

MINUTES

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



September 15, 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 Norman Higgins, Andrew Tobin, Charles Brooks, Robert Majeska, and Chairwoman Susie Hammaker. Also present the General Manager Charles F. Fishburn, Thomas Dillon, District Counsel, Carol Walker, District Clerk, and other appropriate District Staff.

Commissioner Brooks led the Pledge of Allegiance.

APPROVAL OF AGENDA

Commissioner Brooks removed the minutes from the agenda. Chairwoman Hammaker moved items 11 and 12 (Reallocation of funds for Basins G & H Design Work, and Reallocation of funds for South Transmission Main Design Work) to Bulk Items. General Manager Fishburn moved items 17 and 15 (RBC Financial Advisor Consulting Contract and FY 2010 Insurance Program) to the beginning of the agenda. Commissioner Higgins moved item 14 (Ocean Cay, Seven Acres, and Coral Coast Collection Systems Analysis) to the beginning of the agenda and he added a discussion of Stimulus Funding under the ACOE Inter-Local. Martin Waits, Chief Financial Officer, removed pending payments from Bulk Items. Commissioner Tobin added a discussion on the minutes to the Round Table.

Commissioner Brooks pointed out for general information that the action items under the General Manager add up to \$6,000,000.

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

PUBLIC COMMENT: The following persons addressed the Board: N/A

ENGINEER'S REPORT

Ocean Cay, Seven Acres, and Coral Coast Collection System Analysis

Chairwoman Hammaker read a letter from John Hammerstrom, see Exhibit "A".

Ed Castle, Weiler Engineering gave the following report.

Weiler Engineering has investigated 3 types of collection system alternatives for the following private properties: Seven Acres, Ocean Cay, and Coral Coast. The collection system analyses included vacuum systems, gravity systems, and grinder pump systems..

The following recommendations were made.

Seven Acres, the vacuum collection system option for this area was the most cost effective option at \$270,237 and is recommended for this area.

For Coral Coast the grinder pump option was the most cost effective system for Coral Coast at \$311,504.

For Ocean Cay the grinder pump is the lowest cost for this area at \$455,257.00, but the vacuum system option is the most cost effective option at \$479,055.00 and is the recommended system.

Chairwoman Hammaker stated that there are three things that the District must decide on:

- 1. Access. 2. Access to properties. 3. Assessments

These three items should be dealt with separately.

Commissioner Tobin requested that Mr. Fishburn reach out to the homeowners in Coral Coast with a mini workshop and see how they feel.

Motion: Commissioner Brooks made a motion to authorize staff to move forward with the Grinder Pump Pilot Project at the cost of \$9,836 subject to the appropriate documentation. 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

Commissioner Higgins requested that at the next meeting the Board will decide what type of connection will go in and what the assessments will be.

The Board directed Staff to bring back a resolution to the next meeting establishing the assessment for properties that can be serviced by a gravity connection.

FINANCIAL REPORT

RBC Financial Advisor Consulting Contract

Marin Waits, Chief Financial Officer, explained that the contract provides for a scope of work and fee structure for RBC Dain Rausher to assist the District with obtaining \$30 million in bank financing for the South Components project.

Mr. Nate Eckloff of RBC Dain Rausher explained what the company does. He said that they find and secure financing and work on a contingency basis therefore if the financing does not go forward they are not paid.

Commissioner Tobin requested that the contract be for one year without an automatic renewal.

Thomas Dillon stated that he would like to add “providing the services of RBC are the procuring cause of the transaction.”

Motion: Commissioner Brooks made a motion to authorize approval of the RBC Financial Advisor Consulting Contract subject to the changes discussed. 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

FY 2010 Insurance Program

Martin Waits reviewed the options to reduce the Property Insurance premiums that were presented at the September 1, 2009 Board meeting.

Mr. Waits recommended Option #2 with a \$5,000 deductible.

Commissioner Tobin would like a review of the liability limits the District has.

Motion: Commissioner Higgins made a motion to accept the Insurance Option #2 for \$109,618 with the \$5,000 deductible. Commissioner Brooks 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

AirVac Purchase Order

Mr. Fishburn introduced the purchase order.

Motion: Commissioner Tobin made a motion to approve the AirVac Purchase Order for all of the vacuum pits, and the valve and hardware for Basins F, G, H, I, J, & K. Commissioner Brooks 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

Odor Control Purchase Odor

Mr. Fishburn introduced the purchase order.

Motion: Commissioner Brooks made a motion to approve the Odor Control Purchase Order for the three Vacuum Stations to the South of the WWTP. 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

Basin F-3 Change Order

Mr. Fishburn explained that staff was recommending awarding Metro Equipment Basin F-3 at a price below their previous change orders and below the Basin F-2 change order to LaRocco.

Motion: Commissioner Higgins made a motion to approve awarding the Basin F-3 Change Order to Metro Equipment. 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

WWTP Generator Change Order

Mr. Fishburn explained that the original WWTP design included a 900 KW generator; further design clarification indicated the need for a 2000 KW generator and associated hardware. This change order will exceed the \$200,000 change order limitation placed on the General Manager. A purchase order for the direct purchase of the generator by KLWTD direct will exceed \$500,000 and is on the critical path to have the WWTP operational by May 15, 2010. Staff requests Board approval to move forward with the direct purchase of the 2000 KW generator and associated hardware.

Motion: Commissioner Brooks made a motion authorizing the WWTP Generator Change Order not to exceed \$750,000. 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

Mr. Waits asked that there be documentation that the generator was competitively procured.

ACOE Draft Inter-Local

Chairwoman Hammaker pointed out that there is only \$85 million available not \$100 million. The formula that the draft resolution refers to no longer exists. She proposes that the following paragraph be added; “The parties recognize that important decisions regarding increased authorization, appropriation, and stimulus funding consideration will be finalized by March 2010 and that it is essential that the expenditure of Federal funds be determined before that time (around January, 2010).

Commissioner Higgins would like to request Representative Ron Saunders to talk to everyone concerned and bring them together in agreement.

Commissioner Brooks is very much against the resolution. It should be stressed that the most beneficial area to put money into Monroe County is the Key Largo Wastewater Treatment District. The District should continue to invoice the ACOE.

Commissioner Tobin would like the Board to resolve the question “Should the District ask Key West and Islamorada if they would defer their funds to Marathon and KLWTD?”

Chairwoman Hammaker recommended not asking right now.

Martin Waits is going to contact Shelly Turlock, ACOE and discuss with her how the invoicing is being reported.

COMMISSIONER’S ITEMS

Current Organizational Chart

This item will be brought back to the October 13, 2009 Transitional Meeting.

Lateral Connections

Commissioner Tobin wanted to know what can be done to improve the lines of communications with property owners. He suggested that there be one symbol used to mark the location of the connection boxes and vacuum pits in advance of installation. The contractors should inform the residents with door flyers.

The Board does not want to be intrusive with the pits, connections boxes, or breathers.

Commissioner Tobin was excused from the meeting at 7:38 PM.

BULK ITEMS

Assessment Appeal JAG LLC

Reallocation of funds for Basins G & H Design Work

Reallocation of funds for South Transmission Main Design Work

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

Pending Payments of Sept. 15, 2009

Mr. Waits reviewed the revised pending payments list.

Motion: Commissioner Higgins made a motion to approve the revised pending payments contingent upon availability of funds. Commissioner Majeska 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

Mr. Castle from Weiler Engineering reported that there was a good progress report on the treatment plant. Things are accelerating. The columns are up for the administration building.

FINANCIAL REPORT

RESOLUTION NO. 28-09-09

A RESOLUTION OF THE BOARD OF COMMISSIONERS FOR THE KEY LARGO WASTEWATER TREATMENT DISTRICT ADOPTING THE BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 2010 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 Brooks made a motion to approve the Budget Resolution No. 28-09-09. 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

Special Audit Requirements

Mr. Waits explained that this was presented at Commissioner Tobin’s request.

LEGAL REPORT

RESOLUTION NO. 29-09-09

A RESOLUTION OF THE BOARD OF COMMISSIONERS AUTHORIZING THE PURCHASE OF CERTAIN REAL PROPERTY LOCATED IN KEY LARGO, FLORIDA, DESIGNATING PERSONS AUTHORIZED TO EXECUTE DOCUMENTATION IN CONNECTION WITH THE PURCHASE; AND PROVIDING FOR AN EFFECTIVE DATE.

District Counsel, Thomas Dillon, explained that the title company requires a resolution for the purchase of the White Rhino property

Motion: Commissioner Brooks made a motion to approve the White Rhino Property Purchase Resolution No. 29-09-09. Commissioner Majeska 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 3 to 1

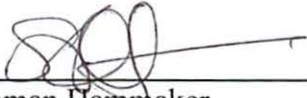
COMMISSIONER’S ROUNDTABLE

N/A.

ADJOURNMENT

The KLWTD Board adjourned the Board Meeting at 7:45 PM.

The KLWTD meeting minutes of Sept. 15, 2009 were approved on Oct. 6, 2009.



Chairwoman Hammaker



Carol Walker, CMC
District Clerk

EXHIBIT "A"

John G. Hammerstrom
P.O. Box 860
Tavernier, FL 33070-0860
Phone: 305 852 8722 Fax: 305 852 1940
Email: johnhammer@bellsouth.net

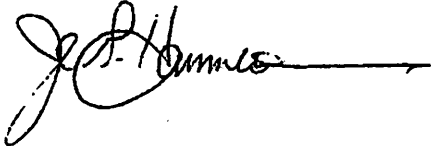
September 12, 2009

Key Largo Wastewater Treatment District
98880 Overseas Highway
Key Largo, FL 33037

Because I will be unable to attend the meeting of September 15th, I'd like these comments to be entered into the record. They are put forth without benefit of hearing the staff report, but having read the report from Weiler Engineering Corporation dated September 10. Thank you for providing that information in advance of the meeting. I write as a resident of, but with no special authority to speak for Coral Coast, located at Milemarker 97.2 bayside.

My view of the Commission's "treatment" choice for Coral Coast is simple: Since the issues relating to our development are not unlike other subdivisions, I believe it is proper for the Key Largo Wastewater Treatment District to provide the same services offered elsewhere, and assessing the same capital costs. Were that not to be the outcome of your deliberations, I will ask that the capital costs for each neighborhood be calculated individually, and assessed accordingly.

Sincerely,

A handwritten signature in black ink, appearing to read "John G. Hammerstrom", with a horizontal line extending to the right from the end of the signature.

John Hammerstrom