



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

3:00 PM Wednesday, July 30, 2003
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

COMMISSIONERS PRESENT

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

STAFF PRESENT

Robert Sheets, General Manager, Government Services Group
Amy Dukes, Legal Counsel, Lewis Longman & Walker, P.A. (via telephone-for the meeting only)
Faith Doyle, KLWTD Board Clerk

GUESTS PRESENT

Steve Gibbs, Reporter for the Free Press
David Andrews, Mull & Associates
Patricia Mull, Mull & Associates
Ed Castle, Weiler Engineering Corporation
Jose L. Lopez, SFWMD
Jeff Weiler, Weiler Engineering Corporation
Larry Lackey, Weiler Engineering Corporation
Charles Fishburn, Key Largo resident
Burke Cannon, Key Largo resident
Tim Bergan, Key Largo resident

A. Call to Order

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

B. Pledge of Allegiance

All assembled stood for the pledge to be recited.

Chairman Tobin requested that Item E-4 be taken out of order. The Board gave its consensus. Chairman Tobin introduced Ms. Patricia Mull of Mull and Associates. Ms. Mull stated that she had operated a local Certified Public Accounting firm in Key Largo for the past 12 years and had been a C.P.A. for the past 30 years having worked with Price Waterhouse. Ms. Mull also introduced Mr. David Andrew, her associate that had also worked with Price Waterhouse before relocating to the keys.

Mr. Sheets stated that he was excited to have assisted in the selection of the KLWTD's first auditor and that the firm was from within the Keys community. Mr. Sheets stated that after several invitations were sent, firms replied that KLWTD was not big enough for them to respond. Mr. Sheets believes that although the KLWTD is small, KLWTD will be important to Mull and Associates and will get 100 percent effort FROM THEM.

Mr. David Miles stated that from the contractual side, four firms responded to the invitation. Mr. Miles and Mr. Beaty reviewed and evaluated the submittals with Mull and Associates being the top ranked firm. Mr. Miles stated that fee structure is the lowest of the four submitters and is within the FY2003 budgeted amounts for auditing services. Mr. Miles stated that the KLWTD attorney has approved the contract without any changes and that three copies are available for approval and execution. Mr. Miles stated that the audit could begin within the month.

Chairman Tobin asked for comments. Commissioner Wilkinson thanked and welcomed Mull and Associates to the KLWTD staff. Chairman Tobin stated that Ms. Mull is an active member of the community and the KLWTD is fortunate to have this firm associated with the KLWTD.

COMMISSIONER WILKINSON MADE A MOTION TO APPROVE ITEM E-4, APPROVAL OF THE EXTERNAL AUDITOR CONTRACT. COMMISSIONER BROOKS SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

Chairman Tobin welcomed Mr. Jose Lopez of the South Florida Water Management District who would be presenting information on SBR and USBF during the discussion portion of the meeting. .

C. Construction Administration/Project Management Workshop

1. Presentation by Weiler Engineering Corporation on Construction Management

Mr. Jeff Weiler of Weiler Engineering Corporation introduced himself, Mr. Ed Castle, Project Manager and Mr. Larry Lackey, Project Engineer for the proposed engineering work on the KLP and KLTV projects. Mr. Castle is a Monroe County resident and is experienced in the vacuum process and is a licensed engineer and plant operator. Mr. Lackey is a licensed engineer in Florida, Georgia and North Carolina and has been involved in the building of USBF plants.

Mr. Weiler made a presentation that summarized the details of the scopes of work that were being considered by the Board. Mr. Weiler stated that it would be imperative to have a single point of contact during the construction projects. Mr. Weiler suggested that the General Manager be the point of contact between team members and the KLWTD Board.

Mr. Weiler stated that the scope of work includes WEC fees for being appointed as the engineer of record for the projects. Mr. Weiler stated that it includes an in depth review of both projects, the inclusion of the Sunset Waterways Subdivision, the ultimate replacement of Boyle Engineering and the research and resolution of the Roovac/Airvac issue.

Mr. Weiler noted that although Brown and Caldwell, as Haskell team members, would be involved in some of the same functions as WEC, WEC would be the representative of KLWTD and would review all efforts for compliance as KLWTD's engineer.

Mr. Weiler stated that although there has been public outreach since the inception of the projects, once actual construction work begins public relations is imperative.

Mr. Weiler stated that during the design and building of these projects changes would be necessary making the 'as built' plans extremely important for the permanent records of the KLWTD and that WEC as the engineer of record would insure their accuracy.

The presentation continued and Mr. Jeff Weiler described the coordination items that would follow. Mr. Sheets stated that immediately prior to the meeting he was informed that the KLTV permit had been approved per Boyle Engineering's Fred Mittl. It was stated that WEC would gather plans from Boyle Engineering and take over the project from them by letter and take over the permitting process. Mr. Weiler stated that during previous discussions with Chairman Tobin, they had discussed getting all members of the team (GSG, Haskell, Higgins, WEC, Brown and Caldwell) together to discuss what will be done, by whom and when. The contracts require that KLWTD have an engineer of record. Mr. Weiler stated that the fee presented to the Board covers WEC being the engineer of record. Mr. Sheets stated that to answer all of the Board members who had asked, "What must we do next?" there are several things: 1) How to use team efficiently to complete the KLP designed in three phases plus the addition of the additional subdivision. 2) The permitting process. 3) Getting up to speed on the environmental assessment procedure. 4) The overall game plan and the schedule update from Haskell on the KLTV. Mr. Sheets stated that these items should be accomplished during the first 30 days. Mr. Sheets stated these items could not be started until all team members are on board. Mr. Weiler stated that things are proceeding and that Boyle Engineering had applied for the permits.

Mr. Weiler concluded the presentation stated that WEC would benefit the KLWTD because of the work they have done in the Keys over the past several years. Mr. Weiler then entertained questions from the Board.

Commissioner Bauman asked what the procedure would be for WEC to report to the Board. Mr. Weiler stated that WEC as appointees of the Board would provide reports directly to the Board and inform them directly of any situations of concern. However, for the day-to-day operations of the projects he would require a single point of contact, to give direction on behalf of the Board during the interim between Board meetings.

Chairman Tobin asked if WEC would be agreeable to weekly agenda meetings. Mr. Weiler stated that weekly activity reports would be drafted and forwarded from the daily field reports and that a monthly summary would be presented to the Board and General Manager. Mr. Sheets stated that information would also be provided to the community via the website. The website would include a KLP/KLTV project section that would provide maps and work schedules.

Commissioner Bauman asked if there were any items in the scope of service that require subcontracting. Mr. Lackey stated that an independent testing lab and surveyor would be recommended. Commissioner Bauman asked if Mr. Castle or Mr. Lackey would be replaced if they could not perform. Mr. Weiler stated that with Mr. Castle and

Mr. Lackey's experience he does not see any difficulties and WEC has a staff of twenty-five employees that could be pooled to cover the services in the event of an emergency.

Commissioner Bauman asked if WEC would be agreeable to a fixed fee price for their work on the projects. Mr. Weiler stated that hourly and fixed fee information was provided for consideration and that monthly payments would be accepted to assist the KLTWD with cash flow considerations. Commissioner Bauman asked if the fee would be fixed regardless of the hours necessary to complete the projects. Mr. Weiler answered in the affirmative and that the scopes present the fee that represents what it will cost to do the projects as stated. Discussion ensued on the benefits of hourly or fixed fee and the savings that could be realized if the jobs run concurrently.

Commissioner Beaty asked if the prices include all redesign work and inclusion of the Waterways Subdivision. Mr. Weiler answered in the affirmative. Commissioner Beaty asked if Mr. Weiler would be on site daily. Mr. Weiler stated that he would be on site occasionally and that Mr. Castle as project manager would be on site.

Commissioner Brooks questioned the time matrix and if there would be any roll over of hours not used. Mr. Weiler stated the matrix was used as a worksheet to provide an estimate. Commissioner Brooks questioned the section of the proposal that stated travel and meals would be charged at cost plus 15%. Mr. Weiler stated that this provision would only be in affect if the Board requested travel in addition to the present scope of work and that the 15% carrier charge could be negotiable. Commissioner Brooks questioned the hourly fee schedule. Mr. Weiler stated that if the Board approved the fixed fee cost the hourly amount would not come into play. Commissioner Brooks asked if the fixed fee cost is further negotiable. Mr. Weiler stated that only place to save money, at present, is in the detailed observation and that it hinges on the issue of WEC being appointed the engineer of record. Mr. Weiler stated that GSG had negotiated his original proposal downward by approximately 12% and that the Board should consider that they would have the benefit of a staff of 25 for the length of the projects for the cost specified in the scopes of service.

Chairman Tobin stated that until a meeting of all team members could be held the costs provided could not be insured. Chairman Tobin stated that during a conversation with WEC, an option was discussed where KLWTD would hire their own inspector that would result in additional cost reductions. Mr. Weiler stated that largest cost reduction would result from the appointment of engineer of record for the KLP project and if Brown and Caldwell agrees to be the engineer of record for the KLP project then the WEC costs would be reduced.

Commissioner Brooks proposed that the costs presented be the cost cap and depending on the results of the team meeting the costs could then be reduced. Mr. Weiler agreed with this scenario.

Chairman Tobin stated that liability and responsibility are issues and having one engineer of record would be safest. Mr. Weiler agreed that liability is a cost consideration for engineers and that they are responsible for a greater length of time than the contractors. Chairman Tobin recommended that on big contracts they not be approved the first time they are presented and that he would like to hear the Board's responses prior to a vote.

MS. AMY DUKES JOINED THE WORKSHOP VIA TELEPHONE AT 4:20 P.M.

Commissioner Wilkinson asked if agenda Item E 1 could be discussed in the workshop. Chairman Tobin gave Commissioner Wilkinson the floor. Commissioner Wilkinson stated that he wants all of Section 2 removed from the standard contract for consulting/professional service.

Commissioner Brooks asked if the WEC contract would need to be approved prior to the Work Authorization being approved. Mr. Sheet answered in the affirmative. Commissioner Brooks asked how many of the standard contracts had been returned from the eight firms identified from the CCNA process. Mr. Charles Sweat, Director of Operations, stated that three (including W.E.C.'s) were forwarded without changes and that three other firms would submit a contract with minor modifications. Commissioner Brooks stated that the present contract had been sent with the CCNA packages and he is concerned that vendors had been requested to execute a contract that would not be approved by the Board. Commissioner Wilkinson believes that all of Section 2 of the contract should not be in the standard contract but should be in the work authorization.

Discussion ensued on the approval of the standard contract, deductible amounts and insurance coverage amounts. It was noted that deductibles are generally the vendor's responsibility and, generally, any savings realized by the vendors are passed on to the Board.

Commissioner Wilkinson questioned the briefing memo. Mr. Sheets stated that it was provided for clarification and to compare and contrast the scopes of service for the KLP and KLTV projects. Commissioner Wilkinson believes that Haskell should be consulted to verify if they are amenable to adding sub-consultant to assist with inspection.

Mr. Sheets noted that the standard contract had been presented to the Board in May and that he is concerned that if major changes were required prior to approval then the projects would be delayed. Chairman Tobin believes the changes would be minor. Mr. Sheets noted many engineering firms approved the contract presented across the State. Chairman Tobin believes that with another negotiating meeting on the scope of service work authorization then a review of the standard contract could be done.

Commissioner Brooks question the legality of changing a standard contract that had been issued during the CCNA process. Ms. Dukes stated that the document could be changed for the nuances. Mr. Sheets is concerned that having different general terms and conditions from various vendors could be problematic. Ms. Dukes stated that with the time being of the essence, the contract may need to be approved and then changes would made by issuing an amendment. Chairman Tobin was not in favor of issuing amendments. Commissioner Brooks stated that the contract sent to the top ranked firms has no enforcement or liability until such time the firms are given work. Ms. Dukes confirmed Commissioner Brook's statement. Chairman Tobin disagreed, stating that once the contract is signed it has legal significance. Ms. Dukes agreed that it would have legal significance, however, the work authorization, which includes the scope of service, could be amended.

Commissioner Beaty asked what changes to the standard contract had been requested by the other engineering firms. Mr. Sheets stated that the standard contract should not be changed for the vendors unless they had noted concerns with it when the submitted their statement of qualifications and that he believes they are bound to the contract that

was provided with the request. Mr. Sheets stated that only the Board had the authority to change the contract.

Discussion ensued concerning modifying the standard contract. Commissioner Wilkinson stated that under any CCNA process that the responders should be provided the same information in the standard contract and that the work authorization should define the specifics of the task.

Chairman Tobin recessed the meeting at 4:55 p.m.
Chairman Tobin reconvened the meeting at 5:10 p.m.

Chairman Tobin stated that Mr. Jose Lopez of the South Florida Water Management District (SFWMD) would address the Board. Mr. Lopez stated that the KLWTD should consider using the future wastewater for reuse in the Keys State parks. Mr. Lopez had reviewed the plans for the projects and is concerned that reuse water was not considered and that with shallow well injection reuse should be considered for landscaping. Mr. Lopez stated that he was concerned with the treatment methods being considered. It is his opinion that USBF or SBR would not be the correct applications. Mr. Lopez believes membrane treatment would be the recommended. Mr. Lopez stated concern that the reports stated flows that did not match the documentation provided. Chairman Tobin stated that Mr. Lopez should contact Mr. Sweat to discuss his concerns.

Mr. Lopez suggested that the KLWTD conduct outreach programs to foster the use of reuse water in the Keys and offered his assistance. Mr. Lopez stated that water reuse and other ecological concerns are becoming critical issues in the Keys. Commissioner Brooks stated that he is a proponent of the reuse of water, however it is not economically feasible for the Key Largo area because the only place that is publicly irrigated if the FDOT medians and FDOT will not accept reuse do to the increase in maintenance costs. Mr. Lopez suggested the local hotels be contacted for landscaping use.

Mr. Sheets stated that the letter from the SFWMD was engineering specific and needs to be reviewed quickly, once the project team is assembled, because it will have significance when permitting is needed from the SFWMD. Mr. Sheets noted that the FEMA hearing on the plant site is to be held before the end of August and that the issues raised by the SFWMD are critical and would have a direct effect on the environmental site assessment. Mr. Sheets stated that issues raised in the letter would be considered during the permitting process and will tie in with the design process. Mr. Sheets believes there will need to be many more conversations with the SFWMD during the projects.

Mr. Lopez thanked the Board for inviting him to the meeting and offered his assistance in any way possible.

Commissioner Wilkinson assumed the floor at 5:25 p.m. Commissioner Wilkinson asked if GSG, as general manager, would be responsible for the operation of the completed wastewater system. Discussion ensued.

Commissioner Wilkinson stated that he had several concerns including: assigning WEC as engineer of record, the project length statement defining it as 13 months, the statement that the projects would run concurrently and that if they don't costs would

increase, the statement that things are completed as of when they are sent, and that Items E 2a and E 2b should state WEC not just engineer. Mr. Weiler stated that the 13-month statement and the completed as of when they are sent would be changed. Mr. Sheets stated that for consistency references to the engineer should read 'the district's engineer'. Commissioner Wilkinson agreed with the wording.

Chairman Tobin believes it will take another negotiating session with himself, Terry Lewis and WEC to wordsmith the document to include everyone's comments. Chairman Tobin agrees with Commissioner Wilkinson's concerns and voiced concern with the disclaimers of liability stated on page 7 of the KLTV scope of service.

Chairman Tobin stated that his main concern, as the representative of the residents, is the amount of funds that have been spent on engineering the projects and the lack of documentation for the expenditures. Chairman Tobin would like to remove some of the layers of review. Chairman Tobin would like to see the construction on site management done by a local resident and suggested Charles Fishburn. Chairman Tobin believes that as a sub-contractor Mr. Fishburn would not fall under the CCNA process and he would like to explore this option during the first team meeting. Chairman Tobin believes this option would lower WEC's fees.

Mr. Weiler stated that he would consider the option and he want to be affiliated with the KLWTD long term he does not want this to be a one project association. Chairman Tobin stated that he is hoping to avoid duplication of effort in observation, construction administration and construction management.

Mr. Weiler stated that he and Charles Sweat had several conversations concerning not overlapping responsibilities. Mr. Weiler noted that none of his time is being charged for.

Discussion ensued on what the fees for WEC would be if they were to be assigned as the district's engineer only and not as the engineer of record. Mr. Weiler stated that further review would be necessary before a cost could be quoted.

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

Discussion ensued on the particular tasks involved with the GSG work authorization.

Chairman Tobin concluded the workshop at 6:45 p.m.

D. Additions, Deletions or Corrections to the Agenda

The Chair requested that action items 5 and 6 be considered first.

Commissioner Brooks motioned to approve item E-5 the Proposed FY2004 KLWTD Budget for Advertisement. Commissioner Wilkinson seconded the motion. All were in favor and the item was unanimously approved.

Commissioner Brooks motioned to approve item E-6 the Pending Payment List for July 30, 2003. Commissioner Beaty seconded the motion for discussion. Commissioner Brooks questioned the \$5,000 amount for Lewis, Longman & Walker referred to as 'catch-up'. Mr. Miles explained it was for disallowed costs from previous invoices that were requested for reimbursement without proper

documentation. With no further discussion the vote was called. All were in favor and the motion was unanimously approved.

E. Action Items

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

Chairman Tobin suggested that that Item be tabled or that it is approved in concept only.

COMMISSIONER BROOKS MADE A MOTION TO APPROVE THE WEILER ENGINEERING CORPORATION CONTRACT TO INCLUDE THE CHANGES SUGGEST BY COMMISSIONER WILKINSON AND THAT WERE AGREED TO BY JEFF WEILER OF WEILER ENGINEERING CORPORATION AND IF ANY FUTURE AMENDMENTS WERE DEAMED NECESSARY THEY ARE TO BE BROUGHT TO THE BOARD FOR CONSIDERATION IN THE FUTURE. COMMISSIONER BAUMAN SECONDED THE MOTION. CHAIRMAN TOBIN ASKED FOR DISCUSSION.

Chairman Tobin stated that he believes the action is premature and that approving the contract without specifying the changes is not prudent it is not the proper method of passing a resolution and that it places the burden on the clerk to document the changes. Chairman Tobin stated that he cannot support the motion and believes it is poor parliamentary procedure and that the contract should only be approved in concept. Commissioner Brooks stated that basically he does not want to incur further legal expenses and that his motion stands as stated. Commissioner Wilkinson stated that he couldn't be sure that all necessary changes have been noted. Mr. Sheets asked legal counsel if the scopes of service could be approved without the approval of the standard contract. Ms. Dukes stated that approval of the scopes of service would be contingent on approval of the contract. Chairman Tobin then requested a roll call vote.

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

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

- 2. a. Approval of KLWTD Work Authorization WEC 03-01 with Weiler Engineering Corporation for engineering services for the KLTV Project
b. Approval of KLWTD Work Authorization WEC 03-02 with Weiler Engineering Corporation for engineering services for the KLP Project

COMMISSIONER BROOKS MADE A MOTION TO APPROVE WORK AUTHORIZATIONS WEC 03-01 AND WEC 03-02 TO INCLUDE THE CHANGES SUGGEST BY COMMISSIONER WILKINSON AND THAT WERE AGREED TO BY JEFF WEILER OF WEILER ENGINEERING CORPORATION AND IF ANY FUTURE

AMENDMENTS WERE DEAMED NECESSARY THEY ARE TO BE BROUGHT TO THE BOARD FOR CONSIDERATION IN THE FUTURE. COMMISSIONER BEATY SECONDED THE MOTION FOR DISCUSSION. Commissioner Wilkinson stated that the motion should be amended to include the suggested changes to the references to specific dates, the changing of the title engineer to district engineer and the references to WEC as the engineer of record for the projects. Commissioner Wilkinson stated that as the motion is stated at present that he would not be in favor. Commissioner Bauman asked if the motion should include that Mr. Weiler had agreed to look at the costs again after the engineer of record and the potential observation hour reduction issues had been resolved. Mr. Sheets suggested that if the work authorization are approved and the Board directs staff to define the roles and responsibilities of Haskell, Higgins, WEC and GSG then the staff would present a reworked scheduled and any cost adjustments realized from the effort. Chairman Tobin stated that he believes it is a bad way to do business to approve work orders that incorporate flawed memorandums and that the details need to be clarified and discussed. Chairman Tobin stated that although time is an issue he urged the other Board members to vote against the motion. Chairman Tobin suggested that the item be tabled until a meeting of the principle parties can be held at that the cost of three to four hours of attorney's fees would be money better spent than fees that could result from approving an ambiguous contract. Commissioner Wilkinson asked if Chairman Tobin, as an attorney, could do the revision to the contract. Chairman Tobin stated that he would prefer the involvement of Lewis, Longman and Walker because of the resources available to them. Commissioner Bauman stated that the work authorizations need to be legally binding but he does not want to see excessive time and money invested in the process. Chairman Tobin stated that with the agreement by Jeff Weiler to make the changes requested that Mr. Weiler could be tasked with making the first draft of the revision. Chairman Tobin noted that there are liability questions and that a meeting to consider review of the observations hours the possible use of a subcontractor and the correction of inappropriate references should be conducted and that references to specific time frames need to be corrected also. Mr. Sheets stated that the appointment of an engineer for the district is prudent before preliminary design work can start. Discussion ensued. Chairman Tobin stated that a redrafting of the work authorization to address all concerns would be done by Jeff Weiler and that a meeting should be scheduled next week to review and discuss the redraft in an effort to present it for consideration at the August 13, 2003 meeting.

CHAIRMAN TOBIN THEN REQUESTED A ROLL CALL VOTE.

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

THE MOTION FAILED WITH A VOTE OF ONE IN FAVOR AND FOUR NOT IN FAVOR.

COMMISSIONER BAUMAN MADE A MOTION TO INCLUDE THE REVISED WORK AUTHORIZATIONS AS ACTION ITEMS ON THE AUGUST 13, 2003 AGENDA.

COMMISSIONER WILKINSON SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

Chairman Tobin stated that a teleconference would be held next week and that the revisions would be forwarded to members of the Board as soon as possible.

Chairman Tobin recessed the meeting at 7:15 p.m.

Chairman Tobin reconvened the meeting at 7:25 p.m.

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

A MOTION WAS MADE BY COMMISSIONER BEATY TO APPROVE THE SCOPE OF SERVICE WITH GSG. COMMISSIONER BAUMAN SECONDED THE MOTION FOR DISCUSSION. COMMISSIONER WILKINSON QUESTIONED OPTION EXHIBIT A AND EXHIBIT B. MR. SHEETS STATED THAT FOR THE MONTHLY AMOUNT LISTED THAT THE WORK TO BE DONE WOULD BE ALL INCLUSIVE WITH NO BILLING FOR TRAVEL. COMMISSIONER BEATY AMENDED HIS MOTION TO INCLUDE THE PROJECT COST WOULD BE FOR THE FIXED FEE. CHAIRMAN TOBIN AND COMMISSIONER WILKINSON QUESTION IF A DUPLICATION OF EFFORT WOULD BE MADE FOR COMMUNITY RELATIONS AND IF CONFLICT RESOLUTION ARE TWO ITEMS THAT DON'T BELONG IN THE SCOPE OF SERVICE. CHAIRMAN TOBIN ASKED FOR ANY FURTHER DISCUSSION. CHAIRMAN TOBIN REQUESTED A ROLL CALL VOTE.

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

THE MOTION CARRIED WITH A VOTE OF FOUR IN FAVOR AND ONE NOT IN FAVOR.

4. Approval of the External Auditor Contract

SEE ABOVE

5. Approval of the Proposed FY2004 KLWTD Budget for Advertisement

SEE ABOVE

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

SEE ABOVE

F. General Manager's Report

1. Discussion of the recommended Revised Disbursement Policy

Sheets suggests a conference call to include himself, Commissioner Brooks and Mr. Collins, Monroe County Attorney. It was noted that County Commissioner Murray Nelson requested to be included on the discussions of this issue.

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

There were no new developments concerning the preliminary project schedule.

G. Legal Counsel's Report

There was no legal counsel's report presented.

H. Engineer's Report

There was no engineer's report presented.

I. Commissioner's Items

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

Chairman Tobin stated that this issue is moot at present. However, Chairman Tobin wanted to mention that Mr. Tim Bergan has shown a great amount of interest, support and enthusiasm with the work of the KLWTD. Chairman Tobin would like to keep Mr. Bergan in mind for future opportunities with the KLWTD because of his experience.

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

Chairman Tobin stated that Mr. Chuck Fishburn, a local resident, was knowledgeable and committed and had reviewed many of the engineering documents during his association with Gartek. Chairman Tobin suggested that Mr. Fishburn be considered to do construction inspection on the KLP and KLTV projects. Chairman Tobin suggested that WEC or GSG consider using his services, as an independent contractor and perhaps it would lower the overall inspection costs for the projects. Chairman Tobin believes this option should be considered versus considering hiring an employee for the KLWTD.

Commissioner Bauman expressed concern with the option of KLWTD hiring an employee. He was not adverse to the option of WEC or GSG using him as an independent contractor.

Commissioner Beaty believes if any action is to be taken it should be by WEC or GSG to use Mr. Fishburn as a consultant.

Commissioner Brooks stated that he has legal concerns with hiring a consultant not selected by the CCNA process and he is uncomfortable with requesting WEC or GSG to hire a particular individual for any position.

Chairman Tobin stated that a revision was requested to assure proper security for the KLWTD accounts. Chairman Tobin believes that specific signatory names should be used where possible in the Disbursement Policy.

Mr. Miles stated that the revised policy gives the tightest controls that he has worked with during his tenure as a government financial officer. Mr. Miles stated that unfortunately because of the current procedure small recurring bills couldn't be paid on a timely basis, which incurs late fees for the KLWTD.

Mr. Miles presented information on fidelity bonds for the signatories on the KLWTD accounts. Discussion ensued on the present procedures and the amount of insurance that would be sufficient for the KLWTD. Chairman Tobin believes a member of the KLWTD should be added as an additional signatory on all checks. Mr. Miles stated that due to the geographical separation it would not be practical and for internal controls partially executed checks would cause potential discrepancies when documentation is needed for reimbursement from the various funding sources being used by the KLWTD. Discussion ensued. Mr. Miles stated that he had the external auditor review the revised policy that agreed with the policy and stated that the key is the approval process that the KLWTD approve the bills and GSG writes the checks.

It was the consensus of the Board to have dual signatures on the checks and to acquire fidelity insurance. Commissioner Beaty stated that as a financial professional he believes that the policy is more than adequate. However, having four signatories on the account and then requiring two of the four to execute checks would be beneficial and would cover the KLWTD during regular business and in case of an emergency.

Chairman Tobin entertained a motion to authorize District Manger to approve expenditures up to \$2,500 with one signature either that of the general manager, Robert Sheets or the Chief Financial Officer, David Miles, or KLWTD Chairman, Andrew Tobin or KLWTD Secretary, Cris Beaty. Amounts above \$2,500 would require dual signatures after Board approval from any named signatory. Discussion ensued on who should have fidelity bonds and in what amount. The Board directed staff to develop a final formal policy and an accompanying resolution for consideration at the August 13th meeting. Mr. Miles was directed to obtain the cost for various fidelity bond coverage and to provide to the Board at the August 13th meeting.

2. Interim Financial Reports through June 30, 2003

The item was tabled until the next meeting.

3. Revisions to the KLWTD Board Meeting Schedule

It was the consensus of the Board to hold the regular KLWTD meetings on the 1st and 3rd Wednesday of each month beginning September 2003.

Commissioner Brooks stated that the Monroe County BOCC would consider changing the KLWTD loan to a grant at their August 21, 2003 meeting.

Mr. Sheets stated that the County forwarded him a letter stating their displeasure with the unilateral changes that had been made to the loan agreement by the KLWTD. The County has requested a meeting concerning the changes to the agreement and Mr.

Mr. Fishburn stated that with over 1,000 hours dedicated to the project he believes he has a great deal to offer the KLWTD and wishes to assist them in any way possible.

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

Commissioner Wilkinson stated that this issue had been addressed during the previous discussions.

OTHER ITEMS:

Mr. Burke Cannon of the Federation of Key Largo Homeowners addressed the Board. He stated that Mr. Charles Fishburn would be a valuable resource to the KLWTD and would recommend and support him as an inspector on the projects.

Chairman Tobin requested that the Board consider having informal working group meetings. Discussion ensued concerning the location, the frequency, the inclusion of staff, advertisement of the meetings and the need for agendas. Chairman Tobin requested the item be added to the next agenda for discussion and possible action.

J. Minutes – Draft July 9, 2003

The item was tabled until the next meeting.

K. Meeting Adjournment

Chairman Tobin adjourned the meeting at 8:55 p.m.