MINUTES
Key Largo Wastewater Treatment District
Board of Commisisoner's Meeting

August 4, 2004, 5:00 PM,
Key Largo Civic Club, 209 Ocean Bay Drive,

The KLWTD Board of Commissioners met for a regular meeting on August 4, 2004 at 5:00 PM. Present were Chairman Gary Bauman, Commissioners Cris Beaty, Charles Brooks, Andrew Tobin, and Jerry Wilkinson. Also present were General Manager Charles Fishburn, Board Clerk Carol Simpkins, and all appropriate District staff.

Chairman Gary Bauman led the Pledge of Allegiance.

ADDITIONS/DELETIONS TO THE AGENDA.
Commissioner Charles Brooks requested that the letter from Secretary Castille concerning a $10 million grant be discussed with item GM 6, the Army Corp Update and that it be the first item under the General Managers Report.

MINUTES
Motion: **Commissioner Charles Brooks made a motion to approve the Board minutes of July 7 and July 22, 2004. The motion was seconded by Chairman Gary Bauman.**

Vote on motion:

Board Member	Yes	No	Other
Commissioner Andrew Tobin	X		
Commissioner Charles Brooks	X		
Commissioner Jerry Wilkinson	X		
Commissioner Cris Beaty	X		
Chairman Gary Bauman	**X**		

Motion passed 5 to 0

PUBLIC COMMENT: The following persons addressed the Board: None

LEGAL COUNSEL REPORT

Board Attorney Thomas Dillon reported that a "Notice of Delay" had been received from the Haskell Company due to the fact that they had not received a "Notice to Proceed" from the KLWTD. No action from the KLWTD is required at this time. Mr. Dillon requested that a schedule update reflecting the impact of the event in regards to the delay be provided to the KLWTD.

The Commission pointed out that it was the Haskell Company that had requested that a "Notice to Proceed" not be issued at the July 21, 2004 meeting but that it be issued at the August 4, 2004 meeting instead. Concern was expressed over the cause for the delay and the implications of "game playing" along with other ramifications of the "Notice of Delay".

Board Attorney Thomas Dillon was directed to respond to the Haskell Company at a latter time taking into account the cause of the notice, when and if damages are discussed.

Walt Messer, DN Higgins, Inc. stated that he felt that he had swayed the Haskell Company in the request for a delay in the issuing of a "Notice to Proceed" because he had informed them that he would not be able to start until some time in September.

ACTION ITEMS

"Notice to Proceed" for the Haskell Company.

Motion: **Commissioner Andrew Tobin made a motion to issue the "Notice to Proceed" with the stipulation that the Board Attorney reviews the signed Department of Community Affairs (DCA) agreement. Commissioner Jerry Wilkinson made the second.**

Vote on motion:

Board Member	**Yes**	**No**	**Other**
Commissioner Andrew Tobin	X		
Commissioner Charles Brooks	X		
Commissioner Jerry Wilkinson	X		
Commissioner Cris Beaty	X		
Chairman Gary Bauman	X		

Motion passed 5 to 0.

CHIEF FINANCIAL OFFICERS REPORT

Pending Payments

Financial Officer Martin Waits stated that there will be a correction to the amount due to Commissioner Cris Beaty since he had missed a meeting during the accounting period.

Motion: **Commissioner Cris Beaty made a motion to approve the pending payments list for August 4, 2004. Commissioner Andrew Tobin seconded the motion.**

Mr. Waits explained the review process that is in place for all invoice payments. He then explained the finance funding as it is related to the operating fund and grant draw downs and the MSTU funding.

Vote on motion:

Board Member	Yes	No	Other
Commissioner Andrew Tobin	X		
Commissioner Charles Brooks	X		
Commissioner Jerry Wilkinson	X		
Commissioner Cris Beaty	X		
Chairman Gary Bauman	X		

Motion passed 5 to 0

Operation (exhibit "A") & Capital (exhibit "B") Improvements Budget
Financial Officer Martin Waits and David Miles of GSG discussed the analysis of revenues and expenditures. The capital revenue estimate is not locked in.

Mr. Miles explained that there will be a public hearing on the budget at the first meeting in September and a resolution to approve the budget will be introduced for adoption at the second meeting in September.

By consensus the Board directed staff to set up an "operating reserve account" and to rename the "renewal & replacement transfer fund" the "renewal & replacement reserve". They also directed that the staff should account for their time in relationship to the projects that they are working on in order to allocate a percentage of their payroll to the extent that is granted by law to the capital side of the account funds (to be paid for by grants).

Motion: **Commissioner Charles Brooks made a motion to have staff draw up a resolution to insure that all grants carry their fair share of the administrative expenses to the full extent of the law. The motion was seconded by Commissioner Jerry Wilkinson.**

Vote on motion:

Board Member	Yes	No	Other
Commissioner Andrew Tobin	X		
Commissioner Charles Brooks	X		
Commissioner Jerry Wilkinson	X		
Commissioner Cris Beaty	X		
Chairman Gary Bauman	X		

Motion passed 5 to 0

Commissioner Jerry Wilkinson questioned as to whether or not the KLWTD should be sending in invoices against the $100,000 loan to lower it now. It was explained that due to a cash flow matter the Board had previously decided to not apply current invoices toward the $100,000 but to put current invoices in for immediate reimbursement.

Quarterly Financial Reports (exhibit "C")
David Miles of GSG explained that this is the first attempt at long range planning of the grants projects in the Capital Budget.

FEMA Phase II Funds
They FEMA Phase II funding agreement has been signed by Department of Community Affairs (DCA) and staff is waiting for a signed agreement to be delivered.

Transition of the CFO Function
Financial Officer Martin Waits stated that the transfer was going smoothly.
There will be an overlap of services (a set of two books) for the months of August and September of 2004 and then GSG will stop the duplicate books on September 30, 2004.

GENERAL MANAGER'S REPORT
Army Corp Update and $10 million grant
Commissioner Charles Brooks stated that he turned in updates that would give the KLWTD a more accurate representation in the Project Management Plan (PMP) for federal monies. When the plan was originally drawn up the KLWTD was not in existence. (See exhibit "D").

Commissioner Charles Brooks strongly suggested that the KLWTD send in an application for the $330,000 grant funds. General Manager Charles Fishburn stated that the KLWTD will be ready to send in the application.

Commissioner Jerry Wilkinson construed section 2.8.1 of Appendix C on page 14 of the PMP as just flat wrong. It is a falsehood. They did not analyze the suitability of the twenty seven (27) systems. They left out the gravity systems.

General Manager Charles Fishburn reviewed a letter from Secretary Castille regarding her Project Requirements concerning a $10 million dollar grant. The Secretary would like a consensus of the interested parties as to who will get the entire $10 million. Mr. Fishburn requested that the Commissioners agree that one entity should get the entire $10 million.

Commissioner Charles Brooks stated Monroe County Mayor Murray Nelson proposed that either Marathon or Islamorada receive the first $10 million to be followed by either Marathon or Islamorada (which ever did not received the first $10 million) then the third $10 million would go to Key West. The Mayor would like the KLWTD to bond its impact fees for $20 million in infrastructure monies that would be available in 2006. Commissioner Charles Brooks wants the task force that is in place to stay in place, the federal formula for funding to stay as is, a guarantee that the KLWTD will get the $20 million in the future before agreeing to who gets the $10 million, and that the money should be available before 2006. The KLWTD would not be in the State funding mix. The infrastructure money can only be used for infrastructure and nothing else.

Discussion followed concerning what areas meet the requirements set out in Secretary Castille's letter. KLWTD meets all of the Secretary's requirements. The "hot spots" in the different areas was also a topic of discussion. The KLWTD has a very large number of "hot spots" in the Keys including the current number one "hot spot".

It was the consensus (5 to 0) of the Board of Commissioners that the $10 million be allocated to just one entity. Commissioner Charles Brooks will represent the KLWTD at any meetings concerning the $10 million. The KLWTD Board had not established who would receive the $10 million.

Site Mitigation
A letter from George Garrett, Director of Marine Resources, was received with the cost requirement of $294,708.08 for the mitigation at MM 105.

Community meeting
Commissioner Andrew Tobin was pleased to announce that the meeting went very well and he thanked the staff for their work on it.

Future KLWTD Board meetings
September 1 & 15, October 6 & 20 and November 3 & 17 will be regular KLWTD Board meetings starting at 5pm with September 29, 2004 set as a tentative workshop.

Status of New Office Site
Motion: Commissioner Charles Brooks made a motion to rent the entire building. Motion was seconded by Commissioner Cris Beaty.
There was discussion as to the current needs of the office staff in relationship to how much of the building to rent.

Motion Amendment: **Commissioner Charles Brooks amended his motion to approve rental of option 2 for 1500sq ft. instead of the entire building. Commissioner Cris Beaty amended his second.**

Vote on amended motion:

Board Member	Yes	No	Other
Commissioner Andrew Tobin	X		
Commissioner Charles Brooks	X		
Commissioner Jerry Wilkinson	X		
Commissioner Cris Beaty	X		
Chairman Gary Bauman	X		

Motion passed 5 to 0

FKAA cooperation on billing and collecting for the District
General Manager Charles Fishburn has been in contact with Jim Reynolds, Executive Director of FKAA, and will send him a written proposal with different options of billing for him to take to his Board.

ENGINEER'S REPORT
Report on Design Review and Status of Sexton Cove RFP
Please see exhibit "E"
There will not be anymore design meetings. The next step will be to issue a set of construction documents.

The rest of the Engineer's Report will be continued to the August 18, 2004 meeting.

PUBLIC COMMENT
The following persons addressed the Board: None

ADJOURNMENT
After a motion and second to adjourn the meeting adjourned at 8:53PM.

The KLWTD minutes of August 4, 2004 were approved on Aug. 18, 2004.

Chairman Gary Bauman

Seal

Carol Simpkins, CMC
Board Secretary