



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

3:00 PM Wednesday, December 3, 2003

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

## Board Members Present

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

## Staff Present

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

## Guests Present

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

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

A. Call to Order

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

B. Pledge of Allegiance

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

C. Public Comment

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

#### D. Additions, Deletions or Corrections to the Agenda

Chairman Bauman asked for changes to the agenda.

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

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

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

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

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

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

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

Mr. Morrison provided the web address for Florida League of Cities as [FLCITIES.COM](http://FLCITIES.COM).

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

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

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

Commissioner Brooks asked about coverage on coverage for staff and members traveling to meetings who might be involved in an accident, which could result in the board being sued. Mr. Morrison stated

that the individual's personal auto insurance would be primary to cover the accident claim. Discussion ensued on this scenario.

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

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

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

#### E. Minutes – Draft October 15, 2003

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

#### F. Action Items

1. Action on a Secondary Treatment Process

SEE BELOW

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

SEE BELOW

3. Action on the Line of Credit

SEE BELOW

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

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

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

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

Tobin stated that presently what is required is a site plan. Commissioner Tobin noted that the County would make the application if Haskell provides the information. Commissioner Wilkinson questioned if action is being taken to address the concerns of Mr. Chris Sante, who owns property near the MM 100.5 site. Mr. Oppenheim stated it is to soon to tell the exact details of the ingress and egress until the 60% design phase, but he would review it.

## G. General Manager's Report

### 1. Status Report on the KLWTD Transition Plan

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

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

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

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

### 2. KLWTD Board Meeting Schedule for 2004

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

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

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

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

#### Action Items

##### F.3. Action on a Secondary Treatment Process

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

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

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

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

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

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

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

<b>COMMISSIONER BEATY</b>	<b>YES</b>
<b>COMMISSISONER BROOKS</b>	<b>YES</b>
<b>COMMISSIONER TOBIN</b>	<b>YES</b>
<b>COMMISSIONER WILKINSON</b>	<b>NO</b>
<b>COMMISSIONR BAUMAN</b>	<b>NO</b>

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

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

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

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

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

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

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

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

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

<b>COMMISSIONER BEATY</b>	<b>YES</b>
<b>COMMISSIONER BROOKS</b>	<b>YES</b>
<b>COMMISSIONER TOBIN</b>	<b>YES</b>
<b>COMMISSIONER WILKINSON</b>	<b>NO</b>
<b>CHAIRMAN BAUMAN</b>	<b>YES</b>

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

### F.3. Action on the Line of Credit

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

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

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

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

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

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

#### H. Legal Counsel's Report

1. Report on Fluidyne warranty and PES/Randazza warranty

Please see action item F1.

2. Report on Monroe County Land Transfer

Please see action item F5.

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

Please see action item F2.

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

Mr. Castle presented the report to the Board.

#### J. Commissioner's Items

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

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

2. Discussion of Roberts Rule of Order – Chairman Bauman



Chairman Bauman stated that once an agenda is set that it should not change. An agenda cut off of the Thursday before the Wednesday meeting was suggested this would include all back up information to be provided to the clerk. Commissioner Tobin believes that Roberts Rules are too detailed. Commissioner Brooks stated that there is a great need to establish rules. Mr. Sheets suggested a workshop with the sole purpose to review the draft administrative procedures and he suggested January 2004. It was suggested that the Board consider including the workshop with either the 1/7 or 1/21 meeting or having a meeting on 1/14 solely for the administrative procedures workshop and then eliminating the 1/21 meeting.

### 3. Discussion of Payments to GSG – Chairman Bauman

This item was tabled until a future meeting.

### K. Meeting Adjournment

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



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

**5:00 PM Wednesday, December 17, 2003  
Key Largo Civic Club, 209 Ocean Bay Drive  
Key Largo, Monroe County, Florida**

## **Board Members Present**

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

## **Staff Present**

Robert E. Sheets, General Manager  
David Miles, CFO (joined the meeting in progress at 5:35 p.m.)  
Thomas Dillon, Board Attorney  
Ed Castle, Board Engineer  
Cindy Carly, Interim Board Clerk

## **Guests Present**

Nos Espat, Randazza Inc.  
Robert E. Burt, KLTV  
Steve Gibbs, Reporter Free Press  
Vicky Faye, KLTV  
Chuck Fishburn, GSG  
Burke Cannon, KLFHA

### A. Call to Order

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

### B. Pledge of Allegiance

The pledge was recited.

### C. Additions, Deletions or Corrections to the Regular Agenda

Ms. Cindy Carley was introduced as the interim clerk during Ms. Doyle's absence.

The Chair added items I - 5 and I - 6.

#### D. Public Comment

No one wished to address the Board.

#### E. Action Items

##### 1. Approval of Pending Payment List

The item was tabled until after Action Item 2.

##### 2. Approval of the TIB Loan Documents

**Mr. Brooks moved to approve the documents. Mr. Beaty seconded the motion. After discussion and clarification of the use of the funds the motion was approved unanimously.**

Item E1, Approval of the Pending Payment List was brought to the floor. Mr. Tobin requested detailed billing information on consultants bills for the last sixty days. Mr. Sheets stated that he would provide it and would have a column added to the list Capital versus Operating Budget expenses. Discussion on funding the payment continued. The item was then tabled until Mr. Miles' arrival.

##### 3. Approval of the KLWTD Board Meeting Schedule for 2004

**Mr. Brooks moved to approve the schedule with the following changes, moving the January 21<sup>st</sup> meeting to the 14th at 4:00 p.m. with the first item being a workshop meeting. Mr. Wilkinson seconded the motion. All were in favor and the motion was unanimously approved.**

Item E1, Approval of the Pending Payment List was brought to the floor. Discussion continued. Commissioner Tobin requested that the three main projects have individual columns, Operating, Park and Village. Mr. Miles stated for the record that all TIB funds would only be used for administrative expenses. Commissioner Brooks requested a report on the FCAA expenditures and what FEMA 1 funds remain. Commissioner Beaty motioned to approve the list and Commissioner Wilkinson seconded the motion. After further discussion four payments to GSG were removed from the list until documentation was provided and reviewed. FCAA would be contacted for reimbursable expenses as soon as possible. The motion was amended and seconded. With no further discussion all were in favor and the motion was unanimously approved.

#### F. General Manager's Report

##### 1. Review of the County Grant Reimbursement Financial Records and Presentation of the List of KLWTD Financial Files

The information provided was reviewed. An inventory of the information was provided and it was reported that the Mull and Associates had started the audit.

## 2. Status Report on the KLWTD Transition Plan

Mr. Sheets outlined the planned schedule for the January 7<sup>th</sup> meeting. Mr. Dillon explained his reasoning for leaving some specific dates on the report undefined.

## 3. Interim Financial Statements as of November 30, 2003.

Mr. Miles presented the information provided. The Board requested a review of the reports provided so that they could be updated to a format that meets the Boards needs.

## 4. Response letters to the Engineering CCNA

Discussion ensued on the delay in forwarding replies to the seven remaining engineering firms.

## G. Legal Counsel's Report

### 1. Report on Sunshine Law and Informal Responses

Commissioners Brooks and Tobin requested that this item be brought back as an action item at the next meeting.

### 2. Report on the Draft Interlocal Agreement Between KLWTD and Monroe County Concerning the Distribution of MSTU Funds

Mr. Dillon stated that the BOCC approved the agreement on December 17, 2003 which makes about \$110,000 available for reimbursement within the next few days.

Mr. Dillon noted that there needs to be an amendment to the enabling legislation to allow certain expenses to be reimbursed from County funds. This legislation is intended to accomplish two purposes; (1) to provide that the district is authorized to expend all funds received from any source for any lawful purpose unless such expenditure is prohibited by express terms of the grant under which such funds were received; and (2) to provide that in the case of a vacancy on the Board, the remaining members may appoint a person to fill the vacancy until the next general election, and the replacement will serve out the remaining term of the person whose position has become vacant.

**Commissioner Tobin moved to approve the draft an amendment to the enabling legislation. Commissioner Brooks seconded the motion. Chairman Bauman requested a roll call vote.**

<b>Commissioner Beaty</b>	<b>Yes</b>
<b>Commissioner Brooks</b>	<b>Yes</b>
<b>Commissioner Tobin</b>	<b>Yes</b>
<b>Commissioner Wilkinson</b>	<b>No</b>
<b>Chairman Bauman</b>	<b>Yes</b>

**The motion carried.**

**Chairman Bauman and Commissioner Tobin requested that item, amendment to the enabling legislation be placed as an action item on the next agenda.**

**3. Report on the Monroe County Land Transfer**

Mr. Dillon stated that no Board action is required on this item and that the BOCC approved the transfer today.

**4. Report on the Randazza Warranty**

Mr. Nos Epat addressed the Board. Mr. Dillon noted that the original document has been corrected to include a \$75,000 deposit and the warranty would be for 2 years.

**5. Report on The Haskell Company's Performance Bond**

Mr. Dillon stated that the performance bond has been received.

There was lengthy discussion on testing standards.

**H. Engineer's Report for the Period Ending December 9, 2003**

Mr. Castle presented the information provided. Mr. Castle stated that he would like to make a Calusa Camp Resort power point presentation at the January 7<sup>th</sup> meeting. The presentation would demonstrate the cost variations. The Board agreed this would be valuable.

Commissioner Tobin requested that item I-3 be moved ahead because it is necessary for him to leave the meeting early.

Item I-3, Discussion on Bonding Future Projects with the \$2700 Impact Recovery Fee as proposed by Monroe County and the DCA. Discussion ensued on the financial implications of the proposed Calusa project. Commissioner Brooks noted that Mayor Nelson had requested that the KLWTD commit to use the \$2700 impact recovery fees collected for future projects.

All other items on the agenda were tabled until the next meeting.

Commissioner Beaty moved to adjourn the meeting. Commissioner Brooks seconded the motion.

Chairman Bauman adjourned the meeting at 9:15 p.m.