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

September 11, 2007
98880 OVERSEAS HWY, KEY LARGO, FL 33037

The Key Largo Wastewater Treatment District Board of Commissioners met for a regular meeting on August 21, 2007 at 4:00 PM. Present were Commissioners Susan Hammaker, Andrew Tobin, Norman Higgins, Claude Bullock, and Chairman Gary Bauman. Also present were the General Manager Charles F. Fishburn, District Clerk Carol Walker, and all other appropriate District Staff except District Counsel Thomas M. Dillon.

The Pledge of Allegiance was led by Chairman Bauman.

APPROVAL OF AGENDA
Commissioner Hammaker requested that Item 2 (Proclamation for Water Reuse Week) be move to the front of the agenda. Commissioner Tobin requested that Item 13 (Islamorada Inter-Local Agreement) be moved to the number 2 spot. Martin Waits requested that Item 12 (Resolution 13-09-07) be move in front of Item 10. Charles F. Fishburn requested that an item on ChemScan be added as 8A.

Motion: **Commissioner Higgins made a motion to approve the Agenda with the requested changes. Motion seconded by Commissioner Bullock.**

Vote on Motion

Member	Yes	No	Other
Chairman Bauman	X		
Commissioner Hammaker	X		
Commissioner Higgins	X		
Commissioner Tobin	X		
Commissioner Bullock	X		

Motion passed 5 to 0

Public Comment: The following persons addressed the Commission: Charles Brooks, Key Largo, Pauline Klein, Key Largo, spoke against an agreement with Islamorada concerning wastewater treatment. D.A. Aldridge, Tavernier, asked what is the benefit to the District customers if the District has a relationship with Islamorada and what will be the impact on the schedule for connections in the District. Burke Cannon, Tavernier, was concerned with any extra cost to the District and any delays the agreement may cause. Robert Burt, Key Largo, was concerned with improving the environment.

COMMISSIONER ITEMS

Proclamation declaring September 9-15, 2007 to be Water Reuse Week.

Motion: **Commissioner Higgins made a motion to approve the Water Reuse Week Proclamation. Motion seconded by Commissioner Bullock.**

Vote on Motion

Member	Yes	No	Other
Chairman Bauman	**X**		
Commissioner Hammaker	**X**		
Commissioner Higgins	**X**		
Commissioner Tobin	**X**		
Commissioner Bullock	**X**		

Motion passed 5 to 0

Commissioner Hammaker presented the proclamation to Cecelia Weaver, representing the South Florida Water Management District.

GENERAL MANAGER'S REPORT

Islamorada Inter-Local Agreement

Gary Word, Islamorada Manager, addressed the Board and asked four questions.

1. Is the KLWTD Board amenable to an inter-local agreement that would provide for the transport and treatment of wastewater from the Village to the Key Largo Wastewater Treatment District?
2. Village Staff consultants have estimated that the portion cap of cost at $22 million. Would the District require the sum be provided up front, if not how would the rate be structured?
3. Would the District clarify when the KLWTD would begin billing Islamorada customers.
4. Would operation and maintenance billing rates be based on the build out percentage or on the actual flows?

Mr. Word stated that he will return to the Village Council with the District's official response and ask them how they wish to proceed.

Commissioner Tobin asked that Charles F. Fishburn, General Manager give a presentation on why the District and Islamorada should have an inter-local agreement to treat wastewater.

Chairman Bauman stated that the history is that the District saw that there could be some cost savings perhaps in letting Islamorada hook up with the District. The District spent an hour or an hour and a half discussing the issue at every meeting. Finally Islamorada took a vote and it was 3 to 2 against the agreement. That happened in 2006. Then there was another vote that ended with a 3 to 2 against when a new Council came in. After that the District decided to drop it. Then Islamorada gets a request to meet with the Islamorada Manager making it look like the ball is in the District's court. Chairman Bauman stated that is not the case. Islamorada is coming to the District saying that they want to connect what does the District think about that.

Mr. Word stated that he does not see it quite that way. He has a divided Council. He does not think that there is clear direction. After the discussion that took place on August 23, 2007 that there was some uncertainty that the District would be agreeable to accept wastewater from the Village. He was asked to come to the District and clarify that.

Charles F. Fishburn, General Manager, stated that Monroe County's Master Plan called for one wastewater treatment plant to serve Islamorada and Key Largo as its first choice. The District has reserve capacity to sell. An inter-local agreement with Islamorada will not slow the installation of sewers in Key Largo down. The savings to Key Largo District if an agreement with Islamorada is reached would be $2 to $3 a month per Key Largo residence. The District loans would be paid back sooner.

Commissioner Bullock asked that if the Village was going to deliver that wastewater to Key Largo? The Village's responsibility would be to get the wastewater to the District. Commissioner Bullock asked if the Village was asking the District to add the additional capacity to pump if from the border to the Plant. Mr. Word stated that those are engineering questions that would have to be addressed. Commissioner Bullock asked if there would be a separate main to carry the Islamorada wastewater to the plant.

Mr. Fishburn said that the current line would be replaced.

Commissioner Hammaker said she would like to hear from Chief Financial Officer Martin Waits. Mr. Waits stated that he would agree with Mr. Fishburn's statement.

Commissioner Higgins commented that if Islamorada does come aboard and there is no additional cost and it will be beneficial also he would like to make sure that there will be no rate increase to the Key Largo customers and there will be no delay. Commissioner Higgins stated that they will be welcome as long as the rates are not increased. Mr. Waits stated that it would help assure the lowest possible rates.

Commissioner Tobin would like Mr. Words feed back on is there a beginning and ending day. Mr. Word said that he thinks that the question should be resolved as soon as possible. It has been hanging over both entities for a long time and it needs to be resolved one way or the other. He would like to go back to the Village Council on September 27, 2007 with an answer from the District and then the Village Council would give him direction to either come to Key Largo or go to go with the Master Plan that has been approved by Islamorada Village Council. If the direction is to go with Key Largo he thinks that the two staffs will be able to work well with each other to iron out and agreement. He envisions coming back to the District with an agreement within 90 days.

Commissioner Hammaker asked for an opinion from the District Engineers on pipelines over water. Ed Castle said he assumes that the maintenances on Islamorada's collection systems would remain with Islamorada. There are sewer lines crossing water all across the Country and he feels it is not an issue.

Chairman Bauman feels that the most prevalent concerns are, increased cost, delay, and time the District spends on the Islamorada issue. He would like staff to address those concerns.

Mr. Fishburn stated that the District has not been delayed a day by Islamorada. He stated that the District is being held up by other areas. Islamorada will not impact the District until 2010m 2011 or 2012. Mr. Castle explained that the plant design was based on 100% of the flow and actual experience has shown that only 60% or 70% of the plant has been used. There will be excess capacity. The plant can be expanded if need. He would like to see the force main done correctly instead of redone in the future.

Chairman Bauman stated that the District has asked Islamorada if they would like to connect to the District twice in the past and Islamorada has said no twice. Has something changed in Islamorada?

Mr. Word said that he does not think that there has been an official overture to the Village in the past. He thinks that the Village has reached out to the District to see if they would consider it. The Village has been discussing it and doing their due diligence and analysis. The presentation was made on August 23, 2007.

Commissioner Hammaker stated that she thinks that people have a lot of miss understandings. She would like the staffs to talk about the miss understandings. Mr. Word agreed that that is a very important point. The both staffs need to be on the same page.

Chairman Bauman stated that he would support Mr. Fishburn and Mr. Word continuing discussions and come back to the September 25th meeting with some sort of letter of understanding between staffs and with a recommendation. This would allow Mr. Word to go to his September 27th meeting with something more concrete than just words.

Commissioner Bullock would like to know if the Board will be discussing the other questions from Islamorada.

Chairman Bauman stated that he has not agreed on the first issue yet so there is no point in taking about the other issues.

Commissioner Tobin explained that the problem is that one Board asked for a direction. He thinks that the District owes it to the best of their ability to answer. He has no trouble with answering one, two, and three because it is the truth and it does not hurt the District at all. Would we like to do business with them. He thinks that the District would like to do business with them if they can agree on a good contract. Two, do they require money up front. No, there may be a half of a million dollars but in the sewer world that is not even money. $22 million is not needed up front, only a revenue stream is needed because the District is borrowing. Three, billing, he does not think that there is anything automatic that they get billed. There needs to be a hook up scheduled. Billing is not immediate. Four, is a technical question that needs to be looked at in the future. Commissioner Tobin said it does not hurt the District to send Mr. Word back with a positive message that the District is willing to talk. He would like to direct Mr. Fishburn and Mr. Waits to go to the Islamorada meeting on September 27 and see how they feel about doing business with the District.

Chairman Bauman stated that Commission Tobin over simplified the situation completely. Chairman Bauman stated that he feels that Islamorada needs the boundaries and preliminary

numbers for an inter-local agreement before he wants to discuss it again. That is what he is suggesting the staffs do.

Commissioner Hammaker asked Chairman Bauman if he would be amenable to supporting sincere negotiations. Chairman Bauman, yes but he would call them discussions not negotiations.

Commissioner Bullock has a question about the policy of starting charges once the line is available. Mr. Martin explained that that has already been address by the District Counsel. The District gives a one year, then a 30 day notice then the connection charge goes into effect. This can be a coordinated effort with Islamorada.

Motion: **Commissioner Tobin made a motion to support preliminary negotiations between Islamorada and KLWTD concerning the treatment of wastewater. Motion seconded by Commissioner Bullock.**

Vote on Motion

Member	Yes	No	Other
Chairman Bauman	**X**		
Commissioner Hammaker	**X**		
Commissioner Higgins	**X**		
Commissioner Tobin	**X**		
Commissioner Bullock	**X**		

Motion passed 5 to 0

Chairman Bauman informed Mr. Word that the Board would vote on more details at the next meeting and he would be able to take something back to the Islamorada Council.

Commissioner Tobin asked if Mr. Word needed more direction on question two and three. Mr. Word stated that he would prefer that.

Commissioner Tobin proposed that the Board answer two a (does Islamorada have to pay $22 million up front) no and two b (rate structure) no action. Commissioner Hammaker said that she would second the motion.

Chairman Bauman stated that to him that is to be negotiated. He stated to Mr. Word that that is all that he is going to get out of the District currently.

Mr. Word stated that the essential question was number 1. The rest of the questions can be worked out over a period of time. It would be a policy decision on the part of the two boards.

ENGINEER'S REPORT

GIS Report

Todd Helt reported that there have been over 1000 GPS accuracy points collected for the District's system. The data conversion is also coming along.

GIS Equipment
Ed Castle explained the usefulness of having a second unit to enter the information into the system.

Motion: **Commissioner Bullock made a motion to approve the purchase of an additional hand-held Trimble unit and two cameras for $14,000. Motion seconded by Commissioner Hammaker.**

Vote on Motion

Member	Yes	No	Other
Chairman Bauman		**X**	
Commissioner Hammaker	**X**		
Commissioner Higgins	**X**		
Commissioner Tobin	**X**		
Commissioner Bullock	**X**		

Motion passed 4 to 1

Engineer's Monthly Report
Mr. Castle reported that Haskell is going to put in the revised pump for the polishing filter system that the District suggested.

ChemScan
Mr. Castle explained to the Board that ChemScan is a tool to help control the opertion at the treatment plant that would be used now at the current plant and then transferred to the Regional Plant. The Board requested that the staff arrange for a video presentation on the system at the next meeting.

COMMISSIONER'S ITEMS
Human Resources General Manager Performance Standards/Evaluation
Greg Matthews presented a review form for the General Manager and asked that the Board review it and return it with and suggestions. The form will be brought back to the next meeting.

Administrative Fine for Non Compliance Hook Up
Commissioner Tobin introduced the idea of establishing an administrative fine for people who do not hook up when they are supposed to. The Board requested that the District Counsel look into establishing the fine.

Contractor Utility Locate Claims
Commissioner Tobin explained that a property owner had her electric line cut by a KLWTD contractor and had to pay $1,700 to repair it. He would like the District to repay the property owner.

The Board would like the item brought back to the next meeting.

FINANCIAL REPORT

FY 2007 Audit Contract Renewal

Mr. Waits explained that there has been a 30% increase in the contract price and he plans on sending out a RFP next April for renewal of the contract.

Motion: **Commissioner Bullock made a motion to approve the FY 2007 Audit Contract with Grau and Associates. Motion seconded by Commissioner Hammaker.**

Vote on Motion

Member	Yes	No	Other
Chairman Bauman	**X**		
Commissioner Hammaker	**X**		
Commissioner Higgins	**X**		
Commissioner Tobin	**X**		
Commissioner Bullock	**X**		

Motion passed 5 to 0

BULK ITEMS

Minutes of August 21, 2007
Pending Payments List
Resolution 12-09-07

Motion: **Commissioner Higgins made a motion to approve the Bulk Items with the Pending Payments contingent upon the availability of funds. Motion seconded by Commissioner Tobin.**

Vote on Motion

Member	Yes	No	Other
Chairman Bauman	**X**		
Commissioner Hammaker	**X**		
Commissioner Higgins	**X**		
Commissioner Tobin	**X**		
Commissioner Bullock	**X**		

Motion passed 5 to 0

FINANCIAL REPORT

RESOLUTION NO. 13-09-07

A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE KEY LARGO WASTEWATER TREATMENT DISTRICT ADOPTING THE BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 2008 FOR THE DISTRICT LOCATED IN MONROE COUNTY, FLORIDA; PROVIDING FOR THE GENERAL MANAGER TO EXPEND FUNDS ON BEHALF OF THE DISTRICT; AND PROVIDING FOR APPLICABILITY AND AN EFFECTIVE DATE.

Motion: **Commissioner Bullock made a motion to approve Resolution No. 13-09-07. Motion seconded by Commissioner Higgins.**

Vote on Motion

Member	Yes	No	Other
Chairman Bauman	X		
Commissioner Hammaker	X		
Commissioner Higgins	X		
Commissioner Tobin	X		
Commissioner Bullock	X		

Motion passed 5 to 0

RESOLUTION NO. 14-09-07
RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT DESIGNATING SPECIFIC COMMISSIONERS AS AUTHORIZED SIGNATORIES OF THE KEY LARGO WASTEWATER TREATMENT BOARD'S BANK ACCOUNTS; AUTHORIZING ESTABLISHMENT OF A FACILITIES WIND DAMAGE AND RENEWAL & REPLACEMENT RESERVE BANK ACCOUNT AND PROVIDING FOR AN EFFECTIVE DATE.

Motion: **Commissioner Hammaker made a motion to approve Resolution No. 14-09-07. Motion seconded by Commissioner Tobin.**

Vote on Motion

Member	Yes	No	Other
Chairman Bauman	X		
Commissioner Hammaker	X		
Commissioner Higgins	X		
Commissioner Tobin	X		
Commissioner Bullock	X		

Motion passed 5 to 0

Martin Waits stated that he will consult with the District Attorney about going out for a RFP for banking in 60 days.

LEGAL REPORT

N/A

GENERAL MANAGER'S REPORT

Legislative Representatives

Motion: **Commissioner Tobin made a motion to approve extending Mr. Hicks's current contract for one month by $5,000. Motion seconded by Commissioner Higgins.**

Vote on Motion

Member	Yes	No	Other
Chairman Bauman	**X**		
Commissioner Hammaker	**X**		
Commissioner Higgins	**X**		
Commissioner Tobin	**X**		
Commissioner Bullock	**X**		

Motion passed 5 to 0

Motion: **Commissioner Bauman made a motion to approve extending Mr. Levy's current contract for one month. Motion seconded by Commissioner Bullock.**

Vote on Motion

Member	Yes	No	Other
Chairman Bauman	**X**		
Commissioner Hammaker	**X**		
Commissioner Higgins	**X**		
Commissioner Tobin	**X**		
Commissioner Bullock	**X**		

Motion passed 5 to 0

COMMISSIONER'S ROUND TABLE

Board decided that Commissioner Bullock and General Manager Charles F. Fishburn will be going to Washington D.C. on October 3, 4, and 5.

The Board would like an item addressing payment for missed meetings do to District business on the next agenda.

Adjournment

The KLWTD Board adjourned the Board Meeting at 6:55 PM.

The KLWTD meeting minutes of September 11, 2007 were approved on September 25, 2007

Chairman Gary Bauman

Carol Walker, CMC
District Clerk

Key Largo Wastewater Treatment District Seal