

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date:
August 5, 2025

Agenda Item Number: G-1

Action Required:
No

Department: General Manager
Sponsor: Peter Rosasco

Subject:
Stewardship ILA

Summary:
Mr. Rosasco will give an update on the current status of the Stewardship Inter-local Agreement.

<u>Reviewed / Approved</u>	<u>Financial Impact</u>	<u>Attachments</u>
Operations: _____	\$	
Administration: _____		
Finance: _____	Funding Source:	
District Counsel: _____	N/A	
District Clerk: _____	Budgeted:	
Engineering: _____	N/A	

Approved By: _____


General Manager

Date: 7-31-25

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From: Hurley-Christine <Hurley-Christine@MonroeCounty-FL.Gov>

Sent: Thursday, July 24, 2025 11:47 AM

To: John Bartus <cityadministrator@keycolonybeach.net>; Cates-Craig <Cates-Craig@MonroeCounty-FL.Gov>; BOCCDIS2 <boccdis2@monroecounty-fl.gov>; BOCCDIS3 <BOCCDIS3@MonroeCounty-FL.Gov>; BOCCDIS4 <BOCCDIS4@MonroeCounty-FL.Gov>; BOCCDIS5 <BOCCDIS5@MonroeCounty-FL.Gov>; 'DistrictI@cityofkeywest-fl.gov' <DistrictI@cityofkeywest-fl.gov>; 'DistrictII@cityofkeywest-fl.gov' <DistrictII@cityofkeywest-fl.gov>; 'DistrictIII@cityofkeywest-fl.gov' <DistrictIII@cityofkeywest-fl.gov>; 'DistrictIV@cityofkeywest-fl.gov' <DistrictIV@cityofkeywest-fl.gov>; 'DistrictV@cityofkeywest-fl.gov' <DistrictV@cityofkeywest-fl.gov>; 'DistrictVI@cityofkeywest-fl.gov' <DistrictVI@cityofkeywest-fl.gov>; 'mayor@cityofkeywest-fl.gov' <mayor@cityofkeywest-fl.gov>; 'citymanager@cityofkeywest-fl.gov' <citymanager@cityofkeywest-fl.gov>; 'landryl@ci.amarathon.fl.us' <landryl@ci.amarathon.fl.us>; 'lynnny@ci.marathon.fl.us' <lynnny@ci.marathon.fl.us>; 'matlockk@ci.marathon.fl.us' <matlockk@ci.marathon.fl.us>; 'smithj@ci.marathon.fl.us' <smithj@ci.marathon.fl.us>; 'stillr@ci.marathon.fl.us' <stillr@ci.marathon.fl.us>; 'Sharon.mahoney@islamorada.fl.us' <Sharon.mahoney@islamorada.fl.us>; 'don.horton@islamorada.fl.us' <don.horton@islamorada.fl.us>; 'steve.friedman@islamorada.fl.us' <steve.friedman@islamorada.fl.us>; 'deb.gillis@islamorada.fl.us' <deb.gillis@islamorada.fl.us>; 'anna.richards@islamorada.fl.us' <anna.richards@islamorada.fl.us>; 'jared@caldergrp.com' <jared@caldergrp.com>; 'mjsellingparadise@gmail.com' <mjsellingparadise@gmail.com>; 'mfd354@aol.com' <mfd354@aol.com>; 'coralcin@yahoo.com' <coralcin@yahoo.com>; 'susang19@comcast.net' <susang19@comcast.net>; 'brucehalle@aol.com' <brucehalle@aol.com>; KCB Mayor <Mayor@keycolonybeach.net>; Joey Raspe <joey.raspe@keycolonybeach.net>; Tom Harding <tom.harding@keycolonybeach.net>; Tom DiFransico <tom.difransico@keycolonybeach.net>; Doug Colonell <doug.colonell@keycolonybeach.net>; 'districtI@cityofkeywest-fl.gov' <districtI@cityofkeywest-fl.gov>; 'districtIV@cityofkeywest-fl.gov' <districtIV@cityofkeywest-fl.gov>; 'districtII@cityofkeywest-fl.gov' <districtII@cityofkeywest-fl.gov>; 'districtV@cityofkeywest-fl.gov' <districtV@cityofkeywest-fl.gov>; 'districtIII@cityofkeywest-fl.gov' <districtIII@cityofkeywest-fl.gov>; 'districtVI@cityofkeywest-fl.gov' <districtVI@cityofkeywest-fl.gov>; 'rtoppino@fkaa.com' <rtoppino@fkaa.com>; 'chiggins@fkaa.com' <chiggins@fkaa.com>; 'jrobertdean@fkaa.com' <jrobertdean@fkaa.com>; 'tappell@fkaa.com' <tappell@fkaa.com>; 'nmulick@fkaa.com' <nmulick@fkaa.com>; 'Nicolas.rodriquez@klwtd.com' <Nicolas.rodriquez@klwtd.com>; 'Philip.schwartz@klwtd.com' <Philip.schwartz@klwtd.com>; sue.heim <sue.heim@klwtd.com>; 'tim.maloney@klwtd.com' <tim.maloney@klwtd.com>; 'Robert.majeska@klwtd.com' <Robert.majeska@klwtd.com>; Hurley-Christine <Hurley-Christine@MonroeCounty-FL.Gov>

Cc: 'Mooney, Jim' <jim.mooney@flhouse.gov>; 'rodriguez.anamaria.web@flsenate.gov' <rodriguez.anamaria.web@flsenate.gov>; 'Alex Rickert' <alex@keysweekly.com>; 'Jill Zima' <jjzmakeys@aol.com>; 'katrina.nichols@keysnews.com' <katrina.nichols@keysnews.com>; 'cseymour@keysnews.com' <cseymour@keysnews.com>; 'mandy@keysweekly.com' <mandy@keysweekly.com>; 'jim@keysweekly.com' <jim@keysweekly.com>; 'dgoodhue@flkeysnews.com' <dgoodhue@flkeysnews.com>; 'jomokw2@gmail.com' <jomokw2@gmail.com>; Shillinger-Bob <Shillinger-Bob@MonroeCounty-FL.Gov>; Wilson-Kevin <Wilson-Kevin@MonroeCounty-FL.Gov>; Haag-Rhonda <Haag-Rhonda@MonroeCounty-FL.Gov>; Tennyson-Lisa <Tennyson-Lisa@MonroeCounty-FL.Gov>; Boan-Tina <Boan-Tina@MonroeCounty-FL.Gov>

Subject: RE: ne 11RE: Stewardship Interlocal Agreement Letter

Good Morning John. First I've copied all elected officials on this correspondence, since you opted to reach out to our elected board, I felt it was important to include all elected officials so everyone has the same correspondence.

ALSO: SINCE THIS IS SOMETHING ELECTED OFFICIALS VOTE ON, I'M SURE EVERYONE KNOWS NOT TO REPLY ALL WITH ANY RESPONSES TO AVOID A SUNSHINE LAW VIOLATION.

I'd like to address your message and the information you included in the attached letter. I've copied and pasted the contents of your letter so I can respond **in green** and those on the email can understand the message.

The City of Marathon, the Village of Islamorada, the Florida Keys Aqueduct Authority, the Key Largo Wastewater Treatment District, the City of Key Colony Beach, and the City of Layton have come together to draft and approve an Interlocal Agreement (ILA) Extension for distribution of Stewardship Funds under authority of the Florida Legislature and the Florida Department of Environmental Protection. The proviso language of the authorizing legislation states that:

"Funds in Specific Appropriation 1550 are provided to the Department of Environmental Protection for the purpose of entering into financial assistance agreements with local governments located in the Florida Keys Area of Critical State Concern or the City of Key West Area of Critical State Concern, to be distributed in accordance with the existing interlocal agreement among the Village of Islamorada, the Key Largo Wastewater Treatment District, the City of Marathon, the Monroe County/Florida Keys Aqueduct Authority, the City of Key West, and Key Colony Beach, to finance or refinance the cost of constructing sewage collection, treatment, and

disposal facilities, building projects that protect, restore, or enhance nearshore water quality and fisheries, such as stormwater or canal restoration projects and projects to protect water resources available to the Florida Keys...."

All parties to the ILA extension have agreed to an equal split of the annual grant amount of \$20 million, with 12.5% going to each entity listed in the language, with the addition of the City of Layton in subsequent funding years. (Layton was left out of the FY 2025-26 proviso language.) Annual funding amounts will be based upon DEP evaluation, as well as project needs and readiness. Not sure how you propose, based on the ILA each local government passed, DEP to be involved in the evaluation of projects. Two years ago DEP and the Governor's office directed the Stewardship appropriation into a portal whereby each local government had to submit a grant application and DEP decided which projects to fund, based on their review of the project and what the project would accomplish to improve water quality. Under an ILA, which is the way the funding has been awarded for years preceding this change, each local government (through an ILA) received a portion of the funding, based on the water quality projects (mostly sewer) in the works and the funds were logically distributed based on project needs.

Monroe County and the City of Key West were invited to attend the discussions and negotiations that resulted in the drafting of this ILA with everyone as equal stakeholders – they declined to participate. Monroe County did NOT decline to participate. I've attached an email I sent on June 11, 2025 indicating we would participate beginning mid July. This is due to the budget exercise we just went through that diverted all my attention to that effort.

On the evening of Sunday, June 29, County Administrator Christine Hurley sent an email proposing two very different splits of the Stewardship funds. Under the "Population Model," instead of each entity receiving an equal share – 12.5% / \$2.5 million – the Hurley proposal suggested that Monroe County and the City of Key West should each receive \$6.4 million. All other jurisdictions would lose a significant share. Under the "Project Need Model," the County would take nearly \$11.5 million, Key West would receive \$4.6 million, and the rest would battle for scraps. Key West City Manager Brian Barroso was quick to sign on in support of the Hurley proposals. After receiving several emails from George Garrett, Marathon City Manager, trying to rush the ILA, I called George and explained to him several things: First, we met with DEP Secretary on June 10 and he indicated to us (which I relayed to George) that DEP would be opening the portal again this year unless an interlocal agreement could be completed by June 30. Because of this, I knew there was no rush to complete an ILA for this year's \$20M funding allocation and that we could work toward the ILA for next years funding. This would enable us to take our time and do a thorough review of the project needs of each local government and recommend to our boards a methodology to address water quality needs overall and come to an agreement about the funding. I sent the email (attached hereto for everyone to review) because I saw emails from Key West that they did not agree with the equal split of funding. Most importantly, in that email, I identified the fact that each local government does not have a need for \$12,500,000 in projects over a 5 year term and therefore, we cannot recommend to our board an equal funding amount, across the board, for each jurisdiction in the Keys as follows: (I would note, no one responded to the email I sent related to this issue, except Key West – each local government could have responded and identified how I was wrong or not reading the ILA correctly – but – nothing.....until this email from you yesterday)

An equal distribution of the \$20M for 8 entities results in \$2,500,000 for each entity. The problem I see with that is Layton has indicated they have 1 canal to be improved; so I'm not sure allocating \$2.5M to them annually meets the intent of the funding. Key Colony Beach indicated they have about \$7M of projects during the FKWQIP meetings, when each group (except Marathon) sent in their list of projects that they need to complete that improve water quality. In the draft interlocal agreement George Garrett circulated with a 5 year term, Key Colony would receive \$12,500,000 (more than they indicated they need for their list of projects which total \$7M during the FKWQIP meetings).

It seems as if the County's approach minimizes the need for continued wastewater and stormwater project funding. The DEP considers wastewater and stormwater to be the two greatest contributors to nearshore water degradation, with canal restoration considered a much lower priority: "It doesn't make sense to clean canals while the source of their pollution remains unchecked." All stakeholders have significant wastewater and stormwater projects that remain the DEP's highest priorities. I'm not at all sure what you're referring to with this statement. We continue to seek funding for all types of projects to improve water quality and we are trying to make sure we are aligned with DEP on this, given the Stewardship funding is precious to all of us and we work with our local delegation each year to secure the funds through quite an intense process. I don't know where you are obtaining this information from DEP where you included this quote: "It doesn't make sense to clean canals while the source of their pollution remains unchecked." Further, in the most recent ACSC Annual Report, approved by the Administration Commission last month, wastewater projects were deemed complete in the Keys. Are you trying to say canal restoration are NOT a water quality improvement project priority? Monroe County's Comprehensive Plan includes, at the request of Commerce (FKA DEO) policies requiring us to improve canal water quality.

The stakeholders who are party to this ILA extension – which was passed by the governing board of each local jurisdiction – strongly insist upon a more fair and equitable sharing of resources. Each of the signatories to the ILA and this letter have multiple millions of water quality improvement projects. Each of us realizes that even a consistent annual \$20 million in Stewardship funds won't cover the costs of all our projects. I have not heard or seen any correspondence from Layton or KCB where each municipality has projects greater than the share of the Stewardship funds you have now adopted in an ILA. If that is the case, I think KCB and Layton should have identified that fact by responding to my email of June 29. As stated previously, KCB submitted to the staff group of county/city managers about \$7M in project needs. Layton has indicated to me they need to restore 1 canal and estimate the cost to be about \$1-\$2 Million. A fair and equitable distribution allows us all to come together and successfully lobby the Legislature to continue this amount of funding. As stated, I'm looking for a fair solution; but one that makes sense from a project perspective.

This “coming together,” presenting a unified voice to Tallahassee and Washington, is what has enabled us to be successful in lobbying for Stewardship, FKWQIP, and other funds. This splintering of the coalition will not be beneficial in future efforts if we all lobby individually for a bigger slice of the pie. There are many other grant and funding opportunities where we can go after money as individual entities. Stewardship should never be one of them. **I couldn’t agree more; but responsible governments should seek accurate, fair information to use to inform our elected bodies in their decision making, utilizing project needs as the basis for the distribution.**

The signatories to this letter strongly encourage the City of Key West and Monroe County to come aboard as full participants in this ILA, and not further policies that will damage relationships and derail future efforts to continue and preserve our existing Stewardship funding. **As stated, from our perspective, an equal distribution doesn’t make sense and we look forward to future staff meetings where we can talk about each local government’s identified needs and funding those needs through sharing of the Stewardship funding.** I still propose we use a methodology similar to the one in my email from June 29 which would yield something like this (dependent upon the magnitude of project needs). Each local government, except Marathon and Layton (as Layton wasn’t included in the meeting, given the fact that they haven’t been an FKWQIP recipient), provided their list of projects demonstrating the need during staff meetings about how to distribute FKWQIP funds. They were:

Entity	Project Need
Monroe County	\$ 672,000,000
KLWTD	\$ 42,000,000
FKAA	\$ 25,000,000
City of Key West	\$ 268,000,000
City of Marathon	\$ 60,000,000
Village of Islamorada	\$ 93,000,000
City of Key Colony Beach	\$ 7,000,000
City of Layton**	\$ 2,000,000
	\$ 1,169,000,000

Proposed split of \$20 Million in Stewardship funding for NEW interlocal agreement based on Population

Entity	Pop	%	Share	County held at KW Level	Difference if MC uses KW dollar amount and the difference goes to KLWTD and FKAA based on population they serve	Entity	Pop Served	%	Stewardship Annual Share
Monroe County	38,702	46.10%	\$ 9,220,360	\$ 6,442,006	\$ 2,778,354				\$ 6,442,006
						KLWTD*	12,065	31.17%	\$ 866,127
						FKAA*	26,637	68.83%	\$ 1,912,227
City of Key West	27,040	32.21%	\$ 6,442,006						\$ 6,442,006
City of Marathon	9,926	11.82%	\$ 2,364,769						\$ 2,364,769
Village of Islamorada	7,272	8.66%	\$ 1,732,480						\$ 1,732,480
City of Key Colony Beach	807	0.96%	\$ 192,260						\$ 192,260
City of Layton**	202	0.24%	\$ 48,124						\$ 48,124
	83,949	100%	\$ 20,000,000	\$ 17,221,646			38702		\$ 20,000,000

* KLWTD and FKAA provide sewer service to portions of unincorporated Monroe County

** Layton not included in budget proviso language

I recognize the smaller distributions for Layton and KCB need to be evaluated and could be grouped into one year of an ILA so they could accomplish an actual project. This is something we can talk about and develop based on project readiness.

Most importantly, each local government has needs for projects to improve water quality and when a project is done in the Keys it helps all of us. From our perspective, given the vast land area the County covers, along with our two partner providers (KLWTD and FKAA), the lion’s share of projects are within our jurisdiction; so an equal share of funds by each jurisdiction doesn’t represent the “need” of each area appropriately. That is why I proposed TWO alternatives for distribution, intended for discussion, in my June 29 email to all the managers of each jurisdiction.

Finally, let’s all remember, these are State funds, that the State appropriates to ensure the most effective water quality projects to protect the outstanding waters of the Florida Keys. Both the Governor’s office and DEP have signaled to us that they want to make sure they have input into the selection and resulting water quality improvement of projects. That is why they prefer the portal.

We’re hoping they will accept an interlocal agreement for the future; but it isn’t assured, so, we need to be sure all proposed projects meet the State’s expectations.

DEP opened the portal on July 7 for the 2026 Stewardship funding. So, the rush and immediacy is not there. I do believe George Garrett thought he could rush to an ILA for FY26 funding; but once that timing passed, it was 14t

possible to accomplish.

As previously indicated, now that we are through our first budget meeting, the County is available to meet with all entities to discuss a future ILA that we could use for the FY27 State budget.

We, as always, support our fellow local governments. We have conducted vulnerability assessments, watershed management plans, mobile lidar, and are now finishing the street adaptation conceptual plans on behalf of the municipalities. Our Commissioners represent all of your constituents, have supported cooperative efforts with municipalities, and continue to stand in partnership with our fellow local governments for the benefit of all Keys residents.

Christine Hurley, AICP
Monroe County (Florida Keys) Administrator
1100 Simonton Street
Key West, Florida, 33040

From: John Bartus <cityadministrator@keycolonybeach.net>

Sent: Wednesday, July 23, 2025 5:09 PM

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Subject: Stewardship Interlocal Agreement Letter

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CAUTION: This email originated from outside of the County. Whether you know the sender or not, do not click links or open attachments you were not expecting.

Good afternoon,

The Mayors, Chairs, Officials, Managers, and Directors of these six Florida Keys agencies and governments have asked me to send this letter on everyone's behalf. The Cities of Marathon, Key Colony Beach, and Layton, the Village of Islamorada, the Florida Keys Aqueduct Authority, and the Key Largo Wastewater Treatment District have all signed on to an Interlocal Agreement extension for the distribution of Stewardship Act funds authorized and appropriated by the Florida Legislature this year. All the signatories are hopeful that Monroe County and the City of Key West will join us in this agreement. The letter and ILA are both attached.

Thank you,

John Bartus

City Administrator

City of Key Colony Beach

305.849.0273 cell

305.289.1212

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