April 9th

2003
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<th><strong>Name &amp; Title</strong></th>
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<tr>
<td>Robert Bink</td>
<td>Fed + KLTW</td>
<td>305-451-4894</td>
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<td>N. Espat</td>
<td>813-677-0041</td>
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<td>Stu Nettles</td>
<td>CPH</td>
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<td>Terry Zandvik</td>
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<td>David Grearck</td>
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<td>Lawrence</td>
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<td>Stu Oppenheim</td>
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<td>Joe Paterniti</td>
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<td>Dan Higgins</td>
<td>Daughle N. Higgins, Jr.</td>
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<td>Walt Messer</td>
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<tr>
<td>Tom Evans</td>
<td>Roevac, Lakeland, FL</td>
<td>863-619-3789</td>
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<tr>
<td>Ken Boone</td>
<td>United Engineering</td>
<td>(904) 370-5400</td>
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<tr>
<td>Mark Gabriel</td>
<td>Hartman Assoc</td>
<td>(954) 236-3360</td>
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<td>Jorge Fonte</td>
<td>UEC</td>
<td>(954) 370-5400</td>
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Key Largo Wastewater Treatment District
Board of Commissioners Meeting Minutes
4:00 PM Wednesday, April 9, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

Commissioners Present
Andrew Tobin, Chairman
Gary Bauman, Member
Cris Beaty, Member
Charles Brooks, Member
Jerry Wilkinson, Member

Staff Present
Robert Sheets, General Manager
David Miles, Chief Financial Officer
Charles L. Sweat, Director of Operations
Amy Dukes, Legal Counsel, via telephone
Faith Doyle, Clerk

Guests Present
Nos Espat, Randazza
Stu Oppenheim, Brown and Caldwell
Pete Kinsley, The Haskell Company
Joe Palerinit, Brown and Caldwell
Robert E. Burt, KLTV Homeowners Association
Jerry Cox, CPH Engineers
David Gierach, CPH Engineers
Steve Gibbs, Reporter, Free Press
Michael Longenecker, Key Largo Resident

A. Call to Order
Chairman Tobin called the meeting to order at 4:03 p.m.

B. Pledge of Allegiance
The pledge was recited.

C. Additions, Deletions or Corrections to the Agenda
Action item D-1 was removed because it is not timely and it was moved to next meeting.
DRAFT

Action item D-2 was moved to the end of the meeting.
Item E-1 was moved to after the Evaluation Committee report.

D. Action Items

1. Presentation by the General Manager of the Work Plan for Developing and Implementation of a Non Ad Valorem Assessment Program for administrative and management costs
   
a. Approval of the Work Plan for developing and implementation of a Non Ad Valorem Assessment Program

This item was moved to the April 23, 2003 agenda.

2. Presentation by the General Manager of the Professional Consultant Services Agreement by and between KLWTD and Government Services Group, Inc.
   
a. Approval of the Professional Consultant Services Agreement by and between KLWTD and Government Services Group, Inc.

Chairman Tobin stated that Legal Counsel deemed the document legally sufficient.

Mr. Robert Sheets commented that the revised document had been delivered last Wednesday personally to the Board members by the Clerk as part of the agenda package for the April 9, 2003 meeting.

Commissioner Brooks stated that he would prefer to discuss this contract in a workshop setting combining the needs for the next six months for management, legal and engineering services.

Commissioner Wilkinson stated that he would like to not engage in a five-year contract for services until the projects get moving.

Commissioner Bauman stated that the agreement presented was a standard professional services contract and for a lump sum and that a contract for services on an hourly basis would cost three times as much.

Chairman Tobin stated that although a workshop setting would provide a forum for further debate he has reviewed the agreement extensively and the requested changes have been made. Chairman Tobin does not believe the management services contract should be dependent on the legal and engineering contracts.

Commissioner Wilkinson stated concern for funding prior to the BOCC's decision on the MSTU. Chairman Tobin suggested tabling the item until a future meeting but having the contract be retroactive to April 1, 2003.

Commissioner Brooks asked if a regular meeting could be reconvened as a workshop. Mr. Terry Lewis stated that if the public notice was worded correctly. Mr. Lewis stated that a regular meeting cannot be interrupted by an ad hoc session and then reconvened back to a
regular meeting. Mr. Lewis stated that workshops are to be noticed. Mr. Lewis stated that an informal discussion on the contract at this meeting is acceptable or the Board could carry over the action until the next meeting. Chairman Tobin suggested moving the item to the end of the agenda before deciding to act on it, move it to the April, 23 meeting or to notice a separate workshop. The Board agreed that item E2 would be moved to the end of the meeting.

E. General Manager’s Report

1. Discussion of DEP Agreement LP0338, Amendment No. 1 and KLWTD Resolution 2003-14

Item E1 was moved to later in the meeting.

Mr. Sheets referred to his memorandum that was forwarded to the Board via email. The memorandum was concerning the amendment to the Interlocal Agreement. Commissioner Brooks stated that the current suggested changes could be amended in the future. Chairman Tobin asked Mr. Sheets to articulate the requested changes into a document to be presented to the Board at the next meeting for their consideration and approval.

Commissioner Wilkinson expressed concern that these funds would require repayment to the County; he believes that 304 funds were collected from Key Largo citizens and therefore should not be paid back. Commissioner Beaty asked if the funds in question were included in the pro-forma. Mr. Sheets stated that they had adding that if there is a pay back it would be from impact funds which are restricted for certain uses. Chairman Tobin asked if there could be a policy established to assist low-income families with impact fees. Mr. Sheets stated it could be considered.

F. Legal Counsel’s Report

Legal counsel, Mr. Terry Lewis stated that the legislation being considered to exempt the KLWTD from Chapter 120 is moving and hopefully will pass soon. Mr. Lewis believes that approximately $50,000 in savings could be realized by the KLWTD from not having to follow the administrative act.

Mr. Lewis then informed the Board that he is the legislative liaison for the Florida Association of Special Districts (FASD) and with over 500 special districts represented it offers seminars and programs and is a valuable resource for information. Mr. Lewis invited the Board to join the association adding that the Florida Department of Community Affairs was currently offering a registration fee scholarship for the FASD annual conference that is being held in June.

COMMISSIONER BROOKS MADE A MOTIONED FOR THE KLWTD TO MAKE APPLICATION TO BECOME MEMBERS OF THE FASD. COMMISSIONER WILKINSON SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

1. Discussion of Gartek’s invoice for additional services
Mr. Lewis stated that after analysis of the Gartek invoice requesting payment of over $27,000 in additional services and Gartek's contract, the Board should note that the contract was for a flat fee and was capped at $20,000. Per the Board approved contract any amounts requested by the contractor required written work authorizations that were to be approved by the Board prior to the work being done. Mr. Lewis stated that the engineering requested in the contract was for a specific project that was to result in an independent engineering opinion.

Mr. Lewis noted that to hire an engineer for fees that are greater than $25,000 the approved CCNA process must be done. The Board is not obligated to pay Gartek's invoice. The Board could pay up to $25,000 and not be in violation of the CCNA law. The Gartek additional services invoice brings the total that would be paid to Gartek in total to approximately $47,000. Mr. Lewis could not offer an opinion on how the Board could legally pay the invoice amount requested by Gartek.

Mr. Robert Betancourt of Gartek stated that the original contract was for $20,000 but that a letter was forwarded to the Board explaining that the original contract was to read one set of 100% plans and that they were sent 3 sets of documents on the Key Largo Park project. In addition the letter explained that Gartek was asked to review the RFP and other additional documents. Also, Gartek had responded to numerous requests to be on conference calls and to be a member of the Key Largo Trailer Village proposals Evaluation Committee. These additional services were not anticipated in the original contract. Mr. Betancourt concluded that all of these issues were addressed in the February 14, 2003 letter with a request to be paid for these additional services. Mr. Betancourt respectfully requested that the Board consider the work done as the Board had directed and that Gartek be paid for it.

Commissioner Wilkinson asked if the Board could issue a supplemental contract to cover the additional services because the work had been done for the citizens of Key Largo.

Mr. Lewis stated that the issue is not that the work has been done, but that the Gartek contract was for a not to exceed price for a concise scope of work. If the scope of work became more than what was contracted for then the contract should have been renegotiated or a work authorization issued prior to any additional work commencing. The amount invoiced is double the original contract amount. Chapter 287 states that if a contractor is used that was not selected via the CCNA process the contract amount is limited to $25,000 per project per year. The law was written so that projects would not be piece milled to stay under the CCNA threshold amount. The only exception to the act is a declaration of purchase during an emergency.

Commissioner Brooks does not want to find fault, but a solution that would result in Gartek being compensated. Commissioner Brooks believes authorizing an additional $5,000 for an emergency would be warranted because the KWLTD Board has been in an emergency situation from the first day the Board was formed.

Commissioner Beaty reviewed the Gartek contract and the specific responsibilities defined had circumstances arise that did not allow Gartek to do the work requested and Gartek was placed in a position that they incurred additional costs.
Commissioner Wilkinson stated that the Board has a fiduciary responsibility to pay because the Board had requested and expected the work.

Commissioner Bauman asked Mr. Lewis if any option stated was legally acceptable. Mr. Lewis stated that the only exception to the $25,000 limit is an emergency. Commissioner Brooks suggested that an additional $5,000 be approved to be paid due to an emergency situation. Mr. Lewis is not aware of any retroactive emergency, which is essentially what the Board is suggesting. Mr. Lewis stated that the law does not specifically prohibit it, however more research on retroactive emergency declarations should be made and it must be clear the Board will have to follow the law.

Commissioner Bauman stated that when a contract has a specific scope, any additional work should have been change ordered and presented to the Board for approval. A professional working in the business should know to present a change order for approval.

Commissioner Brooks asked for clarification on emergency situations and if the impending funding deadlines could be considered an emergency in the KLWTD's case. Mr. Lewis stated it could be a basis to declare an emergency, but it needs to be verified that a retroactive emergency could be done. Mr. Lewis quoted from the act and stated that the CCNA language is not specific on emergencies only that if the emergency is valid and approved by the entity. Commissioner Brooks would like to see an emergency declared then the Board should establish a procedure that ensures this does not happen again.

Chairman Tobin stated that there is no doubt the work has been done and Gartek has done a great job monitoring another engineering firm and has been outspoken when assisting the Board however, approving a retroactive emergency when, in his opinion, there was none is not good public policy. Chairman Tobin stated he does not agree with Gartek's billing practices of billing full rate for attendance of several Gartek staff members being present at the same meeting.

Mr. Betancourt stated that if he would charge for the true hours it would have been greater and he has given free time even though he is not an elected official. Mr. Betancourt stated he is responsible to pay his sub-consultants and he doesn't have the money and that he is not charging more than what is in the contract.

Commissioner Brooks entertained a motion to declare an emergency. Mr. Lewis stated that a reason for the emergency must be stated for the record. Commissioner Brooks asked if to meet funding deadlines would be an emergency. Mr. Lewis stated that to go forward with this emergency that an amended contract with assigned task would be necessary.

Mr. Lewis stated that prior to today he had not received any notification of an emergency or a request for a contract amendment and that it is highly unusual that the first notification to the Board by the contractor was for an amount in excess of $15,000 of the original contract.

COMMISSIONER BROOKS MOTIONED TO DECLARE AN EMERGENCY BECAUSE OF THE TIME CONSTRAINTS TO MEET DEADLINES TO RECEIVE FUNDS THAT WOULD BE REAPPROPRIATED AFTER JUNE 1, 2003. Commissioner Tobin stated that he was uncomfortable declaring an emergency without the legal research supporting the action. Mr. Lewis stated that he could research the issue and update the Board. Mr. Lewis stated that
he could not give a sound legal opinion on a retroactive emergency. Mr. Lewis informed the Board that they could go forward and pay on an amended contract into the future. A SECOND TO THE MOTION WAS MADE BY COMMISSIONER WILKINSON FOR FURTHER DISCUSSION. Discussion ensued on the specifics of what the amended contract should contain. Mr. Lewis stated that the amended contract should be task by task and a not to exceed amount. Discussion ensued on declaring an emergency. Mr. Lewis stated that the declaration of emergency should state that it required suspension of the CCNA requirements until a specific date specifically the grant deadline date because due to the time constraints associated with selecting a contractor for the KLTV project, the need for professional engineering advice and the deadline for securing project grant money, the CCNA procedures could not be followed. Discussion ensued on the process in which Gartek was originally contracted. COMMISSIONER BROOKS WITHDREW THE ORIGINAL MOTION.

COMMISSIONER BROOKS MADE A MOTION TO APPROVE PAYMENT TO GARTEK UPTO THE CCNA EXEMPTION LIMIT OF $25,000. THE MOTION WAS SECONDED BY COMMISSIONER WILKINSON. CHAIRMAN TOBIN CALLED FOR A VOTE, WHICH WAS AS FOLLOWS:

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THE MOTION CARRIED.

Discussion ensued on the members of the contract negotiating team for the KLTV project. Mr. Lewis stated it was typical for the general manager and staff to negotiate a draft contract for the Board's consideration and approval.

COMMISSIONER BROOKS MADE A MOTION TO DECLARE AN EMERGENCY THAT SUSPENDS THE CCNA PROCESS DUE TO THE TIME CONSTRAINTS IMPOSED ON THE KLWTD TO MEET THE JUNE 30, 2003 DEADLINE FOR FDEP FUNDING. COMMISSIONER WILKINSON SECONDED THE MOTION FOR DISCUSSION. Commissioners Brooks and Wilkinson stated that Gartek Engineering should be included on the KLTV contract negotiating team. It was stated that again in this situation that due to the time constraints associated with awarding the KLTV and KLP projects procuring a consulting engineer could not be done by the CCNA procedure while attempting to make the deadline for securing the FDEP grant. Commissioner Bauman stated that due to the present additional services issue with Gartek that the negotiation work should be a documented contract amendment identifying specific tasks for a not to exceed price. WITH NO FURTHER DISCUSSION CHAIRMAN TOBIN CALLED FOR A VOTE, WHICH WAS AS FOLLOWS:

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THE MOTION CARRIED.

COMMISSIONER BROOKS MADE A MOTION PREDICATED ON THE DECLARED MOTION TO AUTHORIZE THE 2ND CONTRACT AMENDMENT STATEING THAT GOING FORWARD FROM THIS DATE THAT AN EXPENDITURE OF $6,000 FOR CONTRACT NEGOTIATIONS WAS APPROVED FOR GARTEK ENGINEERING DURING THE NEXT MONTH. COMMISSIONER WILKINSON SECONDED THE MOTION. Chairman Tobin asked for any further discussion. Discussion ensued on the need for a negotiation team and to have it in place prior to the vote on this motion. CHAIRMAN TOBIN CALLED FOR A VOTE, WHICH WAS AS FOLLOWS:

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THE MOTION CARRIED.

Chairman Tobin recessed the meeting at 5:35 p.m.
Chairman Tobin reconvened the meeting at 5:45 p.m.

G. Engineer’s Report

The engineer had no other items to discuss with the Board.

H. Commissioner’s Items

1. Commissioner Brooks - Status report on the Evaluation Committee

Commissioner Brooks stated that his report would be made with little preparation because the Evaluation Committee concluded it’s business and adjourned at approximately 2:45 p.m., April 9, 2003.

Commissioner Brooks stated that the meeting was with the proposers on the KLTV project. The proposers were asked for additional information and those who provided it added to the process. Commissioner Brooks stated that the technical proposals were reviewed and ranked by the Committee and he provided a copy of the summary sheet to the Board. After the proposals were ranked the cost proposals were opened and the results read into the record of the Evaluation Committee meeting. The Committee requested additional cost information. A copy of the KLTV cost summary sheet was provided for the Board.

Commissioner Brooks informed the Board that Harry Pepper and Associates declined to provide additional cost information or to participate in the interview. UEC did not provide additional cost information by the deadline. UEC did arrive to participate at the interview
without responding to the Committee’s deadline. The Committee gave UEC the opportunity to present the information they brought for the Committee.

Commissioner Brooks stated that the Wharton Smith/CPH and Haskell interviews were very informative and productive.

Commissioner Brooks as Chairman of the Evaluation Committee stated that the Committee recommends negotiating with The Haskell Company/Brown Caldwell & Higgins and if an agreement cannot be reached then staff would negotiate a contract with Wharton Smith/CHP.

The Committee further recommended that the KLWTD would be better served to continue under the present bidding process than to risk re-bidding the projects as one.

Discussion ensued on the option of renegotiating the KLP project without re-bidding it or if it could be combined with the KLTV project. Mr. Lewis stated that combining the projects without re-bidding would mostly likely not be possible but options would be looked at. Mr. Sheets asked Mr. Refling to request an extension to the KLP bids. Chairman Tobin requested the contract negotiating team determine if there were any options to combine the projects legally and within the deadline.

COMMISSIONER BROOKS MADE A MOTION SELECTING THE HASKELL COMPANY AS THE VENDOR FOR CONTRACT NEGOTIATION ON THE KLTV PROJECT. COMMISSIONER WILKINSON SECONDED THE MOTION. COMMISSIONER BROOKS AMENDED THE MOTION TO ADD IF HASKELL NEGOTIATIONS FAIL THEN NEGOTIATIONS WITH WHARTON SMITH/CPH WOULD BEGIN. COMMISSIONER WILKINSON SECONDED THE AMENDMENT. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

Commissioner Beaty added that the Committee work was consuming but it resulted in a great deal of information being provided by both vendors. The Committee thanked the vendors present for the time and effort invested by them.

2. Commissioner Brooks - Discussion on the re-bidding of the KLP and KLTV projects

This item was moved to the April 23, 2003 meeting agenda.

Commissioner Bauman and Chairman Tobin thanked the members of the Evaluation Committee for their work.

The Board Clerk was directed to provide notice that the Evaluation Committee meeting scheduled for April 16, 2003 is cancelled because the Committee’s business is finished.

Chairman Tobin then directed the General Manager and Legal Counsel to proceed with contract negotiations for the KLTV project along with the assistance of the design engineer, Boyle Engineering, the KLWTD engineer, Gartek Engineering and Commissioner Brooks. It was the consensus of the Board to have a draft contract brought to the Board for approval as soon as possible.
3. Commissioner Wilkinson - Motion to reconsider approval of DEP Agreement LP0338, Amendment No. 1

Commissioner Wilkinson stated that for the original vote on this item he cast a “yes” however, upon further review of his backup information he discovered he reviewed an incorrect version, would he have reviewed the most recent version of the item he would have voted “no” along with Chairman Tobin.

COMMISSIONER WILKINSON MADE A MOTION TO RECONSIDER DEP AGREEMENT LP0338, AMENDMENT NO. 1. COMMISSIONER BEATY SECONDED THE MOTION FOR DISCUSSION. Commissioner Wilkinson stated concern with the plant site at MM101.5 being approved by FEMA. Commissioner Wilkinson believes it is a possibility that funds won’t be disbursed prior to October 1, 2003. Commissioner Wilkinson wants the October date stricken. The manager was asked where the amendment stood with the FDEP. Mr. Sheets stated that approved amendment was with Dick Smith of the FDEP, however, it has not been returned to the KLWTD because the Board requested it to be redrafted and the dates extended. Mr. Sheets stated that FDEP has been flexible. A corrected amendment could be sent after the new dates are decided. It was noted that after the Board took action on the amendment Chairman Tobin contacted the FDEP in Tallahassee stating that a drop-dead deadline was not acceptable when the KLWTD was operating in good faith. The FDEP conceded and stated they understand the concerns of the KLWTD. Representative Sorenson was contacted for assistance and he gave assurances that the grant money would not be in jeopardy if a deadline were missed. Chairman Tobin requested that a resolution be acted on that would modify the approved contract amendment to remove the reference to the October deadline. Commissioner Brooks stated that funds have been expended for engineering but the funds were from the 304 money provided by the County. Commissioner Brooks agrees that the October 31, 2003 deadline needs to be removed and the dates in Schedule C amended as previously stated. COMMISSIONER WILKINSON AMENDED HIS MOTION TO RECONSIDER THE CONTRACT (FDEP LP0338) AMENDMENT NO. 1 AND DISCUSS THE PROPOSED REVISIONS WITH THE FDEP AND TO SUBMIT A REVISED SCHEDULE C TO THE FDEP. COMMISSIONER BEATY SECONDED THE AMENDED MOTION. WITH NO FURTHER DISCUSSION CHAIRMAN TOBIN CALLED FOR A VOTE, WHICH WAS AS FOLLOWS:

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<td>Commissioner Wilkinson</td>
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THE MOTION CARRIED.

Chairman Tobin then brought item D-2 back to the floor for further discussion.

COMMISSIONER BEATY MADE A MOTION TO APPROVE THE MANAGEMENT SERVICES AGREEMENT WITH GOVERNMENT SERVICES GROUP. COMMISSIONER BAUMAN SECONDED THE MOTION. Commissioner Wilkinson objected to the terms of the
agreement and does not believe the contract should be through 2005. Legal Counsel noted that the agreement has a 90-day termination clause. Commissioner Wilkinson believes there are too many uncertainties to enter into a lengthy contract. Chairman Tobin stated that the agreement has been redrafted and that GSG has conceded to all requested changes. Legal Counsel stated that the contract is legally sufficient. Commissioner Wilkinson stated that he would prefer a 30-day termination clause. Discussion ensued on other points of the contract. Commissioner Wilkinson believes that there are too many District responsibilities listed and it restrictive. Commissioner Wilkinson stated that the KLWTD management should be in Key Largo. Commissioner Brooks stated that he also objects to the agreement being through 2005 but he believes the termination clause provides an option to end it before then if necessary, however, he stated concern that it could be terminated with out cause and that once terminated the GSG would still be paid for the 90 days. Commissioner Brooks asked what was involved with supervising engineering. Mr. Sheets stated that once an engineer of record is select by the CCNA process they would need to communicate through the manager instead of directly to all members of the Board. Mr. Lewis stated that generally Boards either have all business routed to the Board via the Manager or they have business routed via the Manager, Legal Counsel and the Engineer. Mr. Lewis stated that from past experience working with various boards that having one source of directions from a manager to the staff is preferred and that in light of all the issues facing the KLWTD Board a simple style of management is necessary at this time. WITH NO FURTHER DISCUSSION CHAIRMAN TOBIN CALLED FOR A VOTE, WHICH WAS AS FOLLOWS:

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THE MOTION CARRIED.

Commissioner Brooks stated that that the EPA’s request for comments on the PMP have been developed. The point of most concern was the issue of the “unincorporated area of Key Largo” which is now the area to share in the allocation of the 29 million dollars per the PMP as written. Commissioner Brooks believes the issue needs to be resolved so that the allocation remains in Key Largo only as originally planned. COMMISSIONER BROOKS MADE A MOTION TO SUBMIT THE SUGGESTED CHANGES AND THAT THE DOCUMENT SHOULD STATE THE ISLAND OF KEY LARGO VERSUS UNICORPOARTED KEY LARGO. COMMISSIONER BEATY MADE A SECOND TO THE MOTION. ALL WERE IN FAVOR. THE MOTION WAS UNANIMOUSLY APPROVED.

Chairman Tobin requested a resolution be drafted stating the changes for approval by the Board at a future meeting.

Commissioner Bauman stated that the named projects in the PMP need to be reviewed and that he would provide comments to Commissioner Brooks as soon as possible.

Chairman Tobin requested that project re-bidding benchmarks be provided to the Board. Mr. Sheets stated that he would meet with the engineers following the meeting to discuss schedules and deadlines.
I. Minutes – February 26, 2003 and March 5, 2003


J. Meeting Adjournment

Chairman Tobin adjourned the meeting at 7:25 p.m.
Key Largo Wastewater Treatment District
Board of Commissioners Meeting Minutes
4:00 PM Wednesday, April 9, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order
called to order by tobin at 4:03 pm
welcomed the audience, joe, pete, stue, rendazzo,

B. Pledge of Allegiance
it was receide

C. Additions, Deletions or Corrections to the Agenda
remove item d1 because it is not timely at this point move to next meeting.
d 2 moved to end of meeting
e1 moved to later in meeting after the eval comm. report

D. Action Items

1. Presentation by the General Manager of the Work Plan for Developing and Implementation of a Non Ad Valorem Assessment Program for administrative and management costs
   a. Approval of the Work Plan for developing and implementation of a Non Ad Valorem Assessment Program
   moved to next meeting

2. Presentation by the General Manager of the Professional Consultant Services Agreement by and between KLWTD and Government Services Group, Inc.
   a. Approval of the Professional Consultant Services Agreement by and between KLWTD and Government Services Group, Inc.

   tobin, legal counsel stated some typos in thdocument but legally sufficient since the legal counsel is not present at the moment could it be held.

   brooks is not prepared to address tonight with alleval comm. business hadn't had time to review. chris beaty the same comments. tobin is disappointed that it culd be done tonight after revised and delivered a week ago he hoped to get it behind us.

   res comments that it was delivered last Wednesday by the clerk by hand to the board members the revision were mostly taking out extraious verbage.

   brooks had it dint have time, some issues, like a work shop in a general meeting this would be looked at for the next six months. with the two projects going first then structure all
components management legal and engineering, that could be discussed at the workshop in a general meeting.

Wilkinson we are going fine and doesn’t see the purpose of rushing may not need to start this contract at this point until the projects get moving and we can make a draw on funds it wouldn’t be prudent to have a contract until 2005.

tobin any other comments, beaty wanted baumans felling on it.

bauman standard professional services contract, lump sum if on an hourly basis we would bay 3 times as much.

tobin workshop that’s not in a formal setting so that it can be arm resseled. bauman had benefit of working through it with Robert. tobin reviewed extensively and he sees it benefits the board and he could enumerate the changes. tobin not whant Roberts contract dependent on the legal and engineering contract. this has been put off three times and it should be done asap.

Wilkinson we don’t know where the money is coming from until bocc make a decision on the mstu. tobin asked if can be done on the 4/23 with a workshop prior, but make it retro active until april 1st.

brooks in a meeting what precludes having a workshop, terry lewis if it is noticed that way, and it is opened and reconvened that way. brooks suspension of rules for mid meeting. lewis cant interrupt a meeting then ad hoc and go back to the regular meeting. workshop needs to be noticed. tobin asked terry if looking for a free form discussion ... terry informal discussion on contract right now and move to temporarily pass or carry over action till next meeting. tobin suggests moving until end of the agenda and at that time decide to do it tonight or on 4/23 or separate workshop. the board concurred that E2 moves to end.

E. General Manager’s Report

1. Discussion of DEP Agreement LP0338, Amendment No. 1 and KLWTD Resolution 2003-14

e1 moved

Robert refered to the email of his document update on the kltv and klp project updates. the explained the meeting brooks and he had with the county.

beaty asked ifres felt it was favorable terms, res stated that it is low risk as long as the funds are segregated and for our use in the future. beaty stated this discussion was made with murry nelson prior and another commissioner this week. beaty states it would be a good thing to go along with the terms at this point it doesn’t hurt us and the negotiations say we do have a right to go back to it again. bauman would also except house conditions the 5yr. tobin door opened for center proposals and forgiveness of timelines the commission is only looking to hold onto funds until klwtd is a proven entity, this is one commissioners proposal, the door is opened for nego, we could live with this one but the county doesn’t need to control money if we are producing, tobin asked res think about a proposal to the count to be prepared for next meeting.

Wilkinson asked is it the matching 304 funds of 914 and it is a local match and absurt to have to pay it back when it is key largos money by principle. beaty asked did you proforma it, res yes it is included to be paid back in 3yr so the costs could be paid back. tobin need contingencies for the county and instead of it being held it could be used for a better purpose.

res cautions the board the funds used to pay back is impact fees and are restricted by natures they can only be used to fund future capital. tobin if forgive the low income family on impact fees could it be done on a %. res the board perogative an assistance program as policy. tobin looking for creative solutions.

Wilkinson at same time on to state for not sending funds oto help us (the state). klwtd has an active use for the fun and would be in trouble without the 914 000 and let the bocc kill the project by not sending it.
ACTION ITEM FOR 4/23 A RESOLUTION TO SEND A FORMAL COUNTER PROPOSAL TO THE BOC ON 
THE 914,000 ISSUE. Beatty directions to sheets what would counter offer be, res will come up with something and 
confer with Brooks and be prepared for next meeting.

Beatty they want it to be a loan but it will stary a loan they will not change the language. Beatty if this resolved the mstu 
issue will come through more easily.

no more from res until the eval comm. report

F. Legal Counsel's Report

welcome terry lewis who hasn't visited for awhile. terry is bird dogging the legislature for 
the last few weeks and it is segwaying into legal issues the amendment to the klwtd is a 
special act and would take away the need to admin leg act is moving and hopefully will pass 
it basically will true up the klwtd operations along with the other single county districts 
operates, ad min procedrs act won't have to adhere and would save prox 50,000 in savings 
from having to follow that act.

legislative liason for all special districts the association of over 500 special districts are 
represented he is the the legal counsel for the association. invited the board to join the 
association it is prox 300 dol and the conference strts june 6 and has a lot of special 
substance in it for the special dist board member orgenl manager who is goin to be a 
speaker, seminars etc. SHOULD FAITH ATTEND!!!!!

BROOKS MOTIONED TO JOIN WILKINSON SECONDED NO OBJECTIONS AND MOTION 
CARRED TO MAKE APPLICATION TO JOIN FL ASSOC OF SPECIAL DISTRICTS. 
this is being runin conjunction with the dept of comm. affairs who is offering scholarships if 
members choose to go.

1. Discussion of Gartek's invoice for additional services

lewis benefit of analysis on 2/15 lewis got copy of an invoice with request for payment 
31,000 +/- after reviewing the ocncractgt and history a couple of basic points made, the 
contract is for a flat fee capped at 20,000 and any over requires written work authorization. 
lewis states that engineer should be for a specific project which is a review of rfp 
documents for an independent engineering opinion. lewis notes to hire an engineer the 
fees unless approved by ccna is caped at 25,000 so no matter what the board is not 
obligated to pay the invoice, the board could pay up to 25,000. an additional invoice 
brings the total to 47,000 +/- after contract review and ccna review cant offer opinionon 
how to legally pay the invoice.

gartek correct here voice was 20,000d letter explaining the original contract was to read 
one set of docs iep being 3 sets of documents on the park. the original contract was for 
one review of the 100% set of plan, asked to review the rfp and other additional 
documents, gartek responded to numeros requests to be in on conference calls 
member of the eval team and was not anticipated in the original contract. board should 
consider the work done for the board and he is sure the board could find a way to pay the 
additional money and if the board wants to make it legal they can he gartek is at the 
board mercy. tobin asked for comments.
Wilkinson could we issue a supplemental contract because without gartek we would be where we are now. strain from gnats and swallowing elephantts. Wilkinson the work has been done for the citizens of key largo.

terry comments that he admits he did the work, gartek, point is in contract for a clear price for a scope, but if the work is more than what is bargined for the contract should be renegotiated prior to work commencing. the amount invoiced is for double the original contract amount. the dilemma is that by chapter 287 if it hasn't come through the ccna process it is limited to 25,000. per project per year, written so it is not pece milled to stay under the threshold amount. only exception to the act is a declaration of purchase and is for emergency. terry if someone had notified counsel perhaps counsel given prior.

brooks states fault is hard to place, but a solution might be what is a project defined or should it be a series of tasks. also not derogatory to manager while concentrating on deadlines, bids, etc. we had asked for an accounting of the dollars adding up. the board should have been more diligent on getting the info and review it. gartek has given more than there dollar value and brooks would like to move any way the board could to fix the situation, even if it is to authorize 5,000 and then label it an emergency because we have been in an emergency situation for the first day the board formed. then look at this so we could avoid a dilemma again.

beaty reread contract it is specific responsibilities defined and the circumstances didn't allow them to do that within the deadlines and timeframes and were placed in a position that the costs incurred. agrees gartek has saved us money not sure how it could get paid, maybe another contract.

Wilkinson fiduciary responsibility we requested and expected the work.

bauman asked terry if anything stated was legally acceptable. lewis the only exception to the 25,000 limit is the emergency. brooks is best offer. lewis never gave t retroactive emergency which is essentially what is being suggested, he could research but he hasn't found emergency declaration that prohibits. it is clear that if will of board will still have to follow the law. as a legal entity law or attorney general cant be over run.

bauman states that on a contract with a specific scope, it should have been change ordered and presented to the board, being in the business he should have known to present a change order for approval. he takes the other side. gartek stated a letter of request was provided. bauman would agree to t,000.

brooks on emergency. lewis could be a basis a good basis to declare an emergency. then verify the no retroactive could it be done. lewis on ccna language not specific for emergency, valid and approved by the entity. lewis quoted the act. brooks 47,000 total first 20,000 paid 27,000 balance. brooks would like to see an emergency declared then establish a procedure that this doesn't happen again.

no further comments. tobins concerns there is a doubt the work has been done and it's been a great job monitoring an atl engineering firm to find flaws be critical and out spoken and assisted the board with your efforts, but, sitting here with contractors who are about to bid on jobs. and do a retroactive emergency when there was non he doesn't believe it is not good public policy he also does not, 2/5 bill billed for four hours to attend the meeting and chuck billed for four hours to attend the meeting. tobin if we are to accommodate you bill it is not an emergency for two to attend and bill four hours apiece. tobin it appears to be billed at Norman rate and if you look for additional compensation.
that is not at the regular rate. Tobin doesn't think it was an emergency Tobin would say an additional amount. Tobin a lot of hours not being paid for because of the interest of seeing the project get done with all volunteer time, but when I see both of you hear together and there is no obligation for you both to be hear I just don't believe this is good government. If board goes along with declaring it an emergency the billing becomes more reasonable and not to have gartek take advantage by charging full rates and full hours.

gartek in contract it is than he attends and if he would charge for the true hours it would have been greater and he has given his free time although he is not elected, he is responsible to pay subconsultants and doesn't have the money. He is not charging ore than what is in the contract.

Brooks motioned to declare an emergency... Terry need reasoning for record... deadlines to meet. Motion non-emergency, amend the contract for specific tasks that can't be exceeded after 25 years not over 10-12 thousand before notifying board. Terry hasn't received any notification of an emergency or a request for amended contract. Terry go forward with emergency must have an amended contract to assign tasks.

Emergency declared because of time constraints to meet deadlines to receive funds that would disappear after June 1. Tobin uncomfortable declaring emergency without the legal research supporting this, Lewis could find out and let the board know. Cant give sound legal opinion on a retroactive emergency, you can go forward and pay on an amended contract into the future. Brooks come back in a week or two once research done to prove the bills could pay, if not. Second from Wilkinson, further discussion Tobin if declare dan emergency from this day forward be cause of time constraints... is it do increase limits it to increase limit on a contract should it have number... Lewis it should be task by task the contract should be not to exceed, the emergency is a timin emergency that requires a suspension of ccna until a specific date 6/30 the grant deadline date... Tobin should it be a not to exceed amount... Gartek why notccna answered an advertisement did a presentation, etc. Tobin stated that it was not advertised under the act 287... Brooks doesn't want a false limit on it... Brooks it was a not to exceed to begin with and asked Gartek for an estimate thru 6/30... Gartek just negotiation of contract until 6/30... Gartek asked what would be involved... Brooks two weeks maybe four meetings negotiations not under the sunshine... Gartek stated 4,000 dol. Declare emergency to AMD contract to pay Gartek an additional 6,000... Brooks wht about 27,000, Lewis states bring back to next meeting and after research... Declare emergency on deadlines to receive grant to increase the amount of Gartek from 20,000 to 26,000...... Lewis withdraw the motion and

Move to go to CCNA exception limit to 25,000 by Brooks seconded by Wilkinson Bauman voted not motion passed four to one.

Insert emergency motion hear... Vote was... Tobin discussed asked terry if gartek would be part of the negotiating team... Terry typical for general manager and staff would negotiate without board members involved... Wilkinson couldn't see doing it without a district engineer, we need legal and management but we need an engineer. Brooks comments hired gartek as engineer for oversite on Boyle part of project, Brooks didn't think we needed the oversite and after discussion gartek was selected and he seems to be having experience called question by Brooks Wilkinson comments once you hear the eval comm. report it would clarify thenegotiation process. Bauman the negotiation work should be a documented change order from gartek and gartek would
forward a nego change order to sheets....bauman votes not  tobin not motion passed three to one.

MOTION PREDICATE DON THE DECLARED MOTION TO AUTHORIZE THE 2ND CONSTR ANCT AMENDMENT ALOW ; GOING FORWARD AN EXPENDITURE OF 6,000 FOR CONTRACT NEGOTIATIONS DURING THE NEXT MONTH, WILKINSON SECONDED any further discussion GARTEK PROX 60 hours....discussion ensued on the need for the negotiation team and have it in place prior to the vote....bauman and tobin unclear....brooks if we vote for this motion then later on vote on a line up that doesn't include gartek would further ....tobin, bauman NO beaty, brooks Wilkinson yes.

recessed at 5:35
chairman tobin reconvened at 5:45

G. Engineer's Report
no report from the engineers

H. Commissioner's Items

1. Commissioner Brooks - Status report on the Evaluation Committee
brooks ad lib with no time to prep eval comm. adjourned at 2:40 prox

the meeting to day with the proposers on the kltv project...over past weeks forms were sent to the vendors for additional information...from the additional cost information....adl questions were developed and presented to the proposers to participate in an interview . after the process brooks feels that much information was gathered.

brooks reviewed the kltv cost prop bid tab sheet...part of record....stated the amounts; list them....
brooks reviewed the technical scoring sheet...part of record....stated the scores

committee requested itemized cost information that was requested in the rfp but not included. pepper declined to provide additional cost information nor interview. uec did not provid cost information by the deadline but Hartman/uec did show up at the interview so the committee did converse with them. cph and Haskell interviews very informative and productive in the sense that they are open to look at options to get more edus from the project. committee was enlightened to the fact that under the design/build process much more of the park could be done with the Higgins proposal. brooks if present direction continues we have a greater value with less expens to proceed to select on of the two top proposers Haskell/cph. brooks continues that the a recommendation from the committee to the board that basically we feel the klwtd would be better served to continue than risk rebid it could be cheaper may not, could risk not having enough funds to do the projects. so basically the committees recommendation after considering all aspspects of the proposals both staed they could do both at a lesser cost.....Higgins low on klp also.....recommendation from the committee both are very close and Haskell/brown Caldwell & Higgins as primary to begin negotiations beaty adds that the committee also recommends that if Higgins cant be negotiated with then warton smith/cph can be negotiated with. Tobin asked about the renegotiation of the klp cant be done. lewis that is correct. brooks is selecting Haskell to do fillage only at this point and the contract only. brooks not suggest anything further than Higgins as primary and wharton smith/cph second. if Higgins couldn't get contracted then go to wharton smith. lewis just wants to be clear that this suggestion is only for the kltv project...fishburn stated either company may have a potential to do change
orders to do the klp. fishburn blapped for awhile about negotiating a change order after award and then through out the klp bids...LEWIS uncomfortable with the legality. Lewis WHEN YOU Have two projects advertised separately, when taking a whole project within a change order would be a noval problem. BROOKS if we negotiate with Haskell who is using Higgins as low bidder on park and primary subcontractor on kltv and if Higgins is the apparent low bidder could the alt 1 & 2 be negotiated as a change order. lewis it could be possible. refing needs it uncoupled for tonight. lewis yeas be specific on the selection tonight for the kltv. klp is another discretionary act for the future. res is tainted by discussions kltv is ot part of the grant, if we get savings on klp those savings would go for things dep wont pay for in kltv the dep wouldn't. res assumes all dep money wuld be spent on kp and additional any c.o. with Haskell would not be covered by dep. brooks no that was notthe intent. res asked how long the klp bids are good for refiging 60 day and could extend. res states refiging to ask for extention. lewis that's okay. Wilkinson states o&m cost are reduced with more edus that what we would look for general cost decrease. tobin appaul the efforts but the commingling of the issues not good.

TOBIN SUGGESTS FOR PROCEDURE NOT SURE FOR FINAL CONTRACT refiging negotiation with Haskell on the kltv first other options could be reviewed with legal during. klp would be for future discussion, ifthere is a way to legally combined the two it should be explored, but with deadlines it should continue. TOBIN SUGGESTS legal/management and ec chair with engineers to flush it out...if it doesn't work in the next 2-3 days then look at rebid. MAY WARRANT AN EMERGENCY MEETING BUT AFTER DISCUSSION TO NEGOTIATE A CONTRACT WITH KLTV WITH HASKELL ONLY ....tobin request a conference call with eval com head, res, terry, refiging.

BROOKS PASS A MOTION TO SELECT HASKELL AS THE VENDOR FOR CONTRACT NEGOTIATION ON THE KTV PROJECT WILKINSON SECOND AMEND TO SAY IF HASKELL NEG FAIL THEN NEG W/ CPH WILKINSON ACCEPTS THE AMENDMENT FOR DISCUSSION...TOBIN ASKED ABOUT RISK by starting negotiation and then pulling plug, terry no sounds like committee has done all that is needed tobin would like to call an emergency meeting if there is a problem and it would be rebid yes lewis would motion not predicated on legal opinion call question any further discussion all inFAVOR MOTION CARRIED

beaty adds it was a struggle both were great gave a great deal of info and thanks for the time...allcommittee member concer.

2. Commissioner Brooks - Discussion on the re-bidding of the KLP and KLTV projects

discussion on this table/remove until next meeting. 4/23 meeting.
keep as is on the next agenda

gary and andy thanked the committee members for their work and they are next on the committee assignment.

for the eval comm. 4/16 meeting is cancelled because the committee business is finished.

MR BROOKS MOTION TO HAVE THE NEGOTIATION CONSID RES/ CHARLE BROOKS/ REFLING, TERRY LEWIS MR BETANCOURT. bauman does all agree with committee assignment...tobin lewis start legal analysis...he needs all the facts and a basic contract in the rfp....chairman brooks first and one company official peter kinsley to contact the lawyer after brooks to review with lewis....res comments amend to say genl manager versus Robert sheets and also on gartek, boyle engineering. res states budget is being rapidly depleted the negotiation is not going to be cheap, all hours being expended by boyle come out of grant. res is coming out of our pocket. res should contact first for a reimbursement of the
tracked hours for the negotiation under phase 1 grant .... gsg may be presenting work auth to fkaa for this.... tobin comments not a good idea to pass resolution to spend money and obligate all to participate it is constraining and increase spending should be six people tagging along it should be manager and legal with assistance from boyle, garteke, gsg..... SUGGEST MOTION GIVE TERRY LEWIS AS CAPT, HE HAS FLEXIBILITY TO INVOLVE THE ENGINEERS BOYLE/GARTEK....BAUMAN AGREES IT SHOULD BE SMALL...robertsheets/terry lewis.... give direction to manager to work with counsel and garteke, boyle and charlie as board contact.... res thinks boyle should be involved because of the complicated to not have your design engineer on the talks but to not have boyle involved. NO MOTIONED PER LEWIS working on consensus. HAVE CHAIRMAN APPOINT GSG/LEWIS LONGMAN to call on the resources and the draft contract comes back to the board. res adds all must be ratified by the board. TOBIN DIRECTION MANAGER ATTRNY GARTEK AND BOYLE TO MOVE FORWARD UNDER THE DIRECTION OF THE MOTION AND GARTEK NEEDS TO PRESENT APROPOSAL SO HE CONTINUE.

3. Commissioner Wilkinson - Motion to reconsider approval of DEP Agreement LP0338, Amendment No. 1

Wilkinson, tobin will forward email on Sorenson to all. last time he voted yes for the item he was looking at the wrong item and he would have voted no along with tobin if he had used the correct copy. WILKINSON MOTION RECONSIDER RECONSIDERING AND BEATY SECONDED RECONSIDERING DISCUSSION Wilkinson concerned with the site for fema approval on 101.5 it could be possible that funds aren't dispersed prior to 10-01-03 and with KLP being undoable until klk is decided. Wilkinson wants date of 10/31 stricken. beaty agrees. brooks asked sheets if the board changes what happens. res after was ratified it went with dick and he hasn't returned it because of the suggest the ball is in our court to send redraft with dates extended. this is an inertive process if fema doesn't aprv land we would need to renegotiate dates. if the project rebids it would need to be changed. dep has been willing to bend and after what we did today we could send one but will they need dates, if fema goes south on us then are not moving. after last vote tobin complained to dep in talahassee stating that a drop dead deadline when klkwd was operating in good faith, dick smith conceded to understand the concerns of klkwd and stated that the dep did not sign it and passed upon ken someons assistance the grant money would not be in jeopardy if we missed a deadline, tobin pass a resolution to modify the contract tat was signed to revoke that provision. Wilkinson did it out of the blue then they complain that klkwd miss deadlines that could be missed he concerns. brooks which are we talking about 10-31-03 and what about the may 14th date moving to june 30-03. brooks we have spent money in engineering but it is out of 304 money from the county... brooks if we go with jerry and amend that it doesn't drop dead on 10-31-03. tobin PASS AMOTION TO RECONSIDER THE CONTRACT AND DISCUSS WITH DICK SMITH AND BRING IT BACK RES STATES WE COULD PRESENT A REVISED SCHEDULE REFLECTING THE CHANGES ....BAUMAN OPPOSED FOUR YES VOTE FOUR TO ONE.
the contract is legally sufficient but reminds the 90 day termination was the produce of the
cerns of the them leaving with no notice. TOBIN looking for 6 mos termination also 90
day termination and all records ned to be turned over every point raised gsg agreed to.
Wilkinson would like 30 days, res in any contract where district is procuring staff there is
amobilization cost at contract ends the staff can be disbursed originally it is 180 days we
concede to 90 days we would be willing to do it, on the other side it is a fixed fee in light of
the discussion of tonight it is fixed fee. unless it is a special project connections and
extentions where the ......go to 45 days res would be happy...connection would be sewer
connections....DISTRICT responsibility wilkinson thinks there are to many and it restrictive
the KLWTD management should be in key largo. bauman we negotiated that . res any
agreement outlines the expectation are the klwd has entertained, klwd direction,
etc.....some where removed. res would love to have ahandshake agreement but in any
standard agreement you need to have basic items not a lack of trust providson needed
tomove forward, if you think they are are...you wuld do what every you can to help me do
my job.....stating the obvious. TOBIN ANY OTHER COMMENTS BROOKs STATES heis
going back to an original copy the clean copy is the final, he oject to going 2005 can be
terminated in 90 days with out cause and we would be paid for the 90 and stay. it obligates
BROOKS asked if supervising engineering, what does that mean. res doesn't hav an
engineeriof record that is why we go through the ccna process once there is he goes
through manager instead of all members of the board. LEWIS in govt 2 models related to
manager attory and enginer, some boards like it to go all through the manager, some like it
through the board.....lewiss knows from a lot of experience with various boards lewis likes
direction from the manager from one source, lewis states res is correct and a simple style is
necessary at this time. BROOKS would support moving ahead with the contract how can it
be down $5,000 a month. ad at a fixed price . res it was a personal and professional
commitment. brooks it seems just would . VOTE WILKINSON NO ALL ELSE YES FOUR
FOUR

brooks LAST WEEK TRISH WITH THE EMAIL he passed a document around ONE FOR
RECORD RECEIVED no much comment from the board between now and Friday , the
issue was expalained and the unincorporated area is know the area to get the dollars, trying
to get the 29 mil in key largo only...brooks wants in the document tht key largo is entitled to
the 29 mil for future planning. ASKING THE BOARD TO CONCUR WITH THE ADDITON
MOTION TO ADD THAT THE CHANGES SHOULD BE ISLAND OF KEY LARGO VS
UNICORPORATED KLWTD BEATY SECONDS ALL IN FAVOR CARRIED....

tobin wants a were as clause, brooks will include TOBIN WANTS RESOLUTION to be
draftedfor approval next meeting 4/23

bauman comments there are only two projects for key largo...bauman wants an additon of
the subdivision in order bauman would provide...the project named need looked at bauman
to provide to beaty FAITH BROOKS BAUMAN to pow wow.

tobin want rebidding bench marks, sheets will meet with engineers after meeting on
schedule and deadlines . refing june 30 deadline is end of apprill, if lewis calls in emergency
otherwise look for solid on the

MOTION MOVED TO APPROVE 3/26 2/5 ALL FAVOR

I. Minutes – February 26 2003 and March 5, 2003

K. Meeting Adjournment
# Key Largo Wastewater Treatment District

**Guest Sign In Sheet**

Wednesday, April 9, 2003

****Please Print****

<table>
<thead>
<tr>
<th>Name &amp; Title</th>
<th>Representing</th>
<th>Phone</th>
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<tbody>
<tr>
<td>1. NOS Espat</td>
<td>Ravizza</td>
<td>813-677-0041</td>
</tr>
<tr>
<td>2. Stu Oppenheim</td>
<td>Brown and Caldwell</td>
<td>305-418-4090</td>
</tr>
<tr>
<td>3. Pete Kreusky</td>
<td>The Hassic Co</td>
<td>904-357-3808</td>
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<tr>
<td>4. Joe Palestini</td>
<td>Brown &amp; Caldwell</td>
<td>305-418-4090</td>
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<tr>
<td>5. Robert Burk</td>
<td>KLTV</td>
<td>305-457-4894</td>
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<tr>
<td>6. Jerry Cox</td>
<td>CPA Env.</td>
<td>407-322-6841</td>
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<tr>
<td>7. David Girosh</td>
<td>CPH</td>
<td>407-322-6841</td>
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<td>8. Steve Gibbs</td>
<td>Free Press</td>
<td>664-2266</td>
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Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
4:00 PM Wednesday, April 9, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. Additions, Deletions or Corrections to the Agenda

D. Action Items

1. Presentation by the General Manager of the Work Plan for Developing and Implementation of a Non Ad Valorem Assessment Program for administrative and management costs

   a. Approval of the Work Plan for developing and implementation of a Non Ad Valorem Assessment Program

2. Presentation by the General Manager of the Professional Consultant Services Agreement by and between KLWTD and Government Services Group, Inc.

   a. Approval of the Professional Consultant Services Agreement by and between KLWTD and Government Services Group, Inc.

E. General Manager's Report

1. Discussion of DEP Agreement LP0338, Amendment No. 1 and KLWTD Resolution 2003-14

F. Legal Counsel's Report

1. Discussion of Gartek's invoice for additional services

G. Engineer's Report

H. Commissioner's Items

1. Commissioner Brooks - Status report on the Evaluation Committee
2. Commissioner Brooks - Discussion on the re-bidding of the KLP and KLV projects
3. Commissioner Wilkinson - Motion to reconsider approval of DEP Agreement LP0338, Amendment No. 1

I. Minutes – February 26 2003 and March 5, 2003

K. Meeting Adjournment
3.3 Initial Projects

3.3.1 Selection Process

In developing the list of initial projects as a sub-set of the Master Project List, the following were considered:

- The Distribution Formula Approved by the ITF (Distribution Formula). Each local entity, as dictated in the Distribution Formula, is to receive a specified amount of the total funding. While this document does not specify the distribution for any funding greater than $30 million, the PDT and ITF has agreed to the following distribution of the $100 million in funding should it be appropriated:

  - City of Key West $10,300,000
  - City of Marathon $29,300,000
  - Village of Islamorada $29,300,000
  - Monroe County $29,300,000
  - City of Layton $1,582,250
  - City of Key Colony Beach $335,000

- As discussed above, should the appropriation be less than $100 million, the Distribution Formulas would be used as guidance in selecting which projects would be funded.

- For each of the entities which makeup the ITF, the highest priority projects from the Master Project List were selected for inclusion in the Initial Project List up to the amount of funding allocated for each entity.

3.3.2 Initial Project List

As with the PMP, the Initial Project List is a dynamic document, as some projects will become substantially closer to Ready to Proceed as the FKWQIP proceeds. Additionally, other sources of funding may become available such that high priority projects may be completed prior to distribution of funds from the FKWQIP.

The Initial Project List includes the name of the entity responsible for the project, the project name and type of project (wastewater or stormwater), whether or not the project is in a “Hot Spot” area, a readiness assessment, and, the projected cost of the project as well as what FKWQIP funds would be allocated to the project, the local match funds required and the need for any additional funds. Detailed descriptions of the work involved in each of the projects can be found on the Master Project List ad the respective planning documents used to compile the Master Project List.
House OKs $3M for wastewater

But item is not in Senate's plan

By ALYSON MATLEY
amatley@keynoter.com

The push is on to secure more sorely needed funding for wastewater and stormwater improvements in the Keys.

This week, the state House of Representatives approved a budget that includes a $3 million amendment for Keys projects, according to an announcement issued by Rep. Ken Sorensen.

Although the addition to the budget passed the House, there is no similar item in the Senate's proposed budget, according to Monroe County Commissioner Murray Nelson, who serves as the county's liaison with Sorensen.

"I'll have an item on next week's [County Commission] agenda," said Nelson, "encouraging Sen. [Larcenia] Bullard to support the appropriation."

Nelson says that if the $3 million were added to the state budget, it would likely be distributed locally by the Intergovernmental Task Force that's made up of representatives of the county and each Keys municipality.

At the same time, a bipartisan coalition of U.S. congressmen has issued a letter requesting that $30 million in federal funding be appropriated this year for Keys wastewater infrastructure improvements.

Reps. Ileana Ros-Lehtinen, Peter Deutsch, Lincoln Diaz-Balart, Mario Diaz-Balart and Kendrick Meek have requested that the funds be appropriated in fiscal year 2004.

In 2000, Congress authorized $100 million in wastewater funding for the Keys through the Florida Keys Water Quality Improvements Act. The U.S. Army Corps of Engineers and the South Florida Water Management District are to distribute that money. However, none has yet been appropriated.

In recent months, county and state officials have wrangled over the best way to encourage Congress to begin the flow of funds. Sorensen attempted to redirect the money through a state agency, but after some vacillating, the county stuck with the original plan proposed by Congress to go through the Water Management District.

To date, more than $44 million has been committed by county, state and federal sources to upgrade Keys wastewater systems.

According to County Marine Resources Director George Garrett, a number of these projects are facing deadlines this year. For example, Conch Key and Bay Point must have spent money provided by the Federal Emergency Management Agency by September or risk losing it.

Sorensen last month introduced a bill that would create a trust fund aimed at retaining funds where projects are falling behind deadlines.

In brief

Autos pile up in hit-and-run

Key West police arrested an alleged hit-and-run driver who reportedly tried to run down two witnesses to a crash that piled up parked vehicles on Truman Avenue, according to police spokesperson Cynthia Edwards.

Hearing a loud crash about 4 a.m. Sunday, neighbors in the 1400 block of Truman Avenue came out of their houses. They saw a maroon pickup truck on top of two parked scooters and partially on a parked Corvette that had been pushed into a parked Mazda, she said.

They told Officer Keith Rendueles the passenger from the pickup got out and tried to pull the truck off the scooters.

Jorge Luis Araujo Martinez, 32, was arrested for leaving the scene of an accident with more than $50 damage, and leaving the scene with injuries. Damage was estimated at almost $10,000.

Improving your earning potential while helping others!

Marathon Manor, the area's skilled nursing facility that serves the elders of your community, is offering a program to help you become a certified nursing assistant. To participate in our test prep program, applicants should desire to work full or part time at the facility. There is no charge for the class, but excellent attendance is a must. CNA's help patients to return to health, prepare to go home, or stay in our facility but function at their highest potential.

Bathing, dressing and meal services are examples of the support you will offer them. Interested persons should call Suzan Eokers, DONs at 305-743-4466 ext. 201. DFWP/EOE.
# KLTV COST PROPOSAL BID TABULATION SHEET

<table>
<thead>
<tr>
<th></th>
<th>WIS/CPH</th>
<th>H PEPPER</th>
<th>HARTMAN United Brown, Caldwell Higgins</th>
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<tr>
<td><strong>A. Design Phase Services</strong></td>
<td>$480,000.00</td>
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<td><strong>B. Guaranteed Maximum Price GMP</strong></td>
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<td></td>
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<td>Construction of KLTV Vacuum Collection System and AWT Facility</td>
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<td>Tie-in of KL Park Vacuum Mains, Furnishing and installing vacuum vales as described in Section 4.T</td>
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<td><strong>D. Construction Phase Engineering Services</strong></td>
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<td></td>
<td>275,000.00</td>
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<td><strong>E. Contractor’s Fee (maximum 15% of GMP)</strong></td>
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<tr>
<td>% of GMP proposed</td>
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<td>$1,000.00</td>
<td>$1,000.00</td>
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<td><strong>TOTAL COMBINED PROJECT COST</strong></td>
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<td>Brooks</td>
<td>Fishbun</td>
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<td>Hartman</td>
<td>78</td>
<td>44.5</td>
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<tr>
<td>Haskell</td>
<td>92</td>
<td>71</td>
<td>87</td>
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Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
4:00 PM Wednesday, April 9, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. Additions, Deletions or Corrections to the Agenda

D. Action Items
   1. Presentation by the General Manager of the Work Plan for Developing and Implementation of a Non Ad Valorem Assessment Program for administrative and management costs
      a. Approval of the Work Plan for developing and implementation of a Non Ad Valorem Assessment Program
   2. Presentation by the General Manager of the Professional Consultant Services Agreement by and between K LWTD and Government Services Group, Inc.
      a. Approval of the Professional Consultant Services Agreement by and between K LWTD and Government Services Group, Inc.

E. General Manager’s Report
   1. Discussion of DEP Agreement LP0338, Amendment No. 1 and K LWTD Resolution 2003-14

F. Legal Counsel’s Report
   1. Discussion of Gartek’s invoice for additional services

G. Engineer’s Report

H. Commissioner’s Items
   1. Commissioner Brooks - Status report on the Evaluation Committee
   2. Commissioner Brooks - Discussion on the re-bidding of the KLP and KLTV projects
   3. Commissioner Wilkinson - Motion to reconsider approval of DEP Agreement LP0338, Amendment No. 1

I. Minutes – February 26 2003 and March 5, 2003

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I. Minutes – February 26 2003 and March 5, 2003
J. Meeting Adjournment
March 14, 2003

VIA HAND DELIVERY

Mr. Robert E. Sheets
District Manager
Key Largo Wastewater Treatment District
P.O. Box 491
Key Largo, FL 33037

Re: Workplan for Development and Implementation of Non-Ad Valorem Assessment Program for Administrative and Legal Costs

Dear Robert:

This correspondence is written to present a scope of services for Government Services Group, Inc. (GSG) to provide specialized assistance to the Key Largo Wastewater Treatment District (District) in the development and implementation of an assessment program to fund the annual administrative and legal costs associated with the District. The proposal is based on the assumption that the District intends to collect these proposed assessments using the tax bill collection method beginning with the tax bills to be mailed in November 2003 for Fiscal Year 2003-04.

The objective of this project is to develop non-ad valorem assessments based on public policy set forth by the District’s elected officials within the constraints of readily available data and legal precedent.

To accomplish this objective, we will complete the following tasks:

- Provide implementation services to assist the District to develop a legally defensible method of apportionment that is conducive to using the tax bill collection method;
- Provide assessment rolls that are capable of being efficiently updated annually and used in subsequent years.
The proposed workplan is designed to develop the following deliverables during this project:

- An Assessment Report that will provide (a) the assessment cost calculation, (b) the description of the apportionment methodology; and (c) an implementation schedule.

- Billing algorithms necessary to calculate the assessments pursuant to the approved methodology;

- The statutorily required notice and billing documentation required for using the tax bill collection method for the assessment program;

- The final assessment rates; and

- Assessment rolls in an electronic format capable of merging with the County's ad valorem tax roll.

The attached scope of services is based on the following assumptions:

- The District will provide the necessary budget information required to develop the assessment methodology.

- The District legal counsel will provide all of the legal implementation documents and any legal interpretations required regarding the validity of the assessment methodology.

Attached as Appendix A is a work plan which articulates the services required by the firm to assist the District in implementing the non-ad valorem assessment program in a manner that is conducive to the imposition and collection of the assessments using the tax bill collection method.

For services provided by GSG, we will work under a lump sum professional fee arrangement described in the attached scope of service and receive payment on a monthly basis pursuant to the schedule in Appendix B. A lump sum method of compensation eliminates any uncertainty in the total fee.

We have also attached as Appendix B, a list of project deliverables, delivery schedule and payment schedule. Upon Notice to Proceed we will provide a detailed critical events calendar and a schedule for project deliverables tailored to the specific circumstances that are unique to the District. Appendix C is an hours and fees matrix that illustrates the work effort for each task.
We look forward to working with the District on this very important project. If you, or any other District officials have any questions, please feel free to telephone me.

Sincerely,

Camille Tharpe

/cpt

Enclosures
APPENDIX A

PROPOSED ASSESSMENT PROGRAM

SCOPE OF SERVICES
APPENDIX A
SCOPE OF SERVICES

Task 1: Evaluate Reports and Research Issues

Evaluate the District's existing legal documents, ad valorem tax roll information, reports and other data pertaining to the provision of administrative and legal services associated with the Wastewater Treatment District.

Task 2: Determine Preliminary Revenue Requirements

Advise the District in determining the total assessment revenue requirements to ensure the District recovers the costs of: (a) net revenue requirements, (b) implementing the program, and (c) collecting the assessments.

Task 3: Develop a Method of Apportionment

Using the current ad valorem tax roll develop a method of apportionment, classification of properties and the use of the data on the ad valorem roll. GSG will perform all field work required to develop a method to address the assessment of vacant lots based on development capability (i.e., Tier 1, Tier 2 and Tier 3). Review the assessment methodology for legal sufficiency and compatibility with the tax bill method of collection.

Task 4: Develop an Assessment Roll Database

Using the District's ad valorem tax roll, create an assessment roll database. Develop rules and guidelines for the treatment of certain properties to ensure similar treatments. Test the sufficiency of the database by developing reports to access property use information. Assist the District's Attorney in documenting the rules and procedures regarding the database.

Task 5: Apply Apportionment Methodology to Database

Using database developed in Task 4, apply apportionment methodology to the assessment roll database to test the data validity and legal sufficiency. Revise the apportionment methodology, as necessary.

Task 6: Calculate a Preliminary Proforma Schedule of Rates

Using assessment roll database, calculate a proforma schedule of rates based on the apportionment methodology and revenue requirements for the assessment program.
Task 7: Review the Assessment Ordinance

Review the assessment ordinance prepared by the District's Attorney that provides the District with the flexibility to impose and collect the assessments using the tax bill collection method.

Task 8: Review the Initial Assessment Resolution

Review the initial assessment resolution prepared by the District's Attorney that conforms to the assessment ordinance to impose the assessments to implement the District's policy decisions and proposed methodology.

Task 9: Review the Final Assessment Resolution

Review the final assessment resolution prepared by the District's Attorney that conforms to the assessment ordinance to impose the assessments and adopt final assessment rates.

Task 10: Assist with Rate Adoption Process in Conformance with the Uniform Assessment Collection Act

Advise and assist with the legal requirements for the adoption of the final assessment rate resolution(s) and certification of the assessment roll(s) in accordance with section 197.3632, Florida Statutes, including: (a) the development of the first class notice and its distribution, (b) publication of the public hearing, (c) attendance at the public hearing, and (d) the certification of the assessment roll to the Monroe County Tax Collector.

Fee and Costs

For services provided by GSG, the lump sum fee for the proposed scope of services would be $25,116.

Payment will be 1/5 of the lump sum fee each month beginning May 2003, assuming notice to proceed occurs in April 2003. Payment will be pro-rated on the basis of the anticipated number of months included in the project if notice to proceed occurs after April 2003.

Special Note:

The lump sum fee does not include the costs of producing and mailing the statutorily required first class notices for FY 2003-04, which will depend on the number of assessable parcels of property within the District. Mailing and production costs for this program averages approximately $1.25 per parcel, with the amount due and payable at the time of the adoption of the initial assessment resolution.
In addition to one on-site visit by GSG to conduct fieldwork, the lump sum fee for professional services includes a total of three on-site visits to the District by GSG staff. While the purpose of these trips is negotiable, the intent of these meetings is to (1) participate in individual briefing sessions with District elected officials and staff, (2) participate in the adoption of the Assessment Ordinance and the Initial Assessment Resolution and (3) assist in the final rate adoption process. Meetings in excess of these three meetings may be arranged at our standard hourly rates. Expenses related to additional meetings will be billed in conformance with section 112.061, Florida Statutes.

In lieu of on-site visits by GSG, the firm is available to participate in periodic, scheduled telephone conference call to discuss project status.

**Annual Updates**

On a recurring basis, the firm shall also be available to assist the District in the annual update of the District's assessment program for a fee to be determined upon completion of this project. Such annual update assistance would include: assisting in the revisions to the assessment roll to correlate with changes to the ad valorem tax roll, facilitating the public notice requirements of the tax bill collection method including notice to property owners with property use changes, assistance with any transitional or interim assessments for omitted properties, and monitoring of the apportionment methodology relative to continued defensibility.

In recognition that GSG is an organization dedicated to providing specialized assistance to local governments in developing innovative and efficient solutions to public sector issues, the firms shall, on an hourly or negotiated fee basis, also be available to provide additional services to the District on finance, revenue or other local governmental matters. Such services may be provided under a written change order, extension to this scope of services, or by separate agreement mutually acceptable to the parties.
APPENDIX B

DELIVERABLES AND PAYMENT SCHEDULES
### APPENDIX B
#### PROJECT SCHEDULE

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<tr>
<th>Deliverable</th>
<th>Schedule</th>
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<td>Notice to Proceed by the District</td>
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<td>Assessment Report</td>
<td>July 2003</td>
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<td>Proforma Assessment Rates</td>
<td>July 2003</td>
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<tr>
<td>Adopt Assessment Ordinance</td>
<td>July - August 2003</td>
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<tr>
<td>Initial Assessment Resolution</td>
<td>July – August 2003</td>
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<td>First Class Notices</td>
<td>August 2003</td>
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<tr>
<td>Published Notice</td>
<td>August 2003</td>
</tr>
<tr>
<td>Final Assessment Resolution</td>
<td>August – September 2003</td>
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<tr>
<td>Final Assessment Rates</td>
<td>August – September 2003</td>
</tr>
<tr>
<td>Certified Assessment Roll</td>
<td>by September 15, 2003</td>
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Payment will be 1/5 of lump sum fee each month beginning May 2003, assuming notice to proceed occurs in April 2003. Payment will be pro-rated on the basis of the anticipated number of months included in the project if notice to proceed occurs after April 2003.
APPENDIX C

HOURS AND FEES MATRIX
## APPENDIX C
### HOURS AND FEES MATRIX

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Total Hours</th>
<th>Total Fees</th>
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<tr>
<td><strong>ASSESSMENT PROGRAM</strong></td>
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<td>Task 1 - Evaluate data/reports; research issues</td>
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<td>Task 3 - Develop apportionment method/data approach</td>
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<td>Task 6 - Calculate preliminary proforma assessment rates</td>
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<td>Task 10 - Assist with rate adoption process in conformance with UACA</td>
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<td>Plus travel and related expenses</td>
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<td><strong>TOTAL LUMP SUM FEE</strong></td>
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MEMORANDUM TO THE BOARD

TO: BOARD OF DIRECTORS
CC: TERRY LEWIS
FROM: ROBERT SHEETS, GENERAL MANAGER
SUBJECT: MANAGEMENT SERVICES AGREEMENT
DATE: 4/1/03

Enclosed for your review and action is the Management Services Agreement by and between the Key Largo Wastewater Treatment District and Government Services Group, Inc.

This Management Agreement has been designed to provide the most efficient form of Management and oversight possible to the District. This is evidenced by the fact that, if at this point the District desired to hire its own personnel, the following minimum staffing requirements would be necessary:

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<thead>
<tr>
<th>POSITIONS</th>
<th>EXPENSES</th>
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<tr>
<td>Executive Director</td>
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<tr>
<td>Administrative Assistant</td>
<td>$30,000</td>
</tr>
<tr>
<td>Accountant/CPA (half-time)</td>
<td>$30,000</td>
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<tr>
<td><strong>Total</strong></td>
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<tr>
<td>Plus Taxes and Fringe Benefits @ 30%</td>
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<tr>
<td><strong>Total Annual Position Expense</strong></td>
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<th>MISCELLANEOUS</th>
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<tr>
<td>Rent 1,500 square feet at $12 per square foot</td>
<td>$18,000</td>
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<tr>
<td>Supplies @ $1,000 Per Month</td>
<td>$12,000</td>
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<tr>
<td>Office Equipment</td>
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<td>Miscellaneous Copy/Production costs</td>
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<td><strong>Total Miscellaneous Expenses</strong></td>
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<td><strong>TOTAL ANNUAL EXPENSE</strong></td>
<td><strong>$222,500</strong></td>
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<td><strong>Total Annual Costs ($222,500 divided by 12)</strong></td>
<td><strong>$18,542</strong></td>
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<tr>
<td>GSG's Monthly Fee</td>
<td><strong>$10,800</strong></td>
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</table>
This Agreement is consistent with the proposal submitted to the Board via Terry Lewis on January 13, 2003, and describes the services provided and method of compensation. This Agreement has also been reviewed and changes have been made based on discussions with the individual Board members and should reflect those changes.

We will continue to streamline this contract and reduce it from its current length to a more efficient document and have eliminated those terms and phases that are not relevant to this Agreement.

The Management Services Agreement has two basic sections: Section 2 describes the Base Services the General Manager will provide on behalf of the District in carrying out his duties. To summarize, those basic services are as follows:

I. **Board Support:** Carry out all duties and responsibilities necessary for the timely notice of regular and special board meetings. Prepare and distribute all agendas to the District Directors for all Board meetings including appropriate supporting documents.

II. **General Administration:** The General Manager will carry out all duties and responsibilities required for the maintenance of the District’s books and records that serve as a governmental liaison between the Board and Local Government and to make sure that all other administrative functions are carried out in a timely and efficient manner.

III. **Accounting:** The General Manager will provide all accounting services for the District necessary to comply with Florida Statute and generally accepted accounting principals. This will include preparation of all accounts payable, accounts receivable, monthly financial reports and the coordination with the external auditor for the District.

IV. **Budget and Financial Reporting:** The General Manager will prepare by July 1 of each year a detailed operating and capital improvement program for the Board’s review and approval.

V. **Other Financial Services:** This includes coordination with the District’s utility rate consultant, insurance consultant and other entities necessary to help the District meet its financial obligations and its net fee.

VI. **Operational Oversight:** The General Manager will provide performance monitoring to the operations, contract and billing contractor as necessary. This service will not be utilized for the next two years, but will come into play upon completion of Key Largo Park and Key Largo Trailer Village.

VII. **Capital and Improvement Planning:** The General Manager will be responsible each year for preparation and update of a strategic capital improvement plan for the utility system and will present this by May 1st of each year to the Board. This will identify facilities needing to be repaired, replaced or enhanced to provide service to the District as it grows. In addition, the General Manager will prepare a connection and extension policy to be utilized by the District in meeting the growth related issues.
Compensation for Basic Services: It is anticipated that the General Manager, the Clerk to the Board, the Director of Operations and the Accounting Support function necessary to the District operation, will require an excess of 160 professional man hours, per month for all individuals involved. The following table outlines a minimum number of professional hours required by each position:

- General Manager - 48-60 hours per month
- Clerk to the Board - 48-60 hours per month
- Director of Operations - 32-40 hours per month
- Account Support - 32-40 hours per month
- Total - 160-232 hours per month

The above provides a total of 160-192 professional man-hours. If using our standard hourly rate based on these estimated hours, the monthly charges would be approximately $19,000 per month, not including travel. Because of GSG’s desire to develop a long-term relationship with the District and to be involved with the planning, development and implementation of the capital improvements necessary to meet the wastewater needs, we are offering our services at a monthly fixed fee of $10,800. This is inclusive of all travel-related expenses associated with attending regular Board meetings. As specified in the Agreement, only those expenses directly associated with producing Board materials and information would be charged back against the District’s budget, with the exception of travel related costs associated with the attendance of special meetings on behalf of the Board.

Additional Services: Also outlined in the Agreement is a method in which GSG will be compensated for performing additional services. These additional services are summarized as follows:

a. Capital Project Administration & Construction Management: The General Manager would be reimbursed for the actual project management administration of the capital projects that the District undertakes. This includes securing necessary work orders for design and supervision, overseeing consulting engineers, hydrogeologists and the coordination of new facility construction. This includes, in addition to the administration that GSG will perform actual construction management services including, but not limited to, monitoring and observation of all construction progress, submittal of monthly progress and status reports, review shop drawings, diagrams and illustrations and monitor all records.

Section 3.2 describes in detail the services to be provided under construction management including a detailed description of the "observations" conducted for construction management and an example of specific tasks that will be performed.
The main benefit to the District for the treatment of these expenses in this matter, is that this avoids putting a burden on the operational costs to the District for projects that will increase or decrease based on the amount of capital improvement programs. It also allows the District to capitalize these costs as part of project costs.

b. **Developer Agreements and Extension Programs:** Working with specific properties, although unlikely at this point, will be considered additional services and will be based on the work order approved prior to commencement of any such work.

c. **Special Assessments:** The General Manager, as an additional service, will provide special assessment, development and implementation, and administration. Again, no work will be performed prior to the approval of the work order.

d. **Development of Operations Agreement:** The General Manager will be responsible for developing Request For Proposals from operations contractors and evaluate those proposals received. In most cases, an RFP preparation by the General Manager specifies to the respective bidder that they must reimburse the District for any extraordinary costs incurred in procurement of such services.

e. **Other Services:** The Board may request the Manager on occasion to perform services beyond that described in the basic services agreement. Under this provision, no such work can be performed without prior written approval by the District. In most cases, the General Manager will provide a work order to the Board on a fixed fee basis. However, the Board may request that a time and materials arrangement be made and those extended hourly rates are described within the Agreement. As negotiated with Commissioner Bauman, GSG will agree to develop an extensive web site for the District for a fixed fee of $6,500.00. We have, however agreed to continue to maintain the web site, including all enhancements and additions, as long as our contract is in place, as part of the fee for basic services and therefore, no additional charges will be incurred.

This Agreement has been the result of extensive discussions with Commissioner Bauman and the District's General Counsel. The black-lined version provided for your review, reflects those changes as a result of these discussions and negotiations. I'd like to thank Messer's Bauman and Tobin, as well as Amy for their diligence and commitment in finalizing this Agreement. I believe that this Agreement reflects the commitment necessary to help advance the District in its ambitious goals and objectives.

I'd also like to thank the Board for your continued support and commitment in addressing this delivery of critical infrastructure in Key Largo.

We look forward to working with the District on a long-term basis and if you have any questions, please do not hesitate to contact me.
MANAGEMENT SERVICES AGREEMENT

by and between

KEY LARGO WASTEWATER TREATMENT DISTRICT

and

GOVERNMENT SERVICES GROUP, INC.
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BASIC SERVICES

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ADDITIONAL SERVICES

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<th>Section</th>
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<td>Utility Operations Agreement</td>
<td>12</td>
</tr>
<tr>
<td>3.06</td>
<td>Other Services</td>
<td>12</td>
</tr>
</tbody>
</table>
MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of __________, 2003, by and between Key Largo Wastewater Treatment District, (hereinafter referred to as the "District") and Government Services Group, Inc., a Florida corporation, whose business address is 1500 Mahan Drive, Suite 250, Tallahassee, Florida 32308 (hereinafter referred to as the "General Manager").

WITNESSETH:

WHEREAS, the District desires to obtain the professional management and planning services of the General Manager to provide administration, management, and consulting services to the District; and

WHEREAS, the General Manager represents that it has expertise in the type of professional services required by the District;

NOW, THEREFORE, in consideration of the following mutual promises, covenants, provisions, representations, agreements and provisions, the parties hereto agree as follows:
ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings unless the context thereof otherwise requires.

"Additional Services" means the services described in Sections 3.01 through 3.07 hereof, provided such services exceed the usual and customary administrative, management and financial services provided by the General Manager, or any special projects agreed to by the parties.

"Agreement" means this Management Services Agreement, including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

"Basic Services" means the all customary and usual administration, management and accounting services related to the operations of the District, including but not limited to those services described in Sections 2.01 through 2.07 hereof, other than those services described as "Additional Services."

"Billing Contractor" means the firm contracting with the District to provide customer service and utility billing for the Utility Systems.

"Board" shall mean the governing board of the District.

"Financing Documents" shall mean the resolution or resolutions duly adopted by the Board, as well as any indenture of trust, trust agreement or other instrument relating to the issuance or security of the obligations by the District.

"Fiscal Year" means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the County.

"District" means Key Largo Wastewater Treatment District, a legal entity and public body created pursuant to Chapter 2002-337.
"General Manager" means Government Services Group, Inc., a Florida corporation.

"Operations Contractor" means the firm contracting with the District to operate the Utility Systems.

SECTION 1.02. INTERPRETATION. This Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Agreement.
ARTICLE II
BASIC SERVICES

SECTION 2.01. BOARD MEETINGS. The General Manager will furnish the following administrative support to meetings of the Board:

(A) Provide timely notice of all regular and special Board meetings to the District directors and comply with all applicable public notice requirements;

(B) Prepare and distribute an agenda to the District directors for all Board meetings, including appropriate supporting documentation; and

(C) Maintain minutes and records of regular and special Board meetings consistent with Florida statutes.

SECTION 2.02. GENERAL ADMINISTRATION. The General Manager will furnish the following general administrative support to the Board:

(A) Execute Board's direction in identifying, selecting and contracting with rate consultants, auditors, insurance consultants, lab service contractors, consulting engineers, hydro-geologists and other consultants or professionals required by the District;

(B) Act as custodian of the District's books and records, which shall be maintained in accordance with Section 189.9, Florida Statutes;

(C) Serve as inter-governmental liaison between the Board and the local governments in which the District provides utility service as follows: (1) coordinate service extensions with the local government's comprehensive plan; (2) communicate with local public officials on all matters that pertain to the District; and (3) attend city and county governing board and staff meetings, when requested, to discuss District issues;

(D) Prepare an annual consumer confidence report, as required by law;

(E) Oversee two customer mailings each year to all District customers regarding Board initiatives;
(F) Provide the Board, or individual members thereof, upon request, with data or information concerning the Utility Systems provide advice and recommendations on Utility System operations to the Board;

(G) Develop and maintain accounting, budgeting and purchasing procedures;

(H) Negotiate leases, contracts, and other agreements, including consultant services, for the District, subject to approval of the Board;

(I) Oversee and advise the District on all local, state or federal filings identified to the General Manager;

(J) Monitor the performance of all terms and conditions in all leases, contracts, and agreements and notify the Board of any noted violation thereof; and

(K) Maintain a web site for the District.

SECTION 2.03. ACCOUNTING. The General Manager will provide the following accounting services to the District:

(A) The General Manager will oversee the District's accounting system and coordinate the utility billing function with the Billing Contractor to facilitate the management and investment of all cash in accordance with law, the Financing Documents, Board policy, and generally accepted accounting principles.

(B) The General Manager will require the Billing Contractor to provide a daily financial transactions report and a monthly financial report for each Utility System.

(C) The General Manager will prepare statements of accounts payable, reconcile accounts receivable, maintain the general ledger, prepare monthly financial reports for each Utility System and the District in its entirety, and coordinate with outside auditors in conducting an annual audit.

(D) At the second Board Meeting of the District, the General Manager will submit to the Board a statement of income and expenses for the District Board, together
with a list of vouchers to be paid, if requested by the Board, and any financial matters requiring Board attention.

SECTION 2.04. BUDGETS AND FINANCIAL REPORTS. The General Manager will provide the following budgeting and reporting services to the District:

(A) On or before July 1 of each year, the General Manager will prepare a proposed operating budget and capital improvement program for the ensuing Fiscal Year to be submitted to the Board for its review and approval.

(B) The General Manager will prepare and file all financial reports required by the Financing Documents, Board policy and applicable law.

SECTION 2.05. OTHER FINANCIAL SERVICES. The General Manager will provide the following additional financial services to the District:

(A) The General Manager will coordinate with the District's utility rate consultant to develop rates that comply with the Financing and Grant Documents;

(B) The General Manager will coordinate with the District's insurance consultant to insure the District's assets in accordance with industry standards; and

(C) The General Manager will actively pursue all Federal and State Grant funding opportunities.

SECTION 2.06. OPERATIONAL OVERSIGHT. The General Manager will monitor the performance of the Operations Contractor and Billing Contractor, as follows:

(A) The General Manager shall monitor lab performance of the Operations Contractor to ensure compliance with the Operations and Billing Agreement and the Board's policy and direction;

(B) The Operations Contractor and Billing Contractor will be required to provide the reports as required in the Operations and Billing Agreement;
(C) The General Manager will visit each Utility System and review the following issues with the Operations Contractor and Billing Contractor: (1) customer service, (2) operations and contract performance, (3) annual maintenance needs of the Utility Systems, (4) any unforeseen events that may affect the District's agreement with the Operations Contractor or Billing Contractor;

(D) The General Manager shall manage District's lab service contractor for quality control and performance, shall order necessary sampling events to meet regulatory needs and requirements, shall review all laboratory analyses conducted by District's lab service contractor, and shall require appropriate explanations for all deviations to the permits under which treatment facilities are to be operated;

(E) Not later than April 1 of each year beginning April 1, 2003, the General Manager shall compile and prepare:

1. An annual report summarizing the performance of each treatment facility;
2. A summary of treatment capacity and capacity needs;
3. A status report of all capital projects; and
4. An annual systems report which summarizes:
   (a) Work performed by the Operations Contractor and Billing Contractor;
   (b) Other significant operations issues that have arisen during the preceding twelve months;
   (c) Intergovernmental coordination issues; and
   (d) Acquisition and transition concerns.

The General Manager shall secure any work orders necessary to complete the annual report and manage the activities of the consulting engineers, hydro-geologist-professional services to ensure timely completion of the annual systems report.
SECTION 2.07.  CAPITAL IMPROVEMENT PLANNING.

(A) The General Manager shall be responsible for coordinating the development of a capital improvement plan to facilitate compliance with applicable regulatory standards and provide adequate capacity for current and future customers. In this regard, the General Manager shall (1) prepare and update, as needed, a strategic master plan for each Utility System, and (2) not later than May 1, prepare an annual capital improvement program for facilities needed to repair, replace, enhance or provide additional service to District's customers.

(B) The General Manager shall prepare connections and extensions to the Utility Systems. In this regard, the General Manager shall (1) maintain an extension policy for said water and sewer line extensions, (2) maintain standardized specifications for use on all Utility Systems, and (3) provide standardized construction and professional service agreements for use on all Utility Systems.

SECTION 2.08.  COMPENSATION FOR BASIC SERVICES.

(A) In consideration for the Basic Services to be provided, the District agrees to pay the General Manager a monthly fee not to exceed $10,800 for the services described below, which includes the use of the General Manager's Offices and incidental staff personnel. For purposes of accounting, the parties have allocated the fee according to the following schedule, which does not include travel time:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Services</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>-</td>
<td>$5,000.00/Monthly</td>
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</table>

*(Services are described in the Proposed System Manager Agreement, Dated January 13, 2003)*

Phase II

District Manager (approximately 48-60 hours per month) $3,240.00
Clerk/Secretarial (48-60) hours per month $2,700.00
Director of Operations (48-60) hours per month $2,700.00
Financial/Account Support (48-60) hours per month $2,160.00
This fee will begin on April 1, based on the District’s fully funded budget of FY 2003;

Phase III - To Be Determined

(Prior to April 1, 2004, the General Manager will submit to the Board a revised Scope of Fees and Schedule to reflect the current demand for services. Monthly fees for Basic Services shall be payable at the end of each monthly period. In addition to the monthly fees for Basic Services, the District shall reimburse the General Manager for its expenses of reproduction, postage and express delivery incurred by the General Manager in connection with the provision of Basic Services. The District will also reimburse the General Manager for reasonable travel-related expenses incurred in attending special meetings on behalf of the Board. All expenses will be in accordance with Section 112.061, Florida Statutes. Additional Services as described in Section 3.01 through 3.08 will be collected and reimbursed on the same basis.

(C) If the District acquires a wastewater utility system, District and General Manager agree to negotiate in advance a change order to the Basic Services to be provided hereunder.
ARTICLE III
ADDITIONAL SERVICES

The District acknowledges that the General Manager may be required from time to time to perform services, which exceed the normal and customary duties or the average hours allocated to the General Manager and described in Basic Services. The duties as described in the Section are intended for example only, and are not intended to be all-inclusive.

SECTION 3.01. FUTURE UTILITY SYSTEM IMPROVEMENTS

Direct participation, management, and supervision of the design and construction of capital improvement facilities in accordance with Florida law and Board policy, including preparation of bids, proposals, and work orders for the design and construction of said capital improvements.

SECTION 3.02. CONSTRUCTION MANAGEMENT

Direct participation in the management and administration of any capital improvement projects including but not limited to the following: a) consultation with, and supervision of the Contractor as reasonably required and necessary with regard to construction of Capital Projects, b) issuing interpretations and clarifications of Contract Documents during construction; c) evaluating requests for substitutions or deviations therefrom; d) providing recommendations concerning requests for substitutions or deviations therefrom; d) preparing work orders; e) monitoring all required Project records; f) reviewing contractor’s application for payment; g) conducting comprehensive inspections of the Projects, h) developing lists of items needing completion or correction, i) negotiate all contracts with engineers and other consultants regarding scope and cost of
any necessary contract change orders; j) providing proof of compliance with state and federal funding entities; k) requesting reimbursement consistent with the Grant guidelines; and l) carrying out all construction management efforts consistent with standards required to meet both local, state and federal guidelines.

SECTION 3.03. CONNECTIONS AND EXTENSIONS.

Direct participation, management, and supervision related to service improvement extensions as may be necessary.

SECTION 3.04. SPECIAL ASSESSMENTS.

Direct participation, management, and supervision related to the implementation of special assessment programs to finance the installation, rehabilitation and maintenance of water and wastewater facilities, preparation of information necessary for development of the apportionment methodology, calculation of rates, and the data processing and mechanical implementation required to collect special assessments on the ad-valorem tax bill.

SECTION 3.05. UTILITY OPERATIONS AGREEMENT.

Direct participation, management, and supervision related to the selection and implementation of an Operations Contractor and/or Billing Contractor, including evaluating and ranking proposals.

SECTION 3.06. OTHER SERVICES.

Such other additional services as may be agreed to between the parties including a) preparation of utility rate studies; b) preparation of emergency preparation plans and pretreatment programs; and c) development of comprehensive web site.
ARTICLE IV
GENERAL PROVISIONS

SECTION 4.01. DISTRICT RESPONSIBILITIES.

(A) The Board shall timely transmit instructions, receive information, interpret and define District policies and provide policy direction on decisions with respect to General Manager's services for a project.

(B) The Board shall:

(1) Review and make appropriate recommendations on all requests submitted by the General Manager for payment for services and work provided and performed in accordance with this Agreement;

(2) Provide all criteria and information requested by General Manager as to District requirements for any Basic Services or Additional Services, including inter-local matters, policy and policy direction;

(3) Upon request from General Manager, assist General Manager by placing at General Manager's disposal all information available to the District;

(4) Arrange for access to and make all provisions for General Manager to enter the District facilities to perform the services to be provided by General Manager under this Agreement;

(5) Appropriately direct and delegate management oversight to the General Manager concerning all contract and relations of the District. For all such purposes General Manager is hereby and shall hereafter be deemed the "District Representative" or "District General Manager" as such terms may be defined elsewhere, including the Financing Documents.

(6) Provide notice to General Manager of any deficiencies or defects discovered by the District with respect to the services to be rendered by the General Manager hereunder as well as all notices received or provided under any operations,
billing, financing, acquisition or other agreements entered into which in any way affect or pertain to the Utility Systems.

SECTION 4.02. TERM OF AGREEMENT. This Agreement shall be for a term commencing on the date first above written and ending on April 1, 2005. However, the term hereof may be extended by mutual agreement of the parties for successive 24-month periods. Either party, without cause may terminate this Agreement with 90 days written notice.

SECTION 4.03. INSURANCE.

(A) During the term of this Agreement, the General Manager shall provide, pay for, and maintain, with companies satisfactory to the District, the types of insurance described herein. All insurance shall be from responsible companies duly authorized to do business in the State of Florida and/or responsible risk retention group insurance companies registered with the State of Florida. The insurance coverages and limits required must be evidenced by properly executed certificates of insurance on forms, which are acceptable to the District. The certificates must be personally, manually signed by the authorized representatives of the insurance company/companies shown on the certificates with proof that he/she is an authorized representative thereof. In addition, certified, true and exact copies of all insurance policies required shall be provided to the District, on a timely basis, if required by the District. These certificates and policies shall contain provisions that thirty days' written notice by registered or certified mail shall be given the District of any cancellation, intent not to renew, or reduction in the policies' coverages, except in the application of the aggregate limits provisions. In the event of a reduction in the aggregate limit of any policy, the General Manager shall immediately take steps to have the aggregate limit reinstated to the full extent permitted under such policy. The acceptance by the District of any certificate of insurance evidencing the insurance coverages and limits required in this Agreement does not constitute approval or
agreement by the District that the insurance requirements have been met or that the
insurance policies shown on the certificates of insurance are in compliance with the
requirements of this Agreement.

(B) All liability insurance policies, other than the Professional Liability,
Worker's Compensation and Employers' Liability policies, obtained by General Manager
to meet the requirements of this Agreement shall name District as an additional insured as
to the operations of the General Manager under this Agreement and shall contain
severability of interests provisions.

(C) Commercial General Liability Insurance shall be maintained to cover
liability for bodily injury and property damage. Exposures to be covered are: premises,
operations, products/completed operations, and contractual. Coverage must be written on
an occurrence basis, with no less than the following limits of liability:

(1) Single Limit Bodily Injury & Property Damage

   (a) Each Occurrence $500,000

   (b) Annual Aggregate 1,000,000

(2) Personal Injury (Annual Aggregate) — $1,000,000

(D) Comprehensive Automobile Liability shall be maintained for all vehicles in
the performance of this Agreement:

(1) Single Limit Bodily Injury & Property Damage (Each Occurrence)
    — $1,000,000

(2) Coverage shall include owned, hired and/or non-owned vehicles.
The District must be named as an additional insured for the Automobile and
Commercial General Liability coverage.

(E) Professional Liability shall be maintained with limits not less than
$2,000,000. If coverage is provided on a "claims made" basis then coverage must be
continued for the duration of this Agreement and for not less than one year thereafter, or in lieu of continuation, provide an "extended reporting clause" for one year.

(F) Workers' Compensation Insurance shall be maintained during the life of this Agreement to comply with statutory limits for all employees, and in the case any work is sublet, the General Manager shall require any subcontractors similarly to provide Workers' Compensation Insurance for all the latter's employees unless such employees are covered by the protection afforded by the General Manager. The General Manager and his subcontractors shall maintain during the life of this Agreement Employer's Liability Insurance. The following must be maintained:

(1) Workers' Compensation - Statutory
(2) Employer's Liability - $100,000 per accident

(G) If any insurance provided pursuant to this Agreement expires during the term hereof, renewal certificates of insurance and, if requested by District, certified, true copies of the renewal policies shall be furnished by General Manager thirty days prior to the date of expiration.

SECTION 4.04. **INDEMNIFICATION.** GSG agrees to indemnify and hold harmless the District, its officers, agents and employees against any loss, damage or expense (including all costs and reasonable attorneys' fees) suffered by District from any claim, demand, judgment, decree, or cause of action of any kind or nature arising out of any negligent error, omission, or acts of GSG, its agents, servants, or employees in the performance of services under this Contract.

SECTION 4.05. **SUBCONTRACTORS.** The services to be performed hereunder shall be performed by General Manager's staff unless otherwise authorized in writing by the District. The employment of, contract with, or use of the services of any other person or firm by General Manager, as independent contractor or otherwise, shall be subject to the prior written approval of the District. No provision of this Agreement
shall, however, be construed as constituting an agreement between the District and any such other person or firm. Nor shall anything contained herein be deemed to give any such party or any third party any claim or right of action against the District beyond such as may otherwise exist without regard to this Agreement.

SECTION 4.06. DEFAULT AND TERMINATION. Either party shall have the right to terminate this Agreement upon 90 calendar days' written notice to the other party. During the 90 day notice period the General Manager shall continue to exercise all of his duties, in good faith, unless relieved by the Board. In either case the General Manager shall be entitled to receive compensation as provided in this Agreement.

Within 5 business days after notice of termination, the General Manager shall turn over to the District, in an organized, indexed, and usable format, all official records, electronic files, accounting information, accounting data, certifications and permits in their possession.

SECTION 4.07. DISCLOSURE.

(A) The General Manager represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder. General Manager further represents that no persons having such interest shall be employed to perform those services.

SECTION 4.08. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior other and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein.

SECTION 4.09 AMENDMENTS AND WAIVERS. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in
writing by all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.

SECTION 4.10  NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

District:  Chairman
Andrew Tobin
P.O. Box 620
Tavernier, FL 33070

Secretary
Cris Beatty
P.O. Box 419
Key Largo, FL 33037

Attorney
Terry Lewis, Esq.
1700 Palm Beach Lakes Blvd., Suite 1000
West Palm Beach, Florida 33401

General Manager:  Government Services Group, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, Florida 32308

Attention: Robert E. Sheets, CEO

Either of the parties may, by notice in writing given to the other party, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

SECTION 4.11.  ASSIGNMENT AND BINDING EFFECT. This Agreement may not be assigned by either party without the prior written consent of the
other party. To the extent provided herein, this Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns. This Agreement shall not become effective until reviewed and approved by General Counsel for the District.

IN WITNESS WHEREOF, the parties hereto have executed this Management Services Agreement on the day and year first written above.

KEY LARGO WASTEWATER TREATMENT DISTRICT

(SEAL)

By: ________________________________
Chairman

ATTEST

______________________________
Secretary-Treasurer

Reviewed by:

______________________________
General Counsel

GOVERNMENT SERVICES GROUP, INC.

(SEAL)

By: ________________________________
Chief Executive Officer

ATTEST

______________________________
Secretary
MANAGEMENT SERVICES AGREEMENT

by and between

KEY LARGO WASTEWATER TREATMENT DISTRICT

and

GOVERNMENT SERVICES GROUP, INC.
This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the differences between:
original document: L:\KEY LARGO WASTEWATER TREATMENT DISTRICT BOARD\KEY LARGO WTD\AGREEMENTS\MANAG SERV AGREE (3-28-03) AMT.DOC
and revised document: L:\KEY LARGO WASTEWATER TREATMENT DISTRICT BOARD\KEY LARGO WTD\AGREEMENTS\FINAL MANAGEMENT SERVICES AGREEMENT (04-01-03).DOC

CompareRite found 77 change(s) in the text

Deletions appear as Overstrike text surrounded by {}
Additions appear as Bold text surrounded by []
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MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of __________, 2003, by and between Key Largo Wastewater Treatment District, (hereinafter referred to as the "District") and Government Services Group, Inc., a Florida corporation, whose business address is 1500 Mahan Drive, Suite 250, Tallahassee, Florida 32308 (hereinafter referred to as the "General Manager").

WITNESSETH:

WHEREAS, the District desires to obtain the professional management and planning services of the General Manager to provide administration, management, and consulting services to the District; and

WHEREAS, the General Manager represents that it has expertise in the type of professional services required by the District;

NOW, THEREFORE, in consideration of the following mutual promises, covenants, provisions, representations, agreements and provisions, the parties hereto agree as follows:
ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires.

"Additional Services" means the services described in Sections 3.01 through 3.07 hereof; provided such services exceed the usual and customary administrative, management and financial services provided by the General Manager, or any special projects agreed to by the parties.

"Agreement" means this Management Services Agreement, including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

"Basic Services" means the customary and usual administration, management and accounting services related to the operations of the District, including but not limited to those services described in Sections 2.01 through 2.07 hereof, other than those services described as "Additional Services."{}

"Billing Contractor" means the firm contracting with the District to provide customer service and utility billing for the Utility Systems.

"Board" shall mean the governing board of the District.

"Financing Documents" shall mean the resolution or resolutions duly adopted by the Board, as well as any indenture of trust, trust agreement or other instrument relating to the issuance or security of the obligations by the District.

"Fiscal Year" means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the County.

"District" means Key Largo Wastewater Treatment District, a legal entity and public body created pursuant to Chapter 2002-337.
"General Manager" means Government Services Group, Inc., a Florida corporation.

"Operations Contractor" means the firm contracting with the District to operate the Utility Systems.

SECTION 1.02. INTERPRETATION. {Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Agreement; the term "heretofore" shall mean before the effective date of this Agreement; and the term "hereafter" shall mean after the effective date of this Agreement.} This Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Agreement.
SECTION 1.03. SECTION HEADINGS. Any headings preceding the texts of the several Articles and Sections of this Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

ARTICLE II
BASIC SERVICES

SECTION 2.01. BOARD MEETINGS. The General Manager will furnish the following administrative support to meetings of the Board:

(A) Provide timely notice of all regular and special Board meetings to the District directors and comply with all applicable public notice requirements;

(B) Prepare and distribute an agenda to the District directors for all Board meetings, including appropriate supporting documentation; and

(C) Maintain minutes and records of regular and special Board meetings consistent with Florida statutes.

SECTION 2.02. GENERAL ADMINISTRATION. The General Manager will furnish the following general administrative support to the Board:

(A) Execute Board’s direction in identifying, selecting and contracting with rate consultants, auditors, insurance consultants, lab service contractors, consulting engineers, hydro-geologists and other consultants or professionals required by the District;

(B) Act as custodian of the District’s books and records, which shall be maintained in accordance with Section 189.9, Florida Statutes;

(C) Serve as inter-governmental liaison between the Board and the local governments in which the District provides utility service as follows: (1) coordinate service extensions with the local government's comprehensive plan; (2) communicate
with local public officials on all matters that pertain to the District; and (3) attend city and county governing board and staff meetings, when requested, to discuss District issues;

(D) Prepare an annual consumer confidence report, as required by law;

(E) Oversee two customer mailings each year to all District customers regarding Board initiatives;

(F) Provide the Board, or individual members thereof, upon request, with data or information concerning the Utility Systems provide advice and recommendations on Utility System operations to the Board;

(G) Develop and maintain accounting, budgeting and purchasing procedures;

(H) Negotiate leases, contracts, and other agreements, including consultant services, for the District, subject to approval of the Board;

(I) Oversee and advise the District on all local, state or federal filings identified to the General Manager;

(J) Monitor the performance of all terms and conditions in all leases, contracts, and agreements and notify the Board of any noted violation thereof; and

(K) Maintain a web site for the District.

SECTION 2.03. ACCOUNTING. The General Manager will provide the following accounting services to the District:

(A) The General Manager will oversee the District's accounting system and coordinate the utility billing function with the Billing Contractor to facilitate the management and investment of all cash in accordance with law, the Financing Documents, Board policy, and generally accepted accounting principles.

(B) The General Manager will require the Billing Contractor to provide a daily financial transactions report and a monthly financial report for each Utility System.

(C) The General Manager will prepare statements of accounts payable, reconcile accounts receivable, maintain the general ledger, prepare monthly financial
reports for each Utility System and the District in its entirety, and coordinate with outside auditors in conducting an annual audit.

(D) At the second Board Meeting of the District, the General Manager will submit to the Board a statement of income and expenses for the District Board, together with a list of vouchers to be paid, if requested by the Board, and any financial matters requiring Board attention.

SECTION 2.04. BUDGETS AND FINANCIAL REPORTS. The General Manager will provide the following budgeting and reporting services to the District:

###A) On or before July 1 of each year, the General Manager will prepare a proposed operating budget and capital improvement program for the ensuing Fiscal Year to be submitted to the Board for its review and approval.

###B) The General Manager will prepare and file all financial reports required by the Financing Documents, Board policy and applicable law.

SECTION 2.05. OTHER FINANCIAL SERVICES. The General Manager will provide the following additional financial services to the District:

###A) The General Manager will coordinate with the District's utility rate consultant to develop rates that comply with the Financing and Grant Documents;

###B) The General Manager will coordinate with the District's insurance consultant to insure the District's assets in accordance with industry standards; and

###C) The General Manager will actively pursue all Federal and State Grant funding opportunities.

SECTION 2.06. OPERATIONAL OVERSIGHT. The General Manager will monitor the performance of the Operations Contractor and Billing Contractor, as follows:

(A) The General Manager shall monitor lab performance of the Operations Contractor to ensure compliance with the Operations and Billing Agreement and the Board's policy and direction;
(B) The Operations Contractor and Billing Contractor will be required to provide the reports as required in the Operations and Billing Agreement;

(C) The General Manager will visit each Utility System and review the following issues with the Operations Contractor and Billing Contractor: (1) customer service, (2) operations and contract performance, (3) annual maintenance needs of the Utility Systems, (4) any unforeseen events that may affect the District's agreement with the Operations Contractor or Billing Contractor;

(D) The General Manager shall manage District's lab service contractor for quality control and performance, shall order necessary sampling events to meet regulatory needs and requirements, shall review all laboratory analyses conducted by District's lab service contractor, and shall require appropriate explanations for all deviations to the permits under which treatment facilities are to be operated;

(E) Not later than April 1 of each year beginning April 1, 2003, the General Manager shall compile and prepare:

1. An annual report summarizing the performance of each treatment facility;
2. A summary of treatment capacity and capacity needs;
3. A status report of all capital projects; and
4. An annual systems report which summarizes:
   
   4a) Work performed by the Operations Contractor and Billing Contractor;
   
   4b) Other significant operations issues that have arisen during the preceding twelve months;
   
   4c) Intergovernmental coordination issues; and
   
   4d) Acquisition and transition concerns.

The General Manager shall secure any work orders necessary to complete the annual report and manage the activities of the consulting engineers, hydro-geologist - professional services to ensure timely completion of the annual systems report.
SECTION 2.07. CAPITAL IMPROVEMENT PLANNING.

(A) The General Manager shall be responsible for coordinating the development of a capital improvement plan to facilitate compliance with applicable regulatory standards and provide adequate capacity for current and future customers. In this regard, the General Manager shall (1) prepare and update, as needed, a strategic master plan for each Utility System, and (2) not later than May 1, prepare an annual capital improvement program for facilities needed to repair, replace, enhance or provide additional service to District's customers.

(B) The General Manager shall prepare connections and extensions to the Utility Systems. In this regard, the General Manager shall (1) maintain an extension policy for said water and sewer line extensions, (2) maintain standardized specifications for use on all Utility Systems, and (3) provide standardized construction and professional service agreements for use on all Utility Systems.

SECTION 2.08. COMPENSATION FOR BASIC SERVICES.

(A) In consideration for the Basic Services to be provided, the District agrees to pay the General Manager a monthly fee {based on} [not to exceed $10,800 for the services described below, which includes the use of the General Manager's Offices and incidental staff personnel. For purposes of accounting, the parties have allocated the fee according to] the following schedule {until the Operating Budget is full-funded}], which does not include travel time:

<table>
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<th>Fee</th>
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<tr>
<td>Phase I</td>
<td>$5,000.00/Monthly</td>
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*Services are described in the Proposed System Manager Agreement, Dated January 13, 2003*

Phase II

District Manager {48–60} [approximately 48–60] hours per month]

$3,240.00]
Lew/Sercretarial (48-60) hours per month $2,700.00

Director of Operations (48-60) hours per month $2,700.00

Finance/Account Support (48-60) hours per month $2,160.00

Total $10,800.00/Monthly

{A}This fee will begin on April 1, based on the District’s fully funded budget of FY 2003;
{Effective April 1, 2004, this fee will be increased to $11,340.00 per month}

Phase III To Be Determined

(Prior to April 1, 2004, the General Manager will submit to the Board a revised Scope of Fees and Schedule to reflect the current demand for services. {Completion of the Key Largo Park and the Key Largo Trailer Village, GSG will submit a revised Scope of Fees and Schedule to include managing of Contract Operator})

{Monthly fees for Basic Services shall be payable at the end of each monthly period. In addition to the monthly fees for Basic Services, the District shall reimburse the General Manager for its expenses of reproduction, postage and express delivery incurred by the General Manager in connection with the provision of Basic Services. The District will also reimburse the General Manager for travel-related expenses incurred in attending special meetings on behalf of the Board. All expenses will be in accordance with Section 112.061, Florida Statutes. Additional Services as described in Section 3.01 through 3.08 will be collected and reimbursed on the same basis.}

(B) If a Utility System is sold or otherwise transferred by the District without the timely advance-written notice required in this Section, the District shall pay General Manager, in
addition to all other fees and costs provided for in this Agreement, an amount equal to the 
Basic Services fee for that Utility System for 180 days.

(C) If the District acquires a wastewater utility system, District and General Manager 
agree to negotiate in advance a change order to the Basic Services to be provided 
hereunder.
ARTICLE III
ADDITIONAL SERVICES

[The District acknowledges that the General Manager may be required from time to time to perform services, which exceed the normal and customary duties or the average hours allocated to the General Manager and described in Basic Services. The duties as described in the Section are intended for example only, and are not intended to be all-inclusive.]

SECTION 3.01. FUTURE UTILITY SYSTEM IMPROVEMENTS

Robert: I would like you to re-write the Additional-Services provision to include the following as examples of additional services rather than as an existing contract, i.e.,

the parties acknowledge that the following services are Additional Services, when such services exceed the normal and customary duties or the average hours allocated to the General Manager.

The parties acknowledge that capital improvements to the Utility Systems may be required during the term of this Agreement. In connection therewith, the General Manager shall perform the following tasks:
(A) Secure necessary work orders for design and supervision of construction of capital improvements from District’s consulting engineers, hydrogeologists and other professionals for Board approval;

(B) this one is way to broad The General Manager shall supervise and direct the consulting Manage activities of the consulting engineers, hydrogeologists and other professionals to facilitate timely completion and permitting of capital improvement facilities;

(C) Coordinate new facility construction with activities of the Operations Contractor in order to minimize service disruptions; and

(D) Participation in the bid process when/during/ provided ????? (Secure bids) too broad The General Manager and all future capital improvement programs will be responsible for the direct participation and supervision of the preparation of all bids and proposals for the construction of said facilities [Direct participation, management, and supervision of the design and construction of] capital improvement facilities in accordance with Florida law and Board policy, including preparation of bids, proposals, and work orders for the design and construction of said capital improvements.

SECTION 3.02. CONSTRUCTION MANAGEMENT

Direct participation in the management and administration of any capital improvement projects including but not limited to the following: a) consultation with, and supervision of the Contractor as reasonably required and necessary with regard to construction of Capital Projects, b) issuing interpretations and clarifications of Contract Documents during construction; c) evaluating requests for substitutions or deviations therefrom; d) providing recommendations concerning
requests for substitutions or deviations therefrom  

d) preparing work orders;  
e) monitoring all required Project records;  
f) reviewing contractor’s application for payment;  
g) conducting comprehensive inspections of the Projects,  
h) developing lists of items needing completion or correction,  
i) negotiate all contracts with engineers and other consultants regarding scope and cost of any necessary contract change orders;  
j) providing proof of compliance with state and federal funding entities;  
k) requesting reimbursement consistent with the Grant guidelines; and  
l) carrying out all construction management efforts consistent with standards required to meet both local, state and federal guidelines  

SECTION 3.03. CONNECTIONS AND EXTENSIONS.  
Direct participation, management, and supervision related to service improvement extensions as may be necessary.  

SECTION 3.04.]

SECTION 3.02. CONSTRUCTION MANAGEMENT. Direct participation in the selection, and ranking and management of contractors that perform capital improvement projects on behalf of the District (excluding the park and village)  

Robert: try to use words like "direct participation" rather than coordination; I do not consider "consulting" with the District as an additional service; same with "determining the acceptability of the work"

The General Manager will consult with the District and Contractor as reasonably required and necessary with regard to construction of Capital Projects, including
but not limited to pre-construction conference and monthly coordination meetings with District and Contractor. Specifically, the General Manager will perform those tasks necessary to insure that all projects are done in strict adherence to both the contract and budgetary requirements set forth by the District in its policies and agreements. The following tasks:

This will include issuing

(A) Direct participation in Reviewing construction materials and direct inspections related to the workmanship of the Project

(B) Determine the acceptability of work and materials and make preparation of reports and recommendations of findings of any deficiencies to District to reject items not meeting the requirements of the Contract Documents;

(C) Recommend to the District in writing that the work, or designated portions thereof, be stopped if, in the General Manager's judgment, such action is necessary to allow proper inspections, avoid irreparable damage to the work, or avoid subsequent rejection of work which could not be readily replaced or restored to an acceptable condition. Such stoppage to be only for a period reasonably necessary for the determination of whether or not the work will in fact comply with the requirements of the Contract Documents;

(D) Require that any work that is covered up without being properly observed be uncovered for examination and restored at contractors expense if deemed appropriate by the General Manager;

(E) Issue interpretations and clarifications of Contract Documents during construction, and evaluate requests for substitutions or deviations therefrom and notify District of any such requested deviations or substitutions, and when reasonably necessary, provide District with a recommendation concerning the same;

(F) Prepare work change orders as directed by District;
(G) Submit to District in a format acceptable to District monthly progress and status reports, including but not limited to manpower; amount of work performed and by whom; equipment problems encountered; method to correct problems; errors, omissions; deviations from Contract Documents; and weather conditions; (H) Review shop drawings, diagrams, illustrations, catalog data, schedules and samples, the results of laboratory tests and inspections, and other data which contractors are required to submit for conformance with the design concept of the Project and compliance with the provisions of the Contract Documents; (I) OK Monitor all required Project records and, including but not limited to delivery schedules, inventories and construction reports. Based upon the Project records, as well as General Managers’ observations at the site and evaluation of the data reflected in contractors’ application for payment, General Manager shall render make a recommendation to the District concerning the amount owed to the contractor(s) and shall forward the contractors’ application for such amount to the District. Such approval of the application for payment shall constitute a representation by General Manager to District, based on observations and evaluations, that:
1. the work has progressed to the point indicated;
2. the work is in substantial accordance with the Contract Documents; and
3. the contractor(s) is (are) entitled to payment in the recommended amount.
(J) Receive and review all items to be delivered by the contractor(s) pursuant to the Contract Documents, including but not limited to all maintenance and operating instructions, schedules, guarantees, warranties, bonds and certifications of inspection, tests and approvals. General Manager shall transmit all such deliverables to District with General Managers’ written comments and recommendations concerning their completeness under the Contract documents;
(K) The General Manager will negotiate all contracts working with the Districts engineer regarding OK. Negotiate with the contractor(s) the scope and cost of any necessary contract change orders, using as a basis for such negotiations data or other information emanating from the Contract documents, including but not limited to the bid sheet, technical specifications, plans, shop drawings, material specifications, and proposed material and labor costs. Prepare, recommend and submit for Districts approval such change orders.

(L) Upon receiving notice from the Contractor advising General Manager that the Project is substantially complete, General Manager shall schedule and, in conjunction with District, The District Manager will conduct a comprehensive inspections of the Projects, develop a list of items needing completion or correction, and will carry out all construction management efforts consistent with standards required to meet both local, state and federal guidelines.

(M) Will carry out all professional construction services for construction administration, which will entail all observations and certifications necessary to meet local, state and federal standards.

(N) Why is this here?? Will test to and in coordination with the Districts engineers, will attest to and certify to state and federal funding entities and make requests for reimbursement consistent with the Grant guidelines.

(O) OK. Perform final inspection in conjunction with District, and assist District in closing out construction contract, including but not limited to, providing recommendations concerning acceptance of Project and preparing all necessary documents, including but not limited to, lien waivers, contractors final affidavit, close-out change orders, and final payment application.

(P) is this engineering???. Prepare and submit to District upon completion of construction of the Project, five (5) sets of record drawings and one (1) set of reproducible record drawing Mylars of the work constructed, including those
changes made during the construction process, using information supplied by the contractors and other data, which can reasonably be verified by General Managers personnel.

(Q) Prepare and submit to District upon completion of construction of Project a final report of variations from the construction Contract Documents, including reasons for the variations.

SECTION 3.03. DETAILED OBSERVATION OF CONSTRUCTION.

why is this a separate heading rather than part of construction management?

(P) Construction work shall be done under the full-time observation of at least one representative of General Manager or by such additional representatives of the General Manager as may be necessary for observing the construction of the Project, as may be authorized and approved by the District. During detailed observation of construction, General Manager shall act to protect District's interests in Project and shall perform the following tasks:

(Q) Take 3 x 5.35 mm color photographs of important aspects of the Project process and submit same together with corresponding negatives on a continuous basis to District, such pictures to be properly categorized and identified as to date, time, location, direction and photographer, with subsequent notations on drawings;

(R) Maintain appropriate field notes from which record drawings can be generated;

(S) Maintain appropriate field records to document any and all disputes or claims, whether actual or potential, with respect to construction of the Project; and

(T) Observe operations or performance testing and report findings to District and Contractor (optional insert i.e. including copies of pressure tests).

robert: i stopped here. you get the idea.

see you on Saturday,
SECTION 3.04. PROFESSIONAL CONSTRUCTION-SERVICES-TASKS.

(A) Construction-Administration-Phase: GSG will provide construction administration services. The activities that will be performed during this task include the following:

1. Attend the pre-construction meeting with the District and Contractor;

2. Review shop drawings; and same

3. Review monthly requests;

(B) Construction-Observation-Certification-Phase: General-Manger shall perform the following observation tasks:

1. Construction-Observation
   (a) Concrete slab;
   (b) Tanks and appurtenances;
   (c) Pump enclosure, pumps and controls;
   (d) Piping and appurtenances;
   (e) Observe Tests;
   (f) Substantial-completion;
   (g) Final Completion; and
   (h) Contractors as-built plans.

2. The Contractor shall supply the District with marked-up drawings, recording the actual construction of the improvements. General Manager will prepare record drawings of the Project based upon the field-record drawings provided by the Contractor. General Manager will provide the District with one (1) set of reproducible and electronic CADD files in AutoCAD format.

3. Provide utility-installation certifications:
SECTION 3.05. CONNECTIONS AND EXTENSIONS. The parties acknowledge that it may be necessary to make service extensions or enter into service or improvement agreements with developers during the term of this Agreement. The General Manager will be responsible for negotiating the terms of such agreements and making recommendations to the Board on matters relating to specific service extensions or developer agreements.

SECTION 3.06. SPECIAL ASSESSMENTS.

{The parties acknowledge that the District may desire to implement} [Direct participation, management, and supervision related to the implementation of] special assessment programs {during the term of this Agreement} to finance the installation, rehabilitation and maintenance of water and wastewater facilities{. The General Manager will prepare}[, preparation of] information necessary for development of the apportionment methodology, calculation of rates, and the data processing and mechanical implementation required to collect special assessments on the ad-valorem tax bill.

SECTION [3.07] [3.05]. UTILITY OPERATIONS AGREEMENT.

{The General Manager will be responsible for developing a request for proposals from Operations Contractors and Billing Contractors, evaluating the proposals received and making recommendations to the Board for selection.} [Direct participation, management, and supervision related to the selection and implementation of an Operations Contractor and/or Billing Contractor, including evaluating and ranking proposals.]

{SECTION 3.08.} [SECTION 3.06.]{OTHER SERVICES.} {OTHER SERVICES.}

(A) The District may request the General Manager to serve as a general rate consultant for the District or to independently review and make recommendations on specific fees and charges.
B) The General Manager shall be responsible for development of any such other additional services as may be agreed to between the parties including a) preparation of utility rate studies; b) preparation of emergency preparation plans and pretreatment programs; and c) development of comprehensive web site. (required by the Utility Systems).

C) The General Manager will assist the District’s consulting engineers, if required, in connection with the renewal of water withdrawal, operating or other permits required by the Utility Systems.

D) The General Manager will perform construction inspection on all capital projects and supervise District engineers to aid in such services.

E) The General Manager will develop for the District a web site for a fixed fee of $6,500.00. The Manager, however, will maintain the web site as part of the monthly fee for basic services.

SECTION 3.09. COMPENSATION FOR ADDITIONAL SERVICES.

(A) The General Manager shall be responsible for submitting a written proposal to the District specifying any Additional Services to be performed and the method of compensation therefore. The Agreement between the General Manager and the District shall be set forth in a Memorandum of Understanding ("MOU") that shall constitute a supplement to this Agreement and become binding upon the General Manager and the District. The General Manager shall not be entitled to compensation for Additional Services provided without prior authorization from the Board.

(B) Additional Services may be provided on a negotiated lump-sum professional fee or hourly basis not to exceed the following hourly rates. Whenever work is done on an hourly basis, the following hourly rates will apply:

1. General Manager $150/hour;
2. Director of Operations $140/hour;
3. Chief Financial Officer $130/hour;
(4) Consultants $80/hour, and
(5) Secretarial or administrative support $35/hour.

Where applicable, all expenses will be in accordance with Section 112.061, Florida Statutes.

ARTICLE IV
GENERAL PROVISIONS

SECTION 4.01. DISTRICT RESPONSIBILITIES.

(A) The Board shall timely transmit instructions, receive information, interpret and define District policies and provide policy direction on decisions with respect to General Manager's services for a project.

(B) The Board shall:

(1) Review and make appropriate recommendations on all requests submitted by the General Manager for payment for services and work provided and performed in accordance with this Agreement;

(2) Provide all criteria and information requested by General Manager as to District requirements for any Basic Services or Additional Services, including inter-local matters, policy and policy direction;

(3) Upon request from General Manager, assist General Manager by placing at General Manager's disposal all information available to the District;

(4) Arrange for access to and make all provisions for General Manager to enter the District facilities to perform the services to be provided by General Manager under this Agreement;

(5) Appropriately direct and delegate management oversight to the General Manager concerning all contract and relations of the District. For all such purposes General Manager is hereby and shall hereafter be deemed the "District
Representative" or "District General Manager" as such terms may be defined elsewhere, including the Financing Documents.

(6) Provide notice to General Manager of any deficiencies or defects discovered by the District with respect to the services to be rendered by the General Manager hereunder as well as all notices received or provided under any operations, billing, financing, acquisition or other agreements entered into which in any way affect or pertain to the Utility Systems.

SECTION 4.02. TERM OF AGREEMENT. This Agreement shall be for a term commencing on the date first above written and ending on April 1, 2005. However, the term hereof may be extended by mutual agreement of the parties for successive 24-month periods. (Upon any renewal the parties agree that the monthly fee for Basic Services and the applicable hourly rates for Additional Services will be subject to an adjustment based on the increase in the Consumer Price Index, the deletion or addition of Utility Systems, and the most current hourly rate of the General Manager.) Either party, without cause may terminate this Agreement with 90 days written notice.

SECTION 4.03. INSURANCE.

(A) During the term of this Agreement, the General Manager shall provide, pay for, and maintain, with companies satisfactory to the District, the types of insurance described herein. All insurance shall be from responsible companies duly authorized to do business in the State of Florida and/or responsible risk retention group insurance companies registered with the State of Florida. The insurance coverages and limits required must be evidenced by properly executed certificates of insurance on forms, which are acceptable to the District. The certificates must be personally, manually signed by the authorized representatives of the insurance company/companies shown on the certificates with proof that he/she is an authorized representative thereof. In addition, certified, true and exact copies of all insurance policies required shall be provided to the District, on a timely basis, if required by the District. These certificates and policies shall
contain provisions that thirty days' written notice by registered or certified mail shall be
given the District of any cancellation, intent not to renew, or reduction in the policies'
coverages, except in the application of the aggregate limits provisions. In the event of a
reduction in the aggregate limit of any policy, the General Manager shall immediately
take steps to have the aggregate limit reinstated to the full extent permitted under such
policy. The acceptance by the District of any certificate of insurance evidencing the
insurance coverages and limits required in this Agreement does not constitute approval or
agreement by the District that the insurance requirements have been met or that the
insurance policies shown on the certificates of insurance are in compliance with the
requirements of this Agreement.

(B) All liability insurance policies, other than the Professional Liability,
Worker's Compensation and Employers' Liability policies, obtained by General Manager
to meet the requirements of this Agreement shall name District as an additional insured as
to the operations of the General Manager under this Agreement and shall contain

severability of interests provisions.

(C) Commercial General Liability Insurance shall be maintained to cover
liability for bodily injury and property damage. Exposures to be covered are: premises,
operations, products/completed operations, and contractual. Coverage must be written on
an occurrence basis, with no less than the following limits of liability:

(1) Single Limit Bodily Injury & Property Damage
    (a) Each Occurrence $500,000
    (b) Annual Aggregate 1,000,000

(2) Personal Injury (Annual Aggregate) — $1,000,000

(D) Comprehensive Automobile Liability shall be maintained for all vehicles in
the performance of this Agreement:

(1) Single Limit Bodily Injury & Property Damage (Each Occurrence)
    — $1,000,000
(2) Coverage shall include owned, hired and/or non-owned vehicles. The District must be named as an additional insured for the Automobile and Commercial General Liability coverage.

(E) Professional Liability shall be maintained with limits not less than $2,000,000. If coverage is provided on a "claims made" basis then coverage must be continued for the duration of this Agreement and for not less than one year thereafter, or in lieu of continuation, provide an "extended reporting clause" for one year.

(F) Workers' Compensation Insurance shall be maintained during the life of this Agreement to comply with statutory limits for all employees, and in the case any work is sublet, the General Manager shall require any subcontractors similarly to provide Workers' Compensation Insurance for all the latter's employees unless such employees are covered by the protection afforded by the General Manager. The General Manager and his subcontractors shall maintain during the life of this Agreement Employer's Liability Insurance. The following must be maintained:

   (1) Workers' Compensation - Statutory
   (2) Employer's Liability - $100,000 per accident

(G) If any insurance provided pursuant to this Agreement expires during the term hereof, renewal certificates of insurance and, if requested by District, certified, true copies of the renewal policies shall be furnished by General Manager thirty days prior to the date of expiration.

SECTION 4.04. INDEMNIFICATION. GSG agrees to indemnify and hold harmless the District, its officers, agents and employees against any loss, damage or expense (including all costs and reasonable attorneys’ fees) suffered by District from any claim, demand, judgment, decree, or cause of action of any kind or nature arising out of any negligent error, omission, or acts of GSG, its agents, servants, or employees in the performance of services under this Contract.
SECTION 4.05. SUBCONTRACTORS. The services to be performed hereunder shall be performed by General Manager's staff unless otherwise authorized in writing by the District, which shall not be unreasonably withheld. The employment of, contract with, or use of the services of any other person or firm by General Manager, as independent contractor or otherwise, shall be subject to the prior written approval of the District. No provision of this Agreement shall, however, be construed as constituting an agreement between the District and any such other person or firm. Nor shall anything contained herein be deemed to give any such party or any third party any claim or right of action against the District beyond such as may otherwise exist without regard to this Agreement. {Andy, since we have agreed to the reduction of a termination clause and all of the provisions in your contract, I would like to negotiate the striking of this clause. You hold GSG and the General Manager responsible and liable for all work performed. On many occasions we may choose to utilize the services of a specialist in certain areas that we have performed, there are certain areas that we must complete and no additional costs are incurred by the District, but because of the sometimes contentious nature of the meetings, we can be delayed in performing our job. Please let me know if this is a major bill point on your part.}

SECTION 4.06. DEFAULT AND TERMINATION. Either party shall have the right to terminate this Agreement upon 90 {+80} calendar days' written notice to the other party. {The} {During the 90 day notice period the General Manager shall continue to exercise all of his duties, in good faith, unless relieved by the Board. In either case the} General Manager shall be entitled to {payment for professional fees earned and reimbursable costs incurred prior to the date of such termination. {Does this mean we can terminate until all money is paid. If so, it needs to be amended. No, you can terminate at any time, but what this says is that if you terminate me on Monday and you have not provided me with a 90-day notice, I get paid for the next 90 days. Upon} receive compensation as provided in this Agreement.
Within 5 business days after notice of] termination, the General Manager shall turn over to the District, [in an organized, indexed, and usable format,] all official records, electronic files, accounting information, accounting data, certifications and permits in their possession. The District may withhold final payment until such information has been received.

Add Clause Relating to Turning Over All Books and Records in Hard/Written Format and on Electronic Format within 15 days after termination; and in cooperating with District after termination. The City of Marathon had a serious problem with their contract manager and had difficulty getting documents, cooperation, etc. We need an IRON CLAD clause here to prevent interruption of government business.

SECTION 4.07. DISCLOSURE.

(A) The General Manager represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder. General Manager further represents that no persons having such interest shall be employed to perform those services.

SECTION 4.08. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior other and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein.

SECTION 4.09 AMENDMENTS AND WAIVERS. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.
SECTION 4.10    NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

District: {Chairman/Secretary}
Andrew Tobin
{Terry Lewis, Esq.} [P.O. Box 620]
{Attorney-at-Law} [Tavernier, FL 33070]
{Lewis, Longman & Walker} [Secretary]
Cris Beatty
P.O. Box 419
Key Largo, FL 33037

Attorney
Terry Lewis, Esq.
1700 Palm Beach Lakes Blvd., Suite 1000
West Palm Beach, {FL 33401} [Florida 33401]

{Andy Tobin
Attorney-at-Law
88101 Overseas Highway
Isla Morada, FL 33036}

General Manager: Government Services Group, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, Florida 32308

Attention: Robert E. Sheets, CEO

Either of the parties may, by notice in writing given to the other party, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.
SECTION 4.11. ASSIGNMENT AND BINDING EFFECT. This Agreement may not be assigned by either party without the prior written consent of the other party. To the extent provided herein, this Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns. This Agreement shall not become effective until reviewed and approved by General Counsel for the District.

SECTION 4.12. SEVERABILITY. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 4.13. EXECUTION IN COUNTERPARTS. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 4.14. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have executed this Management Services Agreement on the day and year first written above.

KEY LARGO WASTEWATER TREATMENT DISTRICT

(SEAL)

By: ________________________________
Chairman

ATTEST

_______________________________
Secretary-Treasurer

Reviewed by:
General Counsel

GOVERNMENT SERVICES GROUP, INC.

By: ___________________________
   Chief Executive Officer

(SEAL)

ATTEST

______________________________
Secretary
STATE FINANCIAL ASSISTANCE AGREEMENT  
KEY LARGO WASTEWATER TREATMENT DISTRICT  
DEP AGREEMENT NO. LP0338  
STATE OF FLORIDA  
GRANT ASSISTANCE 
PURSUANT TO SPECIFIC APPROPRIATION 1765A OF THE 2002 - 2003 GENERAL APPROPRIATIONS ACT (CHAPTER 2002-334, LAWS OF FLORIDA)  

THIS AGREEMENT is entered into between the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION, whose address is 2600 Blair Stone Road, Tallahassee, Florida 32399 (hereinafter referred to as the “Department”) and the Key Largo Wastewater Treatment District, whose address is Post Office Box 491, Key Largo, Florida 33037 (hereinafter referred to as “Grantee” or "Recipient"), existing as a local government agency under the laws of the State of Florida, to provide funds for a wastewater collection system to serve Key Largo Park Subdivision. 

In consideration of the mutual benefits to be derived herefrom, the Department and the Grantee do hereby agree as follows: 

1. The Grantee does hereby agree to perform in accordance with the terms and conditions set forth in this Agreement, Attachment A (Project Work Plan), and all attachments and exhibits named herein which are attached hereto and incorporated by reference. The Grantee agrees that it shall, no later than March 1, 2003, complete the following activities as set forth in Attachment A: Certification of project site availability; evaluation of construction bids; and creation of a revenue generation system complete with certification of local funds availability as well as establishment of user charges, fees and assessments. For purposes of this Agreement, the terms "Contract" and "Agreement" and the terms "Grantee", "Recipient", and "Contractor" are used interchangeably. 

2. This Agreement shall begin upon execution by both parties and end no later than March 31, 2003 unless the Project Schedule outlined in Section C of Attachment A is met and the Agreement is amended. The Grantee shall not be eligible for reimbursement for work performed unless the Project Schedule is met but in no event shall reimbursement for any work performed prior to the execution date of this Agreement be eligible. This Agreement shall be amended to provide for disbursement of grant funds identified herein provided that all terms and conditions of this Agreement, including compliance with the Project Schedule, are met and construction of the Project will result. However, such amendment must be issued before March 31, 2003. 

3. In the event that the Agreement is amended as provided in paragraph 2. above, the following disbursement provisions shall apply: 

1
A. As consideration for the services rendered by the Grantee, the Department shall pay the Grantee on a cost reimbursement basis in an amount not to exceed $1,660,000 toward the total Project cost estimate identified in Section A of Attachment A. It is acknowledged that the cost estimate is based on preliminary estimates and requires updating by the Grantee.

B. The Grantee shall be reimbursed on a cost reimbursement basis for all eligible Project costs upon approval of deliverables and acceptance of a properly submitted Payment Request Summary Form to be provided by the Department at such time as this Agreement may be amended. In addition to the summary form, the Grantee must provide sufficiently itemized invoices for the materials, labor, or services to identify the nature of the work performed; the cost or charges for such work; and the person or entity providing the service or performing the work.

C. In addition to the invoicing requirements contained in paragraph 3.B. above, the Department may periodically request proof of a transaction (invoice, etc.) to evaluate the appropriateness of costs pursuant to State guidelines. This information when requested must be provided within 30 calendar days of such request. All bills for amounts due shall be submitted in detail sufficient for a proper pre-audit and post-audit thereof.

D. State guidelines for allowable costs can be found in the State Comptroller’s Voucher Processing Handbook at http://www.dbf.state.fl.us/aadir/tochandbk.html.

E. All costs incurred by the Grantee for its own employees in planning, designing, constructing, administering, managing, evaluating, and inspecting the Project are not eligible for reimbursement under this Agreement or any amendment thereof.

F. Travel costs are not authorized for reimbursement under this Agreement or any amendment thereof.

G. The purchase of non-expendable equipment for use by the Grantee is not authorized under the terms of this Agreement or any amendment thereof.

4. The State of Florida's performance and obligation to pay under this Agreement as amended would be contingent upon an annual appropriation by the Legislature. The parties hereto understand that this Agreement is not a commitment of future appropriations.

5. Each party hereto agrees that it shall be solely responsible for the negligent or wrongful acts of its employees and agents. However, nothing contained herein shall constitute a waiver by either party of its sovereign immunity or the provisions of Section 768.28, Florida Statutes.
6.A. The Department may terminate this Agreement at any time in the event of the failure of the Grantee to fulfill any of its obligations under this Agreement. Prior to termination, the Department shall provide thirty (30) calendar days written notice of its intent to terminate and shall provide the Grantee an opportunity to consult with the Department regarding the reason(s) for termination.

6.B. The Department may terminate this Agreement for convenience by providing the Grantee with thirty (30) calendar days written notice.

7. This Agreement may be unilaterally canceled by the Department for refusal by the Grantee to allow public access to all documents, papers, letters, or other material made or received by the Grantee in conjunction with this Agreement, unless the records are exempt from Section 24(a) of Article I of the State Constitution and Section 119.07(1), Florida Statutes.

8. The Grantee shall maintain books, records and documents directly pertinent to performance under this Agreement in accordance with generally accepted accounting principles consistently applied. The Department, the State, or their authorized representatives shall have access to such records for audit purposes during the term of this Agreement and for five years following Agreement completion. The Grantee shall similarly require each subcontractor to maintain and allow access to such records for audit purposes.

9. In addition to the provisions contained in paragraph 8 above, the Grantee shall comply with the applicable audit, monitoring, and record keeping provisions contained in Attachment B. A revised copy of Attachment B, Exhibit-1 shall be provided to the Grantee with each Agreement amendment that affects the information contained therein. A revised Exhibit-1 shall summarize the funding sources supporting the Agreement for purposes of assisting the Grantee in complying with the requirements of Attachment B. If the Grantee fails to receive a revised copy of Exhibit-1, the Grantee shall notify the Department’s Grant Manager indicated in this Agreement to request a copy of the updated information.

10.A. The Grantee shall not subcontract, assign, or transfer any construction services or equipment/material procurement work to be funded under this Agreement as amended without the prior written consent of the Department’s Grant Manager. The Grantee agrees to be responsible for the fulfillment of all work elements included in any subcontract and agrees to be responsible for the payment of all monies due under any subcontract. It is understood and agreed by the Grantee that the Department shall not be liable to any subcontractor for any expenses or liabilities incurred, and that the Grantee shall be solely liable to any subcontractor for all expenses and liabilities incurred under the subcontract.

10.B. The Department of Environmental Protection supports diversity in its procurement program and requests that all subcontracting opportunities afforded by this Agreement
embrace diversity enthusiastically. The award of subcontracts should reflect the full
diversity of the citizens of the State of Florida. Upon request of the Grantee, the
Department will furnish a list of minority owned businesses for consideration in
subcontracting opportunities.

11. In accordance with Section 216.347, Florida Statutes, the Grantee is hereby prohibited
from using funds provided by this Agreement and any amendment thereto for the purpose
of lobbying the Legislature, the judicial branch or a state agency.

12. The Grantee shall comply with all applicable federal, state and local rules and regulations
in providing services to the Department. The Grantee acknowledges that this requirement
includes compliance with all applicable federal, state and local health and safety rules and
regulations. The Grantee further agrees to include this provision in all subcontracts (by
change order if necessary) issued as a result of this Agreement.

13. The Department’s Grant Manager for this Agreement is identified below.
   Dick Smith
   Bureau of Water Facilities Funding
   Florida Department of Environmental Protection
   2600 Blair Stone Road, MS 3505
   Tallahassee, Florida 32399-2400
   Phone: (850) 245 - 8358
   Fax: (850) 245 - 8411

14. The Grantee’s Grant Manager for this Agreement is identified below.
   Robert Sheets, Manager
   Key Largo Wastewater Treatment District
   c/o Government Services Group, Inc.
   1500 Mahari Drive, Suite 250
   Tallahassee, Florida 32308
   Phone: (850) 681 - 3717
   Fax: (850) 224 - 7206

15. To the extent required by law, the Grantee will be self-insured against, or will secure and
maintain during the life of this Agreement, Workers' Compensation Insurance for all of its
employees connected with the work of this Project. The Grantee shall require each
subcontractor similarly to provide Workers' Compensation Insurance for all of the latter's
employees unless such employees are covered by the protection afforded by the Grantee.
Such self-insurance program or insurance coverage shall comply fully with the Florida
Workers' Compensation law. In case any class of employees engaged in hazardous work
under this Agreement is not protected under Workers' Compensation statutes, the Grantee
shall provide, and cause each subcontractor to provide, adequate insurance satisfactory to
the Department, for the protection of his employees not otherwise protected.
16. The Grantee, as an independent contractor and not an agent, representative, or employee of the Department, agrees to carry adequate liability and other appropriate forms of insurance. The Department shall have no liability except as may be specifically provided in this Agreement. Alternatively, the Grantee warrants and represents that it is self-funded for liability insurance, appropriate and allowable under Florida law, and that such self-insurance offers protection applicable to the Grantee's officers, employees, servants and agents while acting within the scope of their employment with the Grantee.

17. The Grantee covenants that it presently has no interest and shall not acquire any interest that would conflict in any manner or degree with the performance of services required.

18. The Department may at any time, by written order designated to be a change order, make any change in the work within the general scope of this Agreement (e.g., specifications, time, method or manner of performance, requirements, etc.). All change orders are subject to the mutual agreement of both parties as evidenced in writing. Any change order that could result in the Grantee's ability to pay for Project work, change the amount of funding under this Agreement, or increase the time for completion of Project work shall require a formal amendment to this Agreement.

19.A. No person, on the grounds of race, creed, color, national origin, age, sex, or disability, shall be excluded from participation in; be denied the proceeds or benefits of; or be otherwise subjected to discrimination in performance of this Agreement.

19.B. An entity or affiliate that has been placed on the discriminatory vendor list may not submit a bid on a contract to provide goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public works, may not submit bids on leases of real property to a public entity, may not award or perform work as a contractor, supplier, subcontractor, or consultant under contract with any public entity, and may not transact business with any public entity. The Florida Department of Management Services is responsible for maintaining the discriminatory vendor list and intends to post the list on its website. Questions regarding the discriminatory vendor list may be directed to the Florida Department of Management Services, Office of Supplier Diversity, at 850/487-0915.

20. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not perform work as a grantee, contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, F.S., for Category Two, for a period of 36 months from the date of being placed on the convicted vendor list.

21. This Agreement represents the entire agreement of the parties. Any alterations, variations, changes, modifications or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing, duly signed by each of the parties hereto, and attached to the original of this Agreement, unless otherwise provided herein.
IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed, the day and year last written below.

KEY LARGO WASTEWATER TREATMENT DISTRICT

By: [Signature]
Chairman

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: [Signature]
Director, Division of Water Resource Management

Date: 2-26-03

FEID No.: 83-0344274

Date: 2-13-03

Attest

[Signature]

List of attachments/exhibits included as part of this Agreement:

<table>
<thead>
<tr>
<th>Specify Type</th>
<th>Letter/Number</th>
<th>Description (include number of pages)</th>
</tr>
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<tbody>
<tr>
<td>Attachment</td>
<td>A</td>
<td>Project Work Plan (3 Pages)</td>
</tr>
<tr>
<td>Attachment</td>
<td>B</td>
<td>Audit Requirements (5 Pages)</td>
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6
### A. PROJECT BUDGET

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<tr>
<th>Category of Expenditure</th>
<th>DEP Funds FY 02/03</th>
<th>DEP Funds FY 03/04</th>
<th>DEP Funds FY 04/05</th>
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### B. SCOPE OF PROJECT WORK:

A vacuum collection system serving the Key Largo Park subdivision will be constructed using the design/bid/build approach. The collection system consists of vacuum mains, vacuum pits, buffer tanks, vacuum valves and gravity collection lines extending from the vacuum pits and tanks to the property line for each building to be served. While Appropriation 1765A funding is not being provided for the decommissioning of on-site treatment and disposal systems or the installation of building laterals on private property, such work must be undertaken to achieve a functional system. The Grantee must ensure that the work on private property is accomplished in a timely manner. Functioning of the Key Largo Park vacuum collection system is dependent upon the construction of a vacuum station, transmission facilities, treatment plant and injection well disposal system that will be part of the Key Largo Trailer Village subdivision wastewater management system. Therefore, the
Grantee must ensure that all construction necessary for a complete and operable wastewater management system is undertaken in a timely manner.

C. PROJECT SCHEDULE: **PLEASE SEE LAST PAGE FOR DATES**

Completion of Project activities below shall be accomplished before March 1, 2003 to comply with statutory requirements. The schedule for completion of Project activities under (6)(a) through (o) may be adjusted in the event that this Agreement is amended to provide for grant disbursements. All submittals shall be made by the Recipient’s Grant Manager to the Department’s Grant Manager.

1. Creation of revenue generation system (rates, fees, and assessments) for recovery of capital costs and operation/maintenance costs (submittal to the Department is required).

2. Establishment of an implementation plan for completing work on private property such as decommissioning on-site treatment and disposal systems and connection to the centralized collection system (submittal to the Department is required).

3. Establishment of requirements for connection to the wastewater management system (submittal to the Department is required).

4. Certification of availability of local share of the costs of the complete wastewater management system (submittal to the Department is required).

5. Procurement of services for the following:
   (a) Utilities engineering
   (b) Legal
   (c) Financial
   (d) Administrative (record keeping and audit capability)
   (e) Construction bid evaluation and design/build proposal evaluation

6. Submittal of a projected schedule for the following activities:
   (a) Updating the above Section A Project Budget information
   (b) Bid tabulation and award recommendation for Key Largo Park construction
   (c) Public notice and public participation in Project decisions
   (d) Procurement of services for Construction Management
   (e) Design/build contract award for Key Largo Trailer Village
   (f) Construction contract award for Key Largo Park
   (g) Initiate design/build activities for Key Largo Trailer Village
   (h) Initiate construction activities for Key Largo Park
   (i) Certification of availability of the all Key Largo Park wastewater collection/transmission system sites, including easements and rights-of-way

DEP Agreement LP0338, Attachment A, Page 2 of 3
(j) Complete construction of Key Largo Park facilities
(k) Complete construction of Key Largo Trailer Village facilities
(l) Certification of initial collection of fees, charges, and assessments
(m) Solicit services of operating entity for wastewater management system
(n) Operations contract award
(o) Certification of wastewater management system operability
(7) Certification of availability of the treatment plant site, including injection well disposal (submittal to the Department is required)
(8) Certification of receipt of Key Largo Trailer Village design/build proposals
(9) Certification of receipt of Key Largo Park construction bids (submittal to the Department is required)
VII. SUBMITTAL OF PROJECT SCHEDULE:

A. Project Schedule Will Be Submitted Along With Brief Narrative For Each Milestone:

The following schedule of milestones has been provided to indicate the estimated time frame of the necessary items critical to successful completion of Key Largo Park and Key Largo Trailer Village:

<table>
<thead>
<tr>
<th>Milestone Description</th>
<th>Date</th>
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<tbody>
<tr>
<td>A. Updating the above Section A Project Budget Information</td>
<td>3/1/2003</td>
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<tr>
<td>B. Bid tabulation and award recommendation for Key Largo Park construction</td>
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<td>C. Public notice and public participation in Project decisions</td>
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<td>D. Procurement of services for Construction Management</td>
<td>4/30/2003</td>
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<tr>
<td>E. Design/build contract award for Key Largo Trailer Village</td>
<td>4/30/2003</td>
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<tr>
<td>F. Construction contract award for Key Largo Park</td>
<td>4/30/2003</td>
</tr>
<tr>
<td>G. Initiate design/build activities for Key Largo Trailer Village</td>
<td>5/26/2003</td>
</tr>
<tr>
<td>H. Initiate construction activities for Key Largo Park</td>
<td>5/26/2003</td>
</tr>
<tr>
<td>I. Certification of availability of the all Key Largo Park wastewater collection/transmission system sites, including easements and rights-of-way</td>
<td>2/26/2003</td>
</tr>
<tr>
<td>J. Complete construction of Key Largo Park facilities</td>
<td>6/04/2004</td>
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<tr>
<td>K. Complete construction of Key Largo Trailer Village facilities</td>
<td>9/24/2004</td>
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<tr>
<td>L. Certification of initial collection of fees, charges and assessments</td>
<td>3/1/2003</td>
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<tr>
<td>M. Solicit services of operating entity for wastewater management system</td>
<td>4/30/2004</td>
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<tr>
<td>N. Operations contract award</td>
<td>6/30/2004</td>
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<tr>
<td>O. Certification of wastewater management system operability</td>
<td>10/31/2004</td>
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RESOLUTION 2003-14

A RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT EVIDENCING ITS INTENTION TO PROCEED WITH THE DISTRICT'S PROJECT WORK

WHEREAS, the District's Capital Projects include the Key Largo Trailer Village and Key Largo Park ("Project Work");

WHEREAS, the District is currently in the process reviewing and evaluating bids for Key Largo Park and cost proposals for Key Largo Trailer Village;

WHEREAS, the Board of Commissioners of the Key Largo Wastewater Treatment District desire to evidence their intent to proceed with the District's Project Work;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT THAT:

1. The Board intends to proceed with the Project Work, including both the Key Largo Trailer Village and Key Largo Park projects.

2. The Technical Evaluation Committee will make its recommendations to the Board as to the contractor to be chosen for both projects. No later than April 30, 2003, the Board will then proceed with entering into negotiations with the selected contractor for both Projects.

PASSED AND ADOPTED this 20th day of March, 2003.
FAILED this 1st day of March, 2003.

KEY LARGO WASTEWATER TREATMENT DISTRICT GOVERNING BOARD

Chair, Key Largo Wastewater Treatment District

Secretary
STATE FINANCIAL ASSISTANCE AGREEMENT
MONROE COUNTY
DEP AGREEMENT NO. LP0338
AMENDMENT NO. 1

STATE OF FLORIDA GRANT ASSISTANCE
PURSUANT TO SPECIFIC APPROPRIATION 1765A OF THE 2002 - 2003 GENERAL APPROPRIATIONS ACT (CHAPTER 2002-334, LAWS OF FLORIDA)

This Amendment No. 1 is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (hereinafter referred to as “Department”) and the Key Largo Wastewater Treatment District (hereinafter referred to as “Grantee” or "Recipient" or “Contractor”), the address for which is Post Office Box 491, Key Largo, Florida 33037, existing as a local government agency under the laws of the State of Florida.

WHEREAS, the Department and the Recipient entered into a Grant Agreement providing for amendment upon completion of certain Project Work and such activity has been completed satisfactorily;

WHEREAS, the Grantee has reviewed the Key Largo Park construction bids and the Key Largo Trailer Park cost proposals and evidenced its intention to proceed with the Project Work as evidenced by its Resolution 2003-14; and

WHEREAS, the Recipient is entitled to grant funds in the amount of $1,660,000 for Project Work subject to the terms of this Grant Agreement as may be amended from time to time.

THEREFORE, in consideration of the mutual benefits to be derived herefrom, the Department and the Recipient do hereby agree as follows:

1. The Grantee shall perform in accordance with the terms and conditions set forth in the amended Grant Agreement, and all attachments and exhibits named which are attached thereto or hereto, respectively, and incorporated by reference. Attachment A – Revised supersedes Attachment A as incorporated into the original Grant Agreement.

2. There is no change to Attachment B as originally issued.

3. Grant funds shall be disbursed to the Recipient on a cost reimbursement basis for Project Work, designated for funding under this amended Grant Agreement in Section A (Project Budget) of Attachment A – Revised, provided the following conditions are met:

A. Project Work activities shall be completed in accordance with Section C (Project Schedule) of Attachment A – Revised;
ATTACHMENT A - REVISED

KEY LARGO WASTEWATER TREATMENT DISTRICT
Key Largo Park Subdivision

SECTION A. PROJECT BUDGET

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<th>DEP Funds FY 03/04</th>
<th>DEP Funds FY 04/05</th>
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<td>Preliminary Engineering</td>
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<td>$810,000</td>
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<td>$12,113,234</td>
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SECTION B. SCOPE OF PROJECT WORK:

A collection system serving the Key Largo Park subdivision will be constructed. The collection system consists of vacuum mains, vacuum pits, buffer tanks, vacuum valves, and gravity lines. While Appropriation 1765A funding is not being provided for the decommissioning of on-site treatment and disposal systems or the installation of building laterals on private property, such work must be undertaken to achieve a functional system. The Grantee must ensure that the work on private property is accomplished in a timely manner. Functioning of the Key Largo Park collection system is dependent upon the construction of a vacuum station, transmission facilities, treatment plant and injection well disposal system that will be part of the Key Largo Trailer Village subdivision wastewater management systems.
IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be duly executed, the day and year last written below.

KEY LARGO WASTEWATER TREATMENT DISTRICT

By: [Signature]  
Chairman

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

By:  
Director, Division of Water Resource Management

Date: [Signature]  
November 25, 2003

FEID No.: 83-0344274

Attest:

By: [Signature]

List of attachments/exhibits included as part of this amended Agreement:

<table>
<thead>
<tr>
<th>Specify Type Attachment</th>
<th>Letter/ Number</th>
<th>Description (include number of pages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment</td>
<td>A-Revised</td>
<td>Project Budget, Scope, and Schedule (2 Pages)</td>
</tr>
<tr>
<td>Attachment</td>
<td>B</td>
<td>Audit Requirements (5 Pages)</td>
</tr>
<tr>
<td>Attachment</td>
<td>C</td>
<td>Disbursement Request Forms (3 pages)</td>
</tr>
</tbody>
</table>
system. Therefore, the Grantee must ensure that all construction necessary for a complete and operable wastewater management system is undertaken in a timely manner.

SECTION C. PROJECT SCHEDULE:

After activity items (1) through (3) have been completed, the schedule for completion of the remaining Project Work activities may be adjusted by mutual agreement of the Department and the Grantee. All submittals documenting completion of the activities shall be made by the Recipient’s Grant Manager to the Department’s Grant Manager.

1. **April 30, 2003**
   - Formal Resolution for award of Key Largo Park construction contract not later than April 30, 2003.

2. **May 14, 2003**
   - Formal Resolution for award of Key Largo Trailer Village design/build not later than April 30, 2003.

3. **May 14, 2003**
   - Update the above Section A (Project Budget) information based on proposed contract award amounts. Identification of the available Federal, State, and Local funding that will be required to accomplish construction not later than May 15, 2003.

4. **June 30, 2003**
   - Complete all Key Largo Park permitting activities by June 30, 2003.

5. **June 30, 2003**
   - Certification of availability of the all Key Largo Park wastewater collection/transmission system sites, including easements and rights-of-way not later than June 30, 2003.

6. **July 15, 2003**
   - Initiate design/build work for Key Largo Trailer Village not later than July 15, 2003.

7. **July 15, 2003**
   - Initiate construction for Key Largo Park not later than July 15, 2003.

8. **March 1, 2004**
   - Formal adoption of District Rules or equivalent legal means for enforcing sewer connections, sewer use requirements, as well the imposition of wastewater utility tariffs and collections not later than March 1, 2004.

9. **March 1, 2004**
   - Certification of establishment of Municipal Services Taxing Unit not later than March 1, 2004.

10. **May 30, 2004**

11. **June 30, 2004**
    - Solicit services of operating entity for wastewater management system not later than June 30, 2004.

12. **August 30, 2004**
    - Complete construction of Key Largo Park facilities not later than August 30, 2004.

13. **September 30, 2004**

14. **January 30, 2005**
    - Complete construction of Key Largo Trailer Village facilities not later than January 30, 2005.

15. **February 28, 2005**
    - Certification of wastewater management system operability not later than February 28, 2005.
ATTACHMENT C
Disbursement Request Forms – Disbursement Details

1. Grantee/Recipient

2. Project Number LP0338 Date of Request

3. Disbursement Request Number Required Match % NONE

4. Type of Request: Partial ☐ Final ☐

5. Federal Employer Identification Number

6. Mail ☐ EFT ☐ Send Remittance to:

Disbursement Details
(cumulative amounts rounded to the nearest dollar)

1. Construction $ 

2. Technical Services during Construction $ 

3. Total Cumulative to Date $ 

4. Disbursements Previously Requested $ 

5. Amount Requested for Disbursement (Line 3 minus Line 4) $ 

** SUBMIT ONE ORIGINAL COPY OF THIS FORM AND SUPPORTING DOCUMENTATION TO: **

Florida Department of Environmental Protection
Bureau of Water Facilities Funding MS 3505
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

DEP Agreement No. LP0338, Attachment C, Page 1 of 3
ATTACHMENT C
Disbursement Request Forms - Grant Manager's Certification

1.
__________________________________________
(name of Grant Manager designated in the Agreement)
on behalf of ___________________________________, do hereby certify that:

(name of Grantee/Recipient)

1. The disbursement amount requested on page 1 of this form is for allowable costs for the Project described in the Agreement.

2. Materials, labor, equipment, and/or services representing costs included in the amount requested have been satisfactorily purchased, performed or received, and applied toward completing the project; such costs are documented by invoices or other appropriate documentation which are filed in the Grantee's permanent records.

3. The Grantee is required to pay such costs under the terms and provisions of contracts relating directly to the Project, and the Grantee is in compliance with all terms or provisions of the contracts.

4. All funds received to date under the Agreement have been applied toward completing the project.

5. All permits and approvals required for the construction that is underway have been obtained.

6. Any changes in State or Federal funding (since the effective date of the Agreement) have been identified in writing to the Department or are identified on the attachment hereto. (Attachment included: Yes ☐ No ☐)

__________________________________________
(Signature of Grant Manager)

__________________________________________
(Date)

** SUBMIT ONE ORIGINAL COPY OF THIS FORM AND SUPPORTING DOCUMENTATION TO: **

Florida Department of Environmental Protection
Bureau of Water Facilities Funding MS 3505
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

DEP Agreement No. LP0338, Attachment C, Page 2 of 3
RESOLUTION 2003- 2

A RESOLUTION DESIGNATING GARGET AS
CONSULTING ENGINEER FOR THE KEY LARGO
WASTEWATER TREATMENT DISTRICT AND
AUTHORIZING COMPENSATION

WHEREAS, the Board of Commissioners of the Key Largo Wastewater Treatment
District desire to appoint Garget as Consulting Engineer and to compensate in the same manner
prescribed in employment contract dated January 16, 2003;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF
COMMISSIONERS OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT:

1. Garget is appointed District Consulting Engineer, effective

2. The District attorney is directed to prepare a contract consistent
with Engineer’s proposal dated January 16, 2003, attached hereto,
in an amount not to exceed $20,000 to be executed by the parties.

3. In the event a contract is not able to be entered into with Garget,
the District attorney is authorized to negotiate a contract with Tim
Bergin, P.E., at the hourly rates as presented by Mr. Bergin at the
Board’s public meeting on January 15, 2003.

PASSED AND ADOPTED this 15th day of January, 2003.

FAILED this ______ day of January, 2003.

KEY LARGO WASTEWATER TREATMENT
DISTRICT GOVERNING BOARD

Chair, Key Largo Wastewater Treatment District

Secretary

I:\Client Documents\Key Largo WTD\1724-000\Miso\Resolution re Consulting Engineer.doc

Resolution re Consulting Engineer
January 16, 2003

Key Largo Wastewater Treatment District Board
38 East Beach Road
Tavernier, Florida 33070

Attention: Andrew M. Tobin, Esq., Chairman Via fax (305) 852-6957
Jerry Wilkinson - Vice Chairman " (305) 852-1620
Gary Bauman " (305) 453-3334
Cris Beaty " (305) 852-0635
Charles S. Brooks " (305) 451-6399

Re: Professional Engineering Consultant Services Proposal for Wastewater Treatment Board

Dear Board Members:

Thank you for selecting our firm to provide Engineering Consulting Services to the Key Largo Wastewater Treatment District Board.

We are pleased to present our proposal on Engineering Services. **We will provide engineering review on an hourly basis not to exceed $20,000.00 for the following projects:**


2. **Key Largo Park 100% complete drawings and specifications.** Please note that Final Bid sets have not been received as of today. Three complete sets are to be provided for Gartek’s review.

Work approved by you to be completed on an hourly basis will be charged at the following rates:

- **Principals** $120.00/hr
- **Engineer** $100.00/hr
- **CAD Operator** $70.00/hr
- **Clerical** $45.00/hr

**Included in the fee are the following:**

1. Written comments with recommendations.
2. Meetings with Boyle Engineering Corp., to review comments and possible addendums.
3. Review Bids for the Key Largo Village RFP developed by Boyle Engineering. Meetings with Boyle to select contractor based on point system described in RFP.
4. Report to the Board as to the agreement on any outstanding issues.
5. Attend all Bid meetings and Board meetings.

**Gartek Engineering Corporation**
7210 S.W. 39th Terrace / Miami, Florida 33155 / (305) 266-8997 / Fax (305) 264-9496
Not included in the fee are the following:

1. Re-design that might be required as a result of our review and recommendations.
2. Issuing actual addendums that might be required as a result of our review and recommendations. Please note that addendums should be approved and issued by the Engineer of Record (Boyle).
3. Expenses including Travel and lodging for meetings that might be required outside the Keys or Miami area are not included. Such expenses if required and approved by the Board will be invoiced at cost + 10% administration fee.
4. Printing of documents, special mailing or delivery services are not included. If required and approved by the Board will be invoiced at cost + 10% administration fee.

The following shall be provided to Gartek by the Board:

- Three complete sets of documents printed on paper including surveys, drawings, specifications, cost estimates and calculations for each project in time to allow us to review them and recommend issuing changes via addendums.
- One record copy of drawings, specifications and RFP in electronic format.

Our fee will be invoiced on a monthly basis.

Thank you for the opportunity to present this proposal. If you are in agreement with our proposal, kindly return a signed copy of this letter as authorization for us to proceed.

Sincerely,

GARTEK ENGINEERING CORPORATION

Robert L. Betancourt, P.E.,
President
RLB: pcy

Authorization by Key Largo Wastewater Treatment District Board for GarTek Engineering Corporation to provide the above services:

Signed: ____________________________________________

Name: ____________________________________________

Title: ____________________________________________

Date: ____________________________________________

cc. Amy M. Dukès,
Lewis, Longman & Walker,
via fax (561) 640-8282
PROFESSIONAL ENGINEERING CONSULTANT SERVICES AGREEMENT

by and between

KEY LARGO WASTEWATER TREATMENT DISTRICT

and

GARTEK ENGINEERING CORPORATION
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<th>Description</th>
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<td>1.01</td>
<td>Definitions</td>
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<td>Professional Engineering Consultant Services</td>
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<td>Professional Engineering Consultant Services To Be Provided By GarTek</td>
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<td>Compensation For Professional Engineering Consultant Services</td>
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PROFESSIONAL ENGINEERING CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this 12th day of February, 2003, by and between Key Largo Wastewater Treatment District, (hereinafter referred to as the "District") and Gartek Engineering Corporation, a Florida corporation, whose business address is 7210 S.W.39th Terrace, Miami, Florida 33155 (hereinafter referred to as the "Gartek").

WITNESSETH:

WHEREAS, the District desires to obtain the services of a professional engineer for consultant services for the Key Largo Trailer Village and Key Largo Park wastewater projects; and

WHEREAS, Gartek represents that it has expertise in the type of professional engineering consultant services required by the District;

NOW, THEREFORE, in consideration of the following mutual promises, covenants, provisions, representations, agreements and provisions, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires.

"Agreement" means this Professional Engineering Consultant Services Agreement, including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

"Board" shall mean the governing board of the Key Largo Wastewater Treatment District.
"Fiscal Year" means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the County.

"District" means Key Largo Wastewater Treatment District, a legal entity and public body created pursuant to Chapter 2002-337.

"General Manager" means Government Services Group, Inc., a Florida corporation.

SECTION 1.02. INTERPRETATION. Words importing the singular number shall include the plural in each case and vice versa; and words importing persons shall include firms and corporations. The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Agreement; the term "heretofore" shall mean before the effective date of this Agreement; and the term "hereafter" shall mean after the effective date of this Agreement. This Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Agreement.

SECTION 1.03. SECTION HEADINGS. Any headings preceding the texts of the several Articles and Sections of this Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

ARTICLE II

PROFESSIONAL ENGINEERING CONSULTANT SERVICES

SECTION 2.01. PROFESSIONAL ENGINEERING CONSULTANT SERVICES TO BE PROVIDED BY GARTEK.

(A) Gartek will review the Key Largo Trailer Village Request for Proposals ("RFP") prepared by Boyle Engineering, including Volumes I through IV dated January 2003, received by Gartek on January 15, 2003.

(B) Gartek will review a complete set of the Key Largo Park 100% complete drawings and specifications.
Gartek will provide written comments with recommendations to the Board with regard to the Key Largo Trailer Village RFP review and the Key Largo Park drawings and specifications review.

Gartek will attend meetings with Boyle Engineering Corporation and the General Manager to review comments, possible addendums and any other issues that may arise.

Gartek will review the bids for the Key Largo Trailer Village RFP and will attend meetings with Boyle Engineering Corporation and the General Manager to assist in selecting a contractor.

Gartek will report to the Board and the General Manager as to any and all outstanding issues and services.

Gartek will attend all scheduled or emergency Board meetings and bid meetings.

SECTION 2.02. COMPENSATION FOR PROFESSIONAL ENGINEERING CONSULTANT SERVICES.

In consideration for the Professional Engineering Consultant Services to be provided as described above, the District agrees to pay Gartek on an hourly basis not to exceed $20,000 based on the following rates:

- Principal: $120.00/hour
- Engineer: $100.00/hour
- CAD Operator: $70.00/hour
- Clerical: $45.00/hour

Gartek will provide an invoice to the Board each month. After review and authorization by the Board, the Board will pay Gartek in accordance with the adopted Expenditure Policy.

The not to exceed fee does not include expenses for travel, lodging and meals that may be required outside of Miami or the Keys. If such travel outside of Miami or the Keys is required, and is first approved by the Board, such expenses shall be reimbursed to Gartek at cost plus a 10% administration fee.
(D) The not to exceed fee does not include printing of documents, special mailings or delivery services. If such expenses are required, and are first approved by the Board, such expenses will be reimbursed to Gartek at cost plus a 10% administration fee.

(E) All expenses incurred by Gartek will be in accordance with Section 112.061, Florida Statutes.

ARTICLE III

ADDITIONAL PROFESSIONAL ENGINEERING CONSULTANT SERVICES

SECTION 3.01. ADDITIONAL PROFESSIONAL ENGINEERING CONSULTANT SERVICES NOT INCLUDED IN NOT TO EXCEED FEE. The following additional services are not included in the not to exceed ($20,000) fee described above. Gartek is not authorized to perform the following additional services unless requested and approved by the Board. If the Board does request and authorize Gartek to perform the following services, a separate agreement for Professional Engineering Consultant Services, or an addendum to this Agreement, will be required.

(A) Re-design that might be required as a result of Gartek’s review and recommendations to the Board regarding the Key Largo Trailer Village RFP or the Key Largo Park designs and specifications.

(B) Issuance of addendums that might be required as a result of Gartek’s review and recommendations to the Board regarding the Key Largo Trailer Village RFP or the Key Largo Park designs and specifications. Addendums should be approved by Boyle Engineering Corporation.

ARTICLE IV

GENERAL PROVISIONS

SECTION 4.01. DISTRICT RESPONSIBILITIES.

(A) The Board shall timely transmit instructions, receive information, interpret and define District policies and provide policy direction on decisions with respect to Gartek’s professional engineering consultant services.
(B) The Board shall request that Boyle Engineering Corporation provide three (3) complete sets and an electronic version of Requests for Proposals, drawings, specifications, cost estimates and calculations for Gartek's review for each project Gartek is asked to review by the Board in a timely manner.

SECTION 4.02. TERM OF AGREEMENT. This Agreement shall be for a term commencing on January 15, 2003 and ending at the end of the District's Fiscal Year 2003 (September 30, 2003), unless earlier terminated.

SECTION 4.03. INSURANCE.

(A) During the term of this Agreement, Gartek shall provide, pay for, and maintain, with companies satisfactory to the District, commercial and professional liability insurance. All insurance shall be from responsible companies duly authorized to do business in the State of Florida and/or responsible risk retention group insurance companies registered with the State of Florida. The insurance coverages and limits required must be evidenced by properly executed certificates of insurance on forms, which are acceptable to the District. The certificates must be personally, manually signed by the authorized representatives of the insurance company/companies shown on the certificates with proof that he/she is an authorized representative thereof. In addition, certified, true and exact copies of all insurance policies required shall be provided to the District, on a timely basis, if required by the District. These certificates and policies shall contain provisions that thirty days' written notice by registered or certified mail shall be given the District of any cancellation, intent not to renew, or reduction in the policies' coverages, except in the application of the aggregate limits provisions. In the event of a reduction in the aggregate limit of any policy, Gartek shall immediately take steps to have the aggregate limit reinstated to the full extent permitted under such policy. The acceptance by the District of any certificate of insurance evidencing the insurance coverages and limits required in this Agreement does not constitute approval or agreement by the District that the insurance requirements have been met or that the insurance policies shown on the certificates of insurance are in compliance with the requirements of this Agreement.
(B) All liability insurance policies, other than the Professional Liability, obtained by Gartek to meet the requirements of this Agreement shall name District as an additional insured as to the operations of Gartek under this Agreement and shall contain severability of interests provisions.

(C) Commercial General Liability Insurance shall be maintained to cover liability for bodily injury and property damage. Exposures to be covered are: premises, operations, products/completed operations, and contractual. Coverage must be written on an occurrence basis, with no less than the following limits of liability:

(1) Single Limit Bodily Injury & Property Damage
   (a) Each Occurrence $ 500,000
   (b) Annual Aggregate $1,000,000

(2) Personal Injury (Annual Aggregate) — $1,000,000

(E) Professional Liability shall be maintained with limits not less than $1,000,000. If coverage is provided on a "claims made" basis then coverage must be continued for the duration of this Agreement and for not less than one year thereafter, or in lieu of continuation, provide an "extended reporting clause" for one year.

(F) If any insurance provided pursuant to this Agreement expires during the term hereof, renewal certificates of insurance and, if requested by District, certified, true copies of the renewal policies shall be furnished by Gartek thirty days prior to the date of expiration.

SECTION 4.04. INDEMNIFICATION. The District agrees that Gàrték, including its employees, sub-consultants, officers and principals, is acting solely as agents or representatives of the District under the terms of this agreement and shall be entitled to any legal defense authorized by law for actions taken by public officials.

SECTION 4.05. SUBCONTRACTORS. The services to be performed hereunder shall be performed by Gartek's staff unless otherwise authorized in writing by the District, which shall not be unreasonably withheld. The employment of, contract with, or use of the services of any other person or firm by Gartek, as independent contractor or otherwise, shall be subject to
the prior written approval of the District. No provision of this Agreement shall, however, be construed as constituting an agreement between the District and any such other person or firm, nor shall anything contained herein be deemed to give any such party or any third party any claim or right of action against the District beyond such as may otherwise exist without regard to this Agreement.

SECTION 4.06. DEFAULT AND TERMINATION. Either party shall have the right to terminate this Agreement upon 30 calendar days' written notice to the other party. Gartek shall be entitled to payment for professional fees earned and reimbursable costs incurred prior to the date of such termination.

SECTION 4.07. DISCLOSURE.

(A) Gartek represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder. Gartek further represents that no persons having such interest shall be employed to perform those services.

SECTION 4.08. GENERAL COUNSEL APPROVAL REQUIRED. This Agreement, although executed by the District and Gartek, shall not become a binding contract between the parties unless and until the District General Counsel has reviewed and approved the Agreement. Should Gartek, at the request of the Board, render services contemplated by this Agreement prior to approval of the Agreement by the General Counsel, the District shall compensate the General Manager for said services rendered and expenses as contemplated by this Agreement, but no other requirements or conditions of the Agreement shall apply unless and until the General Counsel approves the Agreement.

SECTION 4.09. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior other and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements
between the parties in connection with the subject matter hereof, except as specifically set forth herein.

SECTION 4.10 AMENDMENTS AND WAIVERS. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.

SECTION 4.11 NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

Gartek: Gartek Engineering Corporation
Attention: Robert L. Betancourt, P.E.
7210 S.W. 39th Terrace
Miami, Florida 33155

District: Key Largo Wastewater Treatment District
Attention: Robert E. Sheets, General Manager
P.O. Box 419
Key Largo, Florida 33037

Either of the parties may, by notice in writing given to the other party, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

SECTION 4.12. ASSIGNMENT AND BINDING EFFECT. This Agreement may not be assigned by either party without the prior written consent of the other party. To the extent provided herein, this Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns. This Agreement shall not become effective until reviewed and approved by General Counsel for the District.
SECTION 4.13. SEVERABILITY. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 4.14. EXECUTION IN COUNTERPARTS. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 4.15. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have executed this Professional Engineering Consultant Services Agreement on the day and year first written above.

KEY LARGO WASTEWATER TREATMENT DISTRICT

By: [Signature]
Chairman

(SEAL)

ATTEST [Signature]
Secretary-Treasurer

Reviewed by: [Signature]
General Counsel

GARTEK ENGINEERING CORPORATION

By: [Signature]
President 8/10/03

(SEAL)

ATTEST [Signature]
Secretary
## Certificate of Insurance

**DUCER**
Collinsworth, Alter, Nielsen, Fowler & Dowling Inc. (WMC/DIA)
69/9 NW 151 Street, Suite 105
Miami Lakes, FL 33014

**REINSURED**
Gartek Engineering Corp.
7210 SW 39th Terrace
Miami, FL 33185

**COMPANIES AFFORDING COVERAGE**

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**COVERAGES**

It is to certify that the policies of insurance listed below have been issued to the insured named above for the Policy Period stated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this Certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

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**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**

Key Largo Water Treatment District (KLWTD)
P.O. Box 491
Key Largo, FL 33037

**CERTIFICATE HOLDER**

Key Largo Water Treatment

**CANCELLATION**

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

**AUTHORIZED REPRESENTATIVE**

[Signature]

**RD 25-8 (7/90)**
Feb. 14, 2003

GSG, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

Attn: Robert Sheets – Manager

Re: Key Largo Trailer Village and Key Largo Trailer Park, Additional Services Request.

Dear Mr. Sheets

We would like to request that you present to the KLWWD a proposal for Additional Services on behalf of Gartek Engineering Corp. for the above referenced projects in the amount of $27,980.00 for their consideration and approval.

Attached please find a detail breakdown of the hours already expended on the interest of these two Projects together with a projected estimate of hours still remaining. As you can see we have already exceeded our budget of $20,000 by $11,640.00 as of February 7, 2003. We are very concern with the amount of time required on our part for the services rendered as well as pending reviews and Bid evaluation process which we estimate at a cost of $16,340.00 (see attached projected time as of February 10, 2003). We ask you to please give consideration to the following issues in making your decision:

The reasons that we are beyond our estimated amount are the following:

1) There was no way that we could have anticipated the amount of time that we needed to expend reviewing these documents. We thought the documents would be completed 100% before being issued for our review. We did not included review for different completion phases in our proposal as actually took place do to time constraints and circumstances beyond our control. Please refer to Professional Engineering Consultant’s
Agreement: Article II – Services to be provided by Gartek Engineering Corp. Part A, B, and C.

2) We assumed that we only had to provide one (1) review/comment submittal for the Final Bid documents instead we have provided the following:

a) Draft issue review of Key Largo Village RFP.
b) Final issue review of Key Largo Village RFP
e) RFP Comments issued on Feb. 5, 2003:
f) 70% Drawings and 80% Specifications review for Key Largo Park Documents.
g) 90% Drawings and 90% Specification review for Key Largo Park Documents.
h) 100% Drawings and 100% Specification review for Key Largo Park Documents.
i) Walkthroughs and verification of the Key Largo Park and Key largo Village’s Site and existing conditions.

Please also consider in making your decision Gartek Engineering Corp. contribution to the savings and better work product that is being achieved in these two Projects as a result of our review and recommendations. Also please keep in mind that our review’s ($20,000) fees are miniscule and out of proportion in comparison with design ($583,739) fees for the scope of work of these projects (+/- 3%). The work and effort that has been required on our part, given the time constraints and inherit conditions of these projects have been enormous.
If the above meets with your approval and the KLWWTD approval, please issue an additional work order authorization in the amount requested above.

Sincerely,
Gartek Engineering Corp.

Robert L. Betancourt, P.E.
President
Cc: KLWWTD, Lewis, Longman & Walker, P.A.
# GARTEK ENGINEERING, CORP

## Billing Report

January 16 through February 9, 2003

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Key Largo Wastewater Treatment District: 1819 K.L. Wastewater District Board Engin
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March 28, 2003

Mr. Robert Betancourt
Gartek Engineering
7210 SW 39th Terrace
Miami, FL 33155

Dear Mr. Betancourt:

As you are aware, the Key Largo Wastewater Treatment District Board of Directors authorized me on the evening of March 26, 2003 to release the check in the amount of $20,000.00 as payment in full for the fixed fee contract with your company. The attached payment is for the first line of invoice number 3079 dated February 17, 2003. Payment of the second line of the invoice, in the amount of $15,680.00, has not been authorized by the Board of Directors.

Further payments to your firm require contract amendments approved by the Board of Directors and payment approval authorization by the Board. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

[Signature]

DAVID R. MILES
Chief Financial Officer

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson
**GARTEK ENGINEERING,**
7210 SW 39th Terrace
Miami, FL 33155

**Invoice**

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**BILL TO**

GSG
Robert E. Sheets, Chief Executive Officer
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

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(49) Park
(51) Village

Req. #
Check #
Date Paid

#01KL-514004 - KL0301 - 9,800.00
#01KL-514001 - KL0302 - 10,200.00

**Total**

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# Billing Report

**GARTEK ENGINEERING, CORP**

**Billing Report**

January 16 through February 15, 2003

<table>
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**Notes:**
- Total MECHANICAL:RLB: 134.00
- Total NP: 5.00
- Total Key Largo Wastewater Treatment District: 1819 K: 335.00

**Add Serv. Consideration**

Page 2
GARTEK ENGINEERING,
7210 SW 39th Terrace
Miami, FL 33155

BILL TO
GSO
Robert E. Sheets, Chief Executive Officer
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

PROJECT
1819 K.L. Wastewater District Board Engin

DESCRIPTION                                               TOTAL
Amount Over Contract as of 2/16/03 through 3/21/03     $11,990.00
(Additional Service Under Consideration)

Total
$11,990.00
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**Total Engineering:op** 8.50

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**Total MECHANICAL:of** 97.00 $ 1100

**MECHANICAL:RLB**

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**Total MECHANICAL:RLB** 12.00 $ 140

**Total Key Large Wastewater Treatment District:1819 K...** 117.50

**TOTAL** 117.50

$11,990
February 26, 2003

KLWTD Minutes

were provided under separate cover
Key Largo Wastewater Treatment District
Board of Commissioners Meeting Minutes
4:00 PM Wednesday, March 5, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

Commissioners Present
Andrew Tobin, Chairman
Gary Bauman, Member
Cris Beaty, Member
Charles Brooks, Member
Jerry Wilkinson, Member

Staff Present
Robert Sheets, General Manager, Government Services Group, Inc. ("GSG")
Faith Doyle, Board Clerk

Guests Present
Charles Fishburn, Gartek Engineering
Mary Lou Wilkinson, Key Largo resident
Steve Gibbs, Reporter, Free Press

A. Call to Order

Chairman Tobin called the meeting to order at 4:04 PM.

B. Pledge of Allegiance

The pledge was recited.

C. Additions, Deletions or Corrections to the Agenda

Mr. Robert Sheets requested an additional item to discuss the FY2004 budget schedule, the CCNA process and the outstanding payables memorandum.

Commissioner Brooks requested an additional item to discuss various emails that have been forwarded to him concerning K LWTD issues.

D. Action Items

There were no action items presented.
E. General Manager’s Report

1. Discussion of strategy development for 90 day re-evaluation of the BOCC TIA terms

Mr. Sheets has contacted Monroe County concerning the Transitional Interlocal Agreement (TIA). Discussions will continue and will include George Garrett of FKAA, Rob Wolf, Assistant County Attorney. Mr. Sheets requested the Board include a board member in the discussions. The goal of the discussions would be to keep the money in the district and if the loan issue cannot be resolved the suggestion of it becoming a revolving loan, which would recycle the funds into new construction projects.

Chairman Tobin asked for comments. Commissioner Bauman agreed that it should move to new projects. Commissioner Wilkinson agreed as long as no interest was involved. Chairman Tobin stated that Charles Brooks would be the logical choice for Board representation on the negotiation team. Mr. Sheets stated that all options would be explored and a draft of the revisions provided to the Board. Commissioner Beaty stated a draft from the team covering the basic conditions and terms would be in order. Commissioner Brooks stated that the 90-day deadline ends on May 17, which is two days before the County hearing on the KLWTD MSTU.

2. Discussion of preliminary review of the Key Largo Park Project Bid submittals

Mr. Sheets requested that the second item concerning the Key Largo Park bids be held until the engineer arrives.

3. General Manager other items:

Mr. Sheets informed the Board that for the March 26 meeting a FY2004 Budget Calendar would be available. The calendar will have a series of dates, including the required public hearing advertising dates, budget workshop dates (to set priorities and policies), and a presentation by the rate consultant. The rate consultant will help with establishing a rate philosophy and how to set rates fees and charges. Also they will provide information on the various concepts of funding allocations. The budget workshop would essentially be a strategic planning session. Chairman Tobin stated the workshop and presentation by a rate consultant would be valuable to the Board and the public.

Mr. Sheets stated that for the March 26 meeting a calendar of events required to accomplish a CCNA process would be presented. The process is required when a contract is expected to be valued at more than $25,000. The process is done to receive statements of qualifications for professional services. The process is beneficial to identify professionals, engineers for example, with different expertise. Once the KLWTD has entered into contracts with the professionals tasks can be assigned via work authorizations.

Mr. Sheets informed the Board that the application was submitted to the DEP on Friday, February 28, 2003 at 10:30 AM directly to Mr. Dick Smith. Mr. Smith responded by
email with 25 questions that were mostly minor in nature and staff is working on the response. The Board will be provided a copy of the questions and responses.

Mr. Sheets presented a memorandum concerning the outstanding payables, which totaled approximately $56,000 and did not include the reimbursements due to the Board members. The Board members would be reimbursed once the payroll information paperwork was completed and returned to the Tallahassee GSG office. Chairman Tobin requested a monthly payables report. Mr. Sheets stated that a copy of the check register would be provided each month for the Board to review and approve.

Discussion ensued on the manner of informing the Board on payables and if specific dollar threshold should be implemented. Mr. Sheets stated that the Board should communicate any concerns on the bills payable list to staff. It was agreed that a check register would be presented to the Board each month and that any emergency expenditures would be verified prior to payment. Amounts over $20,000 would be brought to the Board’s attention.

Commissioner Brooks motioned to have bill lists (check register) presented as a consent agenda item beginning on the March 26, 2003 agenda. The bill lists (check register) must be approved by the Board prior to the checks being issued. Emergency situation would be handled at the discretion of the general manager. Commissioner Beaty seconded the motion. The motion was unanimously approved.

The Board directed the general manager to remove the payment to Gartek that was included on the check register to be removed until it can be discussed with legal counsel.

Mr. Sheets stated that the GSG Management Services Contract would be presented at the March 26 meeting. He requested that a board member work with staff to draft the engagement letter. Commissioner Bauman volunteered to work with staff. Mr. Sheets stated that the draft would be forwarded to the Board one-week prior to the meeting. The Board agreed that Commissioner Bauman should work with the GSG staff on drafting the engagement letter.

Commissioner Brooks made a reference to an article in the Keynoter and asked Mr. Sheets if there are any firm timelines for receiving a commitment on the 1.66 million dollar grant from the DEP. Mr. Sheets stated that page 21 of the grant submittal lists the various dates.

Mr. Sheets stated that a work plan is being prepared for the Board’s consideration of implementing a non-ad valorem assessment program. Mr. Sheets plans to present it to the Board in May at the latest, however, if the Board requires which to have a plan in place prior to the BOCC May 19, 2003 decision on the MSTU he would present it at the March 26, 2003 meeting. Commissioner Bauman requested a plan and an estimate of the costs involved for the March 26, 2003 meeting. Chairman Tobin requested that legal counsel be contacted for a legal opinion on the plan.
DRAFT

F. Legal Counsel’s Report

The legal counsel report was received by all members via email and is included as part of this record as Attachment A.

G. Engineer’s Report

A review of the Key Largo Park (KLP) Project bids that included a spreadsheet and various maps of the project area that illustrated the different alternatives requested were presented by Milt Vost and Fred Mittl of Boyle Engineering. Mr. Mittl stated that the KLP bids were received on February 25, 2003 and opened by the Florida Keys Aqueduct Authority (FKAA). There were comprised of a base bid and two alternatives that could be done in the future when additional funds become available. The basis for award is to be the lowest responsible bidder on the base bid. Douglas Higgins was the lowest bidder on the base bid and Megan the lowest bidder with the alternatives included.

Discussion ensued on the alternatives bid and if there were funds available to do them now.

Mr. Mittl of Boyle Engineering as the Engineer of record on the project recommended award to Higgins based on the base bid amount. Chairman Tobin asked the KKWTD Engineer, Gartek, their opinion on award. Mr. Fishburn stated that Higgins is a subcontractor for one of the submitting firms for the KLV project but he has no recommendation for the KLP project at this time.

Discussion ensued on the use of Airvac system versus the use of Rovac system, unit pricing and the number of EDU’s were accounted for in the base bid. Mr. Sheets stated that the EDU issue and how to build wastewater systems that are fiscally prudent should be discussed at the budget work shop/strategic planning session.

H. Commissioner’s Items

1. Discussion of and update on the installation of phone line at the Key Largo Civic Center, Commissioner Brooks

Commissioner Brooks presented a memorandum that informed the Board that a dedicated telephone line would be installed at the Key Largo Civic Center on March 7, 2003. The number that was assigned to the line is 305-453-1710 and would not be published. The line would be used primarily for having staff participate in Board meetings from satellite locations.

2. Other Items

Commissioner Brooks presented several emails that had been forwarded to him that appeared to include a newsletter that was issued by the KKWTD. Discussion ensued concerning the need for a KKWTD newsletter, whom would be responsible for it and it’s content and the frequency of publication of a KKWTD newsletter. Commissioner Brooks noted that the newsletter he had received was not authorized by the KKWTD Board, but
appeared to express views for the Board. Commissioner Wilkinson stated that the newsletter had been in circulation for some time, however he ensure that the title of the document be changed and that a disclaimer would be added that it was one member's personal opinion and did not reflect the views of the KLVTD Board as a whole.

Chairman Tobin stated that the KLVTD Board has worked effectively and diligently to obtain their goals, however if issues arise of a controversial nature they should be presented to the Board for discussion immediately. Commissioner Brooks stated that the Board needs to present a positive issue and would like to establish a policy on full Board support of an issue once the Board has voted on the issue.

I. Minutes – February 5, 2003; February 12, 2003; February 19, 2003 and February 24, 2003

Commissioner Beaty motioned to approve the minutes of February 5, 2003; February 12, 2003; February 19, 2003 and February 24, 2003. Commissioner Bauman seconded the motion. All were in favor and the motion was unanimously approved.

K. Meeting Adjournment

Commissioner Brooks motion to adjourn the meeting. Commissioner Beaty seconded the motion. All were in favor. Chairman Tobin adjourned the meeting at 7:20 PM.
MEMORANDUM

TO: Key Largo Wastewater Treatment District Commissioners

FROM: Terry E. Lewis
Amy M. Dukes

DATE: March 5, 2003

SUBJECT: Key Largo Wastewater Treatment District Legal Report for March 5, 2003

I. TRANSITION INTERLOCAL AGREEMENT

As everyone knows, the Agreement has been finalized. A great amount of thanks goes out to the Board members and the District Manager for their insight, knowledge, invaluable comments and focus on finalizing the Agreement so that we could meet our deadline. Prior to finalization of the Agreement, we worked on coordinating the final version following the special County meeting, the associated signature pages and exhibits for the Agreement, with the County and FKAA.

II. EVALUATION COMMITTEE

We were called upon by the Evaluation Committee to answer questions re: Sunshine Law and design criteria professional issues. An email was distributed to all members of the Committee to address these inquiries. Specifically, the Committee required an answer as to whether deletion of the “design criteria professional” requirement from the RFP violated Florida Statutes (it does not), and whether Committee members can ask the engineers questions about Key Largo Park without violating the Sunshine Law (they may). We also reviewed the proposed language by Gartek re: request for financial statements, which is legally acceptable.
III. SPECIAL ASSESSMENTS, CHAPTER 197, FLORIDA STATUTES

We have received written agreements from the Tax Collector and Property Appraiser regarding extending the deadline to adopt resolutions of intent pursuant to section 197.3632, Florida Statutes. If the Board chooses to utilize this mechanism, the required agreements with the Tax Collector and Property Appraiser are in place.
Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
4:00 PM Wednesday, April 9, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. Additions, Deletions or Corrections to the Agenda

D. Action Items

1. Presentation by the General Manager of the Work Plan for Developing and Implementation of a Non Ad Valorem Assessment Program for administrative and management costs
   a. Approval of the Work Plan for developing and implementation of a Non Ad Valorem Assessment Program

2. Presentation by the General Manager of the Professional Consultant Services Agreement by and between KLWTD and Government Services Group, Inc.
   a. Approval of the Professional Consultant Services Agreement by and between KLWTD and Government Services Group, Inc.

E. General Manager’s Report

1. Discussion of DEP Agreement LP0338, Amendment No. 1 and KLWTD Resolution 2003-14

F. Legal Counsel’s Report

1. Discussion of Gartek’s invoice for additional services

G. Engineer’s Report

H. Commissioner’s Items

1. Commissioner Brooks - Status report on the Evaluation Committee
2. Commissioner Brooks - Discussion on the re-bidding of the KLP and KLTV projects
3. Commissioner Wilkinson - Motion to reconsider approval of DEP Agreement LP0338, Amendment No. 1

I. Minutes – February 26 2003 and March 5, 2003

K. Meeting Adjournment
Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
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F. Legal Counsel's Report
   1. Discussion of Gartek's invoice for additional services

G. Engineer's Report

H. Commissioner's Items
   1. Status report on the Evaluation Committee from Charles Brooks
   2. Discussion on the rebidding of the KLP and KLTV projects
   3. Motion to reconsider approval of DEP Agreement LP0338, Am. No. 1 from
      Jerry Wilkinson

I. Minutes – February 26 2003 and March 5, 2003

J. Meeting Adjournment
Faith Doyle

From: Andrew M. Tobin [Tobinlaw@terranova.net]
Sent: Monday, March 31, 2003 5:06 PM
To: Faith Doyle
Subject: Re: Amendment No.1 to DEP Agreement LP0338

faith -

jerry's item should be under commissioners items, to wit:

"Commissioner Wilkinson - Motion to Reconsider Approval of DEP Amendment No. 1."

thanks,

andy

Andrew M. Tobin, P.A.
Attorney at Law
P.O. Box 620
Tavernier, FL 33070
Tele: 305-852-3388 email: Tobinlaw@terranova.net

-----Original Message-----
From: Faith Doyle
To: 'Andrew M. Tobin'
Sent: Monday, March 31, 2003 4:04 PM
Subject: RE: Amendment No.1 to DEP Agreement LP0338

Andy,

I'm attaching MY latest version of the 4/9 agenda, it shows the item you are speaking of under the General Managers section. I hope this is sufficient.

ALSO, I read in Jerry's email that he is concerned with everyone getting the same version of documents.....

I have been pleading with RES to have ALL items come through my hands for Q.C. prior to them being sent out to Board members...it looks like the 4/9 agenda will be the first to have accomplished this.....

Keep your fingers crossed and wish me luck....

Faith

-----Original Message-----
From: Andrew M. Tobin [mailto:Tobinlaw@terranova.net]
Sent: Monday, March 31, 2003 4:07 PM
To: Faith Doyle
Subject: Fw: Amendment No.1 to DEP Agreement LP0338

dont forget to add to the agenda commissioner wilkinson's item to rehear the Amendment No. 1.

Andrew M. Tobin, P.A.
Gentlemen:

I voted on the affirmative side of Item 4.b. and request to revisit, rehear, re-discuss, re-address or whatever the parliamentarian language is, for Amendment No.1 to DEP Agreement LP0338 at the next meeting with legal counsel present.

Furthermore; I suggest we develop procedures that absolutely assure that every board member are addressing and discussing the same agenda item of the latest revision.

Jerry Wilkinson
Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
4:00 PM Wednesday, April 9, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

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C. Additions, Deletions or Corrections to the Agenda

D. Action Items

   D-1
   D-2
   E-1
   F-1
   I 2-26-03
   I 3-5-03

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      a. Approval of the Professional Consultant Services Agreement by and between KLWTD and Government Services Group, Inc.

E. General Manager's Report
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F. Legal Counsel's Report
   O 1. Discussion of Gartek's invoice for additional services

G. Engineer's Report

H. Commissioner's Items

   1. Status report on the Evaluation Committee from Charles Brooks
   2. Discussion on the re-bidding of the KLP and KLTV projects

I. Minutes – February 26 2003 and March 5, 2003

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E. General Manager’s Report  

F. Legal Counsel’s Report  

1. Discussion of legal ramifications of payments for contracted services  

G. Engineer’s Report  

H. Commissioner’s Items  

1. Status report on the Evaluation Committee from Charles Brooks  

I. Minutes – February 26 2003 and March 5, 2003  

K. Meeting Adjournment
MEMORANDUM TO THE BOARD

TO: BOARD OF DIRECTORS
CC: TERRY LEWIS
FROM: ROBERT SHEETS, GENERAL MANAGER
SUBJECT: MANAGEMENT SERVICES AGREEMENT
DATE: 4/1/03

Enclosed for your review and action is the Management Services Agreement by and between the Key Largo Wastewater Treatment District and Government Services Group, Inc.

This Management Agreement has been designed to provide the most efficient form of Management and oversight possible to the District. This is evidenced by the fact that, if at this point the District desired to hire its own personnel, the following minimum staffing requirements would be necessary:

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<td><strong>$10,800</strong></td>
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This Agreement is consistent with the proposal submitted to the Board via Terry Lewis on January 13, 2003, and describes the services provided and method of compensation. This Agreement has also been reviewed and changes have been made based on discussions with the individual Board members and should reflect those changes.

We will continue to streamline this contract and reduce it from its current length to a more efficient document and have eliminated those terms and phases that are not relevant to this Agreement.

The Management Services Agreement has two basic sections: Section 2 describes the Base Services the General Manager will provide on behalf of the District in carrying out his duties. To summarize, those basic services are as follows:

I. **Board Support:** Carry out all duties and responsibilities necessary for the timely notice of regular and special board meetings. Prepare and distribute all agendas to the District Directors for all Board meetings including appropriate supporting documents.

II. **General Administration:** The General Manager will carry out all duties and responsibilities required for the maintenance of the District’s books and records that serve as a governmental liaison between the Board and Local Government and to make sure that all other administrative functions are carried out in a timely and efficient manner.

III. **Accounting:** The General Manager will provide all accounting services for the District necessary to comply with Florida Statute and generally accepted accounting principals. This will include preparation of all accounts payable, accounts receivable, monthly financial reports and the coordination with the external auditor for the District.

IV. **Budget and Financial Reporting:** The General Manager will prepare by July 1 of each year a detailed operating and capital improvement program for the Board’s review and approval.

V. **Other Financial Services:** This includes coordination with the District’s utility rate consultant, insurance consultant and other entities necessary to help the District meet its financial obligations and its net fee.

VI. **Operational Oversight:** The General Manager will provide performance monitoring to the operations, contract and billing contractor as necessary. This service will not be utilized for the next two years, but will come into play upon completion of Key Largo Park and Key Largo Trailer Village.

VII. **Capital and Improvement Planning:** The General Manager will be responsible each year for preparation and update of a strategic capital improvement plan for the utility system and will present this by May 1st of each year to the Board. This will identify facilities needing to be repaired, replaced or enhanced to provide service to the District as it grows. In addition, the General Manager will prepare a connection and extension policy to be utilized by the District in meeting the growth related issues.
Compensation for Basic Services: It is anticipated that the General Manager, the Clerk to the Board, the Director of Operations and the Accounting Support function necessary to the District operation, will require an excess of 160 professional man-hours, per month for all individuals involved. The following table outlines a minimum number of professional hours required by each position:

- General Manager: 48-60 hours per month
- Clerk to the Board: 48-60 hours per month
- Director of Operations: 32-40 hours per month
- Account Support: 32-40 hours per month
- Total: 160-232 hours per month

The above provides a total of 160-192 professional man-hours. If using our standard hourly rate based on these estimated hours, the monthly charges would be approximately $19,000 per month, not including travel. Because of GSG's desire to develop a long-term relationship with the District and to be involved with the planning, development and implementation of the capital improvements necessary to meet the wastewater needs, we are offering our services at a monthly fixed fee of $10,800. This is inclusive of all travel-related expenses associated with attending regular Board meetings. As specified in the Agreement, only those expenses directly associated with producing Board materials and information would be charged back against the District's budget, with the exception of travel related costs associated with the attendance of special meetings on behalf of the Board.

Additional Services: Also outlined in the Agreement is a method in which GSG will be compensated for performing additional services. These additional services are summarized as follows:

- Capital Project Administration & Construction Management: The General Manager would be reimbursed for the actual project management administration of the capital projects that the District undertakes. This includes securing necessary work orders for design and supervision, overseeing consulting engineers, hydrogeologists and the coordination of new facility construction. This includes, in addition to the administration that GSG will perform actual construction management services including, but not limited to, monitoring and observation of all construction progress, submittal of monthly progress and status reports, review shop drawings, diagrams and illustrations and monitor all records.

Section 3.2 describes in detail the services to be provided under construction management including a detailed description of the "observations" conducted for construction management and an example of specific tasks that will be performed.
The main benefit to the District for the treatment of these expenses in this matter, is that this avoids putting a burden on the operational costs to the District for projects that will increase or decrease based on the amount of capital improvement programs. It also allows the District to capitalize these costs as part of project costs.

b. **Developer Agreements and Extension Programs:** Working with specific properties, although unlikely at this point, will be considered additional services and will be based on the work order approved prior to commencement of any such work.

c. **Special Assessments:** The General Manager, as an additional service, will provide special assessment, development and implementation, and administration. Again, no work will be performed prior to the approval of the work order.

d. **Development of Operations Agreement:** The General Manager will be responsible for developing Request For Proposals from operations contracts and building contractors and evaluate those proposals received. In most cases, an RFP preparation by the General Manager specifies to the respective bidder that they must reimburse the District for any extraordinary costs incurred in procurement of such services.

e. **Other Services:** The Board may request the Manager on occasion to perform services beyond that described in the basic services agreement. Under this provision, no such work can be performed without prior written approval by the District. In most cases, the General Manager will provide a work order to the Board on a fixed fee basis. However, the Board may request that a time and materials arrangement be made and those extended hourly rates are described within the Agreement. As negotiated with Commissioner Bauman, GSG will agree to develop an extensive web site for the District for a fixed fee of $6,500.00. We have, however agreed to continue to maintain the web site, including all enhancements and additions, as long as our contract is in place, as part of the fee for basic services and therefore, no additional charges will be incurred.

This Agreement has been the result of extensive discussions with Commissioner Bauman and the District’s General Counsel. The black-lined version provided for your review, reflects those changes as a result of these discussions and negotiations. I’d like to thank Messer’s Bauman and Tobin, as well as Amy for their diligence and commitment in finalizing this Agreement. I believe that this Agreement reflects the commitment necessary to help advance the District in its ambitious goals and objectives.

I’d also like to thank the Board for your continued support and commitment in addressing this delivery of critical infrastructure in Key Largo.

We look forward to working with the District on a long-term basis and if you have any questions, please do not hesitate to contact me.
MEMORANDUM TO THE BOARD

TO:        BOARD OF DIRECTORS
CC:        TERRY LEWIS
FROM:      ROBERT SHEETS, GENERAL MANAGER
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c. **Special Assessments:** The General Manager, as an additional service, will provide special assessment, development and implementation, and administration. Again, no work will be performed prior to the approval of the work order.

d. **Development of Operations Agreement:** The General Manager will be responsible for developing Request For Proposals from operations contracts and building contractors and evaluate those proposals received. In most cases, an RFP preparation by the General Manager specifies to the respective bidder that they must reimburse the District for any extraordinary costs incurred in procurement of such services.

e. **Other Services:** The Board may request the Manager on occasion to perform services beyond that described in the basic services agreement. Under this provision, no such work can be performed without prior written approval by the District. In most cases, the General Manager will provide a work order to the Board on a fixed fee basis. However, the Board may request that a time and materials arrangement be made and those extended hourly rates are described within the Agreement. As negotiated with Commissioner Bauman, GSG will agree to develop an extensive web site for the District for a fixed fee of $6,500.00. We have, however agreed to continue to maintain the web site, including all enhancements and additions, as long as our contract is in place, as part of the fee for basic services and therefore, no additional charges will be incurred.

This Agreement has been the result of extensive discussions with Commissioner Bauman and the District’s General Counsel. The black-lined version provided for your review, reflects those changes as a result of these discussions and negotiations. I’d like to thank Messer’s Bauman and Tobin, as well as Amy for their diligence and commitment in finalizing this Agreement. I believe that this Agreement reflects the commitment necessary to help advance the District in its ambitious goals and objectives.

I’d also like to thank the Board for your continued support and commitment in addressing this delivery of critical infrastructure in Key Largo.

We look forward to working with the District on a long-term basis and if you have any questions, please do not hesitate to contact me.
MANAGEMENT SERVICES AGREEMENT

by and between

KEY LARGO WASTEWATER TREATMENT DISTRICT

and

GOVERNMENT SERVICES GROUP, INC.
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MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this ___ day of __________, 2003, by and between Key Largo Wastewater Treatment District, (hereinafter referred to as the "District") and Government Services Group, Inc., a Florida corporation, whose business address is 1500 Mahan Drive, Suite 250, Tallahassee, Florida 32308 (hereinafter referred to as the "General Manager").

WITNESSETH:

WHEREAS, the District desires to obtain the professional management and planning services of the General Manager to provide administration, management, and consulting services to the District; and

WHEREAS, the General Manager represents that it has expertise in the type of professional services required by the District;

NOW, THEREFORE, in consideration of the following mutual promises, covenants, provisions, representations, agreements and provisions, the parties hereto agree as follows:
ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires.

"Additional Services" means the services described in Sections 3.01 through 3.07 hereof, provided such services exceed the usual and customary administrative, management and financial services provided by the General Manager, or any special projects agreed to by the parties.

"Agreement" means this Management Services Agreement, including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

"Basic Services" means the all customary and usual administration, management and accounting services related to the operations of the District, including but not limited to those services described in Sections 2.01 through 2.07 hereof, other than those services described as "Additional Services."

"Billing Contractor" means the firm contracting with the District to provide customer service and utility billing for the Utility Systems.

"Board" shall mean the governing board of the District.

"Financing Documents" shall mean the resolution or resolutions duly adopted by the Board, as well as any indenture of trust, trust agreement or other instrument relating to the issuance or security of the obligations by the District.

"Fiscal Year" means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the County.

"District" means Key Largo Wastewater Treatment District, a legal entity and public body created pursuant to Chapter 2002-337.
"General Manager" means Government Services Group, Inc., a Florida corporation.

"Operations Contractor" means the firm contracting with the District to operate the Utility Systems.

SECTION 1.02. INTERPRETATION. This Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Agreement.
ARTICLE II
BASIC SERVICES

SECTION 2.01. BOARD MEETINGS. The General Manager will furnish
the following administrative support to meetings of the Board:

(A) Provide timely notice of all regular and special Board meetings to the
District directors and comply with all applicable public notice requirements;

(B) Prepare and distribute an agenda to the District directors for all Board
meetings, including appropriate supporting documentation; and

(C) Maintain minutes and records of regular and special Board meetings
consistent with Florida statutes.

SECTION 2.02. GENERAL ADMINISTRATION. The General Manager
will furnish the following general administrative support to the Board:

(A) Execute Board's direction in identifying, selecting and contracting with rate
consultants, auditors, insurance consultants, lab service contractors, consulting engineers,
hydro-geologists and other consultants or professionals required by the District;

(B) Act as custodian of the District's books and records, which shall be
maintained in accordance with Section 189.9, Florida Statutes;

(C) Serve as inter-governmental liaison between the Board and the local
governments in which the District provides utility service as follows: (1) coordinate
service extensions with the local government's comprehensive plan; (2) communicate
with local public officials on all matters that pertain to the District; and (3) attend city and
county governing board and staff meetings, when requested, to discuss District issues;

(D) Prepare an annual consumer confidence report, as required by law;

(E) Oversee two customer mailings each year to all District customers
regarding Board initiatives;
(F) Provide the Board, or individual members thereof, upon request, with data or information concerning the Utility Systems provide advice and recommendations on Utility System operations to the Board;

(G) Develop and maintain accounting, budgeting and purchasing procedures;

(H) Negotiate leases, contracts, and other agreements, including consultant services, for the District, subject to approval of the Board;

(I) Oversee and advise the District on all local, state or federal filings identified to the General Manager;

(J) Monitor the performance of all terms and conditions in all leases, contracts, and agreements and notify the Board of any noted violation thereof; and

(K) Maintain a web site for the District.

SECTION 2.03. ACCOUNTING. The General Manager will provide the following accounting services to the District:

(A) The General Manager will oversee the District's accounting system and coordinate the utility billing function with the Billing Contractor to facilitate the management and investment of all cash in accordance with law, the Financing Documents, Board policy, and generally accepted accounting principles.

(B) The General Manager will require the Billing Contractor to provide a daily financial transactions report and a monthly financial report for each Utility System.

(C) The General Manager will prepare statements of accounts payable, reconcile accounts receivable, maintain the general ledger, prepare monthly financial reports for each Utility System and the District in its entirety, and coordinate with outside auditors in conducting an annual audit.

(D) At the second Board Meeting of the District, the General Manager will submit to the Board a statement of income and expenses for the District Board, together
with a list of vouchers to be paid, if requested by the Board, and any financial matters requiring Board attention.

**SECTION 2.04. BUDGETS AND FINANCIAL REPORTS.** The General Manager will provide the following budgeting and reporting services to the District:

(A) On or before July 1 of each year, the General Manager will prepare a proposed operating budget and capital improvement program for the ensuing Fiscal Year to be submitted to the Board for its review and approval.

(B) The General Manager will prepare and file all financial reports required by the Financing Documents, Board policy and applicable law.

**SECTION 2.05. OTHER FINANCIAL SERVICES.** The General Manager will provide the following additional financial services to the District:

(A) The General Manager will coordinate with the District's utility rate consultant to develop rates that comply with the Financing and Grant Documents;

(B) The General Manager will coordinate with the District's insurance consultant to insure the District's assets in accordance with industry standards; and

(C) The General Manager will actively pursue all Federal and State Grant funding opportunities.

**SECTION 2.06. OPERATIONAL OVERSIGHT.** The General Manager will monitor the performance of the Operations Contractor and Billing Contractor, as follows:

(A) The General Manager shall monitor lab performance of the Operations Contractor to ensure compliance with the Operations and Billing Agreement and the Board's policy and direction;

(B) The Operations Contractor and Billing Contractor will be required to provide the reports as required in the Operations and Billing Agreement;
(C) The General Manager will visit each Utility System and review the following issues with the Operations Contractor and Billing Contractor: (1) customer service, (2) operations and contract performance, (3) annual maintenance needs of the Utility Systems, (4) any unforeseen events that may affect the District's agreement with the Operations Contractor or Billing Contractor;

(D) The General Manager shall manage District's lab service contractor for quality control and performance, shall order necessary sampling events to meet regulatory needs and requirements, shall review all laboratory analyses conducted by District's lab service contractor, and shall require appropriate explanations for all deviations to the permits under which treatment facilities are to be operated;

(E) Not later than April 1 of each year beginning April 1, 2003, the General Manager shall compile and prepare:

1. An annual report summarizing the performance of each treatment facility;
2. A summary of treatment capacity and capacity needs;
3. A status report of all capital projects; and
4. An annual systems report which summarizes:
   (a) Work performed by the Operations Contractor and Billing Contractor;
   (b) Other significant operations issues that have arisen during the preceding twelve months;
   (c) Intergovernmental coordination issues; and
   (d) Acquisition and transition concerns.

The General Manager shall secure any work orders necessary to complete the annual report and manage the activities of the consulting engineers, hydro-geologist - professional services to ensure timely completion of the annual systems report.
SECTION 2.07. CAPITAL IMPROVEMENT PLANNING.

(A) The General Manager shall be responsible for coordinating the development of a capital improvement plan to facilitate compliance with applicable regulatory standards and provide adequate capacity for current and future customers. In this regard, the General Manager shall (1) prepare and update, as needed, a strategic master plan for each Utility System, and (2) not later than May 1, prepare an annual capital improvement program for facilities needed to repair, replace, enhance or provide additional service to District's customers.

(B) The General Manager shall prepare connections and extensions to the Utility Systems. In this regard, the General Manager shall (1) maintain an extension policy for said water and sewer line extensions, (2) maintain standardized specifications for use on all Utility Systems, and (3) provide standardized construction and professional service agreements for use on all Utility Systems.

SECTION 2.08. COMPENSATION FOR BASIC SERVICES.

(A) In consideration for the Basic Services to be provided, the District agrees to pay the General Manager a monthly fee not to exceed $10,800 for the services described below, which includes the use of the General Manager's Offices and incidental staff personnel. For purposes of accounting, the parties have allocated the fee according to the following schedule, which does not include travel time:

Phase I  
-  
$5,000.00/Monthly  

(Services are described in the Proposed System Manager Agreement, Dated January 13, 2003)

Phase II  
District Manager (approximately 48-60 hours per month)  
$3,240.00  
Clerk/Secretarial (48-60) hours per month  
$2,700.00  
Director of Operations (48-60) hours per month  
$2,700.00  
Financial/Account Support (48-60) hours per month  
$2,160.00
Total $10,800.00/Monthly

This fee will begin on April 1, based on the District's fully funded budget of FY 2003;

Phase III - To Be Determined

(Prior to April 1, 2004, the General Manager will submit to the Board a revised Scope of Fees and Schedule to reflect the current demand for services. Monthly fees for Basic Services shall be payable at the end of each monthly period. In addition to the monthly fees for Basic Services, the District shall reimburse the General Manager for its expenses of reproduction, postage and express delivery incurred by the General Manager in connection with the provision of Basic Services. The District will also reimburse the General Manager for reasonable travel-related expenses incurred in attending special meetings on behalf of the Board. All expenses will be in accordance with Section 112.061, Florida Statutes. Additional Services as described in Section 3.01 through 3.08 will be collected and reimbursed on the same basis.

(C) If the District acquires a wastewater utility system, District and General Manager agree to negotiate in advance a change order to the Basic Services to be provided hereunder.
ARTICLE III  
ADDITIONAL SERVICES

The District acknowledges that the General Manager may be required from time to time to perform services, which exceed the normal and customary duties or the average hours allocated to the General Manager and described in Basic Services. The duties as described in this Section are intended for example only, and are not intended to be all-inclusive.

SECTION 3.01. FUTURE UTILITY SYSTEM IMPROVEMENTS

Direct participation, management, and supervision of the design and construction of capital improvement facilities in accordance with Florida law and Board policy, including preparation of bids, proposals, and work orders for the design and construction of said capital improvements.

SECTION 3.02. CONSTRUCTION MANAGEMENT

Direct participation in the management and administration of any capital improvement projects including but not limited to the following: a) consultation with, and supervision of the Contractor as reasonably required and necessary with regard to construction of Capital Projects, b) issuing interpretations and clarifications of Contract Documents during construction; c) evaluating requests for substitutions or deviations therefrom; d) providing recommendations concerning requests for substitutions or deviations therefrom; d) preparing work orders; e) monitoring all required Project records; f) reviewing contractor’s application for payment; g) conducting comprehensive inspections of the Projects, h) developing lists of items needing completion or correction, i) negotiate all contracts with engineers and other consultants regarding scope and cost of
any necessary contract change orders; j) providing proof of compliance with state and federal funding entities; k) requesting reimbursement consistent with the Grant guidelines; and l) carrying out all construction management efforts consistent with standards required to meet both local, state and federal guidelines.

SECTION 3.03. CONNECTIONS AND EXTENSIONS.
Direct participation, management, and supervision related to service improvement extensions as may be necessary.

SECTION 3.04. SPECIAL ASSESSMENTS.
Direct participation, management, and supervision related to the implementation of special assessment programs to finance the installation, rehabilitation and maintenance of water and wastewater facilities, preparation of information necessary for development of the apportionment methodology, calculation of rates, and the data processing and mechanical implementation required to collect special assessments on the ad-valorem tax bill.

SECTION 3.05. UTILITY OPERATIONS AGREEMENT.
Direct participation, management, and supervision related to the selection and implementation of an Operations Contractor and/or Billing Contractor, including evaluating and ranking proposals.

SECTION 3.06. OTHER SERVICES.
Such other additional services as may be agreed to between the parties including a) preparation of utility rate studies; b) preparation of emergency preparation plans and pretreatment programs; and c) development of comprehensive web site.
ARTICLE IV
GENERAL PROVISIONS

SECTION 4.01. DISTRICT RESPONSIBILITIES.

(A) The Board shall timely transmit instructions, receive information, interpret and define District policies and provide policy direction on decisions with respect to General Manager's services for a project.

(B) The Board shall:

(1) Review and make appropriate recommendations on all requests submitted by the General Manager for payment for services and work provided and performed in accordance with this Agreement;

(2) Provide all criteria and information requested by General Manager as to District requirements for any Basic Services or Additional Services, including inter-local matters, policy and policy direction;

(3) Upon request from General Manager, assist General Manager by placing at General Manager's disposal all information available to the District;

(4) Arrange for access to and make all provisions for General Manager to enter the District facilities to perform the services to be provided by General Manager under this Agreement;

(5) Appropriately direct and delegate management oversight to the General Manager concerning all contract and relations of the District. For all such purposes General Manager is hereby and shall hereafter be deemed the "District Representative" or "District General Manager" as such terms may be defined elsewhere, including the Financing Documents.

(6) Provide notice to General Manager of any deficiencies or defects discovered by the District with respect to the services to be rendered by the General Manager hereunder as well as all notices received or provided under any operations,
billing, financing, acquisition or other agreements entered into which in any way affect or pertain to the Utility Systems.

SECTION 4.02. TERM OF AGREEMENT. This Agreement shall be for a term commencing on the date first above written and ending on April 1, 2005. However, the term hereof may be extended by mutual agreement of the parties for successive 24-month periods. Either party, without cause may terminate this Agreement with 90 days written notice.

SECTION 4.03. INSURANCE.

(A) During the term of this Agreement, the General Manager shall provide, pay for, and maintain, with companies satisfactory to the District, the types of insurance described herein. All insurance shall be from responsible companies duly authorized to do business in the State of Florida and/or responsible risk retention group insurance companies registered with the State of Florida. The insurance coverages and limits required must be evidenced by properly executed certificates of insurance on forms, which are acceptable to the District. The certificates must be personally, manually signed by the authorized representatives of the insurance company/companies shown on the certificates with proof that he/she is an authorized representative thereof. In addition, certified, true and exact copies of all insurance policies required shall be provided to the District, on a timely basis, if required by the District. These certificates and policies shall contain provisions that thirty days' written notice by registered or certified mail shall be given the District of any cancellation, intent not to renew, or reduction in the policies' coverages, except in the application of the aggregate limits provisions. In the event of a reduction in the aggregate limit of any policy, the General Manager shall immediately take steps to have the aggregate limit reinstated to the full extent permitted under such policy. The acceptance by the District of any certificate of insurance evidencing the insurance coverages and limits required in this Agreement does not constitute approval or
agreement by the District that the insurance requirements have been met or that the insurance policies shown on the certificates of insurance are in compliance with the requirements of this Agreement.

(B) All liability insurance policies, other than the Professional Liability, Worker's Compensation and Employers' Liability policies, obtained by General Manager to meet the requirements of this Agreement shall name District as an additional insured as to the operations of the General Manager under this Agreement and shall contain severability of interests provisions.

(C) Commercial General Liability Insurance shall be maintained to cover liability for bodily injury and property damage. Exposures to be covered are: premises, operations, products/completed operations, and contractual. Coverage must be written on an occurrence basis, with no less than the following limits of liability:

(1) Single Limit Bodily Injury & Property Damage
   (a) Each Occurrence $500,000
   (b) Annual Aggregate 1,000,000

(2) Personal Injury (Annual Aggregate) — $1,000,000

(D) Comprehensive Automobile Liability shall be maintained for all vehicles in the performance of this Agreement:

(1) Single Limit Bodily Injury & Property Damage (Each Occurrence)
   — $1,000,000

(2) Coverage shall include owned, hired and/or non-owned vehicles. The District must be named as an additional insured for the Automobile and Commercial General Liability coverage.

(E) Professional Liability shall be maintained with limits not less than $2,000,000. If coverage is provided on a "claims made" basis then coverage must be
continued for the duration of this Agreement and for not less than one year thereafter, or in lieu of continuation, provide an "extended reporting clause" for one year.

(F) Workers' Compensation Insurance shall be maintained during the life of this Agreement to comply with statutory limits for all employees, and in the case any work is sublet, the General Manager shall require any subcontractors similarly to provide Workers' Compensation Insurance for all the latter's employees unless such employees are covered by the protection afforded by the General Manager. The General Manager and his subcontractors shall maintain during the life of this Agreement Employer's Liability Insurance. The following must be maintained:

(1) Workers' Compensation - Statutory
(2) Employer's Liability - $100,000 per accident

(G) If any insurance provided pursuant to this Agreement expires during the term hereof, renewal certificates of insurance and, if requested by District, certified, true copies of the renewal policies shall be furnished by General Manager thirty days prior to the date of expiration.

SECTION 4.04. INDEMNIFICATION. GSG agrees to indemnify and hold harmless the District, its officers, agents and employees against any loss, damage or expense (including all costs and reasonable attorneys' fees) suffered by District from any claim, demand, judgment, decree, or cause of action of any kind or nature arising out of any negligent error, omission, or acts of GSG, its agents, servants, or employees in the performance of services under this Contract.

SECTION 4.05. SUBCONTRACTORS. The services to be performed hereunder shall be performed by General Manager's staff unless otherwise authorized in writing by the District. The employment of, contract with, or use of the services of any other person or firm by General Manager, as independent contractor or otherwise, shall be subject to the prior written approval of the District. No provision of this Agreement
shall, however, be construed as constituting an agreement between the District and any such other person or firm. Nor shall anything contained herein be deemed to give any such party or any third party any claim or right of action against the District beyond such as may otherwise exist without regard to this Agreement.

SECTION 4.06. DEFAULT AND TERMINATION. Either party shall have the right to terminate this Agreement upon 90 calendar days' written notice to the other party. During the 90 day notice period the General Manager shall continue to exercise all of his duties, in good faith, unless relieved by the Board. In either case the General Manager shall be entitled to receive compensation as provided in this Agreement.

Within 5 business days after notice of termination, the General Manager shall turn over to the District, in an organized, indexed, and usable format, all official records, electronic files, accounting information, accounting data, certifications and permits in their possession.

SECTION 4.07. DISCLOSURE.

(A) The General Manager represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder. General Manager further represents that no persons having such interest shall be employed to perform those services.

SECTION 4.08. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior other and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein.

SECTION 4.09. AMENDMENTS AND WAIVERS. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in
writing by all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.

SECTION 4.10 NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

District:  Chairman  
Andrew Tobin  
P.O. Box 620  
Tavernier, FL 33070

Secretary  
Cris Beatty  
P.O. Box 419  
Key Largo, FL 33037

Attorney  
Terry Lewis, Esq.  
1700 Palm Beach Lakes Blvd., Suite 1000  
West Palm Beach, Florida 33401

General Manager:  Government Services Group, Inc.  
1500 Mahan Drive, Suite 250  
Tallahassee, Florida 32308

Attention: Robert E. Sheets, CEO

Either of the parties may, by notice in writing given to the other party, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

SECTION 4.11. ASSIGNMENT AND BINDING EFFECT. This Agreement may not be assigned by either party without the prior written consent of the
other party. To the extent provided herein, this Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns. This Agreement shall not become effective until reviewed and approved by General Counsel for the District.

IN WITNESS WHEREOF, the parties hereto have executed this Management Services Agreement on the day and year first written above.

KEY LARGO WASTEWATER TREATMENT DISTRICT

(SEAL)  

By:__________________________  
Chairman  

__________________________  
Secretary-Treasurer

Reviewed by:

__________________________  
General Counsel

GOVERNMENT SERVICES GROUP, INC.

By:__________________________  
Chief Executive Officer

(SEAL)  

ATTEST

__________________________  
Secretary
MANAGEMENT SERVICES AGREEMENT

by and between

KEY LARGO WASTEWATER TREATMENT DISTRICT

and

GOVERNMENT SERVICES GROUP, INC.
This redlined draft, generated by CompareRite (TM) - The Instant Redliner, shows the differences between:
original document: L:\KEY LARGO WASTEWATER TREATMENT DISTRICT BOARD\KEY LARGO WTD\AGREEMENTS\MANAG SERV AGREE (3-28-03).AMT.DOC
and revised document: L:\KEY LARGO WASTEWATER TREATMENT DISTRICT BOARD\KEY LARGO WTD\AGREEMENTS\FINAL MANAGEMENT SERVICES AGREEMENT (04-01-03).DOC

CompareRite found 77 change(s) in the text

Deletions appear as Overstrike text surrounded by {}
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MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of __________, 2003, by and between Key Largo Wastewater Treatment District, (hereinafter referred to as the "District") and Government Services Group, Inc., a Florida corporation, whose business address is 1500 Mahan Drive, Suite 250, Tallahassee, Florida 32308 (hereinafter referred to as the "General Manager").

WITNESSETH:

WHEREAS, the District desires to obtain the professional management and planning services of the General Manager to provide administration, management, and consulting services to the District; and

WHEREAS, the General Manager represents that it has expertise in the type of professional services required by the District;

NOW, THEREFORE, in consideration of the following mutual promises, covenants, provisions, representations, agreements and provisions, the parties hereto agree as follows:
ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires.

"Additional Services" means the services described in Sections 3.01 through 3.07 hereof, provided such services exceed the usual and customary administrative, management and financial services provided by the General Manager, or any special projects agreed to by the parties.

"Agreement" means this Management Services Agreement, including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

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"Billing Contractor" means the firm contracting with the District to provide customer service and utility billing for the Utility Systems.

"Board" shall mean the governing board of the District.

"Financing Documents" shall mean the resolution or resolutions duly adopted by the Board, as well as any indenture of trust, trust agreement or other instrument relating to the issuance or security of the obligations by the District.

"Fiscal Year" means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the County.

"District" means Key Largo Wastewater Treatment District, a legal entity and public body created pursuant to Chapter 2002-337.
"General Manager" means Government Services Group, Inc., a Florida corporation.

"Operations Contractor" means the firm contracting with the District to operate the Utility Systems.

SECTION 1.02. INTERPRETATION. {Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms "herein," "hereunder," "hereby," "hereof," "hereto," and any similar terms, shall refer to this Agreement; the term "heretofore" shall mean before the effective date of this Agreement; and the term "hereafter" shall mean after the effective date of this Agreement.} This Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Agreement.
SECTION 1.03. SECTION HEADINGS. Any headings preceding the texts of the several Articles and Sections of this Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

ARTICLE II
BASIC SERVICES

SECTION 2.01. BOARD MEETINGS. The General Manager will furnish the following administrative support to meetings of the Board:

(A) Provide timely notice of all regular and special Board meetings to the District directors and comply with all applicable public notice requirements;

(B) Prepare and distribute an agenda to the District directors for all Board meetings, including appropriate supporting documentation; and

(C) Maintain minutes and records of regular and special Board meetings consistent with Florida statutes.

SECTION 2.02. GENERAL ADMINISTRATION. The General Manager will furnish the following general administrative support to the Board:

(A) Execute Board’s direction in identifying, selecting and contracting with rate consultants, auditors, insurance consultants, lab service contractors, consulting engineers, hydro-geologists and other consultants or professionals required by the District;

(B) Act as custodian of the District's books and records, which shall be maintained in accordance with Section 189.9, Florida Statutes;

(C) Serve as inter-governmental liaison between the Board and the local governments in which the District provides utility service as follows: (1) coordinate service extensions with the local government's comprehensive plan; (2) communicate
with local public officials on all matters that pertain to the District; and (3) attend city and county governing board and staff meetings, when requested, to discuss District issues;

(D) Prepare an annual consumer confidence report, as required by law;

(E) Oversee two customer mailings each year to all District customers regarding Board initiatives;

(F) Provide the Board, or individual members thereof, upon request, with data or information concerning the Utility Systems provide advice and recommendations on Utility System operations to the Board;

(G) Develop and maintain accounting, budgeting and purchasing procedures;

(H) Negotiate leases, contracts, and other agreements, including consultant services, for the District, subject to approval of the Board;

(I) Oversee and advise the District on all local, state or federal filings identified to the General Manager;

###J) Monitor the performance of all terms and conditions in all leases, contracts, and agreements and notify the Board of any noted violation thereof; and

###K) Maintain a web site for the District.

**SECTION 2.03. ACCOUNTING.** The General Manager will provide the following accounting services to the District:

(A) The General Manager will oversee the District's accounting system and coordinate the utility billing function with the Billing Contractor to facilitate the management and investment of all cash in accordance with law, the Financing Documents, Board policy, and generally accepted accounting principles.

(B) The General Manager will require the Billing Contractor to provide a daily financial transactions report and a monthly financial report for each Utility System.

(C) The General Manager will prepare statements of accounts payable, reconcile accounts receivable, maintain the general ledger, prepare monthly financial
reports for each Utility System and the District in its entirety, and coordinate with outside auditors in conducting an annual audit.

(D) At the second Board Meeting of the District, the General Manager will submit to the Board a statement of income and expenses for the District Board, together with a list of vouchers to be paid, if requested by the Board, and any financial matters requiring Board attention.

SECTION 2.04. BUDGETS AND FINANCIAL REPORTS. The General Manager will provide the following budgeting and reporting services to the District:

###A) On or before July 1 of each year, the General Manager will prepare a proposed operating budget and capital improvement program for the ensuing Fiscal Year to be submitted to the Board for its review and approval.

###B) The General Manager will prepare and file all financial reports required by the Financing Documents, Board policy and applicable law.

SECTION 2.05. OTHER FINANCIAL SERVICES. The General Manager will provide the following additional financial services to the District:

###A) The General Manager will coordinate with the District's utility rate consultant to develop rates that comply with the Financing and Grant Documents;

###B) The General Manager will coordinate with the District's insurance consultant to insure the District's assets in accordance with industry standards; and

###C) The General Manager will actively pursue all Federal and State Grant funding opportunities.

SECTION 2.06. OPERATIONAL OVERSIGHT. The General Manager will monitor the performance of the Operations Contractor and Billing Contractor, as follows:

(A) The General Manager shall monitor lab performance of the Operations Contractor to ensure compliance with the Operations and Billing Agreement and the Board's policy and direction;
(B) The Operations Contractor and Billing Contractor will be required to provide the reports as required in the Operations and Billing Agreement;

(C) The General Manager will visit each Utility System and review the following issues with the Operations Contractor and Billing Contractor: (1) customer service, (2) operations and contract performance, (3) annual maintenance needs of the Utility Systems, (4) any unforeseen events that may affect the District's agreement with the Operations Contractor or Billing Contractor;

(D) The General Manager shall manage District's lab service contractor for quality control and performance, shall order necessary sampling events to meet regulatory needs and requirements, shall review all laboratory analyses conducted by District's lab service contractor, and shall require appropriate explanations for all deviations to the permits under which treatment facilities are to be operated;

(E) Not later than April 1 of each year beginning April 1, 2003, the General Manager shall compile and prepare:

1. An annual report summarizing the performance of each treatment facility;
2. A summary of treatment capacity and capacity needs;
3. A status report of all capital projects; and
4. An annual systems report which summarizes:
   
   a) Work performed by the Operations Contractor and Billing Contractor;
   
   b) Other significant operations issues that have arisen during the preceding twelve months;
   
   c) Intergovernmental coordination issues; and
   
   d) Acquisition and transition concerns.

The General Manager shall secure any work orders necessary to complete the annual report and manage the activities of the consulting engineers, hydro-geologist - professional services to ensure timely completion of the annual systems report.
SECTION 2.07. CAPITAL IMPROVEMENT PLANNING.

(A) The General Manager shall be responsible for coordinating the
development of a capital improvement plan to facilitate compliance with applicable
regulatory standards and provide adequate capacity for current and future customers. In
this regard, the General Manager shall (1) prepare and update, as needed, a strategic
master plan for each Utility System, and (2) not later than May 1, prepare an annual
capital improvement program for facilities needed to repair, replace, enhance or provide
additional service to District's customers.

(B) The General Manager shall prepare connections and extensions to the
Utility Systems. In this regard, the General Manager shall (1) maintain an extension
policy for said water and sewer line extensions, (2) maintain standardized specifications
for use on all Utility Systems, and (3) provide standardized construction and professional
service agreements for use on all Utility Systems.

SECTION 2.08. COMPENSATION FOR BASIC SERVICES.

(A) In consideration for the Basic Services to be provided, the District agrees to
pay the General Manager a monthly fee {based-on} [not to exceed $10,800 for the
services described below, which includes the use of the General Manager's Offices
and incidental staff personnel. For purposes of accounting, the parties have
allocated the fee according to] the following schedule{,(until the Operating Budget is
full-funded)}[, which does not include travel time]:

Phase I
- $5,000.00/Monthly

(Services are described in the Proposed System Manager Agreement, Dated January 13, 2003)

Phase II
District Manager {(48-60)}[{(approximately 48-60] hours per month}]
$3,240.00]
Clerk/Secretarial (48-60) hours per month $2,700.00

Director of Operations (48-60) hours per month $2,700.00

Financial/Account Support (48-60) hours per month $2,160.00

Total $10,800.00/Monthly

*(This fee will begin on April 1, based on the District’s fully funded budget of FY 2003; Effective April 1, 2004, this fee will be increased to $11,340.00 per month)*

Phase III - To Be Determined

(Prior to April 1, 2004, the General Manager will submit to the Board a revised Scope of Fees and Schedule to reflect the current demand for services, completion of the Key Largo Park and the Key Largo Trailer Village, GSG will submit a revised Scope of Fees and Schedule to include managing of Contract Operator)

Monthly fees for Basic Services shall be payable at the end of each monthly period. In addition to the monthly fees for Basic Services, the District shall reimburse the General Manager for its expenses of reproduction, postage and express delivery incurred by the General Manager in connection with the provision of Basic Services. The District will also reimburse the General Manager for *all* *reasonable* travel-related expenses incurred in attending special meetings on behalf of the Board. All expenses will be in accordance with Section 112.061, Florida Statutes. Additional Services as described in Section 3.01 through 3.08 will be collected and reimbursed on the same basis.

(B) If a Utility System is sold or otherwise transferred by the District without the timely advance written notice required in this Section, the District shall pay General Manager, in
addition to all other fees and costs provided for in this Agreement, an amount equal to the Basic Services fee for that Utility System for 180 days.

‡(C) If the District acquires a wastewater utility system, District and General Manager agree to negotiate in advance a change order to the Basic Services to be provided hereunder.
ARTICLE III
ADDITIONAL SERVICES

[The District acknowledges that the General Manager may be required from
time to time to perform services, which exceed the normal and customary duties or
the average hours allocated to the General Manager and described in Basic
Services. The duties as described in the Section are intended for example only, and
are not intended to be all-inclusive.]

SECTION 3.01. FUTURE UTILITY SYSTEM IMPROVEMENTS

\[.\]

The District acknowledges that the General Manager may be required from time to
time to perform such services which exceed the normal and customary duties or the
average hours allocated to the General Manager and described in Basic Services. The
duties as described in the Section are intended for example only and the District may
from time to time require the General Manager to perform other functions and duties not
described in this Section, but that exceed the customary duties and average hours
allocated to the General Manager.

Robert: I would like you to re-write the Additional Services provision to include
the following as examples of additional services rather than as an existing contract, i.e., i.e.,

the parties acknowledge that the following services are Additional
Services, when such services exceed the normal and customary duties or the
average hours allocated to the General Manager.

The parties acknowledge that capital improvements to the Utility Systems may be
required during the term of this Agreement. In connection therewith, the General
Manager shall perform the following tasks:
(A) Secure necessary work orders for design and supervision of construction of capital improvements from District's consulting engineers, hydrogeologists and other professionals for Board approval;

(B) this one is way too broad The General Manager shall supervise and direct the consulting manage activities of the consulting engineers, hydrogeologists and other professionals to facilitate timely completion and permitting of capital improvement facilities;

(C) Coordinate new facility construction with activities of the Operations Contractor in order to minimize service disruptions; and

(D) Participation in the bid process when during provided ???? (Secure bids) too broad The General Manager and all future capital improvement programs will be responsible for the direct participation and supervision of the preparation of all bids and proposals for the for the construction of said [Direct participation, management, and supervision of the design and construction of] capital improvement facilities in accordance with Florida law and Board policy[, including preparation of bids, proposals, and work orders for the design and construction of said capital improvements.

SECTION 3.02. CONSTRUCTION MANAGEMENT

Direct participation in the management and administration of any capital improvement projects including but not limited to the following: a) consultation with, and supervision of the Contractor as reasonably required and necessary with regard to construction of Capital Projects, b) issuing interpretations and clarifications of Contract Documents during construction; c) evaluating requests for substitutions or deviations therefrom; d) providing recommendations concerning
requests for substitutions or deviations therefrom  d) preparing work orders; e) monitoring all required Project records; f) reviewing contractor’s application for payment; g) conducting comprehensive inspections of the Projects, h) developing lists of items needing completion or correction,  i) negotiate all contracts with engineers and other consultants regarding scope and cost of any necessary contract change orders; j) providing proof of compliance with state and federal funding entities; k) requesting reimbursement consistent with the Grant guidelines; and l) carrying out all construction management efforts consistent with standards required to meet both local, state and federal guidelines

SECTION 3.03. CONNECTIONS AND EXTENSIONS.
Direct participation, management, and supervision related to service improvement extensions as may be necessary.

SECTION 3.04.

SECTION 3.02. CONSTRUCTION MANAGEMENT. Direct participation in the selection, and ranking and management of contractors that perform capital improvement projects on behalf of the District (excluding the park and village) Robert: try to use words like "direct participation" rather than coordination; I do not consider "consulting" with the District as an additional service; same with "determining the acceptability of the work"

The General Manager will consult with the District and Contractor as reasonably required and necessary with regard to construction of Capital Projects, including
but not limited to pre-construction conference and monthly-coordination meetings with District and Contractor. Specifically, the General Manager will perform those tasks necessary to insure that all projects are done in strict adherence to both the contract and budgetary requirements set forth by the District in its policies and agreements. The following tasks:

This will include issuing

(A) Direct participation in reviewing construction materials and direct inspections related to the workmanship of the Project

(B) Determine the acceptability of work and materials and make preparation of reports and recommendations of findings of any deficiencies to District to reject items not meeting the requirements of the Contract Documents;

(C) Recommend to the District in writing that the work, or designated portions thereof, be stopped if, in the General Manager's judgment, such action is necessary to allow proper inspections, avoid irreparable damage to the work, or avoid subsequent rejection of work which could not be readily replaced or restored to an acceptable condition. Such stoppage to be only for a period reasonably necessary for the determination of whether or not the work will in fact comply with the requirements of the Contract Documents;

(D) Require that any work that is covered up without being properly observed be uncovered for examination and restored at contractors expense if deemed appropriate by the General Manager;

(E) Issue interpretations and clarifications of Contract Documents during construction, and evaluate requests for substitutions or deviations therefrom and notify District of any such requested deviations or substitutions, and when reasonably necessary, provide District with a recommendation concerning the same;

(F) Prepare work change orders as directed by District;
(G) Submit to District in a format acceptable to District monthly progress and status reports, including but not limited to manpower; amount of work performed and by whom; equipment problems encountered; method to correct problems; errors; omissions; deviations from Contract Documents; and weather conditions;

(H) Review shop drawings, diagrams, illustrations, catalog data, schedules and samples, the results of laboratory tests and inspections, and other data which contractors are required to submit for conformance with the design concept of the Project and compliance with the provisions of the Contract Documents;

(I) Monitor all required Project records and, including but not limited to delivery schedules, inventories and construction reports. Based upon the Project records, as well as General Managers observations at the site and evaluation of the data reflected in contractors application for payment, General Manager shall render a recommendation to the District concerning the amount owed to the contractor(s) and shall forward the contractors application for such amount to the District. Such approval of the application for payment shall constitute a representation by General Manager to District, based on observations and evaluations, that:

1. the work has progressed to the point indicated;
2. the work is in substantial accordance with the Contract Documents; and
3. the contractor(s) is (are) entitled to payment in the recommended amount.

(J) Receive and review all items to be delivered by the contractor(s) pursuant to the Contract Documents, including but not limited to all maintenance and operating instructions, schedules, guarantees, warranties, bonds and certifications of inspection, tests and approvals. General Manager shall transmit all such deliverables to District with General Managers written comments and recommendations concerning their completeness under the Contract Documents;
(K) The General Manager will negotiate all contracts working with the Districts engineer regarding OK Negotiate with the contractor(s) the scope and cost of any necessary contract-change orders, using as a basis for such negotiations data or other information emanating from the Contract documents, including but not limited to the bid sheet, technical specifications, plans, shop drawings, material specifications, and proposed material and labor costs. Prepare, recommend and submit for Districts approval such change orders.

(L) Upon receiving notice from the Contractor advising General Manager that the Project is substantially complete, General Manager shall schedule and, in conjunction with District, The District Manager will conduct a comprehensive inspections of the Projects, develop a list of items needing completion or correction, and will carry out all construction management efforts consistent with standards required to meet both local, state and federal guidelines.

(M) Will carry out all professional construction services for construction administration, which will entail all observations and certifications necessary to meet local, state and federal standards.

(N) Why is this here?? Will test to and in coordination with the Districts engineers, will attest to and certify to state and federal funding entities and make requests for reimbursement consistent with the Grant guidelines.

(O) OK Perform final inspection in conjunction with District, and assist District in closing out construction contract, including but not limited to, providing recommendations concerning acceptance of Project and preparing all necessary documents, including but not limited to, lien waivers, contractors final affidavit, close-out change orders, and final payment application.

(P) is this engineering??? Prepare and submit to District upon completion of construction of the Project, five (5) sets of record drawings and one (1) set of reproducible record drawing Mylars of the work constructed, including those
changes made during the construction process, using information supplied by the contractors and other data, which can reasonably be verified by General Managers personnel.

(Q) Prepare and submit to District upon completion of construction of Project a final report of variations from the construction Contract Documents, including reasons for the variations:

SECTION 3.03. DETAILED OBSERVATION OF CONSTRUCTION.

why is this a separate heading rather than part of construction management?

(P) Construction work shall be done under the full-time observation of at least one representative of General Manager, or by such additional representatives of the General Manager's as may be necessary for observing the construction of the Project, as may be authorized and approved by the District. During detailed observation of construction, General Manager shall act to protect District's interests in Project and shall perform the following tasks:

(Q) Take 3 x 5 35 mm color photographs of important aspects of the Project process and submit same together with corresponding negatives on a continuous basis to District, such pictures to be properly categorized and identified as to date, time, location, direction and photographer, with subsequent notations on drawings;

(R) Maintain appropriate field notes from which record drawings can be generated;

(S) Maintain appropriate field records to document any and all disputes or claims, whether actual or potential, with respect to construction of the Project; and

(T) Observe operations or performance testing and report findings to District and Contractor (optional insert i.e. including copies of pressure tests).

Robert: I stopped here. You get the idea.

See you on Saturday,
SECTION 3.04. PROFESSIONAL CONSTRUCTION-SERVICES-TASKS.

(A) Construction-Administration-Phase: GSG will provide construction administration services. The activities that will be performed during this task include the following:

1. Attend the pre-construction meeting with the District and Contractor;
2. Review shop drawings; and same
3. Review monthly requests;

(B) Construction-Observation-Certification-Phase: General Manager shall perform the following observation tasks:

1. Construction Observation
   (a) Concrete-slab;
   (b) Tanks and appurtenances;
   (c) Pump enclosure, pumps and controls;
   (d) Piping and appurtenances;
   (e) Observe Tests;
   (f) Substantial completion;
   (g) Final Completion; and
   (h) Contractors as built plans.

2. The Contractor shall supply the District with marked up drawings, recording the actual construction of the improvements. General Manager will prepare record drawings of the Project based upon the field record drawings provided by the Contractor. General Manager will provide the District with one (1) set of reproducible and electronic-CADD files in AutoCAD format.

3. Provide utility installation certifications.
SECTION 3.05. CONNECTIONS AND EXTENSIONS. The parties acknowledge that it may be necessary to make service extensions or enter into service or improvement agreements with developers during the term of this Agreement. The General Manager will be responsible for negotiating the terms of such agreements and making recommendations to the Board on matters relating to specific service extensions or developer agreements.

SECTION 3.06. SPECIAL ASSESSMENTS.

{The parties acknowledge that the District may desire to implement} [Direct participation, management, and supervision related to the implementation of] special assessment programs {during the term of this Agreement} to finance the installation, rehabilitation and maintenance of water and wastewater facilities {The General Manager will prepare}, preparation of information necessary for development of the apportionment methodology, calculation of rates, and the data processing and mechanical implementation required to collect special assessments on the ad-valorem tax bill.

SECTION 3.07 [3.05]. UTILITY OPERATIONS AGREEMENT.

{The General Manager will be responsible for developing a request for proposals from Operations Contractors and Billing Contractors, evaluating the proposals received and making recommendations to the Board for selection} [Direct participation, management, and supervision related to the selection and implementation of an Operations Contractor and/or Billing Contractor, including evaluating and ranking proposals.]

SECTION 3.08. [SECTION 3.06.] OTHER SERVICES.

{A) The District may request the General Manager to serve as a general rate consultant for the District or to independently review and make recommendations on specific fees and charges.
B) The General Manager shall be responsible for development of any other additional services as may be agreed to between the parties including a) preparation of utility rate studies; b) preparation of emergency preparation plans and pretreatment programs; and c) development of comprehensive website (required by the Utility Systems).

C) The General Manager will assist the District's consulting engineers, if required, in connection with the renewal of water withdrawal, operating or other permits required by the Utility Systems.

D) The General Manager will perform construction inspection on all capital projects and supervise District engineers to aid in such services.

E) The General Manager will develop for the District a website for a fixed fee of $6,500.00. The Manager, however, will maintain the website as part of the monthly fee for basic services.

SECTION 3.09. COMPENSATION FOR ADDITIONAL SERVICES,

(A) The General Manager shall be responsible for submitting a written proposal to the District specifying any Additional Services to be performed and the method of compensation therefore. The Agreement between the General Manager and the District shall be set forth in a Memorandum of Understanding ("MOU") that shall constitute a supplement to this Agreement and become binding upon the General Manager and the District. The General Manager shall not be entitled to compensation for Additional Services provided without prior authorization from the Board.

(B) Additional Services may be provided on a negotiated lump sum professional fee or hourly basis not to exceed the following hourly rates: Whenever work is done on an hourly basis the following hourly rates will apply:

1) General Manager $150/hour;
2) Director of Operations $140/hour;
3) Chief Financial Officer $130/hour;
(4) Consultants $80/hour, and
(5) Secretarial or administrative support $35/hour.

Where applicable, all expenses will be in accordance with Section 112.061, Florida Statutes.

ARTICLE IV
GENERAL PROVISIONS

SECTION 4.01. DISTRICT RESPONSIBILITIES.

(A) The Board shall timely transmit instructions, receive information, interpret and define District policies and provide policy direction on decisions with respect to General Manager's services for a project.

(B) The Board shall:

(1) Review and make appropriate recommendations on all requests submitted by the General Manager for payment for services and work provided and performed in accordance with this Agreement;

(2) Provide all criteria and information requested by General Manager as to District requirements for any Basic Services or Additional Services, including inter-local matters, policy and policy direction;

(3) Upon request from General Manager, assist General Manager by placing at General Manager's disposal all information available to the District;

(4) Arrange for access to and make all provisions for General Manager to enter the District facilities to perform the services to be provided by General Manager under this Agreement;

(5) Appropriately direct and delegate management oversight to the General Manager concerning all contract and relations of the District. For all such purposes General Manager is hereby and shall hereafter be deemed the "District
Representative" or "District General Manager" as such terms may be defined elsewhere, including the Financing Documents.

(6) Provide notice to General Manager of any deficiencies or defects discovered by the District with respect to the services to be rendered by the General Manager hereunder as well as all notices received or provided under any operations, billing, financing, acquisition or other agreements entered into which in any way affect or pertain to the Utility Systems.

SECTION 4.02. TERM OF AGREEMENT. This Agreement shall be for a term commencing on the date first above written and ending on April 1, 2005. However, the term hereof may be extended by mutual agreement of the parties for successive 24-month periods. Upon any renewal the parties agree that the monthly fee for Basie Services and the applicable hourly rates for Additional Services will be subject to an adjustment based on the increase in the Consumer Price Index, the deletion or addition of Utility Systems, and the most current hourly rate of the General Manager. Either party, without cause may terminate this Agreement with 90 days written notice.

SECTION 4.03. INSURANCE.

(A) During the term of this Agreement, the General Manager shall provide, pay for, and maintain, with companies satisfactory to the District, the types of insurance described herein. All insurance shall be from responsible companies duly authorized to do business in the State of Florida and/or responsible risk retention group insurance companies registered with the State of Florida. The insurance coverages and limits required must be evidenced by properly executed certificates of insurance on forms, which are acceptable to the District. The certificates must be personally, manually signed by the authorized representatives of the insurance company/companies shown on the certificates with proof that he/she is an authorized representative thereof. In addition, certified, true and exact copies of all insurance policies required shall be provided to the District, on a timely basis, if required by the District. These certificates and policies shall
contain provisions that thirty days' written notice by registered or certified mail shall be
given the District of any cancellation, intent not to renew, or reduction in the policies' 
coverages, except in the application of the aggregate limits provisions. In the event of a 
reduction in the aggregate limit of any policy, the General Manager shall immediately 
take steps to have the aggregate limit reinstated to the full extent permitted under such 
policy. The acceptance by the District of any certificate of insurance evidencing the 
insurance coverages and limits required in this Agreement does not constitute approval or 
agreement by the District that the insurance requirements have been met or that the 
insurance policies shown on the certificates of insurance are in compliance with the 
requirements of this Agreement.

(B) All liability insurance policies, other than the Professional Liability, 
Worker's Compensation and Employers' Liability policies, obtained by General Manager 
to meet the requirements of this Agreement shall name District as an additional insured as 
to the operations of the General Manager under this Agreement and shall contain 
severability of interests provisions.

(C) Commercial General Liability Insurance shall be maintained to cover 
liability for bodily injury and property damage. Exposures to be covered are: premises, 
operations, products/completed operations, and contractual. Coverage must be written on 
an occurrence basis, with no less than the following limits of liability:

(1) Single Limit Bodily Injury & Property Damage
    (a) Each Occurrence $ 500,000
    (b) Annual Aggregate 1,000,000

(2) Personal Injury (Annual Aggregate) — $1,000,000

(D) Comprehensive Automobile Liability shall be maintained for all vehicles in 
the performance of this Agreement:

(1) Single Limit Bodily Injury & Property Damage (Each Occurrence) 
    — $1,000,000
(2) Coverage shall include owned, hired and/or non-owned vehicles. The District must be named as an additional insured for the Automobile and Commercial General Liability coverage.

(E) Professional Liability shall be maintained with limits not less than $2,000,000. If coverage is provided on a "claims made" basis then coverage must be continued for the duration of this Agreement and for not less than one year thereafter, or in lieu of continuation, provide an "extended reporting clause" for one year.

(F) Workers' Compensation Insurance shall be maintained during the life of this Agreement to comply with statutory limits for all employees, and in the case any work is sublet, the General Manager shall require any subcontractors similarly to provide Workers' Compensation Insurance for all the latter's employees unless such employees are covered by the protection afforded by the General Manager. The General Manager and his subcontractors shall maintain during the life of this Agreement Employer's Liability Insurance. The following must be maintained:

   (1) Workers' Compensation - Statutory
   (2) Employer's Liability - $100,000 per accident

(G) If any insurance provided pursuant to this Agreement expires during the term hereof, renewal certificates of insurance and, if requested by District, certified, true copies of the renewal policies shall be furnished by General Manager thirty days prior to the date of expiration.

SECTION 4.04. INDEMNIFICATION. GSG agrees to indemnify and hold harmless the District, its officers, agents and employees against any loss, damage or expense (including all costs and reasonable attorneys’ fees) suffered by District from any claim, demand, judgment, decree, or cause of action of any kind or nature arising out of any negligent error, omission, or acts of GSG, its agents, servants, or employees in the performance of services under this Contract.
SECTION 4.05. SUBCONTRACTORS. The services to be performed hereunder shall be performed by General Manager's staff unless otherwise authorized in writing by the District, which shall not be unreasonably withheld. The employment of, contract with, or use of the services of any other person or firm by General Manager, as independent contractor or otherwise, shall be subject to the prior written approval of the District. No provision of this Agreement shall, however, be construed as constituting an agreement between the District and any such other person or firm. Nor shall anything contained herein be deemed to give any such party or any third party any claim or right of action against the District beyond such as may otherwise exist without regard to this Agreement. (Andy, since we have agreed to the reduction of a termination clause and all of the provisions in your contract, I would like to negotiate the striking of this clause. You hold GSG and the General Manager responsible and liable for all work performed. On many occasions we may choose to utilize the services of a specialist in certain areas that we have performed, there are certain areas that we must complete and no additional costs are incurred by the District, but because of the sometimes-contentious nature of the meetings, we can be delayed in performing our job. Please let me know if this is a major bill-point on your part.)

SECTION 4.06. DEFAULT AND TERMINATION. Either party shall have the right to terminate this Agreement upon 90 \(180\) calendar days' written notice to the other party. (The) [During the 90 day notice period the General Manager shall continue to exercise all of his duties, in good faith, unless relieved by the Board. In either case the] General Manager shall be entitled to \(\text{payment for professional fees} \) earned and reimbursable costs incurred prior to the date of such termination. (Does this mean we can't terminate until all money is paid. If so, it needs to be amended. No, you can terminate at any time, but what this says is that if you terminate me on Monday and you have not provided me with a 90-day notice, I get paid for the next 90 days. Upon) [receive compensation as provided in this Agreement.}
Within 5 business days after notice of termination, the General Manager shall turn over to the District, [in an organized, indexed, and usable format,) all official records, electronic files, accounting information, accounting data, certifications and permits in their possession. {The District may withhold final payment until such information has been received.}

Add Clause Relating to Turning Over All Books and Records in Hard/Written Format and on Electronic Format within 15 days after termination; and in cooperating with District after termination. The City of Marathon had a serious problem with their contract manager and had difficulty getting documents, cooperation, etc. We need an IRON CLAD clause here to prevent interruption of government business.)

SECTION 4.07. DISCLOSURE.

(A) The General Manager represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder. General Manager further represents that no persons having such interest shall be employed to perform those services.

SECTION 4.08. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior other and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set forth herein.

SECTION 4.09 AMENDMENTS AND WAIVERS. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.
SECTION 4.10  NOTICES.  All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

District:  {Chairman/Secretary}  [Chairman
Andrew Tobin]
{Terry Lewis, Esq.}[P.O. Box 620]
{Attorney at Law} [Tavernier, FL 33070]

{Lewis, Longman & Walker}  [Secretary
Cris Beatty
P.O. Box 419
Key Largo, FL 33037

Attorney
Terry Lewis, Esq.]
1700 Palm Beach Lakes Blvd., Suite 1000
West Palm Beach, {FL-33401} [Florida 33401]

{Andy Tobin
Attorney at Law
88101 Overseas Highway
Isla Morada, FL 33036}

General Manager:  Government Services Group, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, Florida 32308

Attention: Robert E. Sheets, CEO

Either of the parties may, by notice in writing given to the other party, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.
SECTION 4.11. ASSIGNMENT AND BINDING EFFECT. This Agreement may not be assigned by either party without the prior written consent of the other party. To the extent provided herein, this Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns. This Agreement shall not become effective until reviewed and approved by General Counsel for the District.

SECTION 4.12. SEVERABILITY. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 4.13. EXECUTION IN COUNTERPARTS. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 4.14. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

LETS ELIMINATE EXTRA STUFF IN WITNESS WHEREOF, the parties hereto have executed this Management Services Agreement on the day and year first written above.

KEY LARGO WASTEWATER TREATMENT DISTRICT

(SEAL)

By: _______________________________

Chairman

ATTEST

______________________________
Secretary-Treasurer

Reviewed by:
General Counsel

GOVERNMENT SERVICES GROUP, INC.

By: ____________________________
   Chief Executive Officer

(SEAL)

ATTEST

Secretary
ORIGINAL AGREEMENT approved by KLWTD on 2-26-03

STATE FINANCIAL ASSISTANCE AGREEMENT
KEY LARGO WASTEWATER TREATMENT DISTRICT
DEP AGREEMENT NO. LP0338

STATE OF FLORIDA
GRANT ASSISTANCE
PURSUANT TO SPECIFIC APPROPRIATION 1765A OF THE 2002 - 2003 GENERAL
APPROPRIATIONS ACT (CHAPTER 2002-334, LAWS OF FLORIDA)

THIS AGREEMENT is entered into between the STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION, whose address is 2600 Blair Stone Road, Tallahassee,
Florida 32399 (hereinafter referred to as the "Department") and the Key Largo Wastewater
Treatment District, whose address is Post Office Box 491, Key Largo, Florida 33037 (hereinafter
referred to as "Grantee" or "Recipient"), existing as a local government agency under the laws of
the State of Florida, to provide funds for a wastewater collection system to serve Key Largo Park
Subdivision.

In consideration of the mutual benefits to be derived herefrom, the Department and the
Grantee do hereby agree as follows:

1. The Grantee does hereby agree to perform in accordance with the terms and conditions set
forth in this Agreement, Attachment A (Project Work Plan), and all attachments and
exhibits named herein which are attached hereto and incorporated by reference. The
Grantee agrees that it shall, no later than March 1, 2003, complete the following activities
as set forth in Attachment A: Certification of project site availability; evaluation of
construction bids; and creation of a revenue generation system complete with certification
of local funds availability as well as establishment of user charges, fees and assessments.
For purposes of this Agreement, the terms "Contract" and "Agreement" and the terms
"Grantee", "Recipient", and "Contractor" are used interchangeably.

2. This Agreement shall begin upon execution by both parties and end no later than March
31, 2003 unless the Project Schedule outlined in Section C of Attachment A is met and
the Agreement is amended. The Grantee shall not be eligible for reimbursement for work
performed unless the Project Schedule is met but in no event shall reimbursement for any
work performed prior to the execution date of this Agreement be eligible. This
Agreement shall be amended to provide for disbursement of grant funds identified herein
provided that all terms and conditions of this Agreement, including compliance with the
Project Schedule, are met and construction of the Project will result. However, such
amendment must be issued before March 31, 2003.

3. In the event that the Agreement is amended as provided in paragraph 2. above, the
following disbursement provisions shall apply:
A. As consideration for the services rendered by the Grantee, the Department shall pay the Grantee on a cost reimbursement basis in an amount not to exceed $1,660,000 toward the total Project cost estimate identified in Section A of Attachment A. It is acknowledged that the cost estimate is based on preliminary estimates and requires updating by the Grantee.

B. The Grantee shall be reimbursed on a cost reimbursement basis for all eligible Project costs upon approval of deliverables and acceptance of a properly submitted Payment Request Summary Form to be provided by the Department at such time as this Agreement may be amended. In addition to the summary form, the Grantee must provide sufficiently itemized invoices for the materials, labor, or services to identify the nature of the work performed; the cost or charges for such work; and the person or entity providing the service or performing the work.

C. In addition to the invoicing requirements contained in paragraph 3.B. above, the Department may periodically request proof of a transaction (invoice, etc.) to evaluate the appropriateness of costs pursuant to State guidelines. This information when requested must be provided within 30 calendar days of such request. All bills for amounts due shall be submitted in detail sufficient for a proper pre-audit and post-audit thereof.

D. State guidelines for allowable costs can be found in the State Comptroller's Voucher Processing Handbook at http://www.dbf.state.fl.us/aadir/tochandbk.html.

E. All costs incurred by the Grantee for its own employees in planning, designing, constructing, administering, managing, evaluating, and inspecting the Project are not eligible for reimbursement under this Agreement or any amendment thereof.

F. Travel costs are not authorized for reimbursement under this Agreement or any amendment thereof.

G. The purchase of non-expendable equipment for use by the Grantee is not authorized under the terms of this Agreement or any amendment thereof.

4. The State of Florida's performance and obligation to pay under this Agreement as amended would be contingent upon an annual appropriation by the Legislature. The parties hereto understand that this Agreement is not a commitment of future appropriations.

5. Each party hereto agrees that it shall be solely responsible for the negligent or wrongful acts of its employees and agents. However, nothing contained herein shall constitute a waiver by either party of its sovereign immunity or the provisions of Section 768.28, Florida Statutes.
6.A. The Department may terminate this Agreement at any time in the event of the failure of the Grantee to fulfill any of its obligations under this Agreement. Prior to termination, the Department shall provide thirty (30) calendar days written notice of its intent to terminate and shall provide the Grantee an opportunity to consult with the Department regarding the reason(s) for termination.

6.B. The Department may terminate this Agreement for convenience by providing the Grantee with thirty (30) calendar days written notice.

7. This Agreement may be unilaterally canceled by the Department for refusal by the Grantee to allow public access to all documents, papers, letters, or other material made or received by the Grantee in conjunction with this Agreement, unless the records are exempt from Section 24(a) of Article I of the State Constitution and Section 119.07(1), Florida Statutes.

8. The Grantee shall maintain books, records and documents directly pertinent to performance under this Agreement in accordance with generally accepted accounting principles consistently applied. The Department, the State, or their authorized representatives shall have access to such records for audit purposes during the term of this Agreement and for five years following Agreement completion. The Grantee shall similarly require each subcontractor to maintain and allow access to such records for audit purposes.

9. In addition to the provisions contained in paragraph 8 above, the Grantee shall comply with the applicable audit, monitoring, and record keeping provisions contained in Attachment B. A revised copy of Attachment B, Exhibit-1 shall be provided to the Grantee with each Agreement amendment that affects the information contained therein. A revised Exhibit-1 shall summarize the funding sources supporting the Agreement for purposes of assisting the Grantee in complying with the requirements of Attachment B. If the Grantee fails to receive a revised copy of Exhibit-1, the Grantee shall notify the Department's Grant Manager indicated in this Agreement to request a copy of the updated information.

10.A. The Grantee shall not subcontract, assign, or transfer any construction services or equipment/material procurement work to be funded under this Agreement as amended without the prior written consent of the Department's Grant Manager. The Grantee agrees to be responsible for the fulfillment of all work elements included in any subcontract and agrees to be responsible for the payment of all monies due under any subcontract. It is understood and agreed by the Grantee that the Department shall not be liable to any subcontractor for any expenses or liabilities incurred, and that the Grantee shall be solely liable to any subcontractor for all expenses and liabilities incurred under the subcontract.

10.B. The Department of Environmental Protection supports diversity in its procurement program and requests that all subcontracting opportunities afforded by this Agreement
embrace diversity enthusiastically. The award of subcontracts should reflect the full
diversity of the citizens of the State of Florida. Upon request of the Grantee, the
Department will furnish a list of minority owned businesses for consideration in
subcontracting opportunities.

11. In accordance with Section 216.347, Florida Statutes, the Grantee is hereby prohibited
from using funds provided by this Agreement and any amendment thereto for the purpose
of lobbying the Legislature, the judicial branch or a state agency.

12. The Grantee shall comply with all applicable federal, state and local rules and
regulations in providing services to the Department. The Grantee acknowledges that this requirement
includes compliance with all applicable federal, state and local health and safety rules and
regulations. The Grantee further agrees to include this provision in all subcontracts (by
change order if necessary) issued as a result of this Agreement.

13. The Department's Grant Manager for this Agreement is identified below.
   Dick Smith
   Bureau of Water Facilities Funding
   Florida Department of Environmental Protection
   2600 Blair Stone Road, MS 3505
   Tallahassee, Florida 32399-2400
   Phone: (850) 245 - 8358
   Fax: (850) 245 - 8411

14. The Grantee's Grant Manager for this Agreement is identified below.
   Robert Sheets, Manager
   Key Largo Wastewater Treatment District
   c/o Government Services Group, Inc.
   1500 Mahani Drive, Suite 250
   Tallahassee, Florida 32308
   Phone: (850) 681 - 3717
   Fax: (850) 224 - 7206

15. To the extent required by law, the Grantee will be self-insured against, or will secure and
maintain during the life of this Agreement, Workers' Compensation Insurance for all of its
employees connected with the work of this Project. The Grantee shall require each
subcontractor similarly to provide Workers' Compensation Insurance for all of the latter's
employees unless such employees are covered by the protection afforded by the Grantee.
Such self-insurance program or insurance coverage shall comply fully with the Florida
Workers' Compensation law. In case any class of employees engaged in hazardous work
under this Agreement is not protected under Workers' Compensation statutes, the Grantee
shall provide, and cause each subcontractor to provide, adequate insurance satisfactory to
the Department, for the protection of his employees not otherwise protected.
16. The Grantee, as an independent contractor and not an agent, representative, or employee of the Department, agrees to carry adequate liability and other appropriate forms of insurance. The Department shall have no liability except as may be specifically provided in this Agreement. Alternatively, the Grantee warrants and represents that it is self-funded for liability insurance, appropriate and allowable under Florida law, and that such self-insurance offers protection applicable to the Grantee's officers, employees, servants and agents while acting within the scope of their employment with the Grantee.

17. The Grantee covenants that it presently has no interest and shall not acquire any interest that would conflict in any manner or degree with the performance of services required.

18. The Department may at any time, by written order designated to be a change order, make any change in the work within the general scope of this Agreement (e.g., specifications, time, method or manner of performance, requirements, etc.). All change orders are subject to the mutual agreement of both parties as evidenced in writing. Any change order that could result in the Grantee’s ability to pay for Project work, change the amount of funding under this Agreement, or increase the time for completion of Project work shall require a formal amendment to this Agreement.

19.A. No person, on the grounds of race, creed, color, national origin, age, sex, or disability, shall be excluded from participation in; be denied the proceeds or benefits of; or be otherwise subjected to discrimination in performance of this Agreement.

19.B. An entity or affiliate that has been placed on the discriminatory vendor list may not submit a bid on a contract to provide goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public works, may not submit bids on leases of real property to a public entity, may not award or perform work as a contractor, supplier, subcontractor, or consultant under contract with any public entity, and may not transact business with any public entity. The Florida Department of Management Services is responsible for maintaining the discriminatory vendor list and intends to post the list on its website. Questions regarding the discriminatory vendor list may be directed to the Florida Department of Management Services, Office of Supplier Diversity, at 850/487-0915.

20. A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not perform work as a grantee, contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, F.S., for Category Two, for a period of 36 months from the date of being placed on the convicted vendor list.

21. This Agreement represents the entire agreement of the parties. Any alterations, variations, changes, modifications or waivers of provisions of this Agreement shall only be valid when they have been reduced to writing, duly signed by each of the parties hereto, and attached to the original of this Agreement, unless otherwise provided herein.
IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed, the day and year last written below.

KEY LARGO WASTEWATER TREATMENT DISTRICT

By: [Signature]
Chairman

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

By: [Signature]
Director, Division of Water Resource Management

Date: 2-26-03

Date: 2-13-03

FEID No.: 83-0344274

Attest

By: [Signature]

KLWTO Clerk

List of attachments/exhibits included as part of this Agreement:

<table>
<thead>
<tr>
<th>Specify Type</th>
<th>Letter/Number</th>
<th>Description (include number of pages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment</td>
<td>A</td>
<td>Project Work Plan (3 Pages)</td>
</tr>
<tr>
<td>Attachment</td>
<td>B</td>
<td>Audit Requirements (5 Pages)</td>
</tr>
</tbody>
</table>

6
ATTACHMENT A

KEY LARGO WASTEWATER TREATMENT DISTRICT
Key Largo Park Subdivision

A. PROJECT BUDGET

<table>
<thead>
<tr>
<th>Category of Expenditure</th>
<th>DEP Funds FY 02/03</th>
<th>DEP Funds FY 03/04</th>
<th>DEP Funds FY 04/05</th>
<th>Other Funds</th>
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<td>Key Largo Park</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary Engineering</td>
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<td>$0</td>
<td>$0</td>
<td>$200,000</td>
<td>$200,000</td>
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<td>$960,000</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
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<td>$300,000</td>
<td>$300,000</td>
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<tr>
<td>Other</td>
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<tr>
<td>Total</td>
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<td>$600,000</td>
<td>$960,000</td>
<td>$9,660,000</td>
<td>$11,320,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category of Expenditure</th>
<th>DEP Funds FY 02/03</th>
<th>DEP Funds FY 03/04</th>
<th>DEP Funds FY 04/05</th>
<th>Other Funds</th>
<th>Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Largo Trailer Village</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary Engineering</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$650,000</td>
<td>$650,000</td>
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<tr>
<td>Design/Build</td>
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<td>$6,520,000</td>
<td>$6,520,000</td>
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<tr>
<td>Contingency</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Construction Management</td>
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<td>$1,140,000</td>
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<tr>
<td>Other</td>
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<tr>
<td>Total</td>
<td>$100,000</td>
<td>$600,000</td>
<td>$960,000</td>
<td>$9,660,000</td>
<td>$11,320,000</td>
</tr>
</tbody>
</table>

B. SCOPE OF PROJECT WORK:

A vacuum collection system serving the Key Largo Park subdivision will be constructed using the design/bid/build approach. The collection system consists of vacuum mains, vacuum pits, buffer tanks, vacuum valves and gravity collection lines extending from the vacuum pits and tanks to the property line for each building to be served. While Appropriation 1765A funding is not being provided for the decommissioning of on-site treatment and disposal systems or the installation of building laterals on private property, such work must be undertaken to achieve a functional system. The Grantee must ensure that the work on private property is accomplished in a timely manner. Functioning of the Key Largo Park vacuum collection system is dependent upon the construction of a vacuum station, transmission facilities, treatment plant and injection well disposal system that will be part of the Key Largo Trailer Village subdivision wastewater management system. Therefore, the
Grantee must ensure that all construction necessary for a complete and operable wastewater management system is undertaken in a timely manner.

C. PROJECT SCHEDULE:  PLEASE SEE LAST PAGE FOR DATES

Completion of Project activities below shall be accomplished before March 1, 2003 to comply with statutory requirements. The schedule for completion of Project activities under (6)(a) through (o) may be adjusted in the event that this Agreement is amended to provide for grant disbursements. All submittals shall be made by the Recipient’s Grant Manager to the Department’s Grant Manager.

(1) Creation of revenue generation system (rates, fees, and assessments) for recovery of capital costs and operation/maintenance costs (submittal to the Department is required).

(2) Establishment of an implementation plan for completing work on private property such as decommissioning on-site treatment and disposal systems and connection to the centralized collection system (submittal to the Department is required).

(3) Establishment of requirements for connection to the wastewater management system (submittal to the Department is required).

(4) Certification of availability of local share of the costs of the complete wastewater management system (submittal to the Department is required).

(5) Procurement of services for the following:
   (a) Utilities engineering
   (b) Legal
   (c) Financial
   (d) Administrative (record keeping and audit capability)
   (e) Construction bid evaluation and design/build proposal evaluation

(6) Submittal of a projected schedule for the following activities:
   (a) Updating the above Section A Project Budget information
   (b) Bid tabulation and award recommendation for Key Largo Park construction
   (c) Public notice and public participation in Project decisions
   (d) Procurement of services for Construction Management
   (e) Design/build contract award for Key Largo Trailer Village
   (f) Construction contract award for Key Largo Park
   (g) Initiate design/build activities for Key Largo Trailer Village
   (h) Initiate construction activities for Key Largo Park
   (i) Certification of availability of the all Key Largo Park wastewater collection/transmission system sites, including easements and rights-of-way
(j) Complete construction of Key Largo Park facilities

(k) Complete construction of Key Largo Trailer Village facilities

(l) Certification of initial collection of fees, charges, and assessments

(m) Solicit services of operating entity for wastewater management system

(n) Operations contract award

(o) Certification of wastewater management system operability

(7) Certification of availability of the treatment plant site, including injection well disposal (submittal to the Department is required)

(8) Certification of receipt of Key Largo Trailer Village design/build proposals

(9) Certification of receipt of Key Largo Park construction bids (submittal to the Department is required)
VII. **SUBMITTAL OF PROJECT SCHEDULE:**

A. Project Schedule Will Be Submitted Along With Brief Narrative For Each Milestone:

The following schedule of milestones has been provided to indicate the estimated time frame of the necessary items critical to successful completion of Key Largo Park and Key Largo Trailer Village:

<table>
<thead>
<tr>
<th>Milestone Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Updating the above Section A Project Budget Information</td>
<td>3/1/2003</td>
</tr>
<tr>
<td>B. Bid tabulation and award recommendation for Key Largo Park construction</td>
<td>2/28/2003</td>
</tr>
<tr>
<td>C. Public notice and public participation in Project decisions</td>
<td>2/26/2003</td>
</tr>
<tr>
<td>D. Procurement of services for Construction Management</td>
<td>4/30/2003</td>
</tr>
<tr>
<td>E. Design/build contract award for Key Largo Trailer Village</td>
<td>4/30/2003</td>
</tr>
<tr>
<td>F. Construction contract award for Key Largo Park</td>
<td>4/30/2003</td>
</tr>
<tr>
<td>G. Initiate design/build activities for Key Largo Trailer Village</td>
<td>5/26/2003</td>
</tr>
<tr>
<td>H. Initiate construction activities for Key Largo Park</td>
<td>5/26/2003</td>
</tr>
<tr>
<td>I. Certification of availability of all Key Largo Park wastewater collection/transmission system sites, including easements and rights-of-way</td>
<td>2/26/2003</td>
</tr>
<tr>
<td>J. Complete construction of Key Largo Park facilities</td>
<td>6/04/2004</td>
</tr>
<tr>
<td>K. Complete construction of Key Largo Trailer Village facilities</td>
<td>9/24/2004</td>
</tr>
<tr>
<td>L. Certification of initial collection of fees, charges and assessments</td>
<td>3/1/2003</td>
</tr>
<tr>
<td>M. Solicit services of operating entity for wastewater management system</td>
<td>4/30/2004</td>
</tr>
<tr>
<td>N. Operations contract award</td>
<td>6/30/2004</td>
</tr>
<tr>
<td>O. Certification of wastewater management system operability</td>
<td>10/31/2004</td>
</tr>
</tbody>
</table>
RESOLUTION 2003-14

A RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT EVIDENCING ITS INTENTION TO PROCEED WITH THE DISTRICT'S PROJECT WORK

WHEREAS, the District's Capital Projects include the Key Largo Trailer Village and Key Largo Park ("Project Work");

WHEREAS, the District is currently in the process reviewing and evaluating bids for Key Largo Park and cost proposals for Key Largo Trailer Village;

WHEREAS, the Board of Commissioners of the Key Largo Wastewater Treatment District desire to evidence their intent to proceed with the District's Project Work;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT THAT:

1. The Board intends to proceed with the Project Work, including both the Key Largo Trailer Village and Key Largo Park projects.

2. The Technical Evaluation Committee will make its recommendations to the Board as to the contractor to be chosen for both projects. No later than April 30, 2003, the Board will then proceed with entering into negotiations with the selected contractor for both Projects.

PASSED AND ADOPTED this 26th day of March, 2003.

FAILED this 17th day of March, 2003.

KEY LARGO WASTEWATER TREATMENT DISTRICT GOVERNING BOARD

[Signature]
Chair, Key Largo Wastewater Treatment District

[Signature]
Secretary
STATE FINANCIAL ASSISTANCE AGREEMENT
MONROE COUNTY
DEP AGREEMENT NO. LP0338
AMENDMENT NO. 1

STATE OF FLORIDA GRANT ASSISTANCE
PURSUANT TO SPECIFIC APPROPRIATION 1765A OF THE 2002 - 2003 GENERAL
APPROPRIATIONS ACT (CHAPTER 2002-334, LAWS OF FLORIDA)

This Amendment No. 1 is executed by the STATE OF FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION (hereinafter referred to as “Department”) and the Key
Largo Wastewater Treatment District (hereinafter referred to as “Grantee” or "Recipient" or
“Contractor”), the address for which is Post Office Box 491, Key Largo, Florida 33037, existing
as a local government agency under the laws of the State of Florida.

WHEREAS, the Department and the Recipient entered into a Grant Agreement providing
for amendment upon completion of certain Project Work and such activity has been completed
satisfactorily;

WHEREAS, the Grantee has reviewed the Key Largo Park construction bids and the Key
Largo Trailer Park cost proposals and evidenced its intention to proceed with the Project Work as
evidenced by its Resolution 2003-14; and

WHEREAS, the Recipient is entitled to grant funds in the amount of $1,660,000 for
Project Work subject to the terms of this Grant Agreement as may be amended from time to time.

THEREFORE, in consideration of the mutual benefits to be derived herefrom, the
Department and the Recipient do hereby agree as follows:

1. The Grantee shall perform in accordance with the terms and conditions set forth in the
amended Grant Agreement, and all attachments and exhibits named which are attached
thereto or hereto, respectively, and incorporated by reference. Attachment A - Revised
supersedes Attachment A as incorporated into the original Grant Agreement.

2. There is no change to Attachment B as originally issued.

3. Grant funds shall be disbursed to the Recipient on a cost reimbursement basis for Project
Work, designated for funding under this amended Grant Agreement in Section A (Project
Budget) of Attachment A - Revised, provided the following conditions are met:

A. Project Work activities shall be completed in accordance with Section C (Project
Schedule) of Attachment A - Revised;
B. Properly completed Disbursement Request Form(s), provided as Attachment C, shall be submitted to the Department; and

C. Records of sufficiently itemized invoices for the materials, labor, or services to identify the nature of the work performed, the cost or charges for such work, and the person or entity providing the service or performing the work shall be maintained by the Grantee.

4. The final disbursement request shall be submitted to the Department no later than February 28, 2005.

5. In the event that no funds are disbursed prior to October 31, 2003, the Grant Agreement shall be unilaterally terminated by the Department.

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ATTACHMENT A - REVISED

KEY LARGO WASTEWATER TREATMENT DISTRICT
Key Largo Park Subdivision

SECTION A. PROJECT BUDGET

<table>
<thead>
<tr>
<th>Category of Expenditure</th>
<th>DEP Funds FY 02/03</th>
<th>DEP Funds FY 03/04</th>
<th>DEP Funds FY 04/05</th>
<th>Other Funds</th>
<th>Total Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Largo Park</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary Engineering</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$325,000</td>
<td>$325,000</td>
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<tr>
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<td>Contingency</td>
<td>$0</td>
<td>$0</td>
<td>$213,800</td>
<td>$0</td>
<td>$213,800</td>
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<tr>
<td>Treatment Capacity</td>
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<td>$0</td>
<td>$600,000</td>
<td>$600,000</td>
</tr>
<tr>
<td>Construction Management</td>
<td>$0</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$0</td>
<td>$300,000</td>
</tr>
<tr>
<td>Other</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td>$0</td>
<td>$850,000</td>
<td>$810,000</td>
<td>$0</td>
<td>$2,585,000</td>
</tr>
<tr>
<td><strong>Key Largo Trailer Village</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preliminary Engineering</td>
<td></td>
<td></td>
<td></td>
<td>$620,000</td>
<td>$620,000</td>
</tr>
<tr>
<td>Design/Build</td>
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<td></td>
<td></td>
<td>$6,962,000</td>
<td>$6,962,000</td>
</tr>
<tr>
<td>Contingency</td>
<td></td>
<td></td>
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<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Construction Management</td>
<td></td>
<td></td>
<td></td>
<td>$1,120,000</td>
<td>$1,120,000</td>
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<tr>
<td>Land</td>
<td></td>
<td></td>
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<td>$826,234</td>
<td>$826,234</td>
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<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>SUBTOTAL</strong></td>
<td>$0</td>
<td>$0</td>
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<td>$9,528,234</td>
<td>$9,528,234</td>
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<tr>
<td><strong>GRAND TOTAL</strong></td>
<td>$0</td>
<td>$850,000</td>
<td>$810,000</td>
<td>$10,453,234</td>
<td>$12,113,234</td>
</tr>
</tbody>
</table>

SECTION B. SCOPE OF PROJECT WORK:

A collection system serving the Key Largo Park subdivision will be constructed. The collection system consists of vacuum mains, vacuum pits, buffer tanks, vacuum valves, and gravity lines. While Appropriation 1765A funding is not being provided for the decommissioning of on-site treatment and disposal systems or the installation of building laterals on private property, such work must be undertaken to achieve a functional system. The Grantee must ensure that the work on private property is accomplished in a timely manner. Functioning of the Key Largo Park collection system is dependent upon the construction of a vacuum station, transmission facilities, treatment plant and injection well disposal system that will be part of the Key Largo Trailer Village subdivision wastewater management.
IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to be duly executed, the day and year last written below.

KEY LARGO WASTEWATER TREATMENT DISTRICT

By:  
Chairman

Date:  
March 25, 2003

STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

By:  
Director, Division of Water Resource Management

Date:  

FEID No.:  83-0344274

Attest:

By:  

List of attachments/exhibits included as part of this amended Agreement:

<table>
<thead>
<tr>
<th>Specify Type Attachment</th>
<th>Letter/ Number</th>
<th>Description (include number of pages)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment</td>
<td>A-Revised</td>
<td>Project Budget, Scope, and Schedule (2 Pages)</td>
</tr>
<tr>
<td>Attachment</td>
<td>B</td>
<td>Audit Requirements (5 Pages)</td>
</tr>
<tr>
<td>Attachment</td>
<td>C</td>
<td>Disbursement Request Forms (3 pages)</td>
</tr>
</tbody>
</table>
system. Therefore, the Grantee must ensure that all construction necessary for a complete and operable wastewater management system is undertaken in a timely manner.

SECTION C. PROJECT SCHEDULE:

After activity items (1) through (3) have been completed, the schedule for completion of the remaining Project Work activities may be adjusted by mutual agreement of the Department and the Grantee. All submittals documenting completion of the activities shall be made by the Recipient’s Grant Manager to the Department’s Grant Manager.

(1) Formal Resolution for award of Key Largo Park construction contract not later than April 30, 2003.

(2) Formal Resolution for award of Key Largo Trailer Village design/build not later than April 30, 2003.

(3) Update the above Section A (Project Budget) information based on proposed contract award amounts. Identification of the available Federal, State, and Local funding that will be required to accomplish construction not later than May 15, 2003.

(4) Complete all Key Largo Park permitting activities by June 30, 2003.

(5) Certification of availability of all Key Largo Park wastewater collection/transmission system sites, including easements and rights-of-way not later than June 30, 2003.

(6) Initiate design/build work for Key Largo Trailer Village not later than July 15, 2003.

(7) Initiate construction for Key Largo Park not later than July 15, 2003.

(8) Formal adoption of District Rules or equivalent legal means for enforcing sewer connections, sewer use requirements, as well the imposition of wastewater utility tariffs and collections not later than March 1, 2004.

(9) Certification of establishment of Municipal Services Taxing Unit not later than March 1, 2004.


(11) Solicit services of operating entity for wastewater management system not later than June 30, 2004.

(12) Complete construction of Key Largo Park facilities not later than August 30, 2004.


(14) Complete construction of Key Largo Trailer Village facilities not later than January 30, 2005.

(15) Certification of wastewater management system operability not later than February 28, 2005.
**ATTACHMENT C**

**Disbursement Request Forms – Disbursement Details**

1. **Grantee/Recipient**
2. **Project Number** LP0338 **Date of Request**
3. **Disbursement Request Number**
   **Required Match %** NONE
4. **Type of Request:** Partial ☐ Final ☐
5. **Federal Employer Identification Number**
6. **Mail** ☐ **EFT** ☐ Send Remittance to:

---

**Disbursement Details**
(cumulative amounts rounded to the nearest dollar)

1. **Construction** $________________
2. **Technical Services during Construction** $________________
3. **Total Cumulative to Date** $________________
4. **Disbursements Previously Requested** $________________
5. **Amount Requested for Disbursement** (Line 3 minus Line 4) $________________

---

**SUBMIT ONE ORIGINAL COPY OF THIS FORM AND SUPPORTING DOCUMENTATION TO:**

Florida Department of Environmental Protection
Bureau of Water Facilities Funding MS 3505
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

DEP Agreement No. LP0338, Attachment C, Page 1 of 3
ATTACHMENT C
Disbursement Request Forms - Grant Manager's Certification

I, ____________________________________________ ,

(name of Grant Manager designated in the Agreement) on behalf of ____________________________________________ , do hereby certify that:

(name of Grantee/Recipient)

1. The disbursement amount requested on page 1 of this form is for allowable costs for the Project described in the Agreement.

2. Materials, labor, equipment, and/or services representing costs included in the amount requested have been satisfactorily purchased, performed or received, and applied toward completing the project; such costs are documented by invoices or other appropriate documentation which are filed in the Grantee's permanent records.

3. The Grantee is required to pay such costs under the terms and provisions of contracts relating directly to the Project, and the Grantee is in compliance with all terms or provisions of the contracts.

4. All funds received to date under the Agreement have been applied toward completing the project.

5. All permits and approvals required for the construction that is underway have been obtained.

6. Any changes in State or Federal funding (since the effective date of the Agreement) have been identified in writing to the Department or are identified on the attachment hereto. (Attachment included: Yes ☐ No ☐)

________________________________________
(Signature of Grant Manager)

________________________________________
(Date)

** SUBMIT ONE ORIGINAL COPY OF THIS FORM AND SUPPORTING DOCUMENTATION TO: **

Florida Department of Environmental Protection
Bureau of Water Facilities Funding MS 3505
2600 Blair Stone Road
Tallahassee, Florida 32399-2400

DEP Agreement No. LP0338, Attachment C, Page 2 of 3
RESOLUTION 2003-2

A RESOLUTION DESIGNATING GARTEK AS CONSULTING ENGINEER FOR THE KEY LARGO WASTEWATER TREATMENT DISTRICT AND AUTHORIZING COMPENSATION

WHEREAS, the Board of Commissioners of the Key Largo Wastewater Treatment District desire to appoint Gartek as Consulting Engineer and to compensate in the same manner prescribed in employment contract dated January 16, 2003;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT:


2. The District attorney is directed to prepare a contract consistent with Engineer’s proposal dated January 16, 2003, attached hereto, in an amount not to exceed $20,000 to be executed by the parties.

3. In the event a contract is not able to be entered into with Gartek, the District attorney is authorized to negotiate a contract with Tim Bergin, P.E., at the hourly rates as presented by Mr. Bergin at the Board’s public meeting on January 15, 2003.

PASSED AND ADOPTED this 15th day of January, 2003.

FAILED this ______ day of January, 2003.

KEY LARGO WASTEWATER TREATMENT DISTRICT GOVERNING BOARD

Chair, Key Largo Wastewater Treatment District

Secretary
January 16, 2003

Key Largo Wastewater Treatment District Board
38 East Beach Road
Tavernier, Florida 33070

Attention: Andrew M. Tobin, Esq., Chairman
    Jerry Wilkinson- Vice Chairman
    Gary Bauman
    Cris Beaty
    Charles S. Brooks

Via fax (305) 852-6957
    (305) 852-1620
    (305) 453-3334
    (305) 852-0635
    (305) 451-6399

Re: Professional Engineering Consultant Services Proposal for Wastewater Treatment Board

Dear Board Members:

Thank you for selecting our firm to provide Engineering Consulting Services to the Key Largo Wastewater Treatment District Board.

We are pleased to present our proposal on Engineering Services. **We will provide engineering review on an hourly basis not to exceed $20,000.00 for the following projects:**


2. Key Largo Park 100% complete drawings and specifications. Please note that Final Bid sets have not been received as of today. Three complete sets are to be provided for Gartek’s review.

Work approved by you to be completed on an hourly basis will be charged at the following rates:

<table>
<thead>
<tr>
<th>Role</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principals</td>
<td>$120.00/hr</td>
</tr>
<tr>
<td>Engineer</td>
<td>$100.00/hr</td>
</tr>
<tr>
<td>CAD Operator</td>
<td>$ 70.00/hr</td>
</tr>
<tr>
<td>Clerical</td>
<td>$ 45.00/hr</td>
</tr>
</tbody>
</table>

**Included in the fee are the following:**

1. Written comments with recommendations.
2. Meetings with Boyle Engineering Corp., to review comments and possible addendums.
3. Review Bids for the Key Largo Village RFP developed by Boyle Engineering. Meetings with Boyle to select contractor based on point system described in RFP.
4. Report to the Board as to the agreement on any outstanding issues.
5. Attend all Bid meetings and Board meetings.

Gartek Engineering Corporation
7210 S.W. 39th Terrace / Miami, Florida 33155 / (305) 266-8997 / Fax (305) 264-9496
Not included in the fee are the following:

1. Re-design that might be required as a result of our review and recommendations.
2. Issuing actual addendums that might be required as a result of our review and recommendations. Please note that addendums should be approved and issued by the Engineer of Record (Boyle).
3. Expenses including Travel and lodging for meetings that might be required outside the Keys or Miami area are not included. Such expenses if required and approved by the Board will be invoiced at cost + 10% administration fee.
4. Printing of documents, special mailing or delivery services are not included. If required and approved by the Board will be invoiced at cost + 10% administration fee.

The following shall be provided to Gartek by the Board:

- Three complete sets of documents printed on paper including surveys, drawings, specifications, cost estimates and calculations for each project in time to allow us to review them and recommend issuing changes via addendums.
- One record copy of drawings, specifications and RFP in electronic format.

Our fee will be invoiced on a monthly basis.

Thank you for the opportunity to present this proposal. If you are in agreement with our proposal, kindly return a signed copy of this letter as authorization for us to proceed.

Sincerely,
GARTEK ENGINEERING CORPORATION

Robert L. Betancourt, P.E.,
President
RLB:pcy

Authorization by Key Largo Wastewater Treatment District Board for Gartek Engineering Corporation to provide the above services:

Signed: ________________________________
Name: __________________________________
Title: __________________________________
Date: __________________________________
PROFESSIONAL ENGINEERING CONSULTANT SERVICES AGREEMENT

by and between

KEY LARGO WASTEWATER TREATMENT DISTRICT

and

GARTEK ENGINEERING CORPORATION
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| SECTION 1.02. INTERPRETATION ....................................... | 2 |
| SECTION 1.03. SECTION HEADINGS .................................... | 2 |
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| BE PROVIDED BY GARTEK ................................................ | 2 |
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PROFESSIONAL ENGINEERING CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this 12th day of February, 2003, by and between Key Largo Wastewater Treatment District, (hereinafter referred to as the "District") and Gartek Engineering Corporation, a Florida corporation, whose business address is 7210 S.W.39th Terrace, Miami, Florida 33155 (hereinafter referred to as the "Gartek").

WITNESSETH:

WHEREAS, the District desires to obtain the services of a professional engineer for consultant services for the Key Largo Trailer Village and Key Largo Park wastewater projects; and

WHEREAS, Gartek represents that it has expertise in the type of professional engineering consultant services required by the District;

NOW, THEREFORE, in consideration of the following mutual promises, covenants, provisions, representations, agreements and provisions, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS AND CONSTRUCTION

SECTION 1.01. DEFINITIONS. As used in this Agreement, the following terms shall have the following meanings unless the context hereof otherwise requires.

"Agreement" means this Professional Engineering Consultant Services Agreement, including any amendments and supplements hereto executed and delivered in accordance with the terms hereof.

"Board" shall mean the governing board of the Key Largo Wastewater Treatment District.
"Fiscal Year" means the period commencing on October 1 of each year and continuing through the next succeeding September 30, or such other period as may be prescribed by law as the fiscal year for the County.

"District" means Key Largo Wastewater Treatment District, a legal entity and public body created pursuant to Chapter 2002-337.

"General Manager" means Government Services Group, Inc., a Florida corporation.

SECTION 1.02. INTERPRETATION. Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations. The terms "herein," "hereunder," "hereby," "hereto," "hereof," and any similar terms, shall refer to this Agreement; the term "heretofore" shall mean before the effective date of this Agreement; and the term "hereafter" shall mean after the effective date of this Agreement. This Agreement shall not be construed more strongly against any party regardless that such party, or its counsel, drafted this Agreement.

SECTION 1.03. SECTION HEADINGS. Any headings preceding the texts of the several Articles and Sections of this Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

ARTICLE II

PROFESSIONAL ENGINEERING CONSULTANT SERVICES

SECTION 2.01. PROFESSIONAL ENGINEERING CONSULTANT SERVICES TO BE PROVIDED BY GARTEK.

(A) Gartek will review the Key Largo Trailer Village Request for Proposals ("RFP") prepared by Boyle Engineering, including Volumes I through IV dated January 2003, received by Gartek on January 15, 2003.

(B) Gartek will review a complete set of the Key Largo Park 100% complete drawings and specifications.
(C) Gartek will provide written comments with recommendations to the Board with regard to the Key Largo Trailer Village RFP review and the Key Largo Park drawings and specifications review.

(D) Gartek will attend meetings with Boyle Engineering Corporation and the General Manager to review comments, possible addendums and any other issues that may arise.

(E) Gartek will review the bids for the Key Largo Trailer Village RFP and will attend meetings with Boyle Engineering Corporation and the General Manager to assist in selecting a contractor.

(F) Gartek will report to the Board and the General Manager as to any and all outstanding issues and services.

(G) Gartek will attend all scheduled or emergency Board meetings and bid meetings.

SECTION 2.02. COMPENSATION FOR PROFESSIONAL ENGINEERING CONSULTANT SERVICES.

(A) In consideration for the Professional Engineering Consultant Services to be provided as described above, the District agrees to pay Gartek on an hourly basis not to exceed $20,000 based on the following rates:

<table>
<thead>
<tr>
<th>Role</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principals</td>
<td>$120.00/hour</td>
</tr>
<tr>
<td>Engineer</td>
<td>$100.00/hour</td>
</tr>
<tr>
<td>CAD operator</td>
<td>$70.00/hour</td>
</tr>
<tr>
<td>Clerical</td>
<td>$45.00/hour</td>
</tr>
</tbody>
</table>

(B) Gartek will provide an invoice to the Board each month. After review and authorization by the Board, the Board will pay Gartek in accordance with the adopted Expenditure Policy.

(C) The not to exceed fee does not include expenses for travel, lodging and meals that may be required outside of Miami or the Keys. If such travel outside of Miami or the Keys is required, and is first approved by the Board, such expenses shall be reimbursed to Gartek at cost plus a 10% administration fee.
(D) The not to exceed fee does not include printing of documents, special mailings or delivery services. If such expenses are required, and are first approved by the Board, such expenses will be reimbursed to Gartek at cost plus a 10% administration fee.

(E) All expenses incurred by Gartek will be in accordance with Section 112.061, Florida Statutes.

ARTICLE III

ADDITIONAL PROFESSIONAL ENGINEERING CONSULTANT SERVICES

SECTION 3.01. ADDITIONAL PROFESSIONAL ENGINEERING CONSULTANT SERVICES NOT INCLUDED IN NOT TO EXCEED FEE. The following additional services are not included in the not to exceed ($20,000) fee described above. Gartek is not authorized to perform the following additional services unless requested and approved by the Board. If the Board does request and authorize Gartek to perform the following services, a separate agreement for Professional Engineering Consultant Services, or an addendum to this Agreement, will be required.

(A) Re-design that might be required as a result of Gartek’s review and recommendations to the Board regarding the Key Largo Trailer Village RFP or the Key Largo Park designs and specifications.

(B) Issuance of addendums that might be required as a result of Gartek’s review and recommendations to the Board regarding the Key Largo Trailer Village RFP or the Key Largo Park designs and specifications. Addendums should be approved by Boyle Engineering Corporation.

ARTICLE IV

GENERAL PROVISIONS

SECTION 4.01. DISTRICT RESPONSIBILITIES.

(A) The Board shall timely transmit instructions, receive information, interpret and define District policies and provide policy direction on decisions with respect to Gartek’s professional engineering consultant services.
(B) The Board shall request that Boyle Engineering Corporation provide three (3) complete sets and an electronic version of Requests for Proposals, drawings, specifications, cost estimates and calculations for Gartek's review for each project Gartek is asked to review by the Board in a timely manner.

SECTION 4.02. TERM OF AGREEMENT. This Agreement shall be for a term commencing on January 15, 2003 and ending at the end of the District’s Fiscal Year 2003 (September 30, 2003), unless earlier terminated.

SECTION 4.03. INSURANCE.

(A) During the term of this Agreement, Gartek shall provide, pay for, and maintain, with companies satisfactory to the District, commercial and professional liability insurance. All insurance shall be from responsible companies duly authorized to do business in the State of Florida and/or responsible risk retention group insurance companies registered with the State of Florida. The insurance coverages and limits required must be evidenced by properly executed certificates of insurance on forms, which are acceptable to the District. The certificates must be personally, manually signed by the authorized representatives of the insurance company/Companies shown on the certificates with proof that he/she is an authorized representative thereof. In addition, certified, true and exact copies of all insurance policies required shall be provided to the District, on a timely basis, if required by the District. These certificates and policies shall contain provisions that thirty days' written notice by registered or certified mail shall be given the District of any cancellation, intent not to renew, or reduction in the policies' coverages, except in the application of the aggregate limits provisions. In the event of a reduction in the aggregate limit of any policy, Gartek shall immediately take steps to have the aggregate limit reinstated to the full extent permitted under such policy. The acceptance by the District of any certificate of insurance evidencing the insurance coverages and limits required in this Agreement does not constitute approval or agreement by the District that the insurance requirements have been met or that the insurance policies shown on the certificates of insurance are in compliance with the requirements of this Agreement.
(B) All liability insurance policies, other than the Professional Liability, obtained by Gartek to meet the requirements of this Agreement shall name District as an additional insured as to the operations of Gartek under this Agreement and shall contain severability of interests provisions.

(C) Commercial General Liability Insurance shall be maintained to cover liability for bodily injury and property damage. Exposures to be covered are: premises, operations, products/completed operations, and contractual. Coverage must be written on an occurrence basis, with no less than the following limits of liability:

1. Single Limit Bodily Injury & Property Damage
   (a) Each Occurrence $ 500,000
   (b) Annual Aggregate $1,000,000

2. Personal Injury (Annual Aggregate) — $1,000,000

(E) Professional Liability shall be maintained with limits not less than $1,000,000. If coverage is provided on a "claims made" basis then coverage must be continued for the duration of this Agreement and for not less than one year thereafter, or in lieu of continuation, provide an "extended reporting clause" for one year.

(F) If any insurance provided pursuant to this Agreement expires during the term hereof, renewal certificates of insurance and, if requested by District, certified, true copies of the renewal policies shall be furnished by Gartek thirty days prior to the date of expiration.

SECTION 4.04. INDEMNIFICATION. The District agrees that Gartek, including its employees, sub-consultants, officers and principals, is acting solely as agents or representatives of the District under the terms of this agreement and shall be entitled to any legal defense authorized by law for actions taken by public officials.

SECTION 4.05. SUBCONTRACTORS. The services to be performed hereunder shall be performed by Gartek's staff unless otherwise authorized in writing by the District, which shall not be unreasonably withheld. The employment of, contract with, or use of the services of any other person or firm by Gartek, as independent contractor or otherwise, shall be subject to
the prior written approval of the District. No provision of this Agreement shall, however, be construed as constituting an agreement between the District and any such other person or firm, nor shall anything contained herein be deemed to give any such party or any third party any claim or right of action against the District beyond such as may otherwise exist without regard to this Agreement.

SECTION 4.06. DEFAULT AND TERMINATION. Either party shall have the right to terminate this Agreement upon 30 calendar days' written notice to the other party. Gartek shall be entitled to payment for professional fees earned and reimbursable costs incurred prior to the date of such termination.

SECTION 4.07. DISCLOSURE.

(A) Gartek represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder. Gartek further represents that no persons having such interest shall be employed to perform those services.

SECTION 4.08. GENERAL COUNSEL APPROVAL REQUIRED. This Agreement, although executed by the District and Gartek, shall not become a binding contract between the parties unless and until the District General Counsel has reviewed and approved the Agreement. Should Gartek, at the request of the Board, render services contemplated by this Agreement prior to approval of the Agreement by the General Counsel, the District shall compensate the General Manager for said services rendered and expenses as contemplated by this Agreement, but no other requirements or conditions of the Agreement shall apply unless and until the General Counsel approves the Agreement.

SECTION 4.09. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the parties pertaining to the subject matter hereof, and supersedes all prior other and contemporaneous agreements, understandings, negotiations and discussions of the parties, whether oral or written, and there are no warranties, representations or other agreements
between the parties in connection with the subject matter hereof, except as specifically set forth herein.

SECTION 4.10 AMENDMENTS AND WAIVERS. No amendment, supplement, modification or waiver of this Agreement shall be binding unless executed in writing by all parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided.

SECTION 4.11 NOTICES. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid, to the parties at the following addresses:

Gartek: Gartek Engineering Corporation  
Attention: Robert L. Betancourt, P.E.  
7210 S.W. 39th Terrace  
Miami, Florida 33155

District: Key Largo Wastewater Treatment District  
Attention: Robert E. Sheets, General Manager  
P.O. Box 419  
Key Largo, Florida 33037

Either of the parties may, by notice in writing given to the other party, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

SECTION 4.12. ASSIGNMENT AND BINDING EFFECT. This Agreement may not be assigned by either party without the prior written consent of the other party. To the extent provided herein, this Agreement shall be binding upon the parties, their respective successors and assigns and shall inure to the benefit of the parties, their respective successors and assigns. This Agreement shall not become effective until reviewed and approved by General Counsel for the District.
SECTION 4.13. SEVERABILITY. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 4.14. EXECUTION IN COUNTERPARTS. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 4.15. APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have executed this Professional Engineering Consultant Services Agreement on the day and year first written above.

KEY LARGO WASTEWATER TREATMENT DISTRICT

(Seal)

Attest

Chairman

Secretary-Treasurer

Reviewed by:

General Counsel

GARTEK ENGINEERING CORPORATION

(Seal)

Attest

President

By: Robert R. Stonecut

2/10/03
**CERTIFICATE OF INSURANCE**

**PRODUCER**
Collinsworth, Alter, Nielson,  
Fowler & Dowling, Inc. (WMC/DIA)  
5978 NW 151 Street, Suite 105  
Miami Lakes, FL 33014

**SURED**
Gartek Engineering Corp.  
7210 SW 39th Terrace  
Miami, FL 33155

**COMPANIES AFFORDING COVERAGE**

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**OVERAGES**

S IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS ENDORSEMENT MAY BE ISSUED OR MAY PERIODICALLY AFFORDED BY THE POLICYHOLDER, THIS ENDORSEMENT IS SUBJECT TO ALL THE TERMS, CONDITIONS AND LIMITATIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

**TYPE OF INSURANCE**

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<th>POLICY EFF. DATE (MM/DD/YY)</th>
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**OTHER**

| PROFESSIONAL LIABILITY | EDN5656359 | 9/28/02 | 9/28/03 | $1,000,000 Limits | Each Claim and Annual Aggregate |

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS**

**CERTIFICATE HOLDER**

Key Largo Water Treatment  
District (KLWTD)  
P.O. Box 491  
Key Largo, FL 33037

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENSUERE TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER AT THE ADDRESS SHOWN ABOVE. EXPRESS FAILURE TO MAIL SUCH NOTICE SHALL NOT IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

**AUTHORIZED REPRESENTATIVE**

[Signature]

**ORD 25-S (7/90)**

Page 2 of 2
# Invoice

**GARTEK ENGINEERING,**

7210 SW 39th Terrace  
Miami, FL 33155

---

**BILL TO**

GSG  
Robert E. Sheets, Chief Executive Officer  
1500 Mahan Drive, Suite 250  
Tallahassee, FL 32308

---

**DATE** | **INVOICE #**  
--- | ---  
2/17/2003 | 3079

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---

**P.O. NO.**  
1819 K.L. Wastewater District Board Engin

**PROJECT**  

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Amount Over Contract, as of 2/15/03  
(Additional Service Under Consideration)

15,680.00

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**Total**  

$35,680.00
### GARTEK ENGINEERING, CORP
### Billing Report
#### January 16 through February 15, 2003

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Total NP 5.00

Total Key Largo Wastewater Treatment District: 1819 K... 335.00

TOTAL 335.00

Add Serv. Consideration

Page 2
**GARTEK ENGINEERING,**
7210 SW 39th Terrace
Miami, FL 33155

**Invoice**

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**BILL TO**

GSO
Robert E. Sheets, Chief Executive Officer
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

**PROJECT**

1819 K.I., Wastewater District Board Engin

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**Total**

$11,990.00
### GARTEK ENGINEERING, CORP
**Billing Report**
February 18 through March 21, 2003

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**Total Engineering:** 8.50

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**Total MECHANICAL:ef** 97.00

### MECHANICAL:RLB

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**Total MECHANICAL:RLB** 12.00

**Total Key Largo Wastewater Treatment District: 1819 K...** 117.50

**TOTAL** 117.50

**$11,990**
March 28, 2003

Mr. Robert Betancourt  
Gartek Engineering  
7210 SW 39th Terrace  
Miami, FL 33155

Dear Mr. Betancourt:

As you are aware, the Key Largo Wastewater Treatment District Board of Directors authorized me on the evening of March 26, 2003 to release the check in the amount of $20,000.00 as payment in full for the fixed fee contract with your company. The attached payment is for the first line of invoice number 3079 dated February 17, 2003. Payment of the second line of the invoice, in the amount of $15,680.00, has not been authorized by the Board of Directors.

Further payments to your firm require contract amendments approved by the Board of Directors and payment approval authorization by the Board. If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

[Signature]

DAVID R. MILES  
Chief Financial Officer

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson
February 26, 2003

KLWTD Minutes

were provided under separate cover
Key Largo Wastewater Treatment District
Board of Commissioners Meeting Minutes
4:00 PM Wednesday, March 5, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

Commissioners Present
Andrew Tobin, Chairman
Gary Bauman, Member
Cris Beaty, Member
Charles Brooks, Member
Jerry Wilkinson, Member

Staff Present
Robert Sheets, General Manager, Government Services Group, Inc. ("GSG")
Faith Doyle, Board Clerk

Guests Present
Charles Fishburn, Gartek Engineering
Mary Lou Wilkinson, Key Largo resident
Steve Gibbs, Reporter, Free Press

A. Call to Order
Chairman Tobin called the meeting to order at 4:04 PM.

B. Pledge of Allegiance
The pledge was recited.

C. Additions, Deletions or Corrections to the Agenda
Mr. Robert Sheets requested an additional item to discuss the FY2004 budget schedule, the CCNA process and the outstanding payables memorandum.

Commissioner Brooks requested an additional item to discuss various emails that have been forwarded to him concerning K LWTD issues.

D. Action Items
There were no action items presented.
E. General Manager’s Report

1. Discussion of strategy development for 90 day re-evaluation of the BOCC TIA terms

Mr. Sheets has contacted Monroe County concerning the Transitional Interlocal Agreement (TIA). Discussions will continue and will include George Garrett of FKAA, Rob Wolf, Assistant County Attorney. Mr. Sheets requested the Board include a board member in the discussions. The goal of the discussions would be to keep the money in the district and if the loan issue cannot be resolved the suggestion of it becoming a revolving loan, which would recycle the funds into new construction projects.

Chairman Tobin asked for comments. Commissioner Bauman agreed that it should move to new projects. Commissioner Wilkinson agreed as long as no interest was involved. Chairman Tobin stated that Charles Brooks would be the logical choice for Board representation on the negotiation team. Mr. Sheets stated that all options would be explored and a draft of the revisions provided to the Board. Commissioner Beaty stated a draft from the team covering the basic conditions and terms would be in order. Commissioner Brooks stated that the 90-day deadline ends on May 17, which is two days before the County hearing on the KLWTD MSTU.

2. Discussion of preliminary review of the Key Largo Park Project Bid submittals

Mr. Sheets requested that the second item concerning the Key Largo Park bids be held until the engineer arrives.

3. General Manager other items:

Mr. Sheets informed the Board that for the March 26 meeting a FY2004 Budget Calendar would be available. The calendar will have a series of dates, including the required public hearing advertising dates, budget workshop dates (to set priorities and policies), and a presentation by the rate consultant. The rate consultant will help with establishing a rate philosophy and how to set rates fees and charges. Also they will provide information on the various concepts of funding allocations. The budget workshop would essentially be a strategic planning session. Chairman Tobin stated the workshop and presentation by a rate consultant would be valuable to the Board and the public.

Mr. Sheets stated that for the March 26 meeting a calendar of events required to accomplish a CCNA process would be presented. The process is required when a contract is expected to be valued at more than $25,000. The process is done to receive statements of qualifications for professional services. The process is beneficial to identify professionals, engineers for example, with different expertise. Once the KLWTD has entered into contracts with the professionals tasks can be assigned via work authorizations.

Mr. Sheets informed the Board that the application was submitted to the DEP on Friday, February 28, 2003 at 10:30 AM directly to Mr. Dick Smith. Mr. Smith responded by
email with 25 questions that were mostly minor in nature and staff is working on the response. The Board will be provided a copy of the questions and responses.

Mr. Sheets presented a memorandum concerning the outstanding payables, which totaled approximately $56,000 and did not include the reimbursements due to the Board members. The Board members would be reimbursed once the payroll information paperwork was completed and returned to the Tallahassee GSG office. Chairman Tobin requested a monthly payables report. Mr. Sheets stated that a copy of the check register would be provided each month for the Board to review and approve.

Discussion ensued on the manner of informing the Board on payables and if specific dollar threshold should be implemented. Mr. Sheets stated that the Board should communicate any concerns on the bills payable list to staff. It was agreed that a check register would be presented to the Board each month and that any emergency expenditures would be verified prior to payment. Amounts over $20,000 would be brought to the Board's attention.

Commissioner Brooks motioned to have bill lists (check register) presented as a consent agenda item beginning on the March 26, 2003 agenda. The bill lists (check register) must be approved by the Board prior to the checks being issued. Emergency situation would be handled at the discretion of the general manager. Commissioner Beaty seconded the motion. The motion was unanimously approved.

The Board directed the general manager to remove the payment to Gartek that was included on the check register to be removed until it can be discussed with legal counsel.

Mr. Sheets stated that the GSG Management Services Contract would be presented at the March 26 meeting. He requested that a board member work with staff to draft the engagement letter. Commissioner Bauman volunteered to work with staff. Mr. Sheets stated that the draft would be forwarded to the Board one-week prior to the meeting. The Board agreed that Commissioner Bauman should work with the GSG staff on drafting the engagement letter.

Commissioner Brooks made a reference to an article in the Keynoter and asked Mr. Sheets if there are any firm timelines for receiving a commitment on the 1.66 million dollar grant from the DEP. Mr. Sheets stated that page 21 of the grant submittal lists the various dates.

Mr. Sheets stated that a work plan is being prepared for the Board's consideration of implementing a non-ad valorem assessment program. Mr. Sheets plans to present it to the Board in May at the latest, however, if the Board requires which to have a plan in place prior to the BOCC May 19, 2003 decision on the MSTU he would present it at the March 26, 2003 meeting. Commissioner Bauman requested a plan and an estimate of the costs involved for the March 26, 2003 meeting. Chairman Tobin requested that legal counsel be contacted for a legal opinion on the plan.
F. Legal Counsel's Report

The legal counsel report was received by all members via email and is included as part of this record as Attachment A.

G. Engineer’s Report

A review of the Key Largo Park (KLP) Project bids that included a spreadsheet and various maps of the project area that illustrated the different alternatives requested were presented by Milt Vost and Fred Mittl of Boyle Engineering. Mr. Mittl stated that the KLP bids were received on February 25, 2003 and opened by the Florida Keys Aqueduct Authority (FKAA). There were comprised of a base bid and two alternatives that could be done in the future when additional funds become available. The basis for award is to be the lowest responsible bidder on the base bid. Douglas Higgins was the lowest bidder on the base bid and Megan the lowest bidder with the alternatives included.

Discussion ensued on the alternatives bid and if there were funds available to do them now.

Mr. Mittl of Boyle Engineering as the Engineer of record on the project recommended award to Higgins based on the base bid amount. Chairman Tobin asked the KLWTD Engineer, Gartek, their opinion on award. Mr. Fishburn stated that Higgins is a subcontractor for one of the submitting firms for the KLTV project but he has no recommendation for the KLP project at this time.

Discussion ensued on the use of Airvac system versus the use of Rovac system, unit pricing and the number of EDU’s were accounted for in the base bid. Mr. Sheets stated that the EDU issue and how to build wastewater systems that are fiscally prudent should be discussed at the budget work shop/strategic planning session.

H. Commissioner’s Items

1. Discussion of and update on the installation of phone line at the Key Largo Civic Center, Commissioner Brooks

Commissioner Brooks presented a memorandum that informed the Board that a dedicated telephone line would be installed at the Key Largo Civic Center on March 7, 2003. The number that was assigned to the line is 305-453-1710 and would not be published. The line would be used primarily for having staff participate in Board meetings from satellite locations.

2. Other Items

Commissioner Brooks presented several emails that had been forwarded to him that appeared to include a newsletter that was issued by the KLWTD. Discussion ensued concerning the need for a KLWTD newsletter, whom would be responsible for it and it’s content and the frequency of publication of a KLWTD newsletter. Commissioner Brooks noted that the newsletter he had received was not authorized by the KLWTD Board, but
appeared to express views for the Board. Commissioner Wilkinson stated that the newsletter had been in circulation for some time, however he ensure that the title of the document be changed and that a disclaimer would be added that it was one member's personal opinion and did not reflect the views of the KWLTD Board as a whole.

Chairman Tobin stated that the KWLTD Board has worked effectively and diligently to obtain their goals, however if issues arise of a controversial nature they should be presented to the Board for discussion immediately. Commissioner Brooks stated that the Board needs to present a positive issue and would like to establish a policy on full Board support of an issue once the Board has voted on the issue.

I. Minutes – February 5, 2003; February 12, 2003; February 19, 2003 and February 24, 2003

Commissioner Beaty motioned to approve the minutes of February 5, 2003; February 12, 2003; February 19, 2003 and February 24, 2003. Commissioner Bauman seconded the motion. All were in favor and the motion was unanimously approved.

K. Meeting Adjournment

Commissioner Brooks motion to adjourn the meeting. Commissioner Beaty seconded the motion. All were in favor. Chairman Tobin adjourned the meeting at 7:20 PM.
MEMORANDUM

TO: Key Largo Wastewater Treatment District Commissioners

FROM: Terry E. Lewis
Amy M. Dukes

DATE: March 5, 2003

SUBJECT: Key Largo Wastewater Treatment District Legal Report for March 5, 2003

I. TRANSITION INTERLOCAL AGREEMENT

As everyone knows, the Agreement has been finalized. A great amount of thanks goes out to the Board members and the District Manager for their insight, knowledge, invaluable comments and focus on finalizing the Agreement so that we could meet our deadline. Prior to finalization of the Agreement, we worked on coordinating the final version following the special County meeting, the associated signature pages and exhibits for the Agreement, with the County and FKAA.

II. EVALUATION COMMITTEE

We were called upon by the Evaluation Committee to answer questions re: Sunshine Law and design criteria professional issues. An email was distributed to all members of the Committee to address these inquiries. Specifically, the Committee required an answer as to whether deletion of the “design criteria professional” requirement from the RFP violated Florida Statutes (it does not), and whether Committee members can ask the engineers questions about Key Largo Park without violating the Sunshine Law (they may). We also reviewed the proposed language by Gartek re: request for financial statements, which is legally acceptable.
III. SPECIAL ASSESSMENTS, CHAPTER 197, FLORIDA STATUTES

We have received written agreements from the Tax Collector and Property Appraiser regarding extending the deadline to adopt resolutions of intent pursuant to section 197.3632, Florida Statutes. If the Board chooses to utilize this mechanism, the required agreements with the Tax Collector and Property Appraiser are in place.