

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

Meeting Date:
April 21, 2026

Agenda Item Number: O-1

Action Required:
Yes

Department:
Engineering

Sponsor:
Rob Mather

Subject:
Engineering Services Cost Reallocations

Summary:

Staff is recommending moving certain engineering cost categories from the Field Operations operating budget into the Capital Projects budget. We are recommending that all of the Monroe County Sea Level Rise project costs be moved into Capital Projects. We also recommend that a capital project engineering task to assist in implementation of a CSAP-compliant CMMS program be authorized.

Reviewed / Approved

Financial Impact

Attachments

Operations: _____
Administration: _____
Finance: _____
District Counsel: _____
District Clerk: _____
Engineering: _____

\$ 0.00
Expense
Funding Source:
N/A
Budgeted:
Yes

1. Memo Recommending Reallocation of Engineering Expenses

Approved By: 
General Manager

Date: 04/16/2026



MEMORANDUM

To: Peter Rosasco, General Manager
Cc: Connie Fazio, Finance Manager
From: Steve Suggs, P.E.
Date: April 15, 2026
Re: Proposed Reallocation of Apex Billings

Due to unanticipated costs associated with the Monroe County Sea Level Rise projects in the District's service area, and the unanticipated efforts needed to assist in implementation of a compliant Computerized Maintenance Management System (CMMS) program, we are suggesting that the District consider adjusting its FY26 budget to more appropriately allocate these unanticipated expenses. It does not appear that any increase in the FY26 engineering budget will be needed if the District allocates these expenses to appropriate expense categories.

Monroe County Sea Level Rise Projects

When setting up the engineering budget estimates for FY26, the cost for reviewing the plans for the Monroe County Sea Level Rise projects, it was assumed that only review of the County's design drawings would be needed. However, as the Twin Lakes project went into construction, it was determined that the cost for adjusting certain District infrastructure or installing conflict structures would be borne by the District.

The 60% and 90% plans for the County's Winston Waterways Sea Level Rise project were recently submitted for our review, during which it was determined that the County's stormwater infrastructure could not be installed without significant re-design of the District's vacuum collection system in the neighborhood, and that a significant amount of removal and replacement of the District's sanitary sewer infrastructure. The County contends that the cost for the re-design and removal/replacement of existing District infrastructure to accommodate the County's storm water system would also be borne by the District. Our current estimate for the re-design and removal/replacement of vacuum system components is nearly \$5 million.

While the final decision on the responsibility of funding for changes requested by the County to accommodate their sea level rise projects in the District's service area has not been reached yet, it has become apparent that there will be capital expenditures needed to re-design and remove/replace the District's sanitary sewer infrastructure. Currently, all engineering expenses associated with the Sea Level Rise projects are being charged to Field Operations. It is not clear at this point if the construction costs for removal/replacement of the District's infrastructure would also be charged to Field Operations. We recommend that the District consider re-classifying the Sea Level Rise projects as Capital Projects rather than as operating expenses under Field Operations.

The County's Sea Level Rise projects are currently billed under Field Operations under the following sub-tasks:

- Monroe County Sea Level Rise General
- Monroe County Sea Level Rise Twin Lakes
- Monroe County Sea Level Rise Stillwright Point
- Monroe County Sea Level Rise Winston Waterways

Since these projects are costly and the needed sanitary sewer adjustments are not a part of normal O&M costs and do not qualify as typical Renewal and Replacement (R&R) projects, we suggest that these expenses be moved from Field Operations to Capital Projects. Any new upcoming Monroe County Sea Level Rise projects in the District's service area would also be added to this list as the plans become available for review.

CMMS

The WEC budget for the Collection System Action Plan (CSAP) has also been exceeded due in large part to our efforts to assist in implementation of a new CMMS program that meets the reporting requirements for CSAPs as outlined in Chapter 62-600.705 F.A.C. At the time that the CSAP budget was approved, it was assumed that the CMMS program that the District had been using would be sufficient to comply with the CSAP annual reporting requirements. However, that program is not able to track costs for labor and materials for work performed per the CSAP requirements. We have recommended a compliant CMMS program and have been working with Ryan and ENS on the needed inputs into the proposed CMMS program and into the existing GIS program. These two programs must be linked together to generate the required annual reports. WEC's assistance in the implementation of a compliant CMMS program was not anticipated in the scope of the CSAP work authorization and has caused the CSAP budget over-run.

WEC suggests that the cost of the work associated with the CMMS implementation could appropriately be classified as a Capital Project due to the total cost of purchasing and implementing the CMMS program, and for its integral part in ensuring that the District's capital investments are adequately maintained and that the CSAP requirements for annual financial reporting can be met.

Summary

The tables on the following pages summarize the proposed adjustments related to the reallocation of funding categories as described above. Per the District's customary practice, the budgetary estimates broken out by anticipated projects are considered to be budgetary estimates only and are not firm Not-to-Exceed amounts for individual projects. The Capital Projects Work Authorization, WEC 26-01, total Not-to-Exceed amount of \$1,597,400.00 may not be exceeded without prior authorization from the District, but individual project expenses may exceed the budgetary estimates so long as the WEC 26-01 total amount is not exceeded. We recommend the reallocation of expenses for Sea Level Rise projects from Field Operations to Capital Projects and the addition of a CMMS sub-category under Capital projects for the reasons stated above.

PROPOSED ADJUSTMENTS TO FY26 CAPITAL PROJECTS BUDGET

Existing and Proposed Capital Projects Categories	FY26 Budgetary Estimates	FY26 Expenses Through March 31, 2026	FY26 Balance
Odor Control at Vacuum Stations	\$160,000.00	(\$56,778.25)	\$103,221.75
Effluent Filtration Upgrades	\$50,000.00	(\$27,076.25)	\$22,923.75
WWTP Power Conditioning & Electrical Upgrades	\$100,000.00	(\$87,896.25)	\$12,103.75
EQ Tanks & Headworks	\$450,000.00	(\$139,183.25)	\$310,816.75
Ventilation Upgrades at Vacuum Stations	\$41,125.00	\$0.00	\$41,125.00
Ductile Iron Piping Corrosion Control	\$250,000.00	(\$15,017.25)	\$234,982.75
Vacuum System Monitoring	\$30,000.00	(\$46,061.50)	(\$16,061.50)
Capital Prelim Design & Budget	\$35,000.00	(\$555.50)	\$34,444.50
Vacuum Stations Power Conditioning	\$61,275.00	\$0.00	\$61,275.00
Vacuum Stations Sewage Tank Upgrades	\$400,000.00	(\$22,843.50)	\$377,156.50
Service Connection Revisions	\$20,000.00	\$0.00	\$20,000.00
Fire Suppression at WWTP (FY25)	\$0.00	(\$2,286.75)	(\$2,286.75)
Vacuum Stations Piping Modifications (FY25)	\$0.00	(\$736.49)	(\$736.49)
Monroe County Sea Leve Rise General	\$0.00	(\$21,661.50)	(\$21,661.50)
Monroe County Sea Level Rise Twin Lakes	\$0.00	(\$18,759.25)	(\$18,759.25)
Monroe County Sea Level Rise Stillwright Point	\$0.00	\$0.00	\$0.00
Monroe County Sea Level Rise Winston Waterways	\$0.00	(\$32,136.00)	(\$32,136.00)
CMMS (includes CSAP billing through March 2026)	\$0.00	\$63,111.50	\$63,111.50
Totals	\$1,597,400.00	(\$407,880.24)	\$1,189,519.76

PROPOSED ADJUSTMENTS TO FY26 FIELD OPERATIONS BUDGET

Existing and Proposed Field Operations Categories	FY26 Budgetary Estimates	FY26 Expenses Through March 31, 2026	FY26 Balance
Field Ops Trouble-Shooting, Misc. Improvements	N/A	(\$10,584.25)	N/A
Private Plans Reviews	N/A	(\$29,647.00)	N/A
Connection Certifications	N/A	(\$1,169.25)	N/A
Monroe County Sea Leve Rise General	N/A	(\$21,661.50)	N/A
Monroe County Sea Level Rise Twin Lakes	N/A	(\$18,759.25)	N/A
Monroe County Sea Level Rise Stillwright Point	N/A	\$0.00	N/A
Monroe County Sea Level Rise Winston Waterways	N/A	(\$32,136.00)	N/A
Totals	\$80,000.00	(\$41,400.50)	\$38,599.50