

MINUTES
 Key Largo Wastewater Treatment District (KLWTD)
 Board of Commissioners Meeting



October 19, 2005
 98880 OVERSEAS HYW, KEY LARGO, FL 33037

The Key Largo Wastewater Treatment District Board of Commissioners met for a regular meeting on October 19, 2005 at 5:00 PM. Present were Chairman Charles Brooks, Commissioners Glenn Patton, Gary Bauman, Andrew Tobin, and Claude Bullock. Also present were General Manager Charles Fishburn, District Counsel Thomas Dillon, Board Clerk Carol Walker, and all other appropriate District Staff.

The Pledge of Allegiance was led by Chairman Brooks.

Approval of the Agenda

Commissioner Tobin requested that an issue concerning authorizing the Key Largo Fire Department and EMS Board use of the facilities at 98880 Overseas Hwy for their Board meetings be added to the agenda. Commissioner Tobin also suggested moving the Employees Medical Plan from an action item to a discussion item.

MOTION: Commissioner Patton made a motion to approve the agenda as amended. Commissioner Tobin seconded the motion.

Vote on motion

| MEMBER | YES | NO | OTHER |
|----------------------|-----|----|-------|
| Commissioner Tobin | X | | |
| Commissioner Patton | X | | |
| Commissioner Bullock | X | | |
| Vice Chairman Bauman | X | | |
| Chairman Brooks | X | | |

Motion passed 5 to 0

Public Comment

The following persons addressed the Commission: No public comment at this meeting.

Commissioner's Roundtable

Commissioner Bullock stated that he thinks that it is in the best interest of the public that the Board insists that the design criteria for the design projects that the District builds

include a category Five Hurricane Government facilities need to be on line and in service at the conclusion of a hurricane.

Commissioner Tobin agreed with Commissioner Bullock. Commissioner Tobin stated that there are a lot of residences that do not want to destroy their septic tanks. He would like District Counsel to look into challenging the DEP Administrative Rule that says the septic tanks have to be destroyed.

Chairman Brooks asked Commissioner Bullock if he is suggesting that the design category Five criteria be incorporated into the new plant. Commissioner Bullock said yes.

Commissioner's Items

Federal Funding

Commissioner Patton stated that the documents that he had received had the project description and funding off center of what is really going on. He asked Chairman Brooks how the document could be altered.

Chairman Brooks explained that it is the most important document that has been done since 1997. It is the final step that tells the Secretary of the Army, who then tells Congress, that it is ok to move ahead with the distribution of the monies.

Chairman Brooks reported that he has talked with Patricia Carney of PBS&J who is representing the Army Corp of Engineers on the project, and was told that that the numbers are flexible. Ms. Carney suggested that part of the money be left in the Treatment Plant cost even though ultimately it may not be used there. The total amount in the report is now \$140 million.

Commissioner Patton suggested that Commissioner Bullock be selected as an alternate to the Project Development Team to also attend the meetings. Commissioner Bullock has three years left to serve on his term with the KLWTD District Board.

Chairman Brooks stated that he has had three years as representative to the Project Development Team and has less than what he considers total backup from the KLWTD Board in trying to obtain the federal money. He feels that it has been an uphill battle and he stepped down as the representative to the Project Development Team effective immediately.

MOTION: Commissioner Patton made a motion to nominate Commissioner Bullock to be the Funding Liaison Representative to the Project Development Team and that Commissioner Tobin to be the alternate. Commissioner Tobin seconded the motion.

Vote on motion

| MEMBER | YES | NO | OTHER |
|--------------------|-----|----|-------|
| Commissioner Tobin | X | | |

| | | | |
|----------------------|---|--|--|
| Commissioner Patton | X | | |
| Commissioner Bullock | X | | |
| Vice Chairman Bauman | X | | |
| Chairman Brooks | X | | |

Motion passed 5 to 0

The KLWTD Board decided by consensus that the term of the representative will be one year.

Commissioner Patton told the Board that the Key West Utility had a surplus of \$5 million dollars this last year and they put \$1 million into the city's general fund. They are still looking for funding from government agencies to fund their Deep Wells.

Commissioner Tobin suggested that the position of the representative should be used on documents instead of specific names since the person in the position is changed from time to time.

Chairman Brooks said that the letter is an Army Corp of Engineers document and that he would email Commissioner Bullock the contact information.

Use of the 98880 Building by Key Largo Fire and EMS Board

MOTION: Commissioner Tobin made a motion to allow the Key Largo Fire & EMS Board to use the KLWTD meeting facilities on Monday, Tuesday, or Thursday nights. Commissioner Patton seconded the motion.

Vote on motion

| MEMBER | YES | NO | OTHER |
|----------------------|-----|----|-------|
| Commissioner Tobin | X | | |
| Commissioner Patton | X | | |
| Commissioner Bullock | X | | |
| Vice Chairman Bauman | X | | |
| Chairman Brooks | X | | |

Motion passed 5 to 0

Action Items

Sexton Cove/Lake Surprise Collection System Engineering Work Order

General Manager Charles F. Fishburn explained that since the last time the Board looked at the Work Order, David Massey a local surveyor has been added to the proposal.

District Counsel Tom Dillon stated that he has added a "“Not to Exceed”" amount in the contract. He is satisfied with the contract and recommends approval.

Ed Castle, District Engineer stated that he is comfortable with the scope, the estimated hours and the concept of the "Not to Exceed" price.

Commissioner Bullock asked if the proposal meets the Army Corp. of Engineers criteria. Mr. Terry Zaudtke, Chief Operating Officer for CPH, stated that if they are not in the proposal he has no problem with adding them in unless there are some unusual tasks like some planning documents or things that they would be required to do in addition to things that are already designed, to support the funding.

Tom Dillon, District Counsel said that there would be a new Paragraph Six put in the work order done by an addendum that will say that the Consultant will provide documentation that shows they meet the requirements of the any government agency providing funding.

By consensus the KLWTD Board directed the Engineers to bring back the design built with an order of magnitude cost option to a category 5 at the concept design review.

Commissioner Bullock asked why all of the subdivisions are not in the collections basins that are shown on the map as platted.

Commissioner Tobin asked if the maps have been ground-truthed.

Terry Zaudtke stated that he has driven each of the roads, and Ed Castle has driven the roads, and Charles F. Fishburn has driven the roads. Mr. Zaudtke explained that they have also checked the Monroe County data base on Tier One, Tier Two, and Tier Three lots.

Commissioner Bullock stated that his only concern was that someone in the future would come back and complain the District did not plan for a specific area and he wanted in the record the reason why the areas were not included in the plan.

Commissioner Patton would like to go out to bid for the Sexton Cove / Lake Surprise area as soon as possible.

Ed Castle pointed out that each of the basins could be permitted and bid out in smaller areas.

Mr. Zaudtke stated that he did not need anything extra in the contracts, that he would be willing to break the job up into smaller projects contracts. He explained that each of the jobs would then need a DEP permit and that there would be a permit fee for each job. Ed Castle suggested that each of the Basins be permitted as a whole project and then broken up into smaller jobs.

Mr. Zaudtke said that if the job was split into more than one job there would be some miscellaneous cost like printing but that the area could be done with two contracts and two permits.

Chairman Brooks asked Mr. Zaudtke how much time would be gained by splitting up the project into two parts. Mr. Zaudtke said that he could start 50 days earlier that if he did the work as one project.

Chairman Brooks pointed out that the schedule March 17, 2005 date should be March 17 2006. He then asked if they project is going to be designed before the survey is done.

Mr. Zaudtke explained that they will be able to know how far the runs are going to be, and will work with staff on the location of the lift stations. They will do a preliminary evaluation at that time. He should get the survey information for Sexton Cove in January.

Chairman Brooks asked why the schedule reflects a month between when the plans are submitted and a review. He wanted to know why it took so long. Mr. Zaudtke explained that he gave staff 20 working days to review the plans and if the review goes faster then the schedule will be moved up.

Chairman Brooks asked how much additional time it will take from the time the bids are opened to the award of the bid and mobilization of the contractor and the completion of construction. Mr. Zaudtke said that it would probably take 9 to 12 months.

Chairman Brooks asked if the collection system was started in January, 2007 in Sexton Cove how long would it take to complete. Ed Castle and Terry Zaudtke estimated that it would take nine months to a year per basin.

Commissioner Bullock asked when the property for the lift stations will be purchased. Mr. Fishburn explained that since it is a requirement for the SRF Loan that the property will be purchased by June 2006. He has already been working with a realtor looking into sites.

MOTION: Commissioner Tobin made a motion to approve Work Order Number 2 with CPH Engineers for the engineering work for the Sexton Cove / Lake Surprise, etc. Collection System. Commissioner Bullock seconded the motion.

Vote on motion

| MEMBER | YES | NO | OTHER |
|----------------------|-----|----|-------|
| Commissioner Tobin | X | | |
| Commissioner Patton | X | | |
| Commissioner Bullock | X | | |
| Vice Chairman Bauman | X | | |
| Chairman Brooks | X | | |

Motion passed 5 to 0

Regional Treatment Plant Engineering and Deep Injection Well Service Work Order
Charles F. Fishburn, General Manager, stated that the Staff has reviewed the work order and recommends approval as it is written.
Martin Waits, Financial Officer, stated that there were funds for this project.

Ed Castle, District Engineer, had no comments.

Tom Dillon, District Council said that the contract was the same one that the Board had reviewed at the last meeting.

William Lynch of Arcadis explained that the Board had requested three changes at the last meeting and they have been made. The first one was to revise the schedule to reflect the Notice to Proceed date, the second one was confirmation with District Staff that the Work Authorization had provisions for early termination, and the third one was confirmation with District Staff that the Work Authorization had provisions to address the capacity if the District was to include Plantation Key (Islamorada). They had all been addressed.

Commissioner Bullock expressed concern over the issues of design criteria and if there will be a huge impact if the design goes from a Hurricane Category 4 to a Hurricane Category 5.

Mr. Lynch said that the biggest impact with upgrading the category would be the cost of the building as opposed to the design. It can be addressed at the current time if the Board so directs. Mr. Lynch agreed to give the District a comprehensive opinion of cost difference, so that the Board would have a magnitude of the difference between building for a Category 4 and building for a Category 5 at the concept level.

Chairman Brooks asked what does it mean that on page three of seventeen it says, it is the responsibility of the District is to provide Arcadis with the information for Arcadis to proceed with the design. Staff explained that the things to be provided are relevant population, equivalent dwelling units, flow data, and schedule. Chairman Brooks asked staff if the information was available currently.

Ed Castle responded that the information has already been generated by Weiler Engineering and will be provided to Arcadis. There will be no additional work required of the District to provide the information.

Chairman Brooks asked how much the task of considering the additional 1.5 mgd for Islamorada. Mr. Lynch stated that the task has already been included in the concept design. Mr. Fishburn explained that Chairman Brooks was asking for how many hours would it take. Mr. Lynch said that the hours had been furnished at an earlier stage but in the Work Order is was presented as a summary table showing the work at the stage level but does not show it down to the individual concept assessment level.

Chairman Brooks stated that he is somewhat opposed to that until every thing in the District is done but he does understand the need to be prudent and prepare for the possibilities. He understands that Islamorada is going to look at the issue.

Chairman Brooks pointed out that on the Schedule of Events Graph on the upper left corner the icon that is being used belongs to the Key Largo Chamber of Commerce and the Board Clerk will email the District Logo to Mr. Lynch.

Chairman Brooks stated that in addendum one the assumptions are for a pre-engineered SBR system. He asked if the District is paying for studies in engineering that are not required with the pre-engineered system.

Mr. Lynch explained that Arcadis was requested by Staff to provide a price proposal which would take the job through design and in order to do that they needed to base the final design on an approach. The approach that was suggested by the District Staff was SBR. They will have a refined proposed system so that the Board can take a look at the alternatives and decide which approach to take. When the District finally directs Arcadis on which approach to take they will revise their proposed fee and scope for the final design and Addendum One will reflect what the Board request that Arcadis/MWH do a final design on.

Chairman Brooks said that he is not sure if Arcadis is providing all of the systems that they have be talked about in the proposal for \$742,000.

Mr. Lynch said that until they are done with the concept design, with staff reviewing it, and the Board approving what exactly will be done, a detailed design, is not fully defined. Staff requested that Arcadis define their assumptions so as they review the man hours and estimated fees they had a basis on which to do that. It was agreed that after the last meeting they all concurred that at the point of the concept design phase they would revisit the fee estimate and the scope. The addendum will be revised, and refined so that the scope and the fee estimate, that will be reviewed, will more closely reflect the Board's desire for a final plan.

Chairman Brooks stated that Mr. Fishburn explained to him that if the District uses the pre-engineered system that the fee figure would be reduced from the \$742,000. How much of a reduction would that have on the Arcadis/MWH fee?

Mr. Lynch said that at this point they could not define what the fee reduction would be. That could only be done after they get into the process.

Chairman Brooks stated that what he is trying to establish is that the ""Not to Exceed"" amount, if the District goes with the pre-engineered, would be reduced.

Mr. Lynch said that it may or may not but the current thinking is that is should be brought down.

Chairman Brooks asked if the Board could be missing something since they do not know what the pre-engineered system is and they do not know what the final assumptions of Arcadis will be. Could something be missing that may have to be built or purchased latter on?

Mr. Lynch said that during the concept design phase they will provide, at the end, a recommendation of draft criteria of important information so that the Board can make a decision for a suitable system to meet its needs.

Chairman Brooks asked what the time frame from the start of the bid process to completion and the start of construction would be. Mr. Lynch stated that it would depend on the size and the style used in the treatment plant. Right now variable sizes and variable types are being looked at.

Commissioner Tobin asked if he could be given what lines in the schedule B, attachment C, might be reduced if the District decided to go to a pre-engineered plant.

Mr. Lynch said that there are several potential lines; it would be those that would be related to the final design.

Patrick Mullen, MWH, stated that their fee was based on a pre-engineered treatment plant with not all of the plant being pre-engineered. The savings will come about not in the Engineering fees but the construction cost. Whereas Mr. Fishburn and Mr. Castle indicated at the last meeting that this fee is on the order of between 5 and 6 percent of the total construction cost. An approach that includes pre-engineering may reduce the construction cost substantially and the engineering fee only marginally.

Chairman Brooks stated that for the \$742,000 Arcadis/MWH is designing a system that will have a pre-engineered portion of the design and Arcadis/MWH is relying on the pre-engineering. If the Board does not want to go with a pre-engineering design would cost go up over and above the \$742,000.

Mr. Lynch answered that it could go up because they have made the assumption as directed by staff as summarized in the addendum to base it on pre-engineered because that appeared to be favored at the time of the proposal.

Mr. Fishburn stated that they thought that the "Not to Exceed" did include the possibility of going to a custom engineer building, treatment plant, and so on.

Mr. Castle stated that it was his recollection that Mr. Fishburn specifically asked the question, "The \$742,000 reflects the entire job even if the District decides to go with a straight design not pre-engineered." Mr. Fishburn very clearly stated that this is a "Not to Exceed" contract. If a completed design system in need the "Not to Exceed" amount would cover it. Arcadis/MWH said yes to Mr. Fishburn's, and Mr. Castle's recollection.

Patrick Mullen, MWH said that he did not recall that conversation.

Arcadis /MWH stated that they had not considered having to design the total package from scratch for the “Not to Exceed” price. If at concept review it was to be determined that pre-engineering would not be used at all then it would be determined that there would not be enough money in the current contract as proposed to cover the cost.

Mr. Dillon stated that the reason that a price was needed for the entire work was because the District has to make a determination that the price was fair and reasonable. If they cannot get to that determination then the District must declare an impasse and negotiate with the second most highly qualified consulting firm. His recollection is the same as Mr. Fishburn’s and Mr. Castle’s that the \$742,000 is the price if Arcadis/MWH designs everything and that the price would change if a pre-engineered system would have its own cost and Arcadis/MWH work load would go down since they did not have to design every detail of ultra-light disinfection. Mr. Dillon stated that what he was hearing at the current meeting was not the same thing that he thought he heard during the conference call.

Chairman Brooks stated that there are some very important factors that there is a misunderstanding about.

Mr. Dillon said that the District thought that they had a “Not to Exceed” number of \$742,000 and if nothing changed the District would get the full design plan for that amount. Also, if some of the design effort on Arcadis/MWH side was not required because the District decided to go with a pre-engineered design the cost might go down. The decision would be made at the end of the concept review stage. He is now hearing that it is not Arcadis/MWH understanding and he thinks that it should be resolved before it is brought back to the Board.

Mr. Castle pointed out that he had requested the addendum so that the appropriate number of man hours could be determined going into this project based on his information and reference material. When the District switched to the “Not to Exceed” his understanding was that the assumption do not hold anymore. He expected that they would apply, at the concept review, then he would then get the hours down to where he thinks they should be for that type of design. That is why he was agreeable to a “Not to Exceed” figure. If this is not going to be a “Not to Exceed” with the current scope only then he needs to get the hours down in his opinion.

MOTION: Commissioner Tobin made a motion to defer Work Order Number 1 with Arcadis/MWH for the Regional Treatment Plant, and Deep Injection Wells engineering. The motion was seconded by Commissioner Bauman.

Vote on motion

| MEMBER | YES | NO | OTHER |
|----------------------|-----|----|-------|
| Commissioner Tobin | X | | |
| Commissioner Patton | X | | |
| Commissioner Bullock | X | | |

| | | | |
|----------------------|---|---|--|
| Vice Chairman Bauman | | X | |
| Chairman Brooks | X | | |

Motion passed 4 to 1

KLWTD Commissioner Meeting Minutes of September 21 and October 5, 2005.

Mr. Dillon stated that the motion on page 4 of the September 21, 2005 minutes should be changed to read **Waiver of Service Administrative fee** on the motion to set the fee to be collected for the Waiver to System Development Charge Assessment.

MOTION: Commissioner Patton made a motion to approve the Bulk Items with the amendment to the September 21, 2005 minutes. Motion was seconded by Commissioner Bullock.

Vote on motion

| MEMBER | YES | NO | OTHER |
|----------------------|-----|----|-------|
| Commissioner Tobin | X | | |
| Commissioner Patton | X | | |
| Commissioner Bullock | X | | |
| Vice Chairman Bauman | X | | |
| Chairman Brooks | X | | |

Motion passed 5 to 0

Chairman Brooks left the meeting and turned the gavel over to the Vice Chairman Bauman at 7:47 PM.

Discussion Items

Medical Plan for District Employees

Mr. Fishburn explained that the proposal from the Florida League of Cities be consider. He recommends that a \$500 monthly cap be placed on the insurance benefits.

Commissioner Tobin stated that he has a problem with once the District starts to give out medical insurance it can never be stopped and it will continually go up. He would like to see a 50/50 split on the health benefits. He wants the employee invested in the plan.

Commissioner Bullock stated that he has no problem with a fifty fifty split with a \$500 cap.

Commissioner Bauman stated that providing insurance is just another form of wages that are provided to have good employees.

Staff will bring back this item to the next meeting.

Increase in Engineers Salary

General Manager Charles Fishburn explained that he does not feel that this is a raise. He believes that he hired the Engineer below the current market and the Engineer has finished the six-month probationary period

Work Order for Completion of District Wastewater Plan

Mr. Fishburn explained that the SRF Loan for the actual construction of the North Components requires a "Facilities Plan." The District, at minimum, could do a Facilities Plan for the North Components only, but due to the inclusion of the Regional Treatment Plant in the North Components Project we would be 75% on our way to a Facilities Plan for the whole Island.

Staff recommends enlisting Weiler Engineering to complete the Island Planning (attached Work Order No. 5) and then enlisting Weiler for an additional Work Order No. 6 to complete the SRF Facilities Plan for the complete \$140,000,000 Island Project.

Work Order No. 6 would include data derived from CPH, MWH, and Arcadis' 30% submittals and/or concept reviews required for their projects. Work Order No. 6 to Weiler Engineering would result in the Facilities Plan for the SRF Construction Loan.

Work Order No. 5 would be funded from our Planning Budget and MSTU Funds and Work Order No. 6 would be charged to the SRF Engineering Loan that is currently in place.

Commissioner Bullock requested that when the work order is brought back for action that there be hours addressed in it.

Legal Items

Tom Dillon, District Counsel told the Board that his contract with the Board is entering its second year and that he is not requesting a rate increase. There is no change in the contract.

Mr. Dillon presented the Decision Letter that is being sent out to the appellant concerning the wastewater assessments.

Mr. Dillon reported that he sent out solicitations on October 13 for ownership and encumbrance reports. The response is due October 28, 2005 with a price good through December 31, 2006.

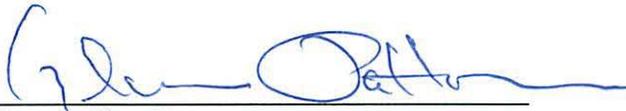
Status Reports

None

Adjournment

The KLWTD Board adjourned the meeting at 9:10 PM.

The KLWTD meeting minutes of October 19, 2005 were approved on November 16, 2005



Chairman Glen Patton



Carol Walker, CMC
Board Clerk