

MINUTES

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



May 5, 2009
98880 OVERSEAS HWY, KEY LARGO, FL 33037

The Key Largo Wastewater Treatment District Board of Commissioners met for a regular meeting at 4:00 PM. Present were Commissioners Robbie Majeska, Norman Higgins, Andrew Tobin, Charles Brooks, and Chairwoman Susie Hammaker. Also present the General Manager Charles F. Fishburn, District Counsel Thomas Dillon, District Clerk Carol Walker, and other appropriate District Staff.

Commissioner Brooks led the Pledge of Allegiance.

APPROVAL OF AGENDA

Commissioner Brooks added items concerning Brad and Julie Mead's vacant lots, and the new website. Martin Waits added a Request for Proposals for Bank Line of Credit and removed Pending Payments from Bulk Items. Commissioner Higgins added a report on Meredith Cline's property. Items 7 & 8 became discussion items.

Motion: Commissioner Brooks made a motion to approve the agenda as amended. Commissioner Majeska seconded the motion.

Vote on Motion

Member	Yes	No	Other
Chairwoman Hammaker	X		
Commissioner Higgins	X		
Commissioner Tobin	X		
Commissioner Brooks	X		
Commissioner Majeska	X		

Motion passed 5 to 0

PUBLIC COMMENT

Anyone wishing to make a public comment on anything on or not on the agenda should make it at the current time.

The following persons addressed the Commission: Lara Day Vaeth, 6 Oceanview Blvd, Sal Gutierrez, Key Largo, Ron Ballentine, 7803 Butler Ave, spoke against putting a vacuum station on Oceanview Blvd. Julie Mead 36 Dolphin Rd spoke about the assessments on her vacant lots

to be sold to the County. Julie Mead requested that the District exempt her two vacant lots that the County is purchasing for conservation.

COMMISSIONER’S ITEMS

Julie and Brad Mead’s Vacant Lots for Sale to the County for Conservation

District Counsel Thomas Dillon explained that the District’s Assessment Resolution says “The owner of a Tax Parcel subject to the Assessment shall immediately prepay all future unpaid annual Assessment for such Tax Parcel if (1) the Tax Parcel is acquired by a public entity (other than the District) through condemnation, negotiated sale, or otherwise”.

If the Land Authority had purchased the property and informed the District that it was being held for conservation purposes then it would not have been assessed. It would now take an act of the Board to exempt the property.

Commissioner Tobin supports giving relief to the Meads but would rather have the assessment rewritten to provide the relief.

Motion: Commissioner Brooks made a motion to provide relief to Mr. and Mrs. Mead by waiving the remaining assessment on Lots AK 1590436 and AK 1590509 with the assessment being re-instated if the sale of the properties has not been closed by July 1, 2009. Commissioner Higgins seconded the motion.

Vote on Motion

Member	Yes	No	Other
Chairwoman Hammaker	X		
Commissioner Higgins	X		
Commissioner Tobin	X		
Commissioner Brooks	X		
Commissioner Majeska	X		

Motion passed 5 to 0

GENERAL MANAGER’S REPORT

Weiler Engineering Amendment

Mr. Fishburn stated that with the increase in construction activity has required an increase in the annual not-to-exceed Construction Administration work authorization for Weiler Engineering to \$450,000 for this fiscal year.

The increase is for the remainder of this year only, to be reduced to \$250,000 not-to-exceed for the FY 2010 period. It is needed due to the high volume of work associated with the WWTP expansion submittals, RFIs and work change directives.

Motion: Commissioner Higgins made a motion to give the General Manger the authority to sign the Weiler Engineering Amendment for a not to exceed amount of \$450,000 effective immediately for the current fiscal year. Commissioner Tobin seconded the motion.

Vote on Motion

Member	Yes	No	Other
Chairwoman Hammaker	X		
Commissioner Higgins	X		
Commissioner Tobin	X		
Commissioner Brooks	X		
Commissioner Majeska	X		

Motion passed 5 to 0

Basin G and H Addendum

Mr. Fishburn explained that the Basins G & H design contract with W.F. McCain needs to be modified to remove some design responsibilities and add other design responsibilities.

The changes results in a net increase in the scope of the W.F. McCain design effort from \$371,415 to \$405,060. This change results in a \$34,000 increase for engineering Basin G & H with approximately 1,000 EDU's of the 2,800 EDU's in the basins

Commissioner Brooks noted that the Financial Officer had not signed off on the Agenda Request Form.

Motion: Commissioner Brooks made a motion to approve the Addendum No. 1 to Task Order 1 dated July 1, 2008. Commissioner Higgins seconded the motion.

Vote on Motion

Member	Yes	No	Other
Chairwoman Hammaker	X		
Commissioner Higgins	X		
Commissioner Tobin	X		
Commissioner Brooks	X		
Commissioner Majeska	X		

Motion passed 5 to 0

Islamorada Proposal

Mr. Fishburn stated that some Islamorada Council Members have stated that KLWTD has never put a proposal "on the table" for them to respond to. KLWTD has never made a concrete proposal because Islamorada has been "a moving target" (how may EDU's etc.). To short cut the long review process Islamorada is about to embark on, staff proposes that the attached "Not to Exceed" (See Exhibit "A") capital cost and operating cost be given to Islamorada staff and Council, so that Islamorada can compare the "KLWTD Option" to any of their "On Island" options.

Commissioner Higgins wants to have the lowest sewer rates in the County. Commissioner Tobin stated that he would like to take two steps in deciding what to send to Islamorada. Talk about it this meeting and then vote on it at the next meeting.

Mr. Dillon cautioned that the terms being used should be defined so that everyone knows the meanings.

Mr. Waits reviewed the concept of how the District would charge Islamorada.

Chairwoman Hammaker commented that she had a request that Mr. Waits present the plan to Islamorada because he does it so clearly.

Commissioner Brooks asked who made the request.

Chairwoman Hammaker chose not to respond.

Commissioner Majeska stated that the District will charge \$32 per EDU to Islamorada.

Commissioner Brooks stated that Islamorada residents will pay a fixed rate of \$20 per EDU while Key Largo residents will pay \$50 per EDU plus the assessment amount on their taxes.

Mr. Waits pointed out that the Key Largo residents will be getting the operation of the collection system, the management of the system, and trouble free service.

Commissioner Brooks stated that the response that staff prepared for Islamorada is not what they asked for. District Staff has not provided to the District Board a valid independent engineering study that would accurately define Key Largo's capital expense necessary in order to do the Islamorada flow. The District has not justified Key Largo's capital expense.

Commissioner Brooks warned that the District must be very prudent on what they tell Islamorada will be done on an informal base.

Staff was directed to place on the next agenda for action.

Lobbyist Compensation

Mr. Fishburn reported that the new Lobbyist in Tallahassee has performed above expectations and our Washington Lobbyist has been invaluable in securing the \$25.4 million in ACOE funding for all of Monroe County. Consideration should be given to increase the hourly rate for the DC Lobbyist and the yearly budget limit. Consideration should be given to not limit the compensation to the Tallahassee Lobbyist during the months the Legislature is in session.

Mr. Fishburn informed the Board that the Deep Well Proposal failed: Next year the District needs to get started earlier in the Senate and the House.

Commissioner Tobin has no problem with increasing the yearly amount for the Federal Lobbyist but he does have a problem with keeping the State Lobbyist. The District may want to have a new point person and use the current lobbyist for specific jobs.

Mr. Fishburn pointed out that the District did not have a bill in the Senate. The District needs to start work in September and October with the lobbyist. He strongly recommends keeping her.

Mr. Fishburn would like the monthly caps taken off.

WWTP Construction Update

Mr. Fishburn explained that in order to keep the WWTP construction on time, many decisions need to be made in a timely fashion. The General Manager and Staff request approval by the Board to address the General Manager's \$10,000 limit on spending as it pertains to the Wharton-Smith contract only. The General Manager and staff would request to keep the Board updated monthly on change order status (both positive and negative) and proceed with charge orders that overall do not exceed five percent of the project as it proceeds.

Commissioner Tobin would like Ed Castle and Charles Fishburn to agree in writing that particular change orders are ok and report to the Board at the next meeting.

Commissioner Majeska would like to see a cumulative total and a report on what was done on a monthly bases.

Ed Castle explained that the limit would be on the total of deductive change orders and the additive change orders.

COMMISSIONER'S ITEMS

One Cent Sales Tax Add On

Chairwoman Hammaker, Commissioner Majeska and Commissioner Higgins stated that they are against the tax.

Evaluation Form for General Manager and All Employees

Chairwoman Hammaker stated that she would like to see the standard employee form used for the General Manager also.

Goals for General Manager for Next Year

Chairwoman Hammaker stated one of the goals for next year should be that all employee reviews should be done on time.

Meredith Cline Property

Commissioner Higgins asked for an update on Ms. Clines request for repair.

Mr. Fishburn reported that upon review of the preconstruction video her property was damaged before construction started.

New District Website

Commission Brooks reported that the new website will be up in operation the end of the week.

BULK ITEMS

Minutes of April 7, 2009
Minutes of April 21, 2009
Resolution N. 18-05-09

Motion: Commissioner Brooks made a motion to approve the Bulk Items. Commissioner Majeska seconded the motion.

Vote on Motion

Member	Yes	No	Other
Chairwoman Hammaker	X		
Commissioner Higgins			Absent
Commissioner Tobin	X		
Commissioner Brooks	X		
Commissioner Majeska	X		

Motion passed 4 to 0

Pending Payments of May 5, 2009
Martin Waits introduced the amended pending payments list.

Motion: Commissioner Brooks made a motion to approve the Pending Payments of May 5, 2009 contingent upon the availability of funds. Commissioner Higgins seconded the motion.

Vote on Motion

Member	Yes	No	Other
Chairwoman Hammaker	X		
Commissioner Higgins	X		
Commissioner Tobin			Absent
Commissioner Brooks	X		
Commissioner Majeska	X		

Motion passed 4 to 0

ENGINEER'S REPORT

Monthly Status Report
Ed Castle of Weiler Engineering presented his written monthly status report.

Commissioner Brooks would like to see a written report with options before he decides on if the District should proceed with a second deep well.

FINANCIAL REPORT

See Legal Counsel Report

LEGAL COUNSEL REPORT

Cash Flow

Mr. Dillon discussed the memo from Chris Traber stating that the District cannot use assessment funds for unrelated construction cost or loans.

Finance will be allocating more administrative cost to the administration of construction. But the District will still have to borrow money.

Request for Proposal for Bank Line of Credit

Martin Waits explained that the District needs to go out for a Request for Proposal for a Bank Line of Credit.

The General Manager was directed to call the Board of County Commissioners about the funds charged against the District's MSTU.

Commissioner Brooks explained that he was voting yes under duress.

Motion: **Commissioner Higgins made a motion to authorize Chief Financial Officer, Martin Waits, to go out for a Request for Proposal for a Bank Line of Credit. Commissioner Majeska seconded the motion.**

Vote on Motion

Member	Yes	No	Other
Chairwoman Hammaker	X		
Commissioner Higgins	X		
Commissioner Tobin	X		
Commissioner Brooks	X		
Commissioner Majeska	X		

Motion passed 5 to 0

COMMISSIONER'S ROUNDTABLE

Chairwoman Hammaker said that she was sent a letter asking if Mr. Fishburn's contract had anything to do with his bonus and raise and the answer is yes. She then reported a suggestion of the option of burning sewage.

Commissioner Higgins reported that Ocean Cay would like to hook up to a vacuum station.

Charles Fishburn informed the Board that the District has signed an option on the White Rhino Property.

Mr. Dillon has his doubts about who has the authority to speak for Key Largo Ocean Resort.

Commissioner Tobin suggested that the District get an option on the Key Largo Ocean Resort property for a vacuum station.

ADJOURNMENT

The KLWTD Board adjourned the Board Meeting at 7:11 PM.

The KLWTD meeting minutes of May 5, 2009 were approved on May 19, 2009.



Chairwoman Hammaker



Carol Walker, CMC
District Clerk

Exhibit "A"

Wholesale Treatment of Islamorada Wastewater

KLWTD STAFF PROPOSAL

TO BE TRANSMITTED TO THE VILAGE FOR PLANNING PURPOSES

Principles of proposal:

- EDU – Assessment basis (residence, dwelling unit, commercial flow)
- Treatment Charge – Fixed rate per EDU served
- Facilities Charge – Fixed rate per EDU served with a total dollar cap

Elements of proposal:

- EDU's to be served – minimum 4,500 / maximum to be determined
- Monthly Treatment Charge – will not exceed \$20 / EDU served
- Monthly Facilities Charge – will not exceed \$12 / EDU served
 - continues until cap is reached
 - cap will not exceed \$18 million

Potential benefits to KLWTD:

- Capital contribution – at least \$12 million toward plant and ST Line
- Fixed operating cost contribution – at least \$600,000 per year
- KLWTD Customer Rate Reduction – at least \$40 / year per EDU