sewer service available, according to State and County ordinances, and therefore connection to the system would be required.

Some additional information for consideration:

- The cost to the owners of the RV lots includes all work necessary in the park to make the system water tight.
- Each lot owner's share of the total cost ranges from $1860 to $2675, depending on the selection of connection method
- The cost to owners of individual residential property owners in KLTV and KLP will most likely range from $3000 to more than $10,000
- KLWTD could offer to accept easements and assume ownership of an internal vacuum system with all new pipe, but I would not recommend assuming ownership of the gravity collection system and pump stations, even after being upgraded.
- Long term costs to the lot owners in Calusa Camp for owning and operating a series of pump stations and force mains and gravity lines should be considered.
- Most wastewater utilities do not provide infrastructure on private property
- FKAA has provided infrastructure on private property at Ocean Isles Fish Camp in the Little Venice project
- FKAA has stated in a public meeting that it will allow commercial properties that consist of single family dwelling units to choose between granting easements and allowing FKAA to install infrastructure on the private property, or to install their own infrastructure. (FKAA would spend public money to install the infrastructure, but then would bill each dwelling unit as a full EDU. If the owner elected to install it's own infrastructure, the property would be billed at a commercial rate based on consumption)

KLWTD Board Meeting
June 16, 2004

Item H - 2

Discussion of a Rate Study

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

TO: Key Largo Wastewater Treatment District Board Members

FROM: Charles Fishburn, General Manager

DATE: June 8, 2004

RE: Rate Study

We need to begin to look at the rate structure for our current project and future projects. A rate study will provide the Board an added tool in making decisions on which projects we are to move forward with. As you can see from the selected sections of the attached rate studies for Marco Island, Little Venice, Bay Point and Conch Key.

RECOMMENDATION

Staff will present a recommendation on the direction for a rate study at the July 21, 2004 Board meeting.

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

Public Resources Management Group, Inc.
Utility, Rate, Financial and Management Consultants

February 4, 2004

The Honorable Chairman and
City Council
City of Marco Island
50 Bald Eagle Drive
Marco Island, FL 34145

Subject: **Water and Wastewater Capital Facilities Fee Review**

Ladies and Gentlemen:

We have completed our review of the capital facilities fees for the City of Marco Island, Florida (the "City") water and wastewater system (the "System") and have summarized the results of our analysis, assumptions, and conclusions in this Report, which is submitted for your consideration. This Report summarizes the basis for the proposed capital facilities fees for water and wastewater services in order to provide a source of funding to meet the City's capital expenditure requirements allocable to growth in the City's service territory. This analysis was prepared to evaluate and consolidate the current capital facilities fees as a result of the recent acquisition of the System from Florida Water Services Corporation (the Marco Island and Marco Shores utility systems).

As set forth in this Report, we are recommending that water system capital facilities fees be increased from $833 to $2,725 for the Marco Island service area and from $985 to $2,725 for the Marco Shores service area per Equivalent Residential Connection (ERC). For the wastewater system, we are recommending an increase to the existing capital facilities fee from $2,600 to $2,910 for the Marco Island service area and from $1,549 to $2,910 for the Marco Shores service area per ERC. The proposed capital facilities fees are based on the recovery of capital-related costs anticipated to be incurred by the City to expand water and wastewater service as identified in the City's Five-Year Capital Improvement Program developed for the acquisition of the System, which documented the capital expenditure requirements for the fiscal year period of 2004 to 2008. As such, the proposed water and wastewater capital facilities fees were designed to recover the anticipated expansion-related capital costs of each utility system and are considered reasonable by Public Resources Management Group, Inc.

At the outset of the study, it was determined that the proposed water and wastewater capital facilities fees should meet a number of goals and objectives. These goals and objectives dealt primarily with criteria related to fee sufficiency and level. Specifically, the major objectives considered in this study included:

- The capital facilities fees should be sufficient to fund the projected capital requirements associated with providing water and wastewater service to new development;

- To the extent practical, the capital facilities fees should not be used to fund deficiencies in the capital needs of the water and wastewater utility systems (i.e., no expenditures for renewal and replacement or upgrade of facilities serving existing customers);

- The capital facilities fees should be based upon reasonable level of service standards that meet the needs of the City, are indicative of the criteria used for long term infrastructure planning, and are similar to industry standards; and

- The capital facilities fees should be generally competitive with fees in effect in neighboring jurisdictions.

The proposed water and wastewater capital facilities fees presented in this Report should meet these objectives. Based on information provided by the City and the assumptions and considerations outlined in this Report, Public Resources Management Group, Inc. considers the proposed charges to be cost-based, reasonable, and representative of the identified capital funding requirements of the System as identified by the City.

Following this letter, we have provided an executive summary of the report that outlines our recommendations and conclusions to the City. The accompanying report provides additional details regarding the analyses conducted on behalf of the City.

We appreciate the cooperation and assistance given to us by the City and its staff in the completion of the study.

Very truly yours,

Public Resources Management Group, Inc.

Robert J. Ori
President

Jeffrey M. Wilson
Senior Consultant

EXECUTIVE SUMMARY AND RECOMMENDATIONS

The purpose of capital facilities fees are to assign, to the extent practical, growth-related capital costs to those new customers responsible for such costs. To the extent development imposes identifiable added capital investment necessary to provide water and wastewater system (the "System") services, equity and modern capital funding practices suggest the assignment of such cost to those residents or System users responsible for such added costs. Municipalities have recognized this capital funding strategy for many years as being an appropriate method of funding the increased capital requirements as a result of development within the service area of the System.

The existing capital facilities fees for the System were made effective by the City Council of Marco Island pursuant to Ordinance No. 2003-19, approved on October 20, 2003 (the "Fee Ordinance"). The current capital facilities fees adopted by the City were the existing fees charged by Florida Water Services Corporation (FWS) at the time of acquisition of the Marco Island and Marco Shores service areas and did not necessarily reflect the capital burden imposed by development for the specific Marco service areas. The fees charged by FWS were based on uniform state-wide composite average of all their service areas and did not necessarily reflect the capital burden imposed by development for the specific Marco service areas. The City has identified a significant amount of capital improvements to meet anticipated system capacity needs in the near future due to the continued growth of the utility service territory. In order to provide a funding source consistent with the anticipated capital plan for the System, the City retained Public Resources Management Group, Inc. (PRMG) to review the capital facilities fees and recommend changes to the level of the fees charged where considered warranted.

The following is a summary of the observations and recommendations developed by PRMG during our investigation, analyses, and preparation of the Report.

1. The imposition of capital facilities fees must meet the rational nexus requirements as determined by case law whereby the benefits received by the applicant (new development) must be reasonably related to the capital cost of providing utility services. The proposed charges were designed to meet these provisions based on the information made available by the City to PRMG.

2. The existing water capital facilities fee is $833 for the Marco Island service area and $985 for the Marco Shores service area per equivalent residential connection ("ERC") and was made effective by the City by the adoption of the Fee Ordinance on October 20, 2003. An ERC represents the average daily capacity allocable to an individually metered residential customer receiving service through a 3/4-inch service. Generally, a typical residence would equate to 1.0 ERC with all other accounts/development being expressed as a multiple of ERCs based on the amount of flow (average daily use) of such account/development. The capital facilities fees for service are applied on an ERC basis.

3. The existing wastewater capital facilities fee is $2,600 for the Marco Island service area and $1,549 for the Marco Shores service area per ERC and was made effective by the City by the adoption of the Fee Ordinance on October 20, 2003.

4. The existing water and wastewater capital facilities fees do not adequately recover the identifiable cost of plant capacity and transmission line (backbone) capacity allocable to incremental customer growth. The City should consider adopting the proposed water and wastewater capital facilities fees as presented in this Report and shown below:

	Rate per ERC
Water	$2,725
Wastewater	2,910
Combined	$5,635

5. The recommended water system capital facilities fee of $2,725 represents an increase of $1,842 and $1,740 for the Marco Island and Marco Shores service areas respectively, when compared to the existing fee. The recommended wastewater system capital facilities fee of $2,910 represents an increase of $310 and $1,361 for the Marco Island and Marco Shores service areas respectively, when compared to the existing fee. Although the overall adjustment in the proposed fees is material, the level of fees charged is directly related to the anticipated capital improvement program.

6. It is recommended the City adopt a revised Capital Facilities Fee application methodology to assist the City in recognizing the diverse capacity requirements of the residential and commercial customer classes. The capital facilities fees are applied to two (2) customer classifications. These customer classifications include a) individually metered single-family residential service (which recognizes differences in household size based on the number of bedrooms for the single-family residential dwelling unit and size [square footage] of the dwelling unit); and b) all other customers, including multi-family residential service and, non-residential or commercial service.

   The capital facilities fee methodology proposed herein was based on: i) the limitations and conflicts in trying to apply the determination of fees especially for the commercial and institutional customer classes; ii) a review of methods used by other neighboring utilities; iii) our experience in setting fees for other similar utilities; and iv) the policy goal of better matching capacity utilization to fee levels (benefit vs. cost). A detailed discussion of the recommended and alternative application methodologies is contained in Section 3 of this report.

7. For the purposes of determining the appropriate ERC value to apply to single family residential connections to the System, the value should be based on the size of the household structure or attributes to recognize the customer diversity in capacity need. Reference is made to Appendix A in this report for the ERC value which is summarized below:

Criteria	ERC
1,500 square feet (s.f.) or less, with 2 bedrooms or less	0.67
1,501 to 2,500 s.f., with 4 bedrooms or less	1.00
For each additional bedroom above four (4) bedrooms, or each additional 750 s.f. of building area, or fraction thereof in a dwelling unit above 2,500 s.f.	0.33

8. With respect to determining the appropriate ERC value to apply to the commercial and master metered multi-family residential classes (the "commercial service class"), the ERC should be determined on an individual (case by case) basis with the anticipated flow requirements per day being estimated by the City during the development project. The rate of the capital facilities fee charged for the commercial service class shall be calculated based on the average necessary level of service capacity calculated on an estimated average daily flow basis figured in terms of gallons per day by and through the use of Equivalent Residential Connections as according to the formula below:

$$\text{Water Fee} = \frac{\text{Average Dependable Daily Capacity Expressed on a GPD basis}}{\text{450 GPD}} \times \frac{\text{Water Rate}}{\text{ERC}}$$

$$\text{Wastewater Fee} = \frac{\text{Average Dependable Daily Capacity Expressed on a GPD basis}}{\text{275 GPD}} \times \frac{\text{Wastewater Rate}}{\text{ERC}}$$

To the extent no estimated average daily flow requirement is available, the City should estimate the ERCs for the specific account based on the schedule included in Table 3-1, (and reproduced in Appendix A, located at the end of this report, that recognizes specific customer attributes, where appropriate). This approach is based, generally, on published information from the State of Florida Department of Health and Rehabilitative Services within Section 64E-6 of the Florida Administrative Code (F.A.C.). Section 64E-6 of the F.A.C. and ordinances from other water and wastewater utility providers were used to develop a comprehensive rate tariff which would allow the City maximum implementation flexibility if there is no available average dependable daily capacity flow information for this particular account.

9. The Level of Service (LOS) standard utilized in the development of the capital facilities fees in this report is as follows:

	ERC Factor (gpd)
Water Service	450
Wastewater Service	275

(gpd) = gallons per day – average annual daily use

The following is a summary of the sources considered in the analysis:

Source	Gallons Per Day Per ERC Water	Wastewater
FPSC Rule 25-30.020 FAC	350	280
FDEP General/Typical Design Standards	350	280
2003 LOS Report (*)	432	216
Average GPD Per ERC (Last 4 Years)	541	278
Current City Capital Facilities Fee Ordinance	255	171
(*) Determined as follows:		
Estimated Persons per Household	2.16	2.16
Average Daily Flow (gpcd)	200	100
Average Flow Per ERC	432	216

10. The City has undertaken a capital improvement program to insure that adequate facilities exist to meet future customer growth and corresponding System capacity needs. Based on information contained within the Five-Year Capital Improvement Program provided by City staff, the following is a summary of capacity additions assumed to be constructed in the next five years and recognized in the fee determination:

	Capacity Added (MGD) [*]	Period
New Water Plant Capacity:		
Marco Island Reverse Osmosis Plant Expansion	1.000	2004-2008
Marco Island Lime Softening Plant	1.000	2004-2008
Marco Shores Lime Softening Plant	0.280	2004-2008
Total	2.280	

[*] Represents maximum day capacity for water plants.

11. The development of the capital costs included in the derivation of the capital facilities fees was based on the improvements-driven method. Specifically, the fees were predicated on the estimated cost of the additional capital expenditures identified in the City's Five-Year Capital Improvement Program, adjusted to recognize the removal of certain projects not considered applicable to the capital facilities fee calculations. Such capital costs were allocated between existing and future customers based on the estimated benefit afforded to such customers predicated on the intent of the expenditures, existing and future capacity needs of the System, and other factors.

12. The following is a comparison of water and wastewater capital facilities fees (impact fees) charged by other neighboring Florida entities for typical single-family residential development. A more detailed comparison of the residential impact fees expressed on a per ERC basis (typical for a residential impact fee) is included on Table ES-1 attached herein.

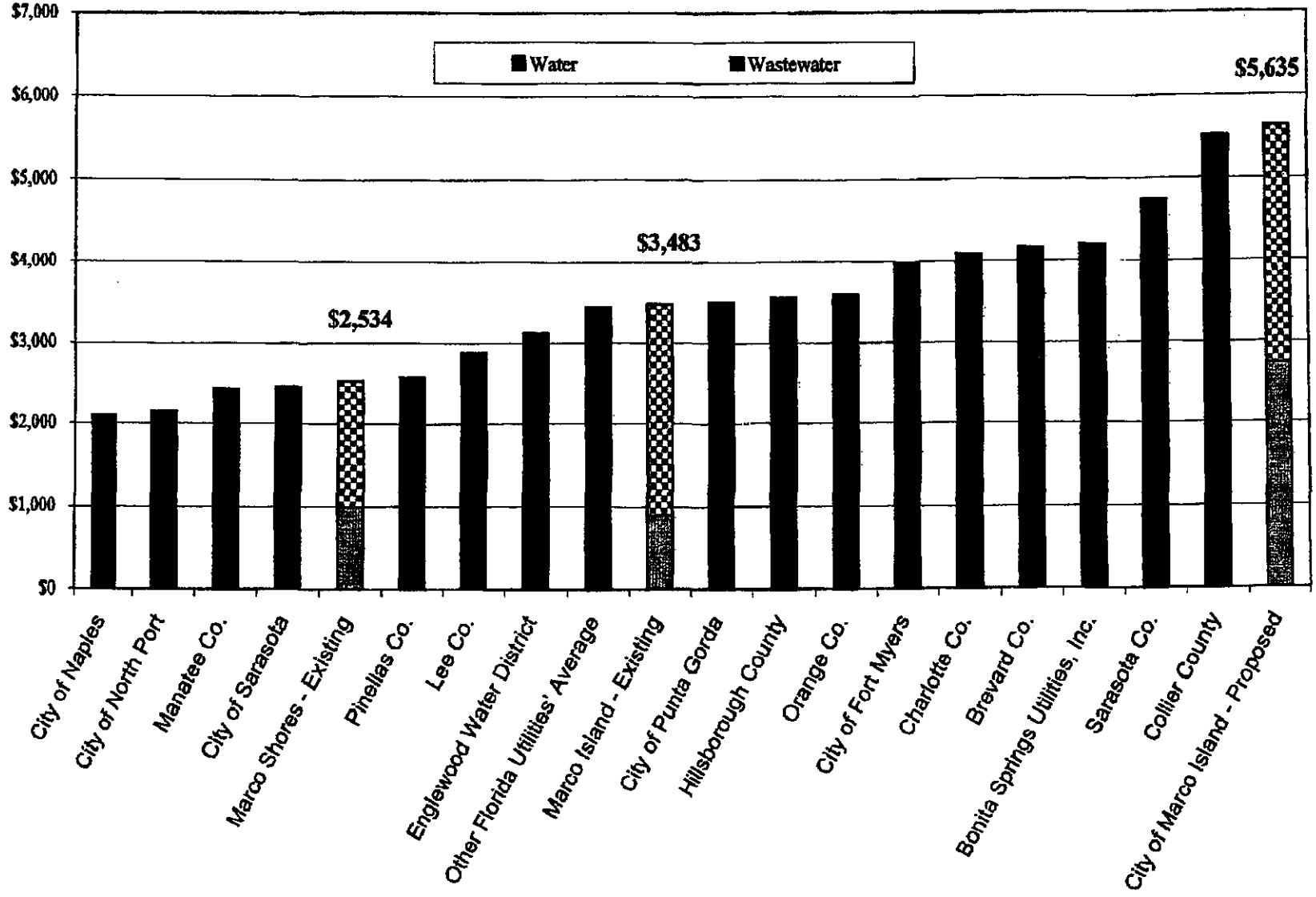
	Water	Wastewater	Combined
City of Marco Island			
Existing Capital Facilities Fees			
Marco Island	$883	$2,600	$3,483
Marco Shores	985	1,549	2,534
Proposed Consolidated Capital Facilities Fees	2,725	2,910	5,635
Other Florida Utilities			
Bonita Springs Utilities, Inc.	1,640	2,565	4,205
Charlotte County [1]	1,518	2,570	4,088
Collier County [1]	2,570	2,950	5,520
City of Fort Myers	2,023	1,966	3,989
Lee County	1,140	1,735	2,875
Sarasota County	2,720	2,031	4,751

[1] Entities that are in the process of reviewing the current capital facilities fees.

13. As a result of the City's ongoing capital improvements program relative to providing water and wastewater service to its retail customers, the water and wastewater capital facilities fees should be reviewed for adequacy not less than every two (2) years.

14. The proposed capital facilities fees should be adopted and implemented by the City as early as possible recognizing current capital projects underway in order to fully recover the cost of constructing new water and wastewater facilities intended to serve new development.

Figure ES-1
City of Marco Island
Comparison of Water and Wastewater Capital Facilities Fees Per Equivalent Residential Connection (ERC)



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Public Resources Management Group, Inc.
Utility, Rate, Financial and Management Consultants

April 26, 2004

The Honorable Chairman and
Members of the Authority Board of Directors
Florida Keys Aqueduct Authority
1100 Kennedy Drive
Key West, FL 33041

Subject: **Conch Key/Duck Key Wastewater Service District and Bay Point Wastewater Service District - Financial Feasibility Report**

Ladies and Gentlemen:

Presented herein is our Financial feasibility report (the "Report") summarizing our analyses and findings associated with the financing of wastewater collection and treatment and disposal systems located within certain portions of unincorporated Monroe County (the "County") for consideration by the Authority Board of Directors of the Florida Keys Aqueduct Authority (the "Authority"). The capital program to be financed includes the construction of wastewater facilities to serve the Conch Key/Duck Key Wastewater Service District (the "Conch Key/Duck Key System") and separate wastewater facilities to serve the Bay Point Wastewater Service District (the "Bay Point System"). The principal purpose of this Report is to i) present a general discussion on the wastewater needs of the Florida Keys located within the County; ii) discuss more specifically the Authority's wastewater facilities programs, including a summary of the capital improvement programs for the Conch Key/Duck System and Bay Point System; iii) provide a forecast of the financial needs of the Authority's wastewater program, including the Little Venice Wastewater District project (the "Little Venice System") currently under construction; and iv) summarize the preliminary rates for service. Additionally, the Report is structured to assist the Authority in securing funds (e.g., from local banking institutions) for the construction of the infrastructure associated with the various wastewater facilities programs.

This Report contains preliminary financial projections of capital costs and the anticipated operations of the Authority's various wastewater collection, treatment, and effluent disposal systems (the "FKAA Wastewater System"). The FKAA Wastewater System includes all individual wastewater systems with the Authority's wastewater service area. For purposes of this report, the FKAA System includes the Little Venice System, Conch Key/Duck Key System, and Bay Point System. The Little Venice System is currently under construction with all customers expected to be connected by September 2004. Construction bids for the Conch Key/Duck Key System and Bay Point System were received by the Authority in December 2003. While the Little Venice System is located within the City of Marathon, this Report does not include financial projections for the Authority to provide service to the entire City of Marathon. The

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feasibility report completed for the Authority in October 2001 contemplated wastewater service to the entire City of Marathon. Because the implementation strategy and construction costs for the City of Marathon are uncertain as of the date of this Report, this service area is not included as part of this Report. The Authority staff has provided the cost estimate for design and construction of the Conch Key/Duck Key System and Bay Point System and certain direct costs associated with the ongoing operating expenses, which are in this report for informational purposes. Public Resources Management Group, Inc. (PRMG) has compiled the financial projections and the corresponding estimated rates and fees for service considered necessary to meet the projected financial requirements of the FKAA Wastewater System. PRMG offers no opinion on the cost of the project or any engineer-related aspects associated with any project herein.

In the preparation of this Report, PRMG has relied upon financial, statistical and operational data regarding the FKAA Wastewater System which have been derived from operating reports and records prepared by the Authority and assumptions regarding the management of the individual systems after completion of the various wastewater facilities projects. The financial projections reflected in this Report are based on discussions with and information provided by the Authority, information of the operations of other utilities in Florida, as well as certain assumptions and analyses made by us with respect to such financial projections. The FKAA Wastewater System's ability to meet its financial commitments and requirements and comply with the anticipated covenants associated with the borrowing of funds to meet the capital expenditure requirements are subject to the assumptions and considerations identified in the Report and information obtained during preparation of the Report. As such, the Report should be read in its entirety. It should be noted that while we believe the sources of such information, assumptions and projections to be reasonable for the purposes of this Report, we offer no assurances with respect thereto. The actual results achieved during the forecast period reflected in this Report may vary from those projected and such variations could be material. Such projections are, therefore, subject to adjustment and we can give no assurances that the projections will be realized.

This Report summarizes the results of our studies and analyses up to the date of this Report. Prospective lenders, users, or interested third parties should not rely upon the information contained in this Report for a current description of any matters set forth herein as of any date subsequent to the date of this Report. Changed conditions occurring or becoming known after such date could affect the material presented herein to the extent of such changes.

Very truly yours,

Public Resources Management Group, Inc.

Robert J. Ori
President

Anthony Hairston
Senior Consultant

RATES, FEES, AND CHARGES

General

As part of the Little Venice System financing, the Authority adopted the Master Bond Resolution No. 00-20 as amended ("Master Bond Resolution"), authorizing the issuance of the outstanding wastewater bonds. The Master Bond Resolution requires the Authority to fix, establish and maintain such rates and collect fees, rates or other charges for the services or facilities of the System, so as to provide Net Revenues in each fiscal year (Net Revenues being defined as total System revenues less the cost of Operation and Maintenance Expenses) that should meet certain debt service coverage relationships and the financial policies of the System. Specifically, the Bond Resolution requires that: i) the Net Revenues of the System be sufficient to provide a debt service coverage ratio of 1.20 times the annual debt service payment; or ii) the Net Revenues and Impact Fees (system development charges) be sufficient to provide a debt service coverage ratio of 1.25 times the annual debt service payment. The primary reason for the two-part coverage test is that a majority of the source of funds used for repayment of the cost of financing the Project will be derived from system development charges to be collected on an installment basis using the "Uniform Method" (a non-ad valorem assessment is allowed by Florida Statutes). It is anticipated by the Authority that proceeds of the Sewer Bonds issued during the Fiscal Year 2004 (the "Series 2004 Bonds") to fund a portion of the Conch Key/Duck Key System and the Bay Point System will initially be issued on a Junior Lien basis. It is expected that the Series 2004 Bonds will accede to Senior Lien status on a parity basis with the Outstanding Bonds after completion of the Conch Key/Duck Key System and Bay Point System projects, and thus will have the same rate covenant requirements. Additionally, the Authority also covenants that it will revise from time to time and as often as necessary the rates, fees, and charges so that the Net Revenues in each fiscal year are sufficient to meet the financial obligations of the FKAA Wastewater System.

The Authority has adopted wastewater fees and charges for the Little Venice System as part of its Provision of Wastewater Service rules adopted by the Authority Board on December 19, 2002 and revised April 1, 2004. The monthly rates for wastewater service in the Little Venice System area are established as follows:

Little Venice System Monthly Wastewater Rates [1]	
Base Facility Charge	
Single-Family Residential	$24.80 [2]
All Other Classes of Service (Meter Size)	
5/8 x1/4-inch	$24.80
1-inch	62.00
1-1/2-inch	124.00
2-inch	198.00
3-inch	372.00
4-inch	620.00
6-inch	1,240.00
Wastewater Flow Charge (per 1,000 gallons)	$5.11 [3]
Monthly Flat Charge for Customers with Alternative Water Supply	$50.00

[1] As obtained from the Authority's adopted Wastewater provision of Wastewater Service rules.

[2] Qualified Senior Citizen Service customers are not billed a monthly wastewater Base Facility Charge. Based on historical water customer statistics, approximately 15 of 737 future Little Venice wastewater accounts currently quality for Senior Citizen Service.

[3] Wastewater flow charges are based on metered potable water use (exclusive of individually metered water-only service) which is provided by the Authority. The wastewater flow charge for single-family residential customers is capped at 12,000 gallons per month.

Based on estimated usage of 4,000 gallons derived from the detailed customer billing records (water use), the average wastewater bill for residential Little Venice System customers will currently be $45.24 per month. The Authority has not formally adopted monthly rates for the Conch Key/Duck Key System and Bay Point System service areas as of the date of this Report. Prior to the finalization of construction and the implementation of service, it is expected that formal rates will be adopted by the Authority and the monthly wastewater rates for these service areas will have a similar rate structure to the Little Venice System rates.

Based on the projected revenue requirements (expenditures) of each respective service area and the customer billing determinates as previously discussed, an average rate per EDU for the Conch Key/Duck Key System and Bay Point System service areas is estimated herein. Based on these parameters, the following average rate per EDU is recognized in the financial forecast:

	Average Monthly Rate
Conch Key/Duck Key System	$51.00 per EDU
Bay Point System	$54.00 per EDU

As can be seen above, the average monthly rates per EDU for each respective service area are slightly different and are based on the estimated expenditure requirements of each service area. Based on discussions with the Authority, it is assumed that the rates for each service area will be predicated on each area's cost of service. The estimated average monthly rate per EDU is based on the projected expenditure requirements reflected in this Report and support the overall net revenues of the System as summarized on Table 8.

The following table provides a comparison of the estimated monthly cost of providing wastewater service for a single-family residential customer of the Authority. Monthly costs shown in the comparison are calculated reflecting a 5/8 x 3/4-inch meter with a usage level consistent with the assumed service area needs. Also included on the wastewater comparison are bills calculated under rates of other neighboring utilities located within Monroe County and other similar wastewater utilities in Florida as of March 2004. The monthly bills of the various other utilities used for the comparison are exclusive of local taxes, if any. The comparison assuming a 5/8 x 3/4-inch meter represents the majority of the wastewater customers anticipated to be served by the Authority (essentially all consist of residential service) and the majority of customers for the other utilities reflected in the comparison. It is estimated that the average residential customer in the FKAA Wastewater System will utilize between 3,000 and 4,000 gallons of wastewater service per month. As shown below, the anticipated rates for service for the various FKAA Wastewater System districts are comparable to rates charged for other wastewater customers located in the Florida Keys.

	Residential Service Average Monthly Wastewater Bill – 4,000 Gallons of Service
Little Venice System	$45.24 [1]
Conch Key/Duck Key System (per Average EDU)	51.00[2]
Bay Point System (per Average EDU)	54.00[2]
Other Florida Keys Utilities	
K.W. Resort Utilities, Inc. [3][4]	36.41
City of Key West	35.45
Key Haven Utilities, Inc. [4]	55.27
Ocean Reef Utilities Association [4]	48.33
Other Similar Utilities	
City of Marco Island	$32.25
Marco Shores [5]	46.84
City of Sanibel	31.52

[1] Amount shown for Little Venice System reflects actual rates adopted by the Authority.

[2] Amounts represent the estimated average monthly bill per EDU. It is anticipated that the Authority will adopt rates for these service districts with a rate structure similar to the Little Venice System.

[3] Reflects rates as adjusted for Price Index Rate Application as approved by the Florida Public Service Commission effective May 2004.

[4] Represents utilities regulated by the Florida Public Service Commission

[5] The Marco Shores utility is owned and operated by the City of Marco Island.

As can be seen in the comparison, the estimated average monthly rates for the Conch Key/Duck Key System and Bay Point System produce bills that are somewhat higher than those charged for similar levels of service by other neighboring utilities. However, the Little Venice System rates for wastewater service adopted by the Authority are comparable to other existing wastewater utilities. For the purposes of this comparison, the average residential customer is assumed to use approximately 4,000 gallons of monthly wastewater service. Although the rates anticipated for the Authority for certain service areas appear to be higher, it must be recognized that the Authority's wastewater system will consist of assets that represent current values (versus historical or embedded costs of the utilities). Additionally, because of the treatment requirements mandated by regulatory agencies for the Authority's wastewater system, the utility must have advanced wastewater treatment requirements. Except for the City of Key West, those utilities presented on the table currently do not utilize advanced wastewater treatment and disposal methods.

It should also be noted that in the development of the rates do not reflect the cost of abandonment of on-site septic tanks and associated individual package plants and the connection to the utility system. These costs are generally the responsibility of the property owner and are not normally included in the monthly rates for wastewater service.

System Development Charges (Impact Fees)

As part of the plan to finance construction, the Authority has adopted system development charges (impact fees) for the Little Venice System and plans to adopt similar charges for the Conch Key/Duck Key System and Bay Point System. The charges are applied to new development requiring wastewater capacity in an effort to fund the capital costs of such capacity and equitably assign such costs to those users that are imposing the need for the construction of capital facilities. This application of a system development charge is commonly used by Florida utilities to fund the expansion or construction of utility plants required to service new customers.

The preliminary system development charges for the Conch Key/Duck Key System and Bay Point System reflected in this Report are based upon an equitable and proportionate share of the cost of the wastewater transmission, treatment, and effluent disposal capacity of each individual wastewater system. According to the Authority's adopted wastewater fees and charges, applicants associated with new development must pay the applicable system development charge prior to the issuance of a building permit. However, the Authority may provide a means by which existing dwelling units and structures (properties already developed and receive water service, but not currently receiving wastewater service) within a newly created wastewater service district may pay the system development charge over a period not to exceed twenty (20) years. Based on the anticipated Project costs associated with the wastewater facilities required for each of the service areas described herein and the level of service requirements (expressed on a gallon per daily flow per equivalent dwelling unit basis), the following system development charge for each applicable service area is reflected herein:

Wastewater System	
Description	Amount
Level of Service (gpd per EDU)	167
System Development Charge	
Little Venice System (adopted)	$4,700
Conch Key/Duck Key System (estimated)	4,700
Bay Point System (estimated)	4,700

With respect to the billing of the system development charges, the Authority has initiated the process of utilizing the Uniform Method of billing as provided by Chapter 197, Florida Statutes (i.e., non-ad valorem assessment included on the property bill). This methodology allows the Authority to begin collecting capital costs in advance of customer connection and thereby reduce the overall cost of the wastewater program (i.e., avoided interest carrying charges on financing of project construction). As such, use of the Uniform Method is an installment-based payment that has the same seniority in payment as ad valorem taxes. The Authority reports that this assessment has begun with 2003 tax bill in November 2003 for the Little Venice System. It is anticipated that assessments for the Conch Key/Duck Key System and Bay Point System will begin with the 2004 tax bill in November 2004.

The table below provides a comparison of the system development charges anticipated for the Authority's wastewater service areas and those currently being charged by other similar utilities. As shown below, the Authority's currently estimated system development charges for the wastewater program are higher when compared to other utilities. It should be noted that when making this comparison that these charges for other communities may not: i) reflect current construction costs of new facilities but embedded costs of facilities constructed several years ago; ii) the high quality level of wastewater treatment being required of the Authority (i.e., advanced wastewater treatment); iii) the recognition of all costs of transmission and collection facilities necessary to provide service; and iv) the use of deep well injection as the method of effluent disposal.

	Wastewater System Development Charge
FKAA Wastewater System	
Little Venice System (adopted)	$4,700
Conch Key/Duck Key System (estimated)	4,700
Bay Point System (estimated)	4,700
Other Florida Keys Utilities (existing)	
K.W. Resort Utilities, Inc.	$2,700
City of Key West	2,010
Key Haven Utilities, Inc.	1,200
Other Florida Utilities (existing)	
City of Marco Island	2,910
Marco Shores	2,910
City of Sanibel	2,914

Table 4

Florida Keys Aqueduct Authority
Wastewater System

Summary of Monthly Sales and System Development Charge Revenue

Line No.			Projected Fiscal Year Ending September 30, 2005	2006	2007	2008	2009
	MONTHLY RATE REVENUE						
	Little Venice Service Area						
1	Average Annual EDU's Served		968	968	968	968	968
2							
3	Unit ($/EDU)	(1)	$ 37.00	$ 37.37	$ 37.74	$ 38.12	$ 38.50
4	Annual Rate Revenue - Little Venice		$ 429,748	$ 434,045	$ 438,343	$ 442,756	$ 447,170
5							
6	**Conch Key Service Area**						
7	Average Annual EDU's Served		443	626	626	626	626
8							
9	Unit ($/EDU)	(1)	$ -	$ 51.00	$ 51.51	$ 52.03	$ 52.55
10	Annual Rate Revenue - Conch Key		$ -	$ 383,112	$ 386,943	$ 390,849	$ 394,756
11							
12	**Bay Point Service Area**						
13	Average Annual EDU's Served		-	434	434	434	434
14							
15	Unit ($/EDU)	(1)	$ 54.00	$ 54.00	$ 54.54	$ 55.09	$ 55.64
16	Annual Rate Revenue - Bay Point		$ -	$ 281,232	$ 284,044	$ 286,909	$ 289,773
17							
18							
19	**Combined System Rate Revenues**		**$ 429,748**	**$ 1,098,389**	**$ 1,109,330**	**$ 1,120,514**	**$ 1,131,699**

Footnotes on Page 3 of 3.

Florida Keys Aqueduct Authority
Wastewater System

Little Venice Wastewater Program

Projection of Operating Expenses - Little Venice Project

Line No.			Escalation Reference	Fiscal Year Ending September 30, 2005	2006	2007	2008	2009
	Wastewater Collection cont.							
38	Other	5.00%	Inflation	712	741	770	801	833
39	Purchased Power		Commodity	-	-	-	-	-
40	Chemicals		Commodity	-	-	-	-	-
41	Materials and Supplies		Inflation	513	526	539	552	566
42	Contractual Services - Engineering		Contractual	-	-	-	-	-
43	Contractual Services - Accounting		Contractual	-	-	-	-	-
44	Contractual Services - Legal		Inflation	-	-	-	-	-
45	Contractual Services - Other/Plant Operations		Inflation	-	-	-	-	-
46	Rent Expense (equipment/machinery)		Inflation	-	-	-	-	-
47	Transportation Expense		Inflation	2,614	2,679	2,746	2,815	2,885
48	Insurance		Insure	-	-	-	-	-
49	Advertising		Inflation	-	-	-	-	-
50	Office Supplies		Margin	-	-	-	-	-
51	Repairs and Maintenance of Plant		Repair	14,759	14,943	15,130	15,357	15,588
52	Telephone/Communications		Inflation	185	190	194	199	204
53	Postage		Margin	-	-	-	-	-
54	Transportation Expense		Inflation	2,614	2,679	2,746	2,815	2,885
55	Miscellaneous - Other		Margin	256	259	262	266	269
56	Travel and Training		Constant	-	-	-	-	-
57	Total Wastewater Collection			40,979	42,117	43,292	44,545	45,840
	Other Authority and Customer Service Costs							
	Cost Reimbursements:							
58	Wastewater Administration		Calculated	27,300	28,200	29,200	30,200	31,300
59	Customer Service and Billing Costs		Calculated	24,500	24,800	25,100	25,400	25,700
60	Less Amount Capitalized to Project Cost		Calculated	-	-	-	-	-
61	Bad Debt Expense	0.50%	Calculated	2,149	2,170	2,192	2,214	2,236
62	Contingency Allowance (% of Operating Exp.) @	7.50%	Calculated	25,665	26,404	27,171	27,964	28,786
63	Total Other Authority and Customer Billing Costs			79,614	81,574	83,663	85,778	88,022
64	Total Operating Expenses			$ 370,009	$ 380,621	$ 391,643	$ 403,027	$ 414,841

Jun 08 2004 5:45PM KLWTD FISHBURN 305 852 2477 p.2

Table 5

Florida Keys Aqueduct Authority
Wastewater System

Little Venice Wastewater Program

Summary of Escalation Factors for Expense Projections

Line No.		Escalation Reference	Fiscal Year Ending September 30,						
			2004	2005	2006	2007	2008	2009	2010
1	Inflation Allowance (CPI)	Inflation	1.0210	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250
2	Constant Factor	Constant	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
3	Marginal Escalator	Margin	1.0105	1.0125	1.0125	1.0125	1.0125	1.0125	1.0125
4	Labor Escalator	Labor	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
5	Contractual Services	Contractual	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300
6	Customer Escalator	Customer	1.0105	3.9749	1.0125	1.0125	1.0125	1.0125	1.0125
7	Commodity Escalator	Commodity	1.0000	4.0314	1.0250	1.0250	1.0250	1.0250	1.0250
8	Insurance Factor	Insure	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500
9	Repair and Maintenance	Repair	1.0100	1.0100	1.0125	1.0125	1.0150	1.0150	1.0150
10	Additional Item	Add1	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
11	Additional Item	Add2	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
12	Additional Item	Add3	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
13	Elimination Factor	Eliminate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

Table 8

Florida Keys Aqueduct Authority
Wastewater System

Projected Debt Service Coverage - FKAA Wastewater System

Line No.		Projected Fiscal Year Ending September 30, 2005	2006	2007	2008	2009
	System Revenues (1)					
	Sales Revenues from Rates					
1	Little Venice Service Area	$ 429,748	$ 434,045	$ 438,343	$ 442,756	$ 447,170
2	Conch Key Service Area	-	383,112	386,943	390,849	394,756
3	Bay Point Service Area	-	281,232	284,044	286,909	289,773
4						
5	Total Sales Revenues from Rates	429,748	1,098,389	1,109,330	1,120,514	1,131,699
6						
7	Other Operating Revenues	-	-	-	-	-
8	Interest Income (2)	2,658	4,643	5,768	6,237	7,195
9	Other Miscellaneous Income	-	-	-	-	-
10						
11	Total System Revenues	$ 432,406	$ 1,103,032	$ 1,115,098	$ 1,126,752	$ 1,138,893
12						
13	**Operating Expenses (3)**					
14	Little Venice Service Area	$ 370,009	$ 380,621	$ 391,643	$ 403,027	$ 414,841
15	Conch Key Service Area	-	325,032	337,191	349,821	362,941
16	Bay Point Service Area	-	237,417	244,996	252,831	260,932
17						
18	Total Operating Expenses	370,009	943,069	973,829	1,005,679	1,038,714
19						
20	Net Revenues (Exclusive of Capacity Fees)	$ 62,396	$ 159,962	$ 141,269	$ 121,073	$ 100,180
21	Capacity Fee Receipts and Interest Earnings (4)	284,165	497,811	497,811	497,811	497,811
22	Net Revenues (Inclusive of Capacity Fees)	$ 346,562	$ 657,773	$ 639,080	$ 618,884	$ 597,991
23						
24	**Other Expenditure Requirements**					
25	Loan Repayment On Utility Borrowing					
23	Series 2000 Bonds (Little Venice System)	218,260	218,260	218,260	218,260	218,260
24	Series 2001 Bonds (Marathon System) (5)	12,036	12,036	12,036	12,036	12,036
25	Series 2004 Bonds (Conch Key/Duck Key System and Bay Point System)	-	193,762	193,762	193,762	193,762
26	Annual Payment Requirements	230,296	424,058	424,058	424,058	424,058
27	Debt Service Coverage -					
28	Net Revenues without Capacity Fees (1.20 Minimum)	**0.27**	**0.38**	**0.33**	**0.29**	**0.24**
29	OR					
30	Net Revenues with Capacity Fees (1.25 Minimum)	**1.50**	**1.55**	**1.51**	**1.46**	**1.41**
31						
32	**Other Required Transfers**					
33	Transfer to the Debt Service Reserve Account (6)	-	-	-	-	-
34	Transfer to the R&R Account (minimum require.) (7)	21,487	54,919	55,466	56,026	56,585
35						
36	Net Amount Available for Other Purposes	$ 94,779	$ 178,796	$ 159,555	$ 138,800	$ 117,348

Footnotes on Page 2 of 2.

Table 8

Florida Keys Aqueduct Authority
Wastewater System

Projected Debt Service Coverage - FKAA Wastewater System

Footnotes:

(1) Amounts shown derived from Table 4.

(2) Amounts shown based on estimated balance in accounts assumed to be established by the Authority, including the Operating/surplus Account, Renewal and Replacement Account, and the Debt Service Account. No interest earnings on the Wastewater System Development Charge Account or any construction fund associated with and Project financing are included since such amounts are assumed to be restricted to such accounts.

(3) Amounts derived from Tables 5 through 7.

(4) Amounts obtained from Table 4.

(5) The Series 2001 Bonds for the Marathon System reflect annual debt service on $150,000 principal amortized over a 20 year period at a 5.0% annual interest rate. Principal amount of $150,000 is estimated based on $113,643 draw down as of 9/30/03 as obtained from the Authority's CAFR for Fiscal Year 2003 plus an allowance for any additional planning expenditures or capitalized interest not funded from other sources (such as grants or contributions). Amount does not reflect actual construction of Marathon System.

(6) Based on discussions with the Authority, no loan repayment reserve was assumed as a requirement from rate revenues; to the extent a reserve account is required to be established, it is assumed that a portion of the proceeds of any construction loan will be applied to the loan reserve requirements.

(7) Amount reflects annual deposit to the Renewal and Replacement Account established to accrue monies for facility replacement and upgrade and recognizes a minimum deposit requirement equal to five percent (5%) of the current period rate revenue.

ENGLEWOOD WATER DISTRICT

COMPARISON OF WATER & SEWER RATES WITHIN THE LOCAL AREA

ONE MONTH WATER BILL (4,000 gallons of usage)

Englewood Water District	$17.20
City of Sarasota	$18.14
Sarasota County Utilities	$20.02
North Port Utilities	$20.56
City of Venice	$21.71
Siesta Key Utility Authority	$22.89
Charlotte County Utilities	$28.75

ONE MONTH SEWER BILL (4,000 gallons of usage)

Siesta Key Utility Authority	$21.15
City of Venice	$23.05
City of Sarasota	$28.48
Englewood Water District	$28.83
Charlotte County Utilities	$33.41
North Port Utilities	$38.14
Sarasota County Utilities	$39.53

COMBINED WATER & SEWER FROM ABOVE

Siesta Key Utility Authority	$44.04
City of Venice	$44.76
Englewood Water District	$46.03
City of Sarasota	$46.62
North Port Utilities	$58.70
Sarasota County Utilities	$59.55
Charlotte County Utilities	$62.16

All rates above were verified as of November 12, 2003. Rates include each utilities base charge and usage charge to arrive at a total bill for 4,000 gallons.

KLWTD Board Meeting
June 16, 2004

Item H - 3

Discussion of the System Development Change Options

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

TO: Key Largo Wastewater Treatment District Board Members

FROM: Charles Fishburn, General Manager

DATE: June 8, 2004

RE: System Development Charge Options

System Development Charge Options Include the Following:

1. Full payment by property owners.
2. Collection over twenty years with District financing.
3. Flex choice plan.

OTHER CONSIDERATIONS:

FEMA requirements for low and very low-income property owners.

Mandatory sewer hookup requirements.

RECOMMENDATION:

Staff to present a recommendation at the July 21, 2004 meeting.

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

Cape Coral
FLORIDA
Utility Expansion Program
FlexChoice
The right solution for repayment flexibility

ayment Options

- Pay the assessment in its entirety
- Pay one utility in full, finance the remaining
- Finance with the City of Cape Coral and let the City determine yearly assessment amount
- FlexChoice Plan

The Need

Cape Coral
FLORIDA

- The current hardship program is too limiting.
- Customers need and want flexible financing options.

The Solution

- FlexChoice: An alternative payment option that enables citizens to pay what they can afford when they can afford it.

- All utility expansion customers qualify for this flexible financing option.

FlexChoice Features

- Property owners determine how much or how little to pay each year.
- $200 minimum annual payment.
- Property owners can pay off the assessment early without penalty.

FlexChoice Features

Cape Coral
FLORIDA

- The assessment accrues until the sale of the home, transfer of title or upon refinancing.
- This option is available for up to 20 years.

FlexChoice Program

City of Cape Coral Role

- Determines minimum annual payment amount for residents electing to make a payment
- Notifies FlexChoice participants annually of total amount due to date, including interest
- Collects accrued assessment when a property is sold, transferred or refinanced
- Collects balance of accrued assessment at the end of 20-year term

How FlexChoice Works

Cape Coral
FLORIDA

- Zero coupon bonds fund the improvements and match the assessments as they accrue.
- This type of funding is used commonly for college education bonds and school districts.
- This is the first time it has been used for utility expansion.

How the assessment accrues

Cape Coral FLORIDA

Average initial assessment	$11,600
5 years	$15,647
10 years	$21,105
15 years	$28,467
20 years	$38,398

Assumes a 6% interest rate

How your house appreciates

Cape Coral
FLORIDA

Average property value	$150,000
5 years	$212,644
10 years	$301,449
15 years	$427,342
20 years	$602,811

Assumes a 7% annual appreciation

Frequently Asked Questions

Cape Coral
FLORIDA

Q. How can I qualify for this program?

A. All City of Cape Coral Utility Expansion customers qualify for this program.

Q. Can vacant lots apply for this option or only houses?

A. All lots would qualify.

Frequently Asked Questions

Cape Coral FLORIDA

Q. Can the homeowners elect to pay part of the assessment each year?

A. Yes. The City will establish a minimum payment amount and the customer can elect to pay as much or as little they wish each year over the minimum amount.

Q. What interest rate will apply?

A. At current market rates the interest will be 5.5% (approx.)

Frequently Asked Questions

Cape Coral
FLORIDA

Q. What happens if a resident lives beyond the life of the loan?

A. The total remaining payment will be due at the end of the 20 year period.

Q. Will the assessment be due in the event of a death of spouse or divorce?

A. No

Q. Will the assessment be due if the property is transferred to an heir?

FlexChoice

Cape Coral
FLORIDA

The right solution for assessment affordability

For more information, visit our web site at
www.capecoralutilityexpansion.net

MEMORANDUM TO THE BOARD

TO: Key Largo Board

FROM: Robert Sheets

SUBJECT: Key Largo Waste Water Treatment District
Housing Assistance Program/Implementation Plan

DATE:

Attached for your review and consideration is the implementation plan prepared by Mark Dale with the Monroe County Housing Authority. This plan is described in the attached memorandum has been developed to meet all of the FEMA requirements and it complies with the County's standards for assistance.

Mark Bell with the County's Housing Authority will be present at the November 5 meeting to answer any questions specifically about the program. The Board should keep in mind that this is an implementation plan designed to meet FEMA standards. As you can see from the depth of detail provided by Mr. Bell, this plan goes beyond the eligibility requirements by FEMA and articulates the method in which determinations will be made and the funds will be distributed.

The District and the County will have to finalize an inter-local agreement addressing responsibilities once the District has approved the plan. Also, based on the acts taken by the Board on the 5th, the District Manager will draft a cover letter to accompany the plan to be submitted to Ms. Science Kilner at FEMA.

It is the District Manager's recommendation that the Board approve this plan for adoption as our Housing Assistance Program and submit to FEMA immediately for their inclusion in the environmental assessment process.

Key Largo Waste Water
Treatment District Implementation Plan

The Key Largo area is approximately 14.4 square miles in total size and lies in the upper keys approximately 40 miles south of Miami. Within the greater Key largo area, there three (3) communities that will be initially affected by this wastewater project: Key Largo Park, Key Largo Trailer Village, and Sunset Park. The 2000 Block Level population for the three (3) Key Largo communities was 712 (6.0% of the Key Largo CDP population of 11,886). The Block Level data includes only these communities and not the surrounding population included in the Block Group. FKAA service records show 645 residents (commercial and government users were deleted) for these three (3) communities are connected and use the water service. 36 % of these service recipients have residents other than Key Largo, Florida.

In the Programmatic Environmental Assessment (PEA), Section 3.7, FEMA discussed the Socioeconomics for the Key Largo CDP. U.S. Census (2000) data for the Key Largo CDP indicates that about 31% of families had Median Family Income (MFI) less than $35,000 per year and about 32% had MFIs between $35,000 and $59,999 per year. The remaining 37% had MFIs greater than $60,000. The corresponding average family size for the Key Largo CDP was 2.8 people. The estimated population under the poverty level for the Key Largo CDP is 996. For the Block Level population these three (3) Key Largo communities that are under the poverty level is 92 that represents 9.2%.

In 2003, the annual MFI for Monroe County was estimated at $56,500. The indicator known as the "poverty threshold" is set for the entire nation and, with the exception of Alaska and Hawaii, is not adjusted for local cost-of living differences. For the year 2003, the poverty threshold is set at an annual income of $15,250 for a household of three people (U.S. Census, 2003). In areas like the Keys, where the cost of living is higher than the national average, $15,250 consequently buys less, effectively making a household near the poverty threshold in the Keys poorer than similar households in areas where the cost of living is lower. The Monroe County Housing Authority currently uses the first two tiers of the U.S. Department of Housing and Urban Development's (HUD's) MFI-based income levels to administer its low-income assistance programs. To administer their programs fairly, HUD makes annual projections of MFI by county and adjusts for family size. The first two tiers of low- and very low-income levels are set as percentages of the county MFI. In 2003, the income limits for a family of three in Monroe County were $40,700 for the low-income level and $25,450 for the very low-income level.

Table below shows HUD's FY 2003 poverty, very low-and low-income levels for various family sizes in Monroe County.

	Number of People In Household				
	1	**2**	**3**	**4**	**5**
Low-Income	$31,650	$36,150	$40,700	45,200	$48,800
Very Low-Income	$19,800	$22,600	$25,450	$28,250	$30,500
Poverty	$11,850	$13,550	$15,250	$16,950	$18,300

Based on the above statistics, the FKAA estimates that up to 25% of homestead exempt property owners within the service area may be considered low- and very low-income (Note: A homestead exemption is a 3% annual limit on property tax increases, available to those property owners who are year-round county residents [FKAA, 2002]). As described in PEA Section 3.7, it has been determined that low- and very low-income service recipients would incur a financial hardship if their wastewater management costs increased.

The installation of systems that meet Florida Statutory Treatment Standards, under any of the alternatives, would improve water quality in shallow aquifers, canals, and near-shore marine waters, and to a lesser extent, off-shore marine waters as well. The resulting reduced fecal contamination and nutrient pollution would likely reduce adverse effects on public health. Low-income and minority populations are expected to benefit from these wastewater management improvements to the same degree as other Keys demographic populations.

Under the No Action Alternative, FEMA would not fund the Key Largo wastewater management projects. To comply with Florida Statutory Treatment Standards of 2010, residents and businesses would have to use other funding for improvements. As described in PEA Section 3.6.3 (Local Fees and Taxes), the No Action Alternative may result in higher wastewater management costs for Key Largo residents and businesses than would be expected with the benefit of FEMA funding. No disproportionately high or adverse effects on minority populations are expected, unless they are also low-income.

The No Action Alternative will not be considered, because under the No Action Alternative, households at or below the low-income level would incur financial hardship if their wastewater management costs increase to levels that approximate the affordability threshold cited in PEA Section 3.6.3.1.2, of near 2% of Median Household Income (approximately $75/month). Unmitigated, increased wastewater management costs would disproportionately and adversely affect low-income populations, as the increased financial burden would represent a higher percentage of their discretionary income.

Under Alternative 2, New Wastewater Treatment Plant Construction, the estimated system capital cost to service recipients, after grant funding has been applied, would be about $2,700, per EDU. In addition, property owners would pay for their abandonment and lateral costs, estimated to be between $1,500 and $5,000 per residence. The estimated monthly service operation and maintenance fee for continuing operation and maintenance of the WWTP would be about $35 per EDU, with no capital cost applied to the monthly service fee (Shelby, Pers. Comm., 2003).

Under Alternative 3, New Wastewater Transmission System Construction, costs to Key Largo service recipients are not expected to be comparable to those under Alternative 2. Alternative 3 is an environmentally sensitive and a cost prohibitive alternative that is a non-viable solution for Key Largo.

Executive Order (EO) 12898 (Environmental Justice), entitled "Federal Action to Address Environmental Justice in Minority Populations," directs Federal agencies "to make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations in the United States..." To reduce costs to low-income and very low-income service recipients in compliance with EO 12898, financial assistance guidelines have been developed.

Under this EO, FEMA has provided a minimum requirement to be met:

- Low-income property owners would receive assistance with at least 70% of their system capital cost; and 70% of their existing system abandonment and lateral costs, up to $3,000.

- Very low-income property owners would receive assistance with at least 90% of their system capital cost, and 90% of their existing system abandonment and lateral costs, up to $3,000.

The assistance guidelines presented above represent a minimum goal and will be required during project implementation in order for the Monroe County/FKAA to receive FEMA grant funding. Monroe County has adopted an Implementation Plan for utilization of county funds for the Key Largo program area and will meet the FEMA minimum requirements. This Implementation Plan is to be administered through the Monroe County Housing Authority (MCHA) for eligible households seeking assistance under this program. Costs to low-income service recipients may be further offset at the County's discretion. Further assistance could come from State grant funding made available from Community Development Block Grants, the State Housing Initiative Partnership Program, and/or a project contingency made available from existing State and Federal grant funding. The County has identified recently awarded CDBG funds that are available to help low-income wastewater service recipients throughout the county. However, because of the anticipated contracting to build the wastewater treatment facility, the present grant is expected to be exhausted and closed out before the treatment facility is completed. It is anticipated that the present CDBG Contract Agreement will be closed out in sufficient time to allow for another application to be applied for with DCA prior to sewer connection by the Key Largo residents.

The 90% / 70% assistance program set forth is designed to address the needs of low-income and very low-income property owners. FEMA does not have specific requirements under EO 12898 to assist low-income renters. The County will provide such assistance to homeowners that rent to income eligible tenants. The County intends to provide the same level of service to this renting population. With the implementation of the FEMA assistance program and the use of FEMA grant funding and Monroe County funding, no highly disproportionate or adverse affects would be felt by low-income or very-low income

As described in PEA Section 3.7, the estimated amount of assistance available to cover the system capital costs for homestead-exempt low- and very low-income property owners for Alternative 2 for Key Largo is shown on the next page.

Low-Income and Very Low-Income Funding Assistance for the System Capital Cost of $2,700

	Amount of Assistance % of Connection Fee Covered	**Estimated System Capital Cost After Assistance**	**Estimated Annual Payment Assessed with Property Tax***
Low-Income Qualified Family	70%	$810.00	$65.00
Very Low-Income Qualified Family	90%	$270.00	$22.00

* Amortized annual payment of principal plus interest at 5.0% under a 20-year non-ad valorem special assessment. Actual interest rates at the time of assessment issuance will vary.

Low-income property owners would receive assistance with at least 70% of their system capital cost; and 70% of their existing system abandonment and lateral costs, up to $3,000. Very low-income property owners would receive assistance with at least 90% of their system capital cost, and 90% of their existing system abandonment and lateral costs, up to $3,000. Under Alternative 2, for low-income property owners, the estimated resulting system capital cost after assistance would be about $810 in one payment or about $65.00 a year for 20 years (about $1,300.00 total). For very low-income property owners, the estimated resulting system capital cost after assistance would be about $270 in one payment, or about $22.00 a year for 20 years (about $433.00 total).

Under both Alternative 2 and 3, property owners unable to pay their system capital cost in full at the time of availability of service would be able to make amortized annual payments of principal plus interest under a 20-year, non-ad valorem special assessment, which would be included on their annual property taxes (FKAA, 2003).

Because the property owner's total cost for abandonment and lateral costs will vary from one property to the next, it is not possible to estimate the final cost with the assistance program. Nevertheless, the assistance program would cover at least 90% of this cost for very low-income

property owners (up to $3,000 total) and at least 70% of this cost for low-income property owners (up to $3,000 total).

At this time, no programs would be available to help low- and very low-income populations with the payment of monthly operation and maintenance fees.

The Community Development Program Administrator, Special Programs Office (SPO), Monroe County Housing Authority (MCHA) will be administrator of this program and implement the program.

The Implementation Plan is administered according to the County's Housing Assistance Plan (HAP)(Amended).

In part, the HAP states that all funds awarded will be in the form of grants to the homeowners and loans to property owners providing rentals to qualified beneficiaries.

The process for selecting, accepting, reviewing and approving requests for assistance will be by advertisement in local newspapers of general circulation on at least four occasions. This process will provide a minimum sixty (60) day application period. Additional outreach activities shall include, press releases, announcements at public meetings and notification to the following: non-profit organizations, social service providers, local churches, daycare providers and organizations serving the elderly. Any subsequent application periods necessary shall meet the criteria outlined above.

Properties to be addressed shall meet all of the following criteria:

Priority #1

- Single family
- Owner occupied
- Primary residence
- Contain Housing Code, Housing Quality Standards or Health/Safety Violations or sewer connection requirements

Priority #2

- Property owners
- Single family or multifamily rental properties
- Occupied by qualified beneficiaries has sewer connection requirements.

Applications received within the application period(s) which meet the primary criteria above shall be prioritized based on the schedule outlined herein. Those household/projects receiving the greatest priority score shall be addressed until all available funding has been expended.

Priorities	
Elderly (one owner greater than 62 yrs.)	10
Disabled household member	10
Documented Multiple Housing Code violations	10
Very low income	05
Children in household (greater than 2)	05
Length of Ownership (greater than 15 yrs.)	05
(0-5yrs = 0; 6-10yrs = 2; 11-15yrs = 3; 16yrs+ = 5)	
Single head of household (2 or more persons)	05

Note: In the event of tie scores, very low-income households will receive priority.

The Monroe County will address sewer connections of property owners of single family or multifamily rental properties, occupied by qualified beneficiaries. In the event of funds availability and completion of all applicants under priority #1, the County will address the sewer connection under this process. Assistance will be provided as a loan. Applicants will execute a note secured by a mortgage on the subject property. The term of the note will be for five (5) years at zero (0) percent interest and requires no regular payments. The principal balance shall be forgiven by 1/5th annually on the anniversary date. The mortgage shall contain affordability covenants that require that during the term of the loan, the property shall be rented on an annual lease to very low- and low-income households subject to annual income certification.

Prior to starting the application process, a pre-application survey will be conducted to collect specific demographic data for the three (3) Key Largo communities. The data will assist in determining the number of participants and the level of funding that will be required to meet the FEMA mitigation requirements. This survey will also provide an advanced announcement of the funding assistance available to the residents.

At a later date, following the contracting for the construction of the wastewater treatment facility, the application process will begin. The process is based on of the County HAP. The application consists of: a cover letter; application instructions; application form for information on address, household composition, income level, and, status – owner-occupied, primary residence or owner renting to eligible tenant; release form; resident income certification form; social security consent for release of information form; statement of no tax return form. The SPO staff works with each applicant to ensure the forms are completed correctly, with the necessary supporting documents. After the application period has closed and all applications are completed, a letter from the SPO staff is sent to the applicant. The letter is provided to inform the applicant that they have a complete application and that the have or have not met the CDBG applicant eligibility requirements.

Once all applicant issues are resolved, an order-of-merit listing is prepared for approval by the CATF and forwarded to the BOCC for conflict of interest resolution and approval. Based on the funding allocated, and the number of applicants on the list, a household dollar amount will be awarded to each applicant.

When the funding for each household is known, the SPO staff sends a letter of commitment to the household that will include instructions on contracting a plumber to connect their home to the sewer system and their septic/cesspit abandonment. At this point the SPO staff works directly with the applicant to ensure timely payments are made to the plumbers and the contract requirements are being met, i.e., permits obtained, county inspections made, DOH certifications received for system abandonment, etc. Payments are for work completed.

To pay for this program, funding requests are made to DCA from a combination of the individual funding amount awarded to the eligible household and the plumbing contractor costs. The owners, primary-residence receives the money as a grant. The owners renting to income eligible tenants, receive their funding in the form of a promissory note, as stated in the HAP. The SPO staff coordinates all of the payments through the County.

Thomas M. Dillon

Memo

To: Key Largo Wastewater Treatment District

From: Thomas M. Dillon

CC: None

Date: 11/26/2003

Re: Mandatory sewer connections

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

At the Board's November 19 meeting, Mr. Wilkinson asked me to research the question of mandatory sewer hookups.

As detailed below, State law provides that the owners of certain onsite sewage treatment and disposal systems ("OSTDS") are required to connect to public sewerage systems. The parallel Monroe County ordinance is similar, but more stringent than State law.

Based on my review of State and Monroe County law, I believe that it is advisable for the District to evaluate the Colusa Campground connection issues in order to allow the District to take timely steps to either notify the Colusa Campground of the availability of the District system or to seek Department of Environmental Protection ("DEP") concurrence in a determination that connection should be waived in the public interest due to public health considerations.

Florida law requires hookups under certain circumstances.

Section 381.00655, Fla. Stat. provides, in relevant part:

> (1) (a) The owner of a properly functioning [OSTDS] ... must connect the system or the building's plumbing to an available ... sewerage system within 365 days after written notification by the owner of the ... sewerage system that the system is available for connection. The ... sewerage system must notify the owner of the [OSTDS] of the availability of the central sewerage system. No less than 1 year prior to the date the sewerage system will become available, the ... sewerage system shall notify the affected owner of the [OSTDS] of the anticipated availability of the sewerage system and shall also notify the owner that the owner will be required to connect to the sewerage system within 1 year of the actual availability. .... Nothing in this paragraph limits the power of a municipality or county to enforce other laws for the protection of the public health and safety.
>
> (b) The owner of an [OSTDS] that needs repair or modification to function in a sanitary manner or to comply with the requirements of §§ 381.0065-381.0067 or rules adopted under those sections must connect to an available ... sewerage system within 90 days after written notification from the department. In hardship cases, upon request of the owner, the department may approve an extension of not more than 90 days for sewerage connection. ....

(2) The provisions of subsection (1) or any other provision of law to the contrary notwithstanding:

....

(b) A ... sewerage system may, with the approval of the department, waive the requirement of mandatory onsite sewage disposal connection if it determines that such connection is not required in the public interest due to public health considerations.

This provision requires the owner of an OSTDS to connect to the public sewerage system under the following conditions:

1. The public sewerage system must be "available." The term "available" has a complex definition.
    a. The public sewerage system must be capable of being connected to the plumbing of the establishment or residence and must have adequate permitted capacity to accept the sewage. § 381.0065(2)(a).
    b. If the property is a residential subdivision lot, a single-family residence, or an establishment with an estimated sewage flow of 1,000 gallons/day or less, the connection must exist in a public easement or right-of-way that abuts the property line. § 381.0065(2)(a)(1).
    c. If the property is an establishment with an estimated sewage flow in excess of 1,000 gallons/day, the connection must be within 50 feet of the property line. § 381.0065(2)(a)(2).
    d. Other conditions apply to proposed subdivisions and areas zoned for industrial or manufacturing purposes. § 381.0065(2)(a)(3).
2. The public sewerage system must notify the owner of a properly functioning OSTDS no less than one year prior to the date the sewerage system will become available. § 381.00655(1)(a). If the OSTDS is not functioning properly, the DEP can require hookup on 90 days' notice. § 381.00655(1)(b).
3. The public sewerage system may, with DEP approval, waive the connection requirement if the system determines that connection is not required in the public interest due to public health considerations. § 381.00655(2)(b).

Note that counties are permitted to make additional, and presumably more stringent, laws. § 381.00655(1)(a).

Based on the foregoing, I believe that Colusa Campground may be required under State law to connect to the District sewer system, assuming that:

1. The Colusa Campground sewage is:
    a. estimated at 1,000 gallons/day or less and the connection will be available in a public easement abutting the property, or
    b. estimated at more than 1,000 gallons/day and the connection will be available in a public easement within 50 feet of the property;
2. The District notifies Colusa Campground of the need to connect not less than one year prior to the date the District system will be available; and
3. The District does not, with DEP approval, waive connection based on a determination that connection is not required in the public interest due to public health considerations.

<u>Monroe County law is similar to, but more stringent than, State law.</u>

Monroe County has adopted ordinances parallel to State law.

Monroe County requires connection of an OSTDS to a public sewerage system within <u>30</u> days after notice that the public sewerage system is available. § 15.5-21, Monroe County Code. This is more stringent than State law.

Key Largo Wastewater Treatment District
Payments Pending, June 2, 2004
Prepared May 25, 2004

Date of Invoice	Vendor	Invoice #	Description	Payment Category	Invoice Amount	Date Due	Date Paid
Cash Balance Forward for Administration & Operations					$ 39,943.74		
05/24/04	Deposit from Board of Co. Commissioners				150,161.10		
Total Available					$ 190,104.84		
05/04/04	BellSouth	1-0449	Monthly Service for May 4 through June 3	1	44.38	6/3/04	05/24/04
05/10/04	BellSouth	4-0446	Monthly Service for May 10 through June 9	1	38.25	6/9/04	05/24/04
04/30/04	Citizens Conferencing	205725665	Conferencing Calls For April 5, 12 & 19	1	229.54	5/30/04	05/24/04
04/30/04	The Reporter	011549403-4	Advertising Statement for April 2004	1	1,465.44	Upon Receipt	
05/28/04	Andrew Tobin, Chairman	Payroll	May 2004	1	900.00	6/7/04	
05/28/04	Gary Bauman	Payroll	May 2004	1	900.00	6/7/04	
05/28/04	Cris Beaty	Payroll	May 2004	1	900.00	6/7/04	
05/28/04	Charles Brooks	Payroll	May 2004	1	900.00	6/7/04	
05/28/04	Jerry Wilkinson	Payroll	May 2004	1	900.00	6/7/04	
05/28/04	Internal Revenue Service	FICA & Medicare	Employer Share, Payroll Taxes	1	344.25	6/7/04	
Total Invoices for Administration & Operations					6,561.96		
Balance Forward If All Admin & Operations Invoices Paid					$ 183,542.88		
Cash Balance Forward for Key Largo Park					$ (27,195.37)		
05/25/04	The Weiler Engineering Corporation	35120	KLWWTD Park for April 21 to May 25,2004	2	$ 3,968.31	Upon Receipt	
Total Invoices for Key Largo Trailer Park					$ 3,968.31		
Balance Forward If All Key Largo Park Invoices Paid					$ (31,163.68)		
Cash Balance Forward for Key Largo Trailer Village					$ 94,211.57		
05/25/04	The Weiler Engineering Corporation	35130	KLWWTD Trailer Village for April 21 to May 25, 2004	3	$ 5,653.65	Upon Receipt	
Total Invoices for Key Largo Trailer Village					5,653.65		
Balance Forward If All Key Largo Trailer Village Invoices Paid					88,557.92		
Total All Invoices					$ 16,183.82		

Approved for Payment

Gary Bauman, KLWTD Chair

Cris Beaty, KLWTD Secretary

6/4/04
Date

Payment Category Key
1- District Administration
2- Key Largo Park Construction
3- Key Largo Trailer Village Construction

Key Largo Wastewater Treatm.. ..istrict
Payments Pending, June 2, 2004
Prepared May 25, 2004

Date of Invoice	Vendor	Invoice #	Description	Payment Category	Invoice Amount	Date Due	Date Paid
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05/10/04	BellSouth	4-0446	Monthly Service for May 10 through June 9	1	38.25	6/9/04	05/24/04
04/03/04	Citizens Conferencing	20572995	Conferencing Calls For April 5, 12 & 19	1	229.54	5/30/04	05/24/04
04/30/04	The Reporter	011549403-4	Advertising Statement for April 2004	1	1,405.44	Upon Receipt	
05/28/04	Andrew Tobin, Chairman	Payroll	May 2004	1	900.00	6/7/04	
05/28/04	Gary Bauman	Payroll	May 2004	1	900.00	6/7/04	
05/28/04	Cris Beaty	Payroll	May 2004	1	900.00	6/7/04	
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05/28/04	Jerry Wilkinson	Payroll	May 2004	1	900.00	6/7/04	
05/28/04	Internal Reveue Service	FICA & Medicare	Employer Share, Payroll Taxes	1	344.25	6/7/04	
Total Invoices for Administration & Operations					**6,561.86**		
Balance Forward if All Admin & Operations Invoices Paid					**$ 183,542.98**		
Cash Balance Forward for Key Largo Park					**$ (27,195.37)**		
05/25/04	The Weiler Engineering Corporation	35129	KLWWTD Park for April 21 to May 25,2004	2	$ 3,968.31	Upon Receipt	
Total Invoices for Key Largo Trailer Park					**$ 3,968.31**		
Balance Forward if All Key Largo Park Invoices Paid					**$ (31,163.68)**		
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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

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

June 16, 2004
Board of Commissioners
Meeting Agenda

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

KEY LARGO WASTEWATER TREATMENT DISTRICT
RECURRING
ADMINISTRATION AND CLERK FUNCTIONS

1. Prepare Board agenda and related materials for all regular and special meetings
    a. drafting and placing the advertisement for the meeting
    b. drafting items with staff members
    c. finalizing items with staff members
    d. typing
    e. copying
    f. binding
    g. shipping

2. Attend Board meetings
    a. set up of hall
    b. set up of audio equipment
    c. type draft minutes of the meeting
    d. records the meeting on audio tapes

3. Board meeting follow-up
    a. initial review of the meeting minutes for updating the working group agenda and future meeting agendas
    b. distribution of executed documents for records maintenance
    c. prepare the final meeting minutes for acceptance by the Board

4. Records Maintenance
    a. review and attest resolutions, contracts and work authorizations
    b. provide copies to the Key Largo Library, Secretary, Official Records and electronic KLWTD records

5. Working Group Agenda preparation of the agenda and participation in the weekly Meetings

6. Public interaction that include answering inquiries on the KLWTD phone line

7. Answering emails and phone calls from staff concerning upcoming agenda items

ESTIMATED TIME TO DO THE ABOVE RECURRING FUNCTIONS RANGES FROM 80 – 90 HOURS PER MONTH.

KEY LARGO WASTEWATER TREATMENT DISTRICT
Financial Management Functions

1. Develop annual capital and operating budgets.
2. Assist Monroe County in preparing documents to support MSTU tax levy.
3. Prepare agenda items to meet agenda deadlines of 7 days prior to each meeting.
   a. Recurring items:
      1. Payments pending list for Board of Commissioner approval.
      2. Monthly status of cash balance.
      3. Monthly statement of net assets.
      4. Quarterly statement of revenue and expense marked to budget.
   b. Non-Recurring items:
      1. Special Studies.
      2. Bids and requests for proposals.
      3. Grant status reports.
      4. Dunn and Bradstreet reports.
4. Assist in preparation of grant requests, including preparing financial schedules to support requests.
5. Prepare grant invoices and submit to grantor agencies.
6. Follow-up with grantor agencies to obtain payments and to respond to granter agency questions.
7. Deposit grant receipts in District bank account.
8. Record all receipts in District books of account.
9. Prepare bank line of credit requests.
10. Prepare bank line of credit draw requests as needed, and obtain Board of Commissioner approval.
11. Prepare journal entries in District books of accounts related to line of credit.
12. Enter all disbursements into District books of accounts and prepare checks to pay invoices, after obtaining Board approval.
13. Establish and maintain suspense file for all payment requests disapproved by Board.
14. Follow-up with District attorney, District Engineer and vendors to clear up causes of payment disapproval.
15. Reschedule payments for Board approval once clarification obtained.
16. Sign checks, obtain second signature for checks over $2,500.00 and mail payments to vendors.
17. Reproduce copies of checks, payment vouchers, invoices and other back-up for use in obtaining grant reimbursement.
18. Code and post accounts payable/expense transactions to District books of accounts.
19. Coordinate annual audit with Districts' auditor (prepare RFP to select same every 4-5 years or as required).
20. Prepare fixed asset and construction-in-progress entries in District books of account.
21. Prepare fiscal year end closing statements including:
    - Accrue payroll amounts for prior FY.
    - Accrue payable amounts for prior FY.

- Accrue interest expenses for prior FY.
- Accrue accounts and grants receivable for prior FY.
- Accrue revenue for prior FY.
- Prepare trial balance and statement of revenue and expense.
- Provide amortization and depreciation schedules (FY 2004) and thereafter.

22. Provide auditors copies of items in item 21 above. Respond to auditor inquiries.
23. Draft narrative for comprehensive annual financial report and report schedules.
24. Review and edit auditor's drafted footnotes to financial statement.
25. Review and approve all schedules in CAFR prepared by auditor.
26. Review auditor's management letter and provide management response letter.
27. Obtain CAFR printing and submit to State of Florida regulatory agencies, bank and any federally mandated repositories (required for bond compliance if District ever issues revenue bonds to public).
28. Prepare and submit statutory annual financial report to State Department of Banking and Finance after obtaining auditors concurrence. Coordinate it with External Auditor prior to submission, as required by Statute.
29. Perform District risk management functions including obtaining insurance, payment of premiums, filing and monitoring any claims and providing required documentation to insurer.
30. Contracting with payroll company to pay compensation to Board members and handle necessary tax, unemployment compensation and related payroll reporting to Federal Government and State of Florida
31. Coordinate with FKAA, Monroe County, Monroe County Clerk of Courts, and three state and federal agencies and SFWMD to ensure grant compliance is completed properly. This is designed to avoid any claim for improper expenditure and subsequent refund of grant proceeds.

ESTIMATED TIME TO DO THE ABOVE RECURRING FUNCTIONS RANGES FROM 30-40 HOURS PER MONTH. WE BELIEVE THIS AMOUNT WILL INCREASE SLIGHTLY IN THE NEAR FUTURE, AS THE CONSTRUCTION PHASE OF THE TWO CONTRACTS BEGIN AND THE DISTRICT DIRECTLY BUYS MATERIALS TO DELIVER TO THE CONTRACTOR.

ATT. FAITH D. CFF

DRAFT

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

5:00 PM Wednesday, June 16, 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. Approval of the Draft June 2, 2004 Meeting Minutes

E. Public Comment

F. Action Items
   1. Approval of the manager-select contract
   2. Approval of the Pending Payments List for June 16, 2004
   3. Approval of Resolution 2004-01 of the KLWTD Approving Direct Equipment Purchases
   4. Approval of DCA Grant Agreement for FEMA Project 1249-25 (action)

G. General Manager's Report
   1. Discussion of Commercial Connections (Calusa Camp Resort)
   2. Discussion of a Rate Study
   3. Discussion of Rental Space
   4. Discussion of an RFP for the next project
   5. Discussion of Site Mitigation Plan
   6. Discussion of Transfer of the Official KLWTD Records from Orlando to Key Largo
   7. Status of the MSTU Funds
   8. Discussion of the System Development Change Options

CHANGE

H. Legal Counsel's Report
   off 1. Update on the Haskell Notice of Delay
   off 2. ~~Update on direct/indirect costs issue~~
   off 3. ~~Update on Haskell bonding and insurance~~
   1. Resign issue

notice of delay
am NO 1
stat change
applicability of Rob Rec
[illegible]

I. Engineer's Report
   1. Design Review Status

J. Public Comment

K. Commissioner's Items
   1. Discussion of the CFO and Clerk Positions – Chairman Bauman

FAITH - PLEASE TYPE CFE

~~FIRST DRAFT~~

SYSTEM DEVELOPMENT CHARGE OPTION

1. FULL PAYMENT BY ~~TAX PARCEL~~ PROPERTY OWNERS,
2. COLLECTION OVER TWENTY YEARS, WITH DISTRICT FINANCING,
3. FLEX CHOICE PLAN,
4. FEMA REQUIREMENTS FOR LOW AND VERY LOW INCOME PROPERTY OWNERS,
5. MANDATORY SEWER HOOKUP REQUIREMENT,

RECOMENDATION & STAFF TO PRESENT PLAN AT JULY 21, 2004 MEETING.

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

TO: Key Largo Wastewater Treatment District Board Members

FROM: Charles Fishburn, General Manager

DATE: June 8, 2004

RE: System Development Charge Options

System Development Charge Options Include the Following:

1. Full payment by property owners.
2. Collection over twenty years with District financing.
3. Flex choice plan.

OTHER CONSIDERATIONS

4. FEMA requirements for low and very low-income property owners.
5. Mandatory sewer hookup requirements.

DILLON MEMO, 11-26-03 ATT.

RECOMMENDATION:

RECOMENDATION

Staff to present ~~a plan~~ at the July 21, 2004 meeting.

FAITH INCLUDE ROBERT SHEETS, MEMO TO BOARD. DATED OCT. 29, 2003 HOUSING ASSISTANCE

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

FAITH PR. TYPE THANKS OFF.

G2 RE. RATE STUDY.

We need to begin to look at ~~the~~ rate structure for our current project and future projects.

(~~SHOULD WE CONNECT CALUSA ON GO ON TO~~ SEXTON COVE)

A rate study will provide ~~the~~ board an added tool in making MAKING decisions on which project ~~the decisions I have also attached two studies by PRMG, INC. to give should be next.~~

we are to move forward with, As you can see from the portions selected sections of the attached rate studies for Marathon Island, Little Venice, BAY POINT AND COUCH KEY,

Recommendation

Staff to make a recomendation on ~~the direction~~ direction for a rate study at the JULY 21, 2004 BOARD MEETING,

DRAFT

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

5:00 PM Wednesday, June 16, 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. Approval of the Draft June 2, 2004 Meeting Minutes

E. Public Comment

F. Legal Counsel's Report
   1. Discussion of Effective Date of Resignation
   2. Discussion of Applicability of Florida's Public Records Act to certain Documents
   3. Update on the Haskell Notice of Delay
   4. Update on Am. No. 1 to the Haskell Contract (prompt pay act and change of notices)
   5. Update on Legislative Change (House Bill 471)

G. Action Items
   1. Approval of a motion to reconsider the selection of a district manager
   2. Approval of the manager-select contract
   3. Approval of the Pending Payments List for June 16, 2004
   4. Approval of Resolution 2004-01 of the KLWTD Approving Direct Equipment Purchases
   5. Approval of DCA Grant Agreement for FEMA Project 1249-25

H. General Manager's Report
   1. Discussion of Commercial Connections (Calusa Camp Resort)
   2. Discussion of a Rate Study
   3. Discussion of the System Development Change Options
   4. Discussion of Rental Space
   5. Discussion of an RFP for the next project
   6. Discussion of Site Mitigation Plan
   7. Discussion of Transfer of the Official KLWTD Records from Orlando to Key Largo
   8. Status of the MSTU Funds

I. Engineer's Report
   1. Design Review Status
   2. Adjustment of WEC monthly invoicing

J. Public Comment

K. Commissioner's Items
   1. Discussion of the CFO and Clerk Positions – Chairman Bauman
   2. Discussion for possible action of the manager/manager-select and attorney to contract for temporary office space on a month-to-month tenancy not to exceed $1.25 per square foot and a total cost of $1,000 including utilities monthly – Commissioner Wilkinson
   2.a. Discussion of Bank of America as temporary office space on a month-to-month basis – Commissioner Tobin
   3. Discussion for possible action of the manager/manager-select and attorney to contract for communications (telephone/DSL) capability transferable within the island of Key Largo – Commissioner Wilkinson
   4. Discussion for possible action of the authority of the manager/manager-select to spend not-to-exceed $5,000.00 for office startup equipment, fixtures, furniture, supplies and other office needed materials – Commissioner Wilkinson
   5. Discussion for possible action of directing the outgoing manager and staff to prepare a comprehensive list of accounts payable and receivable, insurances, mandated reports with submission dates, etc. accompanied with a contact person, email and mailing address, telephone number and other necessary items necessary for the transition to local management. The intent is that all expected services, tasks, accounts, contacts, etc. necessary for the proper management of the KLWTD whether major or minor be disclosed promptly to the incoming manager and the District – Commissioner Wilkinson

L. Update on past agenda items:
   1. FEMA FONSI Status
   2. Water Quality Testing
   3. Resolution of $100K Loan repayment issue
   4. Site mitigation
   5. KLP vacant lot resolution
   6. Project request for FEMA deadline extension
   7. CDBG Grants and/or funds for private connections
   8. Procedures
   9. Web Site Development

M. Meeting Adjournment

GSG
Government Services Group, Inc.

Government Services Group, Inc.
Dedicated to solving funding and service delivery issues in the public sector

280 Wekiva Springs Road, Suite 203, Longwood, Florida 32779• Phone (407) 629-6900 • Fax (407) 629-6963

Fax Transmittal

To: Gary

From: Faith

Subject: Pay list

Date: 6/25 **Fax No.** 305 453 3334

This transmittal consists of 2 page(s). Please call 407-629-6900 if you have not received all pages indicated.

fax back to

407 629 6963

Thanks

Key Largo Wastewater Treatment District
Payments Pending, June 16, 2004
Prepared June 8, 2004

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05/31/04	Interest Earning for May 2004				16.97		
Total Available					**$183,559.95**		
05/30/04	Cooke Communications	03/20/95	Legal Ads for May 2004	1	$ 229.50	6/21/04	
06/01/04	Florida Municipal Insurance Trust	1045-4	Fourth Installment Billing - 03/04 Fund Year	1	1,894.00	7/1/04	
06/04/04	Governmental Services Group, Inc.	03021-7758	KLWWTD Management Fee for May 2004	1	~~10,890.00~~	~~Upon Receipt~~	pulled
06/07/04	Governmental Services Group, Inc.	03021-7762	KLWWTD Copy & Postage Charges for May 2004	1	876.58	Upon Receipt	
05/31/04	Thomas M. Dillon	1019	Professional Services for the month of May 2004	1	5,512.64	Upon Receipt	
Total Invoices for Administration & Operations					19,312.72		
Balance Forward If All Admin & Operations Invoices Paid					**$164,247.23**		
Cash Balance Forward for Key Largo Park					**$ (31,183.68)**		
06/04/04	Governmental Services Group, Inc.	03049-7759	KLWWTD Park Project for May 2004	2	$ 1,752.50	Upon Receipt	
05/31/04	The Haskell Company	053104-3	Design Services-Key Largo Park	2	$ 14,098.40	Upon Receipt	
Total Invoices for Key Largo Trailer Park					**$ 15,850.90**		
Balance Forward If All Key Largo Park Invoices Paid					**$ (47,014.58)**		
Cash Balance Forward for Key Largo Trailer Village					**$ 88,557.92**		
06/04/04	Governmental Services Group, Inc.	03051-7760	KLWWTD Trailer Village Project for May 2004	3	$ 4,168.75	Upon Receipt	
05/31/04	The Haskell Company	053104-8	Design-Bid WWMS Key Largo Trailer Village	3	$ 163,559.31	Upon Receipt	
Total Invoices for Key Largo Trailer Village					167,728.06		
Balance Forward If All Key Largo Trailer Village Invoices Paid					**(79,170.14)**		
Total All Invoices					**$ 202,091.68**		
					-10,000.00		
					$192,091.68		

Approved for Payment.

Gary Bauman, KLWTD Chair 6/25/04

Cris Beaty, KLWTD Secretary 6/16/04
Date

Payment Category Key:
1- District Administration
2- Key Largo Park Construction
3- Key Largo Trailer Village Construction

Key Largo Wastewater Treatment District
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Prepared June 8, 2004

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Approved for Payment:

Gary Bauman, KLWTD Chair

Cris Beaty, KLWTD Secretary

6/16/04
Date

Payment Category Key:
1- District Administration
2- Key Largo Park Construction
3- Key Largo Trailer Village Construction

Further, Monroe County has not provided for waiver by the public sewerage system of mandatory connection based on a public health determination.

Therefore, I recommend that the District evaluate connection of the Colusa Campground to the District system. This would allow the District to understand whether such connection is required by law, and to take appropriate steps to notify Colusa Campground of the availability of the District system on a timely basis. Also, if the District concludes on the basis of the evaluation that connection of Colusa is not required in the public interest due to public health considerations, the District could begin to take the steps necessary to obtain DEP concurrence.

KLWTD Board Meeting
June 16, 2004

Item I - 1

Design Review Status

THE WEILER ENGINEERING CORPORATION

"Excellence in Engineering"

6630 Front Street, Stock Island
Key West, Florida 33040
(305) 295-3301 ph
(305) 295-0143 fax

MEMORANDUM

To: KLWTD Board

From: Ed Castle

Date: June 8, 2004

Re: Design Review Meetings

According to Peter Kinsley, we can expect delivery of the 99% drawings for the collection system on Wednesday or Thursday, June 9th or 10th. The 99% design of the treatment plant will follow in approximately one week.

Per the Design Submittal Protocol, the KLSTD reviewers will submit written comments on the design submittal to The Haskell Company two days prior to the scheduled review meeting. The meeting is to be schedule for a minimum of 7 working days after receipt of the drawings. Thus, the collection system review meeting will take place June 18th or later. A review meeting for the treatment plant design will follow these same guidelines.

The Haskell Company will notify the KLWTD Board Members and Staff of the date, time and location of the review meetings.

KLWTD Board Meeting
June 16, 2004

Item I - 2

Adjustment of WEC Monthly Invoicing

THE WEILER ENGINEERING CORPORATION

"Excellence in Engineering"

6630 Front Street, Stock Island
Key West, Florida 33040
(305) 295-3301 ph
(305) 295-0143 fax

MEMORANDUM

To: KLWTD Board

From: Ed Castle

Date: June 8, 2004

Re: Reduction in Monthly Pay Requests

As stated at the June 2, 2004 KLWTD Board meeting, Weiler Engineering has reduced the amounts of the monthly billing for the Key Largo Trailer Village and Key Largo Park projects. GSG, serving as the District's Manager, was informed on the reduction via fax on December 31, 3003. As stated in the fax:

"The Weiler Engineering Corporation work authorizations for Key Largo Trailer Village and Key Largo Park are lump sum contracts. WEC was instructed by the Board to submit pay requests in equal monthly installments over the anticipated duration of the work. Due to delays, it appears that the work will not be completed in the time originally predicted. In light of this, WEC is reducing the monthly invoice for the duration of the design phase. Once design is completed and construction has begun, WEC will readjust the monthly invoices to reflect the projected duration of the construction phase."

The original monthly amount being invoiced was $5,710.51 for KLP and $9,558.11 for KLTV. These invoices have been reduced to $3,968.31 and $5,653.65 respectively. They will remain at this reduced rate until start of construction, at which time the remainder of the lump sum authorizations will be divided evenly into monthly invoices for the predicted construction period.

KLWTD Board Meeting
June 16, 2004

Item K - 2

Discussion for possible action to contract for a temporary office space

Key Largo Wastewater Treatment District
May 24, 2004

To: Key Largo Wastewater Board and staff

Subject: Back up material for proposed 6/2/04 KLWB meeting agenda item K. 2. Action for the manager/manager-select and attorney to contract for temporary office space on a month-to-month tenancy not to exceed $1.25 per square foot and a total cost of $1,000 including utilities monthly.

Discussion:

At our May 19th Board meeting, it was noted that the location of the Sante building would not be available for 90-120 days. Commissioner Tobin suggested that a six-month interim rental space be considered. See minutes.

At our May 19th Board meeting, it was further noted that the consensus of the Board that the Sante building is looked into along with a temporary rental space. Emphasis added. See minutes.

Regardless of the final semi-permanent office location, time will be required to negotiate and prepare it for occupancy.

Finding adequate space with a reasonable month-to-month cost and no long term lease may be difficult as well as expensive to find.

The manager, as the temporary occupier and user, should be given the discretion of select a location to his satisfaction as long as it is on the island of Key Largo.

Albeit temporary, as a governmental entity, a legal and legally sufficient contract with protection against employee, public and district liabilities should be made.

A satisfactory temporary location will allow time for a better and wiser selection of the semi-permanent location as opposed to a rush to judgment.

This temporary location will ameliorate possible delays in finding or preparing new premises for occupancy.

Recommendation:

The KLWB direct and authorize the manager and attorney to enter into such contract at this meeting.

/s/
Jerry Wilkinson
Commissioner, KLWB

Faith Doyle

From: Andrew Tobin [Tobinlaw@Terranova.net]
Sent: Tuesday, May 25, 2004 2:46 PM
To: Faith Doyle
Cc: Dillon, Thomas; Charles F. Fishburn (E-mail); Robert Sheets; Wilkinson, Jerry; Bauman, Gary; Chris Beaty; Charles Brooks (E-mail); Tobin, Andrew
Subject: Bank of America

Faith:

Please add the following as a discussion item:

I tried to hookup with Chris Sante but he was out of town last week, and very busy. I'm confident that we can work out a deal with him but it will probably be 6-7 months realistically before we can open for business at a new building.

In the meantime I think we should take the Bank of America space on a month to month basis. The price is right (utilities are included) and we dont have to worry if Chris is delayed for some reason.

Andy
Andrew M. Tobin
P.O. Box 620
Tavernier, FL 33070
305-852-3388
Tobinlaw@Terranova.net

KLWTD Board Meeting
June 16, 2004

Item K - 3

Discussion for possible action to contract for communications

Key Largo Wastewater Treatment District
May 24, 2004

To: Key Largo Wastewater Board and staff

Subject: Back up material for proposed 6/2/04 KLWB meeting agenda item K. 3. Action for the manager/manger-select and attorney to contract for communications (telephone/DSL) capability transferable within the island of Key Largo.

Discussion:

It is obvious that adequate communication services will be needed for the transition from out of county contracted services to local services and to conduct business of the KLWTD.

Since these proposed communication services are to be at a temporary location, the semi-permanent location has not been contracted and there are various telephone prefixes on the island of Key Largo; the contract should allow transferal of services within the prefixes on the island of Key Largo.

Contracts for business communication services are becoming increasingly complex and of longer duration, the attorney should review and approve the contract for legal sufficiency.

Recommendation:

The KLWB direct and authorize the manager and attorney to enter into such contract at this meeting.

/s/
Jerry Wilkinson
Commissioner, KLWB

KLWTD Board Meeting
June 16, 2004

Item K - 4

Discussion for possible action to purchase office startup equipment and supplies

Key Largo Wastewater Treatment District
May 24, 2004

To: Key Largo Wastewater Board and staff

Subject: Back up material for proposed 6/2/04 KLWB meeting agenda item K. 4. Action for the authority of the manger/manager-select to spend not to exceed $5,000.00 for office startup equipment, fixtures, furniture, supplies and other office needed materials.

Discussion:

It is obvious that adequate office equipment, furnishings and supplies will be needed for the establishment of a local professional office.

Most if not all of the office equipment, furnishings and supplies needed for a temporary location will be needed and will be transferable to the semi-permanent location when selected and contracted. The possibility of obtaining a semi-permanent office space with complete office equipment, furnishings and supplies is doubtful. If this occasion should occur, a reduced negotiated price should offset most of the costs.

It should not be interrupted that $5,000 will be the final and total cost of equipment, furnishings and supplies needed.

A method of providing for or reimbursing these expenditures must be established and approved.

Recommendation:

The KLWB authorize the manager to spend up to and not to exceed $5,000 for the startup equipment, furnishings and supplies for the temporary office. The KLWB should specify and or authorize a method of funding these costs realizing that they may be either used or new and coming from various sources.

/s/
Jerry Wilkinson
Commissioner, KLWB

KLWTD Board Meeting
June 16, 2004

Item K - 5

Discussion for possible action preparation of a comprehensive list of contacts, mandates and management tasks for the transition of local government.

Key Largo Wastewater Treatment District
May 24, 2004

To: Key Largo Wastewater Board and staff

Subject: Back up material for proposed 6/2/04 KLWB meeting agenda item K. 5. Direct the outgoing manager and staff to prepare a comprehensive list of accounts payable and receivable, insurances, mandated reports with submission dates, etc. accompanied with a contact person, email and mailing address, telephone number and other necessary items necessary for the transition to local management. The intent is that all expected services, tasks, accounts, contacts, etc. necessary for the proper management of the KLWTD whether major or minor be disclosed promptly to the incoming manager and the District.

Discussion:

There are thousands of tasks that must be transferred to complete this transition.

It is imperative that a complete list of all contacts, financial accounts, insurance accounts, vendors, service providers, etc. be provided as soon as possible for the transition from out of county contracted services to local services and to establish like or equivalent services for conducting the business of the KLWTD.

It is expected that some items will be omitted or inadvertently forgotten; therefore, it is expected that the list be updated promptly until the transition is complete.

Recommendation:

The KLWB direct the outgoing manager and staff to prepare and submit the first list to be received three working days before the next meeting to Mr. Fishburn and to the Board with any possible additions/omissions at the next meeting.

/s/
Jerry Wilkinson
Commissioner, KLWB