

**Key Largo Wastewater Treatment District
Board of Commissioners Meeting Minutes
Wednesday, January 22, 2003 7:00 p.m.
Key Largo Public Library**

Commissioners Present

Andrew Tobin, Chairman
Charles S. Brooks
Jerry Wilkinson
Cris Beaty
Gary Bauman

Staff Present

Robert E. Sheets, District Manager
Amy Dukes, Legal Counsel
Faith Doyle, Clerk to the Board of Commissioners

Guests Present

Joe Paterniti, Brown and Caldwell
Van Gidenfeild, Resident
Robert Betancourt, Gartek
Chuck Fishburn, Gartek
Howard Gelbman, Resident
Burke Cannon, KLFHA
Murray Nelson, Monroe County
John M. Stone, KLFHA
Steve Gibbs, Reporter for the Free Press

A. Call to Order

Mr. Tobin called the meeting to order at 7:10 p.m.

B. Pledge of Allegiance

The pledge of allegiance was recited.

C. Additions, Deletions or Corrections to the Agenda

Chairman Tobin requested that the following items be added to future agendas: System Manager Report, Legal Counsel Report, Engineering Report and Commissioners

Reports. Chairman Tobin also requested that a public comment section be placed on the agenda.

Chairman Tobin welcomed Mr. Robert Sheets the newly appointed district manager and Ms. Faith Doyle the newly appointed clerk to the Board of Commissioners.

Chairman Tobin requested a status report from the district manager. Mr. Sheets reported that during a recent meeting with the Florida Department of Environmental Services (FDEP), Terry Lewis and Amy Dukes, utility counsel, beneficial information was gathered from Dick Smith of the FDEP. Mr. Smith gave details on the ten tasks to be completed by 3/1/03 and what the FDEP's expectations are to meet these goals. Mr. Smith stated that getting the RFP out, getting the bids in, and opening the bids by 3/1/03 is required but ranking and selection is not needed on or before 3/1/03 to meet the FDEP criteria.

The agreement between the Key Largo Wastewater Treatment District (KLWTD) and the FDEP should be signed as soon as possible. The Interlocal agreement draft with the Florida Keys Aqueduct Authority (FKAA) should be available for the commissioner's review by next meeting. Some concerns were raised in reference to the funding mechanisms including how the KLWTD would secure funds if there are any gaps in funding and written documentation outlining the plan needs to be submitted to the FDEP. Also a fiscal impact statement that outlines costs over and above the capital improvement costs and the impact on the ratepayer is needed.

Mr. Sheets will provide the board with information to aid decisions making on future commitments from the board. FDEP needs a written plan on how the present on site systems will be dismantled and funding plan detailing how it will be accomplished along with how connection would be enforced.

Mr. Sheets plans to meet with the County and FKAA to come to an agreement on what dollars are being promised for additional funding and decide what formal actions need to be taken to implement the plan. Mr. Sheets will update Mr. Dick Smith of the FDEP once a week with a status report via email.

Commissioner Murry Nelson of Monroe County commented that he believes the State portion (6.6 million) is 100% grant and that the matching funds are not needed as far as the Key Largo Trailer Village per a letter stating that matching funds were paid by the purchase of the property. The local match as far as Commissioner Nelson is concerned has been met. Based on what the bids come in for there may be no need for additional funding in his opinion. Mr. Sheets stated that of the matching funds balance would be identified and documented.

Commissioner Wilkinson requested a spreadsheet illustrating income vs. committed income including the balance available for the Key Largo Park Project. Mr. Wilkinson believes this would be helpful when determining if the bids received are within the KLWTD's budget. Mr. Sheets stated that the fiscal impact statement would include what dollars have been encumbered, actual expenditures and forth-coming commitments. There will also be monthly financial statements provided to the

Commissioners. Mr. Wilkinson complimented the effort put forth during the first weeks of Government Services Group, Inc. (GSG) appointment as system manager. Mr. Wilkinson notes that the \$100,000 on the budget from the Water Management District needs to be verified. Commissioner Brooks agreed and stated that certain details must be attended to so that the Water Management District can release the funds in April.

Commissioner Brooks stated that the master list requested at the last meeting was to be presented with status updates. Mr. Sheets apologized for the absence of the punch list adding that it would be ready for next week. Commissioner Brooks questioned the funding gaps mention by Mr. Sheets. Mr. Sheets stated there might not be a gap but all sources of revenue need to be identified and commitments to provide funds secured from the appropriate agencies. Commissioner Brooks stated that concerning the laterals decommissioning he believes this cost is covered in the County's resolution. Mr. Sheets will verify if the County resolution will cover the FDEP requirement. Mr. Sheets stated that FDEP might need the KLWTD to look for programs to defray the costs to the customer. Commissioner Brooks stated that he believes this also has been covered in the County resolution. Mr. Sheets stated that it would be verified.

Commissioner Brooks made note that the County BOCC meeting discussed wastewater issues at 4:00 PM. A report is issued after every meeting and Commissioner Brooks has a copy of the memo to assist with understanding the MSTU issue for future meetings with the County an forwarded it to Mr. Sheets for his use.

Commissioner Bauman asked if the District Manager plans to meet with FEMA. The District Manger plans to meet with FEMA. The District Manger notes that FEMA has more stringent guidelines than State and Local agencies.

The status of the Transition Interlocal agreement with the County and FKAA was questioned. It was noted that Legal Counsel is reviewing the draft agreement. Contact will be made with the FKAA on the status of the agreement. Chairman Tobin requested that the Board be able to review the final draft of the agreement as soon as available. Commissioner Brooks requested to have the draft agreement available by 2-19-03 so can be available for review by the Monroe BOCC when they meet in Key Largo.

Chairman Tobin requested that a board member volunteer assistance as a liaison to accompany the District Manager when meeting with the County. The District Manager stated that a commissioner's institutional knowledge would be appreciated. Commissioner Brooks offered his assistance. Commissioner Nelson of Monroe County also requested to attend any meetings planed by the KLWTD. Chairman Tobin and the Board agreed that his attendance would be beneficial and appreciated.

Engineer Robert Betancourt of Gartek presented a memorandum of his review of the Boyle Request for Proposals (RFP) for the KLWTD capital improvement projects. It was noted that the District Manager and Legal Counsel were presently reviewing the RFP. Chairman Tobin is concerned with the RFP process stating that in his opinion the District Manager then Legal Counsel should have worked with the engineer on the RFP process. Commissioner Bauman stated that procedurally there should also be a board member involved with the process. Gartek stated that Boyle is the engineer of record

and any recommendation made cannot be mandatory changes. Gartek's comments mostly involve cost saving ideas and ideas to expedite the bid process. Any changes need to be made by addendum. Concern was expressed with how the bids are to be awarded and the point system suggested. Requesting submitters to send a separate statement of qualification will help the process. It was noted by Gartek that Boyle has not submitted needed information per the deadlines indicated. Commissioner Brooks requested that staff forward a letter to Boyle documenting that they did not meet deadlines. Mr. Sheets stated that a meeting is set for Monday and Gartek should be involved. It was also noted that there is no reference to the use of minority business and that OSHA standards should be referenced in the RFP. Commissioner Wilkinson had requested that Boyle Engineering update the RFP to reflect OSHA guidelines previously.

Chairman Tobin asked if any commissioners objected to having the District Manager address critical engineering issues between meetings. Commissioner Wilkinson motioned to give the authority to the District Manager (Robert Sheets) to address and critical engineering issues between board meetings. Mr. Sheets stated that an update of any issues addressed would be forwarded to the Board as soon as possible. Mr. Beaty seconded the motion. All were in favor. No roll call vote was taken. The motion was approved.

Ms. Dukes will meet with Gartek this week to revise a contract to be present to the Board at the next meeting.

D. Minutes

It was noted that the previous meeting minutes would be available at the next meeting. It was requested that meeting minutes be available to the Commissioners at the next scheduled meeting.

E. Approval of KLWTD's Proposed Budget was addressed later in the meeting.

F. Discussion – requesting BOCC fund the KLWTD's FY 2003 Budget was moved to later in the meeting.

G. Consideration of adopting a check-writing policy was tabled until January 29, 2003.

H. Consideration of purchasing an insurance policy was tabled until the February 5, 2003.

I. Approval of a Resolution adopting the Key Largo Wastewater District's use of the Florida Key Aqueduct Authority (FKAA) Rules and Regulations as non-rule policy was tabled until the February 5, 2003 meeting.

J. Approval of Resolution 2003-5 approving the Key Largo Wastewater Treatment District's use of Chapter 197, Florida Statutes, to impose a non-ad valorem assessment.

Commissioner Brooks commented that the cost of initiating and collecting these taxes are too great for the amount of revenue they generate. Ms. Dukes stated that at present this action requires no expenditure and that by passing the resolution it does not mandate collecting the taxes but does leave the option to initiate the program if the it is warranted in the future. Ms. Dukes noted that the action requires four consecutive notices prior to adoption. Mr. Sheets added that this action leaves the door open to collect this possible revenue stream on the regular tax bills at a greatly reduced cost to the KLWTD. **Commissioner Wilkinson motioned approval of the resolution. Commissioner Bauman seconded the motion. All were in favor and the motion carried.**

K. Approval of a Resolution 2003-6 Supporting a Target Hook-up Fee of \$2,700 and a Target Monthly Charge of \$35

Commissioner Brooks motioned to approve Resolution 2003-6 supporting a target hook-up fee. Commissioner Wilkinson seconded the motion for discussion. Commissioner Wilkinson believed that the target rate established in the master plan of \$1,600 was to be used. Commissioner Bauman noted that the amount could be reduced at a later date. Commissioner Brooks stated that his intent was to cooperate with the County who is trying to level the sewer charges throughout the County and suggested the \$1,600 fee be used to conform to the County whose figures have been proven. Mr. Sheets stated that prior to March 1, 2003 the plan must be developed demonstrating the KLWTD efforts to participate in funding and this resolution provides documentation. Commissioner Beaty asked if these fees include lateral fees so that the record would be clear. Mr. Sheets stated they DO NOT these are for capacity only. The question was called. All were in favor and the motion was unanimously approved.

Chairman Tobin asked if there was any public comment. Mr. Burke Cannon, comments that on the resolution supporting target hook-up fees that it is good the KLWTD wants to work with the County but the KLWTD was formed to be part of the neighborhood and to get the best deal for the residents. Mr. Cannon is concerned that this action does not include the cost of laterals. Mr. John Stone a resident of Key Largo Park also is concerned that the lateral and connection costs are not addressed. He asked if the construction bids coming in higher than anticipated would warrant action by the Board. Commissioner Brooks stated that Federal and State funds would be looked at to make it affordable but there will be personal expenses. The project scope can be scaled down to match the \$2,700 fee or there will be the SHIP program to help those who cannot meet the \$2,700. Mr. Stone asked if the proposal gives the contractors the chance to price doing all the work for connecting the homeowners to make it cheaper. Commissioner Bauman stated as the project develops discussion would be done with the contractor to address the issue.

E. Approval of a Resolution 2003-7 of the Key Largo Wastewater Treatment District's Proposed Budget.

Commissioner Bauman stated that he had prepared the budget and forwarded it to the District Manager. Mr. Sheet reviewed the January 21, 2003 version of the budget. Commissioner Bauman stated that the revision were minor. Mr. Sheets stated that \$15,000 was added for contracting with a rate consultant. A rate consultant will be required to document the future fiscal impact on the proposed construction projects and the impact on the ratepayers. Funds were added to cover audit fees, administration fees and the management contract with Government Services Group, Inc. ("GSG"). The Commission fess are retroactive to November 19, 2002.

Chairman Tobin expressed concern on the grant from the Water Management District and the timing and conditions placed on receiving the money. Commissioner Brooks reports that he met with Water Management District representatives and was told the grant is in their budget and it can be released once the KLWTD defines the scope of services and submits it to the Water Management District ("WMD"). The WMD will then draft an agreement between the KLWTD and the WMD. Discussion ensued if the \$100,000 should remain in the budget. Mr. Sheets stated that he would verify what the money could be used for.

Commissioner Brooks motioned to approve the proposed FY2003 budget, Resolution 2003-7. Commissioner Wilkinson seconded the motion. The motion was approved unanimously.

Commissioner Tobin asked for public comment. Mr. Van Gidenfeild addressed the Board. He believes that requesting an MSTU will be a problem because of the defeated referendum that was on the last ballot. Mr. Gidenfeild believes that the process being used is political and not scientific because there have not been ocean studies conducted. HE hopes that the Board gathers more information before making a final decision because \$2,700 is a great deal of money for people on fixed incomes. Mr. Gidenfeild also believes the KLWTD meetings should be aired on public access television.

L. Board discussion on developing an FDEP Key Largo Wastewater Treatment District Agreement.

Ms. Dukes stated that the agreement is being drafted and she is focusing on having it for the February 19, 2003 meeting with the County.

M. Action Items – Committee Reports

Commissioner Brooks requested that the Board reconsider Resolution 2002-4 requesting an MSTU from the County. Mr. Brooks believes it should recommend a mileage rate for it to be seriously considered by the County. Discussion ensued. The District Manager stated that the MSTU can be formulated and a mileage rate

determined after the budget is set for FY2004. Changes could be made up until the time the County acts on it. The MSTU does not have to be implemented but does demonstrate that the KLWTD is using all options to fund projects. Commissioner Wilkinson asked if once in place could the funds be marked for specific expenditures. Mr. Sheets stated that yes the resolution can limit how the money is spent. Chairman Tobin stated that the resolution in the present form is vague and may have to be more comprehensive, however with the deadlines in place the present version accomplishes the present need. Commissioner Bauman asked if a mileage rate must be set immediately. Mr. Sheets stated that notices would be sent in July and the rate can be lowered but not raised. Commissioner Bauman suggested waiting until June when more information is available. Ms. Dukes was asked to verify the County deadline for adopting the MSTU and a mileage rate. Discussion ensued on the benefit of simulating a FY2004 budget to set a mileage rate. Mr. Sheets caution the Board that this would be speculation and requested thirty days to compile specific finance and budget numbers. Ms. Dukes noted that the Commission at a later date could draft an amended resolution to include more comprehensive information for consideration.

Commissioner Brooks motioned to revise Resolution 2003-04 requesting a MSTU from Monroe County to include a mileage rate. Commissioner Beaty seconded the motion. The vote on the motion was as follows: Wilkinson, no; Brooks, yes; Tobin, no; Beaty, no; Bauman, no. The motion was defeated.

F. Discussion – Possibility of requesting that the BOCC fund the KLWTD FY2003 Budget.

Commissioner Bauman stated that a resolution requesting the BOCC to fund the FY2003 budget would not be as stringent on where the funds are used to cover expenditures. The verbiage that refers to 'unfunded portion of FY2003 Budget shortfalls' should read differently and the Board agreed. He also suggested the approved budget be sent with the request. Ms. Dukes was requested to draft a resolution for the next meeting. Chairman Tobin requested the resolution along with a letter of explanation be made a part of the comprehensive package being compiled for presentation to the BOCC.

Commissioner Brooks stated that an Intergovernmental Task Force Meeting is being held on January 23, 2003 at 10:00 AM and a meeting be held at 2: 00 PM in Marathon at the Annex to discuss the 100 million dollars in federal funds. Commissioner Brooks will attend and present a report at the next meeting.

Commissioner Tobin requested Legal Counsel to forward an invoice from LLW and have it on the agenda for approval at the next meeting. He requested that Mr. Sheets draft a policy on the expenditure of funds for consideration at the next meeting. The Board requested that additional copies of items being considered be provided for the public's use at the next meeting.

Chairman Tobin stated that the next meeting would be held on January 29, 2003 at 4:00 PM at the Key Largo Civic Club.

Chairman Tobin adjourned the meeting at 9:40 PM.