May 14th

2003

Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
3:00 PM Wednesday, May 14, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. BUDGET WORKSHOP

D. Additions, Deletions or Corrections to the Agenda

E. Action Items

F. General Manager's Report

1. Status Report/Discussion regarding the final amendment to the Inter-Local Agreement between the County, FKAA and District

2. Status Report/Discussion regarding the Memorandum Of Understanding (MOU) Between the Key Largo Wastewater Treatment District and the Florida Keys Aqueduct Authority Regarding the FEMA Phase I Grant Program for the Key Largo Trailer Village Project

3. Status Report/Discussion regarding the KLTV and KLP Contract Negotiations

4. Status Report/Discussion regarding the Consulting Engineering Services Request for Qualifications - CCNA process

G. Legal Counsel's Report

H. Engineer's Report

I. Commissioner's Items

1. Commissioner Brooks -- Discussion of comments submitted for the EPA's PMP

J. Minutes – April 9, 2003 and April 23, 2003

K. Meeting Adjournment

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

May 7, 2003

VIA FACSIMILE AND U.S. MAIL

Mr. John Richard Collins
Monroe County Attorney
Post Office Box 1026
Key West, Florida 33041

Dear Mr. Collins:

Attached for your review is the final proposed wording and terms regarding the $914,000 Matching Funds provided by Monroe County.

This memorandum was presented and approved at our April 9th Board meeting.

Should you have any questions regarding this matter, please don't hesitate to contact me.

On behalf of the Board, I would like to thank you for your assistance in this matter.

Sincerely,

Robert E. Sheets

Robert E. Sheets
District Manager

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

MEMORANDUM TO THE BOARD

TO: BOARD OF DIRECTORS

CC: TERRY LEWIS, AMY DUKES, DAVE MILES & CHARLES SWEAT, FAITH DOYLE

FROM: ROBERT SHEETS, GENERAL MANAGER

SUBJECT: STATUS REPORT/DISCUSSIONS WITH COUNTY RE: $914,285 LOAN

DATE: 5/7/03

On Thursday, April 3, 2003, Mr. Brooks and I met with the County Attorney and his staff to discuss the proposed language and terms regarding the $914,285 loan by the County as a match to the FEMA Grant for the Key Largo Trailer Village Project.

In addition to the County Attorney and his staff being present at that meeting, the County Administrator, Jim Roberts joined us halfway through the discussion. Based on our discussions, the following will outline the current status of the negotiations and will continue to provide a framework for our Board.

Based on our discussions, the County is willing to provide the following terms and conditions regarding the $914,285:

1. The $914,285 will not be repaid in any form for five years, which would be the year 2008. At that time, the repayment would be amortized over ten years. This ten-year amortization of the $914,285 would "not" include any interests costs to the Key Largo Wastewater Treatment District.

2. The County stipulated that as the funds are paid back to the County, those funds would be placed in an account and would be recognized as dollars available for reallocation to the District for use in future capital projects.

I cannot speak for Mr. Brooks, but I believe that these terms more than meet us halfway and may only require minor modification, especially if the County has committed to holding these funds in a restricted account for use by the District in future capital improvement programs. Also, please keep in mind that we will receive all of our impact fees by the first quarter of 2006 therefore, we will have the ability to earn interest on these funds prior to any amortization or pay back to the County.

If agreeable, I would suggest that we place this on the Agenda for discussion at our April 9, 2003 meeting so we can then respond back to the County regarding our initial response to this proposal.

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

April 25, 2003

Mr. Jim Reynolds
Florida Keys Aqueduct Authority
P.O. Box 1239
1100 Kennedy Drive
Key West, Florida 33041-1239

Re: Memorandum Of Understanding (MOU) Between the Key Largo Wastewater Treatment District and the Florida Keys Aqueduct Authority Regarding the FEMA Phase I Grant Program for the Key Largo Trailer Village Project

Dear Mr. Reynolds:

This letter will serve as a Memorandum of Understanding (MOU) between the Key Largo Wastewater Treatment District and the Florida Keys Aqueduct Authority (FKAA). The purpose of this MOU will be to articulate the services that the District will perform on behalf of the FKAA as the Grantee for the Phase I FEMA Grant for the Key Largo Trailer Village (KLTV) project. Since the formation of the District's Board in November, the District has embarked on advancing infrastructure improvements in both Key Largo Park (KLP) and KLTV. Although the majority of the initial efforts were to meet deadlines and requirements placed on us by the FDEP, efforts have been expended and expenses incurred to advance the KLTV project.

While FKAA has been involved through the retaining of Boyle Engineering in advancing the development of the RFP and Preliminary Design Report for Key Largo Trailer Village, responsibilities and costs have been incurred by the District and will continue to be so to insure that KLTV complies with the scope of service outlined in the FEMA Phase I Grant.

It is the District's desire to enter into this agreement for the purpose of recovering costs incurred by the District that are reimbursable under the current FEMA Grant program.

The scope of our involvement is identified as follows:

- Review and Evaluation of the Preliminary Design Report For KLTV, Prepared by Boyle Engineering: Gartek Engineering has performed an extensive review of the

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

PDR as the District's Engineer hired for this specific task. In addition, the District Manager (Government Services Group) has also incurred costs and expense in the administration and project management of this process.

- Evaluation of the RFP for Key Largo Trailer Village. Again as stated above, the District has retained the services of Gartek Engineering and Government Services Group to carry out document review and oversight administration for the development and finalization of this document.

- Evaluation of the Key Largo Trailer Village proposals. The District's consultants, Gartek Engineering and Government Services Group have worked closely with Boyle Engineering in the evaluation of the proposals by the formation of an evaluation committee. Extensive time and costs have been incurred and have been born by the District's limited operating budget and funds. This evaluation process accumulated in the Board selecting The Haskell Company as the number one ranked firm.

- Negotiation of the KLTV design build team's contract. The District is continuing to incur costs and expenses related to this negotiation. Negotiations are just beginning and have required time and expense from Gartek, Government Services Group and the District's General Counsel, Lewis, Longman and Walker.

- Project Management and the oversight of all Phase I design activities consistent with the FEMA Phase I Grant. Once this agreement has been finalized, the District will incur reimbursable costs to administer and oversee this program and to insure that all requirements identified in the Scope of Services for the FEMA Phase I Grant are complied with. This will require time by the District's Manager, (Government Services Group) and Lewis, Longman and Walker. The District is currently going through the CCNA process and will select an "engineer of record" for the District.

- Project Administration. The District will be responsible for all documentation and oversight administration of payment request Grant Administration. Although FKAA is the official Grantee, all submittals will be documented by the District consistent with the standards outlined in the FEMA Grant program.

The District has contracted the services described above with the following three firms. They are as follows:

1. Gartek Engineering:

   - Review of the preliminary design report for Key Largo Trailer Village.
   - Review of the Key Largo Trailer Village RFP.
   - Evaluation of the Key Largo Trailer Village proposals.

- Assistance in negotiations for the Key Largo Trailer Village design build team contract.

2. Government Services Group, Inc.:

- Review of the preliminary design report for Key Largo Trailer Village.
- Review of the RFP for Key Largo Trailer Village.
- Assist in the evaluation of all Key Largo Trailer Village proposals.
- Assist in selection and negotiation of the Key Largo Trailer Village design build team.
- Serve as Project Manager and oversight for all Phase I design build activities and insure compliance with the Grant requirements identified in the FEMA Phase I Grant.
- Overall Project and Grant Administration. GSG as District Manager will be responsible to insure that all requirements outlined in both Federal and State funding requirements and Grant programs for the Key Largo Trailer Village will be adhered to.
- The District Manager will carry out the preparation and submittal of all progress reports and invoices. Also, the District Manager will carry out all involvement on behalf of the District regarding FEMA's SEA program.
- The District Manager will carry out public Meetings and review of documentation.
- Grants Management

3. Lewis, Longman & Walker, P.A.:

- Review of Professional Services Agreements with Gartek Engineering for KLTV review.
- Review of KLTV preliminary proposal for legal sufficiency.
- Review of KLTV preliminary contract for design build services.
- Review of KLTV proposals for legal compliance for RFP.
- Assist the District in all contract negotiations for KLTV.

The District has entered into formal agreements with all three entities. As is the case with your jurisdiction, we have maintained detailed records of hours spent and expenses incurred. This agreement will allow the District to submit on a monthly basis requests for reimbursement to the FKAA for costs specific to the FEMA Phase I Grant program. All expenses will be supported by adequate documentation consistent with Grant requirements.

As a special note, the Board has informed me that at a meeting in December, Tim McGarity of the FKAA staff indicated to the Board that the costs incurred by the District to retain engineers and experts to review these programs would be covered. Therefore, we will be requesting reimbursement for costs already incurred with Gartek Engineering for the review of the preliminary design report, the RFP and their assistance so far in the evaluation process for the Key Largo Trailer Village.

Based on your response and approval of this Memorandum of Understanding, the District will prepare immediately a request for reimbursement against the FEMA program. Should the Authority have any special forms or procedures for this reimbursement process, the District would be happy to comply with those requirements.

Should you have any questions or require additional information, please do not hesitate to contact me.

We have prepared this document for approval on behalf of the District.

Sincerely,

Robert E. Sheets,
General Manager
Key Largo Wastewater Treatment District

Cc: Board of Directors, KLWTD
Terry Lewis
Faith Doyle

Signed and Approved By:

_____
Mr. Jim Reynolds, Florida Keys Aqueduct Authority

Dated: _____

RESPONDERS TO THE KLWTD CONTINUING ENGINEERING SERVICES REQUEST FOR PROPOSALS

April 30, 2003

William H. Lynch, P.E., Associate Vice President (561)881-0077
ARCADIS G&M, Inc.
712 U.S. Highway One, Suite 200
North Palm Beach, FL 33408
FAX (561)881-0012
EMAIL blynch@arcadis-us.com

David R. Refling, P.E., DEE, Principal-in-Charge (407)513-8260
Douglas H. Eckmann, P.E., DEE, Office Manager Fort Myers (239)273-7996
Boyle Engineering
4415 Metro Parkway, Suite 404
Fort Myers, FL 33916
FAX (239) 273-0913

David A. Gierach, P.E., President (407)322-6841
CPH Engineers
500 West Fulton Street
Sanford, FL 32771
FAX (407)330-0639

John P. Downes, P.E., Executive Vice President (954)921-7781
Calvin, Giordano & Associates, Inc.
1800 Eller Drive, Suite 600
Fort Lauderdale, FL 33316
FAX (954)921-8807

Jorge E. Corzo, President (305)445-2900
Corzo Castella Carballo Thompson Salman, P.A. (C3TS, P.A.)
901 Ponce De Leon Boulevard, Suite 900
Coral Gables, Florida 33134
FAX (305)445-3366
EMAIL jcorzo@c3ts.com

Layda B. Garcia, Vice President, Marketing (305)266-8997
Gartek Engineering Corporation
7210 Southwest 39 Terrace
Miami, FL 33155
FAX (305)264-9496

Steve McGucken, P.E., Chief Operating Officer (813) 871-5331
Reed Thursby, P.E., Project Manager
Kisinger Campo & Associates Corporation
2203 North Lois Avenue, Suite 1200
Tampa, FL 33607
FAX (813)871-5135
EMAIL smcgucken@kcaeng.com; rthursby@kcaeng.com

Victor A. Hurlburt, P.E., Senior Associate (407)660-1133
Malcolm Pirnie, Inc.
2301 Maitland Center Parkway, Suite 140
Maitland, FL 32751-7414
FAX 407-660-9550
EMAIL vhurlburt@pirnie.com

Alejandro Toro, P.E., Vice President, (305)444-8241
Metcalf & Eddy
800 Douglas Entrance, Suite 770
Coral Gables, FL 33134
FAX (305)444-4306

Arsenio Milian, P.E., President (305)441-0123
Milian, Swain & Associates, Inc.
2025 S.W. 32nd Avenue
Miami, FL 33145
FAX (305)441-0688

Marc P. Walch, P.E., DEE, Vice President, Project Director, (407)647-7275
Roberto Ortiz, P.E., DEE, Vice President , Senior Division Manager, (305)592-7275
PBS&J
2001 Northwest 107th Avenue
Miami, FL 33172-2507

Ron Giovannelli, P.E., Vice President (813)286-1711
Thomas J. Christ, P.E., Project Manager (305)884-8900
URS Corporation
Eastern Financial Building, Suite 1000
700 South Royal Poinciana Boulevard
Miami Springs, FL 33166
FAX (305)884-2665

R. Jeff Weiler, P.E., President (941) 764-6447
The Weiler Engineering Corporation
20020 Veterans Blvd., Suite 7-9
Port Charlotte, FL 33954
FAX (941) 764-8915

PMP Corrections/Comments

Page 3-11 Distribution Formula approved by the ITF (Distribution Formula)
line 4 in the matrix, "Monroe County" should strike out "Monroe County" and replaced with Key Largo Wastewater District -- see attached documentation.

Page 3-11 section 3.3.2 Initial Projects List
does process restrict projects that may not be on the list at this date but may be in readiness to proceed when federal grants are available, excluded from receiving available federal dollars?

Page 3-5 table 3.1 Summary of a Master Project List
note spreadsheet here -- correction of "Key Largo wastewater district" the ~~board.~~

Page 3-7
add the Key Largo wastewater district and their purpose in authorization

List of Acronyms section 4
add to list KLWTD -- Key Largo Wastewater Treatment District

Appendix E. funding scheme approved by ITF
note KLWTD is not listed for fair and equitable distribution of federal grants. KLWTD is subordinated under the "unincorporated Monroe County" umbrella. KLWTD is a special district legislated by the state legislature as sole Authority for wastewater in the Key Largo area, therefore the KLWTD should be given equal consideration and Authority as any municipality within Monroe County

Point of Clarification
~~does this document go through one more review?~~
What will be the method for amending?

DRAFT

RESOLUTION 2003-15

A RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT,

WHEREAS,

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

Whereas -- the Florida Legislature created and incorporated (FS -- 337) as an independent special district, pursuant to chapter 189, Florida statutes, to be known as the Key Largo Wastewater Treatment District (district), in Monroe County, which special district shall be a public body corporate and politic.

Whereas -- the purpose of the district shall be to perform such acts and shall be necessary for the sound planning, acquisition, development, operation and maintenance of wastewater management systems within the district.

Whereas -- the district shall have exclusive jurisdiction over the acquisition, development, operation, and management of a wastewater management system in and for the district boundaries. The district boundaries all of Key Largo starting at Tavernier Creek, and everything north on Key Largo excluding Ocean Reef all in Monroe County, Florida.

Whereas -- Monroe County BOCC and the mayor's of the cities of Key West, Key Colony Beach, Layton, Marathon and Islamorada reached an agreement to split the $100 million in the following matter:

DRAFT

The Monroe County BOCC and the mayors of the cities of Key West, Key Colony Beach, Layton, Marathon and Islamorada reached an agreement to split the $100 million in the following manner:

Key Largo	29.56% =	$29,560,000
Islamorada	29.56% =	29,560,000
Marathon	29.56% =	29,560,000
Key West	10.3 % =	10,320,000
Key Colony Beach	.2 % =	200,000
Layton	.8 % =	800,000.

All parties present agreed to this and when Carmen Turner asked for a show of hands that supported this position, all political parties raised their hands.

Whereas -- the Monroe County BOCC on the 20th day of November, 2000 unanimously passed resolution No. 468-2001 confirming the action of the Monroe County chairperson George Neugent's agreement to the above shared distribution whereby Key Largo was to receive 29.56% = $29,560,000 of the potential $100 million federal grant . *See attached*

Whereas -- the present PMP on page 3-11 makes no reference to KLWTD receiving any distributed funds. Under this scenario the KLWTD receives no funds or is subordinated to attempt to politically acquire funds from the County. The KLWTD is an independent special district political body which is entitled to fair share equal distribution as any of the other municipalities.

Whereas -- the PMP page 3-5 table 3.1 indicates Islamorada and Marathon each have 7 projects. The KLWTD has 14 projects at an estimated cost $139.7 million, $40 million more than either Islamorada or Marathon's estimated cost. Yet according to the distribution formula on page 3.11 both Islamorada and Marathon are slated for $29.3 million each, 70% more dollars than the KLWTD.

Whereas -- the KLWTD is the largest single area in the Keys and can provide the greatest benefit by reducing the nutrient loading at a larger scale than most other areas in the Keys.

Be Resolved by the Board of the Key Largo Wastewater Treatment District of Monroe County, Florida that the Distribution Formula on page 3-11 in the Final Draft (2/23/03) of the Program Management Plan, Florida Keys Water Quality Improvements Program be revised to strike out ~~Monroe County~~ and replaced with "Key Largo Wastewater Treatment District" to be eligible for $29,300,000 of the $100 million federal funding should it be appropriated.

Passed and adopted by the board of the Key Largo Wastewater Treatment District of Monroe County, Florida at a regular meeting of said board held on the ninth day of April 2003.

PASSED AND ADOPTED this 26th day of February, 2003.

DRAFT

KEY LARGO WASTEWATER TREATMENT DISTRICT GOVERNING BOARD

_____,
Chair, Key Largo Wastewater Treatment District

_____.
Secretary, Key Largo Wastewater Treatment District

I:\Client Documents\Key Largo WTD\1724-000\Misc\Resolution re Target Hook up Fee and Charge.doc

Mayor McCoy

RESOLUTION NO. 468 - 2001

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA, CONFIRMING THE ACTION OF THE CHAIRPERSON OF THE MONROE COUNTY BOARD OF COUNTY COMMISSIONERS AS ONE OF THE SIGNATORIES FOR WASTEWATER FUNDING

WHEREAS, an agreement was entered into by the Mayors of Islamorada, Marathon and Key West representing their respective cities and Monroe County Board of County Commissioners Mayor George R. Neugent representing unincorporated Key Largo for the purpose of arriving at a distribution of an anticipated $100,000,000.00 federal funding. This letter of agreement, dated April 25, 2001, shall become a part of this resolution; and

WHEREAS, a confirmation of the signatory for Monroe County Board of County Commissioners is needed; and

WHEREAS, the action may have implications for State of Florida participation; and

WHEREAS, this resolution should provide further comfort to the residents of Key Largo that financial assistance is paramount and further that this resolution and all its implications are contingent upon the full one hundred million federal appropriation being committed; now, therefore

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA that the action of the Monroe County Board of County Commissioners, as one of the signatories, is hereby confirmed.

PASSED AND ADOPTED by the Board of County Commissioners of Monroe County, Florida, at a regular meeting of said Board held on the 20th day of November, 2001.

Mayor Charles McCoy	yes
Mayor Pro Tem Dixie Spehar	yes
Commissioner Murray Nelson	yes
Commissioner George Neugent	yes
Commissioner Nora Williams	yes

Attest: DANNY L.KOLHAGE, Clerk

By _____
Deputy Clerk

BOARD OF COUNTY COMMISSIONERS
OF MONROE COUNTY, FLORIDA

By _____
Mayor/Chairperson

DANNY L. KOLHAGE
CLK. CIR. CT.
MONROE COUNTY, FLA.

FILED FOR RECORD
2001 DEC 26 AM 9:39

Jdreswastewater$

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY
BY _____
ROBERT N. WOLFE
DATE 12-19-01

COUNTY of MONROE
KEY WEST FLORIDA 33040
(305) 294-4641

BOARD OF COUNTY COMMISSIONERS
MAYOR George Neugent, District 2
Mayor Pro-Tem Nora Williams, District 4
Dixie Spehar, District 1
Charles "Sonny" McCoy, District 3
Murray Nelson, District 5

Murray E. Nelson
Commissioner, District Five
Damaron Building, Suite II
99198 Overseas Highway
Key Largo, FL 33037
PHONE (305) 852-7175
FAX (305) 852-7162
Email: boccdis5@mail.state.fl.us

April 25, 2001

Representative Ken Sorenson
317 House Office Building
402 S. Monroe Street
Tallahassee, FL 32399-1300

Dear Ken:

Here are just a few thoughts regarding the agreement on the $100 million federal appropriation.

The Monroe County BOCC and the mayors of the cities of Key West, Key Colony Beach, Layton, Marathon and Islamorada reached an agreement to split the $100 million in the following manner:

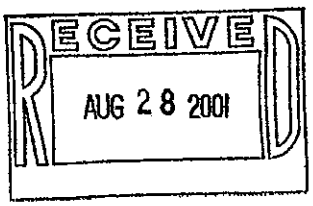
Key Largo	29.56%	=	$29,560,000
Islamorada	29.56%	=	29,560,000
Marathon	29.56%	=	29,560,000
Key West	10.3 %	=	10,320,000
Key Colony Beach	.2 %	=	200,000
Layton	.8 %	=	800,000.

All parties present agreed to this and when Carmen Turner asked for a show of hands that supported this position, all political parties raised their hands.

JOKER
MAYOR RESPONSE

MAYOR FRANK R. KULISKY
VICE MAYOR RON LEVY
COUNCILMAN GEORGE GEISLER

COUNCILMAN MARK GREGG
COUNCILMAN JAMES MOONEY



August 28, 2001

Commissioner Murray E. Nelson
Damaron Building, Ste. 2
99198 Overseas Highway
Key Largo FL 33037

Dear Commissioner Nelson:

This letter is in response to your letter of August 27, 2001 regarding nutrient reduction agreements.

As a member of the Intergovernmental Task Force, I have been active in the solicitation and allocation of both Federal and State funding for nutrient reduction. I was in attendance in Tallahassee when the "bang for the buck" agreement was signed off on, and I was in fact a signer of that agreement.

Let me give you an answer to your question. I have not been aware of any change regarding the inclusion of Key Largo as one of the three large initial wastewater projects to be funded. To my knowledge, no vote occurred on the IGTF level after the agreement was signed.

Sincerely,

Frank R. Kulisky, Mayor
Islamorada, Village of Islands

P.O. Box 568 • Islamorada, FL 33036
305.664.2345 fax 305.853.5357 www.islamorada.fl.us

JIMMY WEEKLEY
Mayor

THE CITY OF KEY WEST
P. O. BOX 1409
KEY WEST, FLORIDA 33041-1409
www.keywestcity.com

RECEIVED
AUG 30 2001
SEWER MAYOR
RESPONSES

August 28, 2001

Commissioner Murray E. Nelson
Monroe BOCC
Damaron Building, Suite II
99198 Overseas Highway
Key Largo, FL 33037

Dear Commissioner Nelson,

I have not been made aware of any changes to the agreements reached at the Intergovernmental Task Force Meetings in regards to either the distribution of the $100 million in federal funding, or the distribution plan for any first year federal allocation.

At the September 5th City Commission meeting, I have sponsored a resolution in support of the aforementioned agreement. Key West will receive a 10.3% share, and will be one of the four projects in line for first year funding.

I do not recall any changes to the agreement based on the current status of the Key Largo sewer project. The IGTF has agreed that the first projects ready to go would be in line to receive the first year of federal funds, but no project to date has been targeted for a delayed allocation.

Sincerely,

Jimmy Weekley
Mayor

DRAFT

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
Terry Lewis, Legal Counsel
Robert Betancourt, P.E. Engineer
Faith Doyle, Clerk to the Board

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.
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 Development and Implementation of a Non Ad Valorem Assessment Program for administrative and management costs

    a. Approval of the Work Plan for development 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 it could 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 E 1 was moved to later in the meeting.

Mr. Sheets referred to his memorandum that was forwarded to the Board via email. The memorandum concerned 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 Procedures Act.

Mr. Lewis then informed the Board that he is the legislative liaison for the Florida Association of Special Districts (FASD) and with over 100 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 MOTION 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.

Mr. Lewis noted that to hire an engineer for fees that are greater than $25,000 the approved CCNA process must be followed. 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 was not aware of any basis for the Board to 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 an engineer 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 piecemealed 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 KLWTD 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 conducted 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 is declared 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, an amended contract with assigned tasks 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 CONTSTRANTS 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 without research. Mr. Lewis informed the Board that they could go forward and pay on an amended contract into

the future to address the emergency. 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 WITHRDREW THE ORIGINAL MOTION.

COMMISIONER 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:

COMMISSIONER BAUMAN	NO
COMMISSIONER BEATY	YES
CHAIRMAN TOBIN	YES
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSON	YES

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 CONSTRANTS 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:

COMMISSIONER BAUMAN	NO
COMMISSIONER BEATY	YES
CHAIRMAN TOBIN	NO
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSON	YES

THE MOTION CARRIED.

COMMISSIONER BROOKS MADE A MOTION PREDICATED ON THE DECLARED MOTION TO AUTHORIZE THE 2ND CONCTRACT AMENDMENT STATING 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:

COMMISSIONER BAUMAN	NO
COMMISSIONER BEATY	YES
CHAIRMAN TOBIN	NO
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSONSON	YES

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 a single project.

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 PROJCET. 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 the 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 was 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:

COMMISSIONER BAUMAN	NO
COMMISSIONER BEATY	YES
CHAIRMAN TOBIN	YES
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSON	YES

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. COMMISIONER 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 is 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 without 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 selected 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:

COMMISSIONER BAUMAN	YES
COMMISSIONER BEATY	YES
CHAIRMAN TOBIN	YES
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSON	NO

THE MOTION CARRIED.

Commissioner Brooks stated that that the EPA's request for comments on the Program Management Plan (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 UNICORPORATED KEY LARGO. COMMISSIONER BEATY SECONDED 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 needed 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

COMMISSIONER BAUMAN MADE A MOTION TO APPROVE THE MINUTES OF THE FEBRUARY 26, 2003 AND MARCH 5, 2003 MEETINGS. COMMISSIONER BEATY SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

J. Meeting Adjournment

Chairman Tobin adjourned the meeting at 7:25 p.m.

DRAFT

Key Largo Wastewater Treatment District

Board of Commissioners Meeting Minutes

4:00 PM Wednesday, April 23, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

Board Members Present

Chairman Andrew Tobin
Commissioner Gary Bauman
Commissioner Cris Beaty
Commissioner Charles Brooks
Commissioner Jerry Wilkinson

Staff Present

Robert Sheets, General Manager, Government Services Group, Inc.
Terry Lewis, Esq., Legal Counsel, Lewis, Longman and Walker, P.A. (via telephone)
Robert Bentancourt, PE, Gartek Engineering
Faith Doyle, Board Clerk, Government Services Group, Inc.

Guests Present

David Refling, P.E. DEE, Boyle Engineering
Walter E. Messer, D.N. Higgins, Inc.
James B. Jones, Roediger Pittsburgh, Inc.
Charles Fishburn, Gartek Engineering
Michael Longenecker, Key Largo Resident
Pete Kinsley, The Haskell Company
Nos Espat, Randazza
Ann Henson, Reporter for the Key Largo Reporter
Steve Gibbs, Reporter for the Free Press

A. Call to Order

Chairman Tobin called the meeting to order at 4:00 p.m.

B. Pledge of Allegiance

The Pledge of Allegiance to the United States of America was recited.

C. Additions, Deletions or Corrections to the Agenda

Mr. Tobin asked the general manger to report on the recent negotiations meeting with FKAA. Mr. Sheets stated that he and Commissioner Brooks attended the meeting along with representatives of the FDCA, FEMA and FKAA. The FEMA schedule for the Environmental

Assessment or what FEMA refers to as a 'FONSI' Phase I should be signed in July. The KLTV project cannot start until the 'FONSI' Phase II is signed mostly likely in early September. Funds are contingent on the 'FONSI' being approved. The October 31 date becomes moot because it cannot be met due to no fault of the KLWTD.

Mr. Sheets stated that with the Board's approval he would forward a letter to the FKAA to request reimbursable costs for KLWTD's sub-contractors for Phase 1 costs. Mr. Sheets stated that only KLTV costs between now and July would be for KLTV Phase 1 engineering. Commissioner Bauman asked for a new timeline. Mr. Sheets stated that the FDEP requires a new Schedule C and that one would be prepared and forwarded once the KLTV and KLP contract negotiations are concluded.

Chairman Tobin requested Item E 6 "Status report on the KLTV contract negotiations" be brought to the floor for discussion. Mr. Sheets referred to his memorandum that had been distributed to the Board at the meeting.

Mr. Terry Lewis, legal counsel, joined the meeting by phone at 4:15 pm.

Mr. Sheets stated that as a result of the meetings with Haskell approximately $550,000 in savings had been negotiated. Discussion ensued concerning the specifics of the memorandum and the attachments to it. The memorandum is made part of this record as "Attachment A".

Chairman Tobin stated that after the discussion on re-bidding the projects, he was still open to it. Commissioner Bauman asked Mr. Sheets what action was required by the Board to stay on track. Mr. Sheets stated that either the Board needs to approve beginning the negotiation process at the present meeting or at the May 14, 2003 meeting or to act to re-bid the projects at the May 14, 2003 in order to make the June 30, 2003 deadline.

Mr. Refling reiterated the comments of Mr. Sheets concerning the negotiation team, adding that all members have done an excellent job. Mr. Refling added that at present it is hard to identify all cost savings options because the KLTV project has not been fully designed yet, it is conceptual, and at the 30%, 60% 90% submittals, more savings could be identified. The benefits of a lump sum contract were discussed. It was noted that one of the major benefits is that the required documentation is less and if any cost savings are realized it is shared between KLWTD and the contractor, but if there are overages (not as a result of an owner requested change order) the contractor absorbs them. Mr. Sheets noted that although the documentation requirements are less, the KLWTD does not give up any audit rights.

Chairman Tobin asked about reduction to the number of valves and how the design continues to be refined. Mr. Refling stated that the companies looked at the conceptual design and gave initial cost saving ideas after entering the negotiation process and that Haskell's engineers have looked at the concept in the Park and have identified where there is potential for adding a gravity system at the end of some lines. Mr. Pete Kinsley of Haskell added that all parties are concerned with proper design, especially Haskell, because they are contracted to guarantee an operating system.

Discussion ensued as to where pits would be located and if there would be stubs for undeveloped lots. Mr. Refling stated that there would be an exhibit to the contract demonstrating that all future building lots would be connectable to the system.

Chairman Tobin asked that Mr. Refling explain in detail all eleven points stated in Mr. Sheets' memorandum.

Mr. Refling stated that item one concerning sales tax savings is not an addressable issue at present. The amount stated was an estimate and could be used if feasible, however the amount was not included in Haskell's 'best and final' price. The sales tax issue can be decided at a later time and is contained in the contract documents.

Mr. Refling stated that item two concerning the use of Airvac or Roevac as vacuum system supplier is something that he personally needs more information on to make a decision. Mr. Fishburn added that Haskell feels comfortable with both so competition could result in savings. Mr. Refling added that there is time to look at it further.

Discussion on the bottom line savings ensued. Mr. Fishburn stated that directional boring may provide benefits and potential savings but there are concerns with the technology. Mr. Kinsley commented that in their experience the technology is good for force mains and cables, but a vacuum system needs to be done on a slope. Mr. Walt Messer of Higgins has done boring but not for gravity lines and believes there is too much risk to be ignored. Commissioner Tobin stated that if the technology is available that the engineers need to look at it and decide. Mr. Refling stated that he is not convinced yet because of the complexity of this system and the field conditions make it complicated and it may not work. Commissioner Wilkinson doesn't believe it would work with Airvac. Discussion ensued on the process. Chairman Tobin asked if the technology could be tested in the area. Mr. Messer suggested the U.S.1 cut across would be a good place to try it due to its proximity to the plant. Chairman Tobin asked who makes the decision to do it. Mr. Kinsley stated that KLWTD would suggest it and the contractor would decide due to liability issues, adding that all members must be comfortable so the warranty is enforceable. It was noted that the FDOT would not permit a total closing of U.S. 1 to complete the cut across.

Discussion ensued on the use of USBF, and Mr. Kinsley stated that there would be no significant cost savings on installation but the maintenance is less.

Commissioner Wilkinson asked for clarification on what spare parts would be eliminated. Mr. Refling stated that they are whole valves, but there are spare parts in both contracts and it was a duplication of effort and they are not needed for both projects.

Commissioner Bauman asked if the construction management services were being reduced. Mr. Sheets stated that $300,000 was programmed in for KLP and after talking to staff there is a commitment that $150,000 would cover it.

Commissioner Beaty questioned the reasoning for the $50,000 reduction on the U.S. 1 crossing. Mr. Messer spoke with Mike Reese of the FKAA who verified that FDOT doesn't require casing so the savings are on the casing and that this would be confirmed when a permit application is filed.

Commissioner Brooks commented that going through contract negotiations for the first time is tiring and time consuming but rewarding and he believes the KLWTD is in a win/ win situation. Commissioner Brooks stated that there is nothing but benefits for the KLWTD if the Board moves forward. He stated that with all the concessions given by Higgins and Haskell, there is cash in the bank. He stated that he recommends KLWTD go forward with the negotiations with Haskell.

Commissioner Brooks made a motion to follow the recommendations as specified on page 3 of Mr. Sheets' memorandum. Commissioner Tobin stated that he is not at Commissioner Brooks' comfort level and would like to continue discussion. Commissioner Brooks stated that if the Board does not move in this direction and attempts a re-bid it is uncertain if they would be lower and they could be higher. Commissioner Brooks was also concerned a re-bid could jeapordize the $1.66 million from FDEP. Chairman Tobin asked for reaffirmation that the process should go forward.

Mr. Terry Lewis stated that a motion to go forward as quickly as possible with Haskell negotiations was acceptable. Then the next item for the Board to consider would be to determine the low bidder for the KLP and motion for award. Mr. Lewis stated that at that point, in his opinion, the Board would be able to discuss simultaneous negotiations with Haskell and Higgins. Mr. Lewis stated that the negotiation team has done competent work. Chairman Tobin stated that he was comfortable with the legal opinion provided. Commissioner Brooks withdrew the motion on the floor.

COMMISSIONER BROOKS MADE A MOTIONED TO FOLLOW THE RECOMMENDATIONS OF THE NEGOTIATING TEAM AND THAT THE BOARD AUTHORIZE THE TEAM TO CONTINUE AND MOVE FORWARD TO FINAL NEGOTIATIONS FOR THE KLTV PROJECT. COMMISSIONER BAUMAN SECONDED THE MOTION. CHAIRMAN TOBIN ASKED FOR ANY FURTHER DISCUSSION. Commissioner Wilkinson asked if the Board was continuing the negotiations in an effort to bring back the contract for Board approval. Mr. Sheets stated that was correct. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

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

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

Chairman Tobin called the next item of business, an additional item, to be named action item D 4, the consideration of the apparent low bidder for the KLP project. Chairman Tobin requested that the letter of recommendation be presented for ratification at the next meeting. Chairman Tobin asked Mr. Refling to reiterate what was contained in the recommendation letter. Mr. Refling stated that the KLP project was based on a design/bid/build set of documents and bids were received based on a base bid and two alternates. The RFP specified that consideration would be on the lowest responsive, responsible bidder on the base bid only. D.N. Higgins was low bidder and lowest responsive, responsible bidder and Boyle Engineering recommends D.N. Higgins for award of the base bid.

Mr. Lewis suggested a motion to select Higgins as the apparent low bidder contingent on Higgins negotiating to determine cost savings by integrating the projects. Mr. Messer of Higgins asked if integrating the projects meant doing them both together. If so Higgins

agreed. Commissioner Brooks asked for confirmation of DEP restrictions on combining projects. Mr. Sheets stated that the contract would need to be carefully constructed because of DEP procurement policies and the fact that the $1.66 million can only pay for KLP components. Mr. Sheets stated that because these are federalized due to the FEMA involvement we need to keep them informed. Mr. Lewis suggested the verbiage 'negotiate simultaneous contracts'. Commissioner Wilkinson objects due the fact that Higgins' position would be strengthened and Haskell's weakened. Mr. Lewis explained that the selection of Higgins as low bidder would be conditional on successful concurrent negotiations to get the lowest price possible, and if the negotiations fail, the Board would be in the position to re-bid.

THE MOTION WAS MADE BY COMMISSIONER BROOKS AS SUGGESTED AND SECONDED BY CHAIRMAN TOBIN. Discussion ensued on how the continued negotiations would be handled. Mr. Messer of Higgins asked if the KLP was a bid process and not a design build, how do you negotiate a low bid. Mr. Refling stated for clarity that what he believes Mr. Lewis said was once these motions are made and approved then the Board would motion for the negotiation team to meet and this would permit all parties to talk and take all factors into consideration. Mr. Lewis affirmed Mr. Refling's statement.

COMMISSIONER BROOKS MADE A MOTION TO SELECT D.N. HIGGINS AS APPARENT LOW BIDDER CONDITIONED ON SUCCESSFUL CONCURRENT NEGOTIATIONS WITH D.N. HIGGINS AND HASKELL TO LOWER THE OVERALL COSTS OF THE INTEGRATED PROJECTS. IF THE NEGOTIATIONS ARE UNSUCCESSFUL THE BOARD MAY REJECT THE BIDS. COMMISSIONER BAUMAN SECONDED THE MOTION FOR DISCUSSION. Chairman Tobin stated that this brings two projects together that never should have been separated. Commissioner Bauman added that if the contract is achieved then we could look at adjusting the work by change order. CHAIRMAN TOBIN CALLED FOR FURTHER DISCUSSION. Commissioner Wilkinson had concerns with premature selection of Higgins without the KLTV contract being final. Chairman Tobin stated that he still had concerns but this looks like a more efficient way to move forward. Discussion ensued concerning if the Board had the right to re-bid until a contract is signed. It was noted that re-bid would still be possible but the purpose is to come back with contracts for Board approval as soon as possible. Mr. Sheets assured the Board that the negotiation team would go slow so that all parties have no regrets after signing, while keeping within the deadlines. Mr. Sheets stated that if the Board makes the decision it would provide him with the information to revise Schedule C with reasonable deadlines. Chairman Tobin asked when draft contracts could be expected. Mr. Sheets stated that possibly by May 14th a draft for review with action at the May 28th meeting unless a special meeting is called. Mr. Sheets stated that with three weeks between today and the May 14th meeting it could be done. Mr. Lewis suggested the Board notice a special meeting on the 21st and if it is not needed then it could be cancelled. CHAIRMAN TOBIN CALLED FOR A VOTE WHICH WAS AS FOLLOWS:

COMMISSIONER BAUMAN	**YES**
COMMISSIONER BEATY	**YES**
COMMISSIONER BROOKS	**YES**
COMMISSIONER WILKINSON	**NO**
CHAIRMAN TOBIN	**YES**

THE MOTION CARRIED.

Action Items

1. Approval of the Work Plan for Developing and Implementation of a Non Ad Valorem Assessment Program for administrative and management costs

Chairman Tobin informed the Board that John Dent, attorney for the Monroe County Property Appraiser, called him concerning a potential problem with the KLWTD MSTU request that is on the May 19, 2003 BOCC agenda. Legal Counsel will verify that in February the KLWTD had communicated with the Tax Collector who indicated that the deadline had been met. Mr. Lewis stated that Chapter 200 the 'TRIM' statute has a section that says MSTU taxes on a tax role need to be created prior to January 1. But, the same section states that the deadline doesn't apply if the MSTU is to be created in an area to be served by a special taxing district. MSTU creation should not be a problem in Mr. Lewis' opinion. Mr. Lewis will contact Mr. Dent to remind him that this point has been researched. Mr. Lewis does not feel there is any prohibition to creating an MSTU. Chairman Tobin stated that this work plan relates to the MSTU being approved. Commissioner Brooks stated that the non ad-valorem process should be initiated after the MSTU decision to avoid incurring costs. Chairman Tobin asked what the deadline was for special assessment. Mr. Sheets stated that notice is required to meet the uniform information act, which includes getting the role prepared and holding a public hearing by September 15, 2003.

COMMISSIONER BEATY MADE A MOTION TO TABLE THE ITEM UNTIL THE BOCC ACTS ON THE MSTU. COMMISSIONER BAUMAN SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

2. Approval of Gartek, Engineering Corporation additional services request for KLTV Contract Negotiations Phase

Mr. Lewis stated that at the last meeting the Board approved changing Gartek's contract to the maximum amount permissible per the CCNA laws. The Board also declared an emergency and authorized the spending of an additional $6,000 for Gartek to participate in the KLTV contract negotiations. The only pending issue is on the retroactive amount over and above the $25,000 CCNA threshold. Mr. Lewis has conducted the research requested by the Board and did not find case law to support retroactive emergencies.

Chairman Tobin asked for discussion the item. Commissioner Brooks stated that he was concerned because he had made the motions and he is upset that an email after the fact had resulted in an additional change in the contract. Commissioner Brooks stated that as far as the legal handling of resolutions after a motion is made, a resolution should be drafted and reviewed for legal sufficiency. Commissioner Brooks stated that he then received an email from Ms. Dukes (legal counsel) containing the Gartek amendment to contract that incorporated changes to the motions already made and passed by the Board. Mr. Lewis stated that he did not recall reviewing any resolutions and if the contract does not reflect what the Board would like it could be corrected. He added that no intent to negate the actions of the Board was intended. Commissioner Brooks quoted Section 1.02.E concerning duplicate payments. Commissioner Brooks believes this to be a major change in his mind

and it was disturbing to him that the email that resulted in this change should also be a public record.

Commissioner Brooks stated that during the discussion prior to voting on his motions on the Gartek issue, as he recalls from his own memory and the draft minutes provided by the clerk, that the increase of $5,000 was a change to the original contract and should be a separate amendment. Mr. Lewis stated that there is no legal purpose in separating them. Commissioner Brooks stated his intention for the emergency declared was for the purpose of retroactively paying the balance to Gartek for the additional $27,000. Commissioner Brooks reiterated that his intent was to okay the payment of additional services. Commissioner Brooks stated that his next motion was to approve the additional $6,000 to Gartek to participate in the negotiation process for the KLTV project award and it was his understanding that this was to be a contract amendment. Commissioner Brooks believes the beginning of the emergency was November 19, 2002.

Mr. Lewis stated that he could find no basis in law to declare a retroactive emergency and that after reviewing case law, Gartek should have presented a change order and that even with a change order the Board by law could not approve anything above $25,000 without a bonafide emergency. Mr. Lewis stated that there is no case law that would support payment of the unapproved additional services. Discussion ensued on the case law concerning overages to a contract. Mr. Lewis stated that if the Board was aware of the work, the Administrative Procedures Act (which Mr. Lewis noted that the KLWTD was under presently) states that the declaration of an emergency must be from a period in time going forward. Mr. Lewis found no basis in law that demonstrates an emergency could be declared retroactively. Mr. Lewis understands the dilemma faced by the Board but can give no support from the law in support of the Board's decision. Commissioner Brooks asked directly if Mr. Lewis could provide support that the Board could not pay it. Mr. Lewis stated that before paying it the Board could request an opinion from the State Attorney General. Commissioner Brooks reaffirmed that the next step would be to ask for an A.G.O. Mr. Lewis answered in the affirmative but does not believe the opinion would result in a positive answer. Mr. Lewis would not advise the KLWTD to spend the money. Commissioner Brooks stated that the amendment in front of the Board should be approved so that Gartek would be compensated for the $5,000 and the additional $6,000, however he would like to find a legal way to pay the $27,000 in additional services. Commissioner Brooks asked if Gartek would still be paid the $5,000 if the amendment was not approved. Mr. Lewis stated that the $5,000 could be paid because the Board approved the motion, however a contract amendment is ultimately required. Mr. Lewis stated that the Board could approve the amendment with the suggested changes.

The Chairman asked for additional comments from the Board.

Commissioner Bauman stated that the discussion of the Gartek additional services request was presented as a legal discussion item and not as an action item and that in his opinion Commissioner Brooks made three motions that the Board had no time to review.

Commissioner Beaty stated that the agreement is sufficient. He questioned the Board's ability to pay the additional services if a change order was approved by the Board. Commissioner Beaty stated that he agreed that Gartek should be paid for the additional services and that the Board should continue to try and find the means to do so.

Commissioner Tobin stated that to go back to the reason for contracting with Gartek it was by request of Commissioner Wilkinson who wanted another engineering opinion to improve his comfort level with the information provided by the FKAA. Chairman Tobin asked Mr. Refling at that time if it were reasonable to have an additional engineering opinion.

Chairman Tobin recalled that Mr. Refling agreed that two engineers were reasonable for the KLTV project because it was a design/build project. Mr. McGarry indicated that the expenditure for the additional engineering was possible.

Chairman Tobin stated that after speaking with Robert and Chuck at length that he agrees they are doing good work for the KLWTD, however, the legality of a retroactive emergency and asking for an A.G.O. could cause the KLWTD more expense and embarrassment. Chairman Tobin recalled that the emergency was to be based on legal research to determine if there could be a retroactive emergency. Chairman Tobin stated that he was concerned with any contractor double billing and that double billing was addressed in the contract amendment because of his concerns with being charged for the attendance of both Chuck and Robert on the invoices in question. Chairman Tobin stated that he wants to be fair and to do what is right and if there are circumstances that warrant the charges for two staff members' attendance they should be pre-approved. Chairman Tobin noted that the KLWTD does not have the extra money in the budget and that Gartek is looking at reducing their bill. Chairman Tobin also stated concern with the use of sub-consultants because the Board has no privities with Gartek's sub-consultants. Chairman Tobin concluded that the Board is aware that Gartek's work is good but the Board has to struggle with setting bad precedent by passing a retroactive emergency if there is not legal authority to do so. Chairman Tobin would support only paying critical services that were helpful to the KLTWD and to pay them from grant money for engineering services only.

Commissioner Brooks stated that his issues include making changes to an already approved 'resolutions' via email, the $5,000 increase to the original $20,000 contract, the declaration of an emergency, and the additional $6,000 for contract negotiations. Commissioner Brooks stated that no motion was made by the Board to put in the amendment that Gartek would receive no payment for two staff members being present and it is improper to add or take away from the intent of a motion. Commissioner Brooks quoted from the draft April 9, 2003 minutes. Stating that his point was that this legal opinion was not part of his motion. Mr. Lewis apologized for being the one who presents problems but added that he cannot make up the law to support an action.

Commissioner Wilkinson stated he as technical committee chair was not aware of the invoice amounts or that the CCNA threshold of $25,000 had been exceeded. He feels Gartek should be paid, if not retroactively it should be paid from the FKAA engineering funds. Commissioner Tobin believed that the original $20,000 had been approved by the FKAA. Mr. Sheets stated that he would explore getting reimbursed for costs incurred on these projects with Phase I moving forward.

Commissioner Bauman stated that he doesn't recall anyone on the Board being assigned to review invoices for Gartek nor should the Board take any blame for the situation. He believes it is the vendor's responsibility to get change orders for their work. The original

contract was a $20,000 fixed fee, not-to-exceed contract and that Gartek is a professional services firm and to over-bill by $22,000 is a problem.

Commissioner Brooks quoted again from the April 9, 2003 draft minutes. Chairman Tobin stated that you cannot debate recollection and if the motion was recalled wrong it should be restated and the vote taken again.

COMMISSIONER BROOKS MOTIONED TO APPROVE THE AMENDMENT WITH THE STRIKING OF SECTION 1.02.E SECTION Commissioner Brooks asked for an explanation of the last whereas clause. Mr. Lewis stated that it was his understanding of the amended contract. Commissioner Brooks stated that it was his intent for the emergency to be retroactive and it is not. Mr. Lewis stated that the Board could vote to approve the amendment while striking the last whereas. COMMISSIONER BROOKS CONTINUED HIS MOTION ADDING AND STRIKING THE LAST WHEREAS CLAUSE. COMMISSIONER WILKINSON SECONDED FOR DISCUSSION. Chairman Tobin believed Section 1.02.E should stay because striking it sets precedent for vendors to double bill. It doesn't say we won't pay if double billing is warranted it just gives us the right to determine if it is valid. Chairman Tobin stated that by taking it out it would open the door to be double billed. Discussion ensued on ~~what~~ the definition of double billing ~~was~~. Commissioner Bauman asked if the $6,000 for contract negotiation was a fixed price not-to-exceed $6,000. Mr. Lewis confirmed that it was a not-to-exceed price of $6,000. COMMISSIONER BROOKS RESTATED HIS MOTION TO STRIKE SECTION 1.02.E FROM THE GARTEK CONTRACT AMMENDMENT. COMMISSIONER WILKINSON SECONDED THE MOTION. CHAIRMAN TOBIN ASKED FOR FURTHER DISCUSSION. THERE BEING NONE HE CALLED FOR THE VOTE.

COMMISSIONER BEATY	**NO**
COMMISSIONER BAUMAN	**NO**
CHAIRMAN TOBIN	**NO**
COMMISSIONER BROOKS	**YES**
COMMISSIONER WIKINSON	**YES**

THE MOTION FAILED BY A VOTE OF THREE AGAINST AND TWO IN FAVOR.

COMMISSIONER BROOKS MADE A MOTION TO ~~STRICK~~ Strike THE LAST WHEREAS CLAUSE FROM THE GARTEK CONTRACT AMENDMENT. COMMISSIONER WILKINSON SECONDED THE MOTION. CHAIRMAN TOBIN ASKED FOR DISCUSSION. Chairman Tobin asked if the 'whereas' should be stricken or should it read as an affirmative declaration of a retroactive emergency. COMMISSIONER BROOKS RESTATED HIS MOTION SO THAT THIS EMERGENCY BY THE DISTRICT BOARD SHALL BE CONSIDERED TO APPLY RETROACTIVELY. COMMISSIONER WILKINSON SECONDED THE RESTATED MOTION. Commissioner Wilkinson stated that if this is declared a retroactive emergency the Board still needs to deal with the additional services bill and someone should be designated to sit down with Gartek and bring back a final invoice amount. CHAIRMAN TOBIN ASKED FOR FURTHER DISCUSSION. THERE BEING NONE HE CALLED FOR A VOTE.

COMMISSIONER BAUMAN	**NO**
COMMISSIONER BEATY	**YES**

COMMISSIONER BROOKS	**YES**
COMMISSIONER WILKINSON	**YES**
CHAIRMAN TOBIN	**NO**

THE MOTION CARRED.

Chairman Tobin asked if legal counsel could take the lead on discussing the invoices with Gartek. Commissioner Bauman stated that he had a problem with legal doing the review. Mr. Sheets stated that the CFO David Miles would be more appropriate.

COMMISSIONER WILKINSON MADE A MOTION TO APPROVE THE AMENDED CONTRACT WITH GARTEK. COMMISSIONER BEATY SECONDED THE MOTION. WITH NO FURTHER DISCUSSION CHAIRMAN TOBIN CALLED FOR A VOTE.

COMMISSIONER BAUMAN	**NO**
COMMISSIONER BEATY	**YES**
COMMISSIONER BROOKS	**YES**
COMMISSIONER WILKINSON	**YES**
CHAIRMAN TOBIN	**NO**

THE MOTION CARRIED.

Chairman Tobin recessed the meeting at 7:30 p.m.

Co-Chairman Wilkinson reconvened the meeting at 7:40 p.m.

3. Approval of the Pending Payments Schedule

Mr. Sheets presented the Pending Payments Schedule and noted that the Gartek payment of $5,000 was included. Mr. Sheets stated that an additional payment needed to be added for $175.00 payable to the Florida Department of Community Affairs for KLWTD annual special districts fee.

COOMMISIONER BEATY MOTIONED TO APPROVE THE PENDING PAYMENTS SCHEDULE WITH THE ADDITON OF THE $175.00 PAYMENT TO THE FDCA. COMMISSIONER BROOKS SECONDED THE MOTION. CO-CHAIRMAN WILKSON ASKED FOR ANY DISCUSSION. WITH NO FURTHER DISCUSSION ALL WERE IN FAVOR AND THE MOTION CARRIED.

D. General Manager's Report

1. State of Florida Commission on Ethics Statement of Financial Interests

Mr. Sheets stated that this item required no action from the Board if the members had previously filed an ethics statement with the clerk of courts. The clerk would be forwarding a list of the KLWTD Commissioners to the Commission on Ethics per their request.

2. Interim Financial Reports for KLWTD as of March 31, 2003

Mr. Sheets stated that this item was informational and that no Board action was required.

3. Status Report/Discussion regarding the final amendment to the Inter-Local Agreement between the County, FKAA and District

Mr. Sheets stated that the information presented would be drafted into a letter to be forwarded to the BOCC attorney requesting these changes to the agreement and requesting that they be considered by the BOCC at their May meeting.

4. Status Report Florida Association of Special District membership and Florida Department of Community Affairs FASD Annual Conference Scholarship

Mr. Sheets stated that the Special District Association offered a pro-rated membership fee to the KLWTD and that an application for a scholarship for registration fees to attend the annual conference in early June had been submitted. Mr. Sheets stated that it was highly suggested that KLWTD members attend.

5. Status report on the Consulting Engineering Services Request for Qualifications - CCNA process

Mr. Sheets stated that no action was necessary on this item and that the list of vendors that had requested or been forwarded submittal packages was being provided for informational purposes.

6. Status report on the KLTV Contract Negotiations

Mr. Sheets stated that this item had been covered in previous discussion.

7. Status report on the Amendment No. 1 to DEP Agreement LP0338 – Revised Schedule C

Mr. Sheets stated at a revised Schedule C would be provided at the May 14, 2003 meeting.

Mr. Sheets requested that the Board consider holding a budget workshop prior to the May 14, 2003 meeting to discuss the FY2004 KLWTD Budget. It was the Board's consensus to hold the budget workshop beginning at 3:00 p.m. at the Key Largo Civic Club on May 14, 2003 and for a public notice to be issued.

E. Legal Counsel's Report -- NONE

There were no other legal counsel items to be discussed.

F. Engineer's Report

There were no other engineer's items to be discussed.

G. Commissioner's Items

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

Commissioner Brooks stated that due to the earlier discussion the item should be tabled.

2. Commissioner Brooks -- Discussion of comments submitted for the EPA's PMP

Commissioner Brooks requested the item be tabled until the May 14, 2003 meeting.

3. Commissioner Bauman – Discussion on Gartek Engineering, Inc. correspondence dated February 14, 2003

Commissioner Bauman stated that he had no further comments on this issue.

H. Minutes – March 26, 2003

COMMISSIONER BROOKS MADE A MOTION TO APPROVE THE MARCH 26, 2003 MINUTES. COMMISSIONER BEATY SECONDED THE MOTION. CHAIRMAN TOBIN VOTED NO. THE MOTION CARRIED.

I. Meeting Adjournment

Commissioner Brooks made a motion to adjourn. Commissioner Beaty seconded the motion. All were in favor. The meeting was adjourned at 8:10 p.m.

MEMORANDUM TO THE BOARD

TO: BOARD OF DIRECTORS

CC: TERRY LEWIS, AMY DUKES, CHARLES SWEAT, FAITH DOYLE

FROM: NEGOTIATING TEAM

SUBJECT: KEY LARGO TRAILER VILLAGE NEGOTIATIONS

DATE: 4/23/03

At our last regularly scheduled Board meeting, the Board ranked the Haskell Company as the number one ranked firm for purposes of contract negotiation for the Key Largo Trailer Village Project. The Board directed the General Manager to head this negotiation and form a team that consists of Commissioner Charles Brooks, representatives from Gartek, Boyle Engineering, GSG and Lewis, Longman and Walker.

The negotiating committee had numerous phone conferences to discuss negotiating strategy and has met with Haskell on two occasions. The first was Tuesday, April 15th and the final meeting was on Monday, April 21st. Haskell, at the April 21st meeting had representatives from Brown and Caldwell and Higgins, Inc.

As a result of those negotiations, the following reductions were offered by Haskell as an agreed upon reduction in the Guaranteed Maximum Price (GMP) of their $8,443,203 proposal:

1) Sales tax savings if the Board will purchase all major equipment, piping and pumps. The Haskell team offered to prepare all submittals and associated paper work. The Board will have to review their submittals and authorize a purchase order under the KLWWTD name. Haskell estimated a $50,000 savings for plant equipment and a $25,000 savings for vacuum system materials, for a total of $75,000.

2) Equipment cost savings if Haskell has the option to use Airvac or Roevac as the vacuum system supplier. The total savings of $75,000 for this substitution.

3) Spare parts savings for the vacuum system. Currently there are spare parts in the KLTV and KLP projects, and only one set is necessary. Haskell offered a savings of $25,000 to eliminate spare parts from their scope.

4) Elimination of the trailer-mounted vacuum pump for testing the vacuum system. Only one is required for both projects assuming close coordination between the KLTV and KLP. Haskell offered a savings of $20,000.

5) Reduction of vacuum system supplier representative services. Haskell believes that savings can be realized by reducing the on-site inspections quoted by the suppliers.

Although they had not received confirmation, Haskell indicated that they are standing by their estimate of a $30,000 savings for this item.

6) Reduction of the landscaping scope that was assumed in their estimate. Haskell offered a savings of $25,000.

7) Elimination of a "double-counting" error that they made when their cost proposal was prepared. Apparently, the cost of the vacuum pumps was inadvertently included twice. Haskell offered a $35,000 savings for this item.

8) Elimination of the Owner's trailer. Haskell offered a savings of $15,000.

9) Reduction in costs of the collection system by incorporating gravity at some locations within the KLTV, similar to the KLP design, and further minimizing the number of vacuum valves and pits. Haskell offered a savings of $150,000 utilizing this approach.

10) Optimization of the U.S. 1 crossing. Utilizing an open cut similar to that which was allowed by the Florida Department of Transportation (FDOT) for the Little Venice project, savings should be realized. Higgins confirmed this and offered a $50,000 savings.

11) Haskell has reduced the Guaranteed Maximum Price an additional $50,000 in consideration of a lump-sum contract. Total Savings $550,000.

These savings are estimates. Actual savings will depend upon final contract negotiations and other issues that cannot be addressed until detailed design is underway.

These savings to the GMP total $500,000.

In addition to the savings listed above, other contractual terms were discussed. Haskell has also provided a list of suggested changes to the standard contract (see attached copy). This list was discussed with Haskell at the Monday meeting. In addition, General Counsel has reviewed these items and has provided a written response (see attachment). The negotiating committee does not believe that any of the items listed in Haskell's correspondence represent a major conflict with the Board's objectives.

Based on the Board's goal of reaching as many customers with the funds available, the negotiating team believes that the Haskell "best and final" (see attachment) offer provides the District with an opportunity to reach a sufficient number of EDUs to make this project more cost effective. Because of the short time frame between receipt of the "best and final" offer and the Board meeting today, the following table has been provided to show what impact the final offer by Haskell will have on total funds available for both Key Largo Park and Key Largo Trailer Village.

Item	Amount
KLTV (Best and Final)	$7,895,000
Preliminary Engineering Planning	$392,955
Construction Management (Revised)	$400,000
Key Largo Park (Base Bid)	$1,097,650
Engineering	$325,000
Construction Management (revised)	$150,000
Total Committed Funds	$10,260,605
Plus Land Purchase	$826,234
Grand Total	$11,086,839
Funds Available	$12,411,646
Balance Remaining	$1,324,807

[1] Includes $100,000 from South Florida Water Management District.

Based on these potential costs savings, the Board has the opportunity to move forward with final negotiations with the Haskell Company for the Key Largo Trailer Village Project. In addition, the Board could authorize the negotiating team to finalize the contract with Higgins for the base bid for Key Largo Park. At that point, the District would have the option of issuing a change order with either or both firms to conduct additional work within Key Largo Park based on the funds available.

Recommendations

It is the negotiating team's recommendation that the Board authorize the negotiating team to continue and move toward final negotiations with Haskell for the Key Largo Trailer Village Project. The team also recommends that the board authorize negotiations to begin as soon as KLTV is finalized with Higgins for the Key Largo Park base bid.

The District's General Counsel will become more involved in the discussions at this point, due to the fact that in addition to the costs reductions, other terms and conditions will need to be incorporated into the final contract between the Haskell Company and the District.

Closing

The goal and purpose will be to maximize efficiencies and economies of scale for the completion of the Key Largo Park based on available funds.

Attached to your briefing document is a copy of the Haskell Company's best and final offer, dated April 22, 2003, the Haskell letter dated April 18, 2003 outlining proposed contract modifications and the correspondence from Lewis, Longman and Walker dated April 22, 2003, which responds to the proposed contract modifications by the Haskell Company.

In closing, as District Manager, I would like to recognize and thank every member of the negotiating team for all the hard work that has taken place since this process has begun.

Via Facsimile 850-224-7206
And Overnight Delivery

Peter M. Kinsley
Division Leader – Water

April 22, 2003

Re: Design/Build Wastewater Management System for the Key Largo Trailer Village Area
Best and Final Cost Proposal

Mr. Robert E. Sheets, Chief Executive Officer
Government Services Group, Inc.
1500 Mahan Drive
Suite 250
Tallahassee, Florida 32308

Dear Mr. Sheets:

The Haskell Company is pleased to present to the Key Largo Wastewater Treatment District (KLWWTD) our "Best and Final" Cost Proposal for the Design-Build Wastewater Management System for the Key Largo Trailer Village Area project. The Haskell Company will design and construct the above referenced project in accordance with the requirements of the Request for Proposals and as defined in our Design-Build Technical Proposal for $7,970,000.00. The "Best and Final" Cost Proposal was developed as follows:

Original Total Combined Project Cost	$	8,445,203.00
Option to use Roe Vac in lieu of Airvac	<$	75,000.00>
Eliminate Collection System Spare Parts	<$	25,000.00>
Eliminate Collection System Testing Equipment	<$	20,000.00>
Reduce Man-hours of Collection System Representative	<$	30,000.00>
Reduce Landscaping Scope	<$	25,000.00>
Eliminate Vacuum Pumps Pricing Double Up	<$	35,000.00>
Eliminate Owner Trailer	<$	15,000.00>
Reduce Number of Vacuum Valve Pits	<$	150,000.00>
Open Cut US 1 Crossing	<$	50,000.00>
Convert Contract to Lump Sum Agreement	<$	50,203.00>
"Best and Final" Total Combined Project Cost	$	7,970,000.00

It should be noted that the "Best and Final" Total Combined Project Cost does not include the $75,000.00 savings associated with sales tax credits on KLWWTD purchased material. These costs must be included in the original contract value and would be credited to the KLWWTD as material is purchased and associated deductive change orders are executed. Once these savings are realized, the actual project cost would be $7,895,000.00.

The conditions associated with the "Best and Final" Total Combined Project Cost are as follows:

1. The KLWWTD will give consideration to the proposed contract modifications presented in the Haskell letter dated April 18, 2003 and discussed during the April 21, 2003 negotiations.
2. The Haskell Company has the option of using Roe Vac in lieu of Airvac for the vacuum collection system.
3. There will be no vacuum collection system spare parts provided under this contract. It is assumed that the vacuum collection system spare parts provided with the Key Largo Park project will suffice.
4. There will be no vacuum collection system testing equipment provided under this contract. It is assumed that the vacuum collection system testing equipment provided with the Key Largo Park project will be used on the Key Largo Village project.
5. The vacuum collection system representative will be limited to eight weeks of onsite support (training, observation, startup, etc.). No additional support should be required to properly deliver the project.
6. The landscaping budget has been reduced to $28,585.00. This budget should be sufficient to provide landscaping meeting the requirements of the project.
7. There will be no owner trailer provided under this contract.
8. The agreement is based upon one hundred thirty-one (131) vacuum valve pits. This number of vacuum valve pits should be sufficient provide a complete an operable vacuum collection system.
9. The contract will be converted from a cost plus with GMP agreement to a lump sum agreement.
10. The agreement is based upon open cutting the US 1 crossing. All indications from DOT are positive with this regard.

The Haskell Company recognizes KLWWTD's desire to utilize USBF secondary treatment in lieu of SBR secondary treatment. As discussed, the capital cost of USBF appears to be greater than the capital cost of SBR. We are analyzing the construction cost associated with this treatment process in order to identify and ultimately eliminate all cost differences between the two systems. It is our intent to offer the KLWWTD the option of using either USBF or SBR for the "Best and Final" Total Combined Project Cost indicated above. It should be noted that the 50/50 shared savings provisions of the contract will be waived with regard to USBF and that all cost reductions realized with this treatment process will be returned to the KLWWTD in full.

Thank you for your consideration. If you should have any questions or concerns in this matter, please feel free to contact me at (904) 357-4868. We look forward to a mutually successful project.

Sincerely,

Peter M. Kinsley
Division Leader - Water

cc: Daniel R. Dumke

Peter M. Kinsley
Division Leader - Water

April 18, 2003

Re: Design/Build Wastewater
Management System for the Key Largo
Trailer Village Area
Proposed Contract Modifications

Mr. Robert E. Sheets, Chief Executive Officer
Government Services Group, Inc.
1500 Mahan Drive
Suite 250
Tallahassee, Florida 32308

Dear Mr. Sheets:

The Haskell Company has reviewed the draft Contract for the Design/Build Wastewater Management System for the Key Largo Trailer Village Area dated January 2003. We have found the Contract to be generally acceptable; however, would request your consideration of the following additions, deletions and modifications:

Article 2 – General Provisions

Paragraph 2.1 – Relationship of the Parties
Add to the end of this paragraph "Should design modifications and alternate materials or equipment have cost and/or schedule impact to the CONTRACTOR, an equitable Change Order will be provided in accordance with Article 9 of this Agreement."

Paragraph 2.2 – Engineer
Change this paragraph to read "Engineering services shall be furnished by licensed employees of CONTRACTOR, its Subcontractors, or as permitted by the law of the state where the Project is located."

Paragraph 2.4 – Definitions
With regard to the definition of "Notice to Proceed", and as discussed in our meeting of April 15, 2003, The Haskell Company proposes that only one (1) overall Notice to Proceed be issued for the Project.

With regard to the definition of "Uncontrollable Circumstance", we propose the following:

> Paragraph (1)(a), change to read "an act of God, hurricane, landslide, lightning, earthquake, fire, flood, plague, tornadoes, ~~(but not including reasonably anticipated weather conditions for the geographic area of the Facility)~~, explosion, sabotage or similar occurrence, acts of public enemy, extortion, war, acts of terrorism, blockade or insurrection, riot or civil disturbance;"

Paragraph (1)(d)(4), change to read "subsurface conditions of which the CONTRACTOR, ~~through the exercise of reasonable diligence,~~ could not reasonably be expected to have noticed."

Add a Paragraph (1)(m) which reads "Closure, road work or travel restrictions on U.S. Highway 1."

Add a Paragraph (1)(n) which reads "Delay of residential and commercial system connections preventing completion of the Acceptance Test."

Article 3 – Contractor's Responsibilities

Paragraph 3.1.3. – CONTRACTOR"S Requested Design Changes
In the last sentence, strike the words "and (4) are feasible."

Paragraph 3.1.6. – Reuse of Documents
Change the second sentence to read "Reuse on another project, change, or alteration by KLWWTD or by others acting through or on behalf of KLWWTD of any such instruments of service without the written permission of CONTRACTOR ~~will be at such person or entity's sole risk~~ is prohibited."

Paragraph 3.3.11. – Permits
Add to the end of this paragraph "Permits for residential and commercial system connections are not part of this Agreement."

Paragraph 3.3.12.2 – ~~COMPANY~~ CONTRACTOR Tests
Change the first sentence to read "Contractor shall conduct all tests and inspections of the construction ~~(including shop tests) or inspections~~ as required ~~by good engineering practice,~~ by the final design requirements, by Applicable Law, or by Insurance Requirements."

Paragraph 3.4.2 – KLWWTD Safety Procedures
Change paragraph (b)(1) to read, "CONTRACTOR shall have in place a training program to comply with ~~OSHA Regulations 1910.119 (g)~~ 29 CFR 1926 OSHA Construction Industry Regulations. "Certifications and Records" shall include safety performance records, current safety programs, training program and certifications, experience with related processes. Evidence should refer to the following procedures: Lockout/tagout (§1910.147), confined space entry ~~(1910.147)~~ (§1910.146), and emergency response (§1926.35)."

Change paragraph (c)(4) to read "Prior to beginning construction work Contractor shall submit for approval a list of safety officer(s) designated for the Project and, if ~~required~~ requested, ~~examples of daily badges, the badge issuing process, and example of log-in sheets with provisions for transferring responsibility from one safety officer to another, and proof of training sign-in sheets and questionnaires for all on-site personnel~~ proof of employee safety orientation"

Paragraph 3.6 – Hazardous Waste and Investigation of Site Conditions
Propose to strike Paragraph 3.6.7 in its entirety. (Note: Language of this Paragraph is redundant with that of Paragraph 3.6.9).

Paragraph 3.8 – KLWWTD Purchased Equipment
In Paragraph 3.8.2.(e), last sentence, correct spelling of the word "direct".

Add a Paragraph 3.8.2.(o) which reads "Should delivery of any KLWWTD equipment or material delay or impact the Contractor's performance of the Work in any way, Contractor shall be entitled to an equitable change order in accordance with Article 9 of this Agreement."

Add a Paragraph 3.8.2.(p) which reads "All vendors and/or manufacturers associated with KLWWTD purchased equipment and materials shall provide performance and payment bonds as required by this Agreement. Terms and conditions of the individual purchase agreements will be mutually determined by CONTRACTOR and KLWWTD."

Article 5 – Subcontracts

Paragraph 5.6 – CONTRACTOR's Construction Superintendent
In the first paragraph, strike the parenthesized words (the "Construction Manager").

Article 9 – Changes In The Work

Paragraph 9.1 – Extension of Time
Change the second sentence of the first paragraph to read "An application by CONTRACTOR for extension of time must be in writing, must be set forth in detail the reasons and causes of the delay, and must be submitted to the KLWWTD within seven (7) days following the ~~occurrence~~ recognition of the delay."

In the second paragraph, add "acts of terrorism" after the word "war".

Paragraph 9.3 – Extra Work
Change paragraph (c)(3) to read "For special equipment and machinery required for the economical performance of the authorized work, CONTRACTOR shall receive payment based on the rental price for each item of equipment at ninety percent (90%) of Blue Book and the actual time of its use on the work, including delivery, set-up and training if required."

Article 10 – Emergency Situation

Paragraph 10.5 – Costs and Compensation
After the second sentence, add the following "In addition, in the event it is determined that the emergency or threat was not caused by Contractor Fault, CONTRATOR shall receive an extension of the Schedule Date of Substantial Completion or the Scheduled Acceptance Date, as appropriate, on account of LKWWTD Emergency Operations."

Article 11 – Payment For Construction Phase Services

Paragraph 11.1.3 – Construction Disbursement Procedure
Change sentence six to read "The KLWWTD shall pay CONTRACTOR within the expiration of such thirty (30) day period if (1) the KLWWTD determines and verifies in writing that the work has progressed in accordance with this Agreement, or (2) the KLWWTD fails to verify or dispute the certified requisition within ~~thirty (30)~~ ten (10) days of receipt."

Paragraph 11.1.4 – Information Supporting Invoice
Change Paragraph (h) to read "Unconditional waivers executed by each subcontractor or materialmen to either CONTRACTOR or entities in privity of contract with CONTRACTOR, attesting to receipt of payment in full through the date thirty (30) days prior to ~~of~~ the invoice most recently paid by the KLWWTD to CONTRACTOR. Lien waivers will be provided only from those subcontractors or materialmen who have fully complied with the notification requirements of the applicable Florida Statutes."

Paragraph 11.2 – Payment Procedures
Change the fifth sentence to read "Retainage on the remaining work only shall be reduced to ~~five percent (5%)~~ zero percent (0%)."

Paragraph 11.3 – Progress Payments
Add to the end of Paragraph 11.3.1 the following sentence "Payments will be made to CONTRACTOR from KLWWTD via electronic (wire) transfer of funds."

In Paragraph 11.3.4, correct the spelling of the words "manuals", "documentation", "Director", and "representative".

Article 12 – Indemnity, Insurance and Waiver of Subrogation

Paragraph 12.2 – Indemnity
Change the first sentence of this paragraph to read "To the fullest extent permitted by law, CONTRACTOR shall indemnify and hold the KLWWTD harmless (including all officers, employees, agents, and consultants of the KLWWTD) from and against all verifiable claims, damages, losses and expenses ~~of any nature~~, including but not limited to reasonable attorney's fees ~~(including any attorneys' fees incurred in connection with any appellate or administrative action)~~, arising directly ~~or indirectly~~ from performance ~~or non-performance~~ of the work described in this Agreement by CONTRACTOR, a Subcontractor, or anyone directly ~~or indirectly~~ employed by them ~~or anyone for whom they may be liable~~ in connection with the performance of work.

Article 13 – Termination Of The Agreement And KLWWTD's Right To Perform CONTRACTOR's Responsibilities

Paragraph 13.2 – KLWWTD Right to Perform CONTRACTOR's Obligations and Termination by KLWWTD for Cause
Change Paragraph 13.2.1 to read "If CONTRACTOR fails to perform any of its obligations under

this Agreement, KLWWTD may, after seven (7) days written notice, during which period CONTRACTOR fails to ~~perform~~ commence with appropriate actions to satisfy such obligation, undertake to perform such obligations."

Change the first sentence of the last section of Paragraph 13.2.2 to read "If CONTRACTOR fails to commence with appropriate actions to cure within seven (7) days, KLWWTD, without prejudice to any other right or remedy including reasonable damages permitted, may take possession of the site and complete the Scope of Work utilizing any reasonable means."

Article 14 – Dispute Resolution

Paragraph 14.1 – Dispute Notice
At the end of this paragraph, add the sentence "Dispute Notices shall be provided in accordance with Article 11 of this Agreement."

Paragraph 14.6 – Mediation
Change the term "Independent Engineer" to "Independent Party" throughout.

Paragraph 14.7 – Judicial Review
Change the last sentence of Paragraph 14.7.1 to read "Both parties agree to the waiver of jury trial, unless required by applicable Local, State or Federal law."

~~Paragraph 14.8 – Work Continuance and Payment~~
Change the second sentence of this Paragraph to read "If CONTRACTOR continues to perform, KLWWTD shall continue to make payments and perform its responsibilities in accordance with this Agreement."

Article 15 – Miscellaneous Provisions

Paragraph 15.3 – Governing Law
In the last sentence of this Paragraph, correct the spelling of the word "inconvenient".

Paragraph 15.4 – Delivery of Documents in Electronic Format
Change the last sentence of this Paragraph to read "Electronic copies shall consist of computer readable data submitted in ~~any form and~~ a format ~~the KLWWTD may reasonably request to facilitate the administration and enforcement of this Agreement~~ of the most current versions of Microsoft Office (Excel/Word), AutoCAD and Adobe Acrobat."

Paragraph 15.17 – Costs of Enforcement
Change this paragraph to read "In the event any party to this Agreement shall be required to retain an attorney to enforce any terms, conditions or covenants under this Agreement, or to remedy any breach, the prevailing party shall be entitled to recover the verifiable costs of any such enforcement proceedings, including, but not limited to, reasonable attorney's fees (including charges for paralegals and others working under the direction or supervision of the party's attorney), ~~whether incurred in connection with pre-litigation demands, mediation, trial, appeal, bankruptcy, proceedings, or otherwise, and court costs."~~

Pursuant to our general discussion regarding Payment for Construction Phase Services, The Haskell Company would like to offer, for your consideration, a Lump Sum payment arrangement in lieu of the current GMP procedures outlined in Article 11 of the Agreement. In an effort to achieve the project budget goals of the KLWWTD, we are expending significant effort to reduce costs wherever possible. In doing so, we are consequently eliminating the potential for shared savings in a GMP-type contract. Admittedly, the documentation required in a GMP contract will require considerable efforts by both contracting parties. A lump sum agreement will simplify the payment process significantly. Should this concept prove to have merit through our forthcoming discussions, The Haskell Company will propose the necessary substitute language for Article 11 for KLWWTD review.

As a general statement, any provisions of addenda issued prior to these negotiations should be included as appropriate in the Contract. No attempt has been made in the proposed modifications above to include these changes. In addition, it is understood that the majority of the Contract Exhibits A through P will be developed as contract negotiations are finalized in this regard.

Thank you again for your time and consideration of the above. If you should have any questions or concerns in this matter, please feel free to contact the undersigned at (904) 357-4225.

Sincerely,

Peter M. Kinsley
Division Leader

cc: Daniel R. Dumke

Attachment A - 4/23/03

LEWIS, LONGMAN & WALKER, P.A.

ATTORNEYS AT LAW

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Beth Ann Carlson
Michelle Diffenderfer
Robert P. Diffenderfer
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West Palm Beach Office
1700 Palm Beach Lakes
Boulevard, Suite 1000
West Palm Beach, Florida
33401
(561) 640-0820
Fax: (561) 640-8202

Reply To: West Palm Beach

April 22, 2003

VIA TELEFACSIMILE

Mr. Robert E. Sheets
Government Services Group, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

RE: Design/Build Wastewater Management System
for the Key Largo Trailer Village Area
Proposed Contract Modifications

Dear Robert:

We have reviewed the letter from the Haskell Company (Peter M. Kinsley, Division Leader) dated April 18, 2003, as well as the draft Design-Build Agreement. The following comments follow the format of Haskell's suggested revisions as outlined in Mr. Kinsley's letter for ease of reference.

Article 2 - General Provisions

1. Paragraph 2.1 - The revisions are acceptable.
2. Paragraph 2.2 - The revisions are acceptable.
3. Paragraph 2.4 - The revisions are acceptable.
4. Paragraph (1)(d)(4) - The revisions are unacceptable.
5. Paragraph (1)(m) - The revisions are acceptable.
6. Paragraph (1)(n) - The revisions are acceptable.

Article 3 - Contractor's Responsibilities

1. Paragraph 3.1.3 - The revisions are acceptable.
2. Paragraph 3.1.6 - The revisions are unacceptable.
3. Paragraph 3.1.3 - The revisions are acceptable.
4. Paragraph 3.3.11 - The revisions are acceptable.
5. Paragraph 3.3.12.2 - The revisions are acceptable.
6. Paragraph 3.4.2(b)(1) - The revisions are acceptable.
7. Paragraph 3.4.2(c)(4) - The revisions are acceptable.
8. Paragraph 3.6 - The revisions are unacceptable.
   Leave in Paragraph 3.6.7.

9. Paragraph 3.8 - Thank you for pointing out this spelling error.

10. Paragraph 3.8.2(o) - The addition of this paragraph is acceptable with the following revision: "Should delivery of any ~~KLWWTD~~ equipment or material ordered and purchased by KLWWTD delay or impact the Contractor's performance of the Work in any way, Contractor shall be entitled to an equitable change order in accordance with Article 9 of this Agreement."

11. Paragraph 3.8.2(p) - The revisions are acceptable.

Article 5 - Subcontracts

1. Paragraph 5.6 - The revisions are acceptable.

Article 9 - Changes in the Work

1. Paragraph 9.1 - The revisions are unacceptable as is, but are acceptable with the following revision: "An application by CONTRACTOR for extension of time must be in writing, must be set forth in detail the reasons and causes of the delay, and must be submitted to KLWWTD within seven (7) days following notice to KLWWTD of the delay."

2. Paragraph 9.3 - The revisions are acceptable.

Article 10 - Emergency Situation

1. Paragraph 10.5 – The revisions are acceptable.
2. Paragraph 11.1.3 – The revisions are unacceptable.
3. Paragraph 11.1.4 – The revisions are acceptable.
4. Paragraph 11.2 – The revisions are acceptable.
5. Paragraph 11.3 – The revisions are acceptable.
6. Paragraph 11.3.4 – Thank you for pointing out these spelling errors.

Article 12 - Indemnity, Insurance and Waiver of Subrogation

1. Paragraph 12.2 - The revisions are unacceptable as is. We recommend the paragraph be revised to reflect the following: "To the fullest extent permitted by law, CONTRACTOR shall indemnify and hold the KLWWTD harmless (including all officers, employees, agents, and consultants of the KLWWTD) from and against all ~~verifiable~~ claims, damages, losses and expenses ~~of any nature,~~ including but not limited to ~~reasonable~~ attorneys' fees and costs (including

any attorneys' fees incurred in connection with any appellate or administrative action), arising ~~directly or indirectly~~ from performance or non-performance of the work described in this Agreement by CONTRACTOR, a Subcontractor, or anyone under the direction and control of CONTRACTOR.

Article 13 - Termination of the Agreement and KLWWTD'S Right to Perform CONTRACTOR'S Responsibilities

1. Paragraph 13.2 - The revisions are acceptable.
2. Paragraph 13.2.2 - The revisions are acceptable.

Article 14 - Dispute Resolution

1. Paragraph 14.1 - The revisions are acceptable.
2. Paragraph 14.6 - The revisions are acceptable.
3. Paragraph 14.7 - The revisions are acceptable.
4. Paragraph 14.8 - The revisions are acceptable.

Article 15 - Miscellaneous Provisions

1. Paragraph 15.3 - The revisions are acceptable.
2. Paragraph 15.4 - The revisions are acceptable.
3. Paragraph 15.17 - The revisions are acceptable with the following revision: "In the event any party to this Agreement shall be required to retain an attorney to enforce any terms, condition or covenants under this Agreement, or to remedy any breach, the prevailing party shall be entitled to recover the verifiable costs and fees of any such enforcement proceedings, including, but not limited to, reasonable attorney's fees (including charges for paralegals and others working under the direction or supervisions of the party's attorney)."

Should you have any questions or comments or require any further clarification, please do not hesitate to contact me or Amy.

Sincerely yours,

Terry E. Lewis

TEL/bt
c. Andrew M. Tobin, Esquire
Amy M. Dukes, Esquire
I:\Client Documents\Key Largo WTD\1724-000\Corr\Sheets letter re Haskell.doc

KLWTD SIGN IN SHEET

Budget Workshop 3:00 pm

Cenn Henson	The Reporter	852-3216
C. Ferguna		
Robert E. Burt	Key Largo Village	451-4894
Burke Cannon	Hammer Pt. / KLFHA	852-6129
Pete Kinsey	The Hogan Co.	357-4800
Michael Longenecker	K.L. Resident	451-0589
Tim Bergin	Ramrod Key	872-0365
Sandra Bugi	Ramrod Ky	" "
Fred Mittl	Boyle Engineering	239 2787996
WALT MESSER	D.N. HIGGINS INC	305 797 1056
MURRAY E. NELSON	COMMISSION DISTRICT 5	305-852-7175
ROBERT BETANCOURT	CARTER	

BUDGET WORKSHOP

KEY LARGO WASTEWATER TREATMENT DISTRICT

I. Intro

II. 2003 Accomplishments

III. 2004 Objectives

IV. Setting

II. 2003 Accomplishments:

A. Established District in November 2002

B. Established Protocol and Process to Hire

- District Manager
- General Counsel
- Value Engineers

C. Developed and Submitted on Schedule FDEP Grant Submittal

D. Finalize Inter-Local Agreement Between District, FKAA and County

E. Advertised, Received and Evaluated Bids and Proposals for KLP and KLTV

F. Negotiated Agreement with Respective Contractors Allowing $1.3 Million of Additional Investment in KLP

Key Largo Wastewater District
Tentative Goals
for 2004

1. Maintain Construction Schedule and Budget for CIP (on-going)
   A. Key Largo Park
   B. Key Largo Trailer Village
2. Start Development of Mandatory Collection Program
   A. Finalize Objectives (2nd quarter)
   B. Develop Financing Program (3rd quarter)
   C. Begin Neighborhood Meetings and Notification (3rd quarter)
   D. Start Sign-up Process (4th quarter)
3. Begin Planning Process for Next Projects
   A. Planning (2nd quarter)
   B. Financing (3rd quarter)
4. Continue Pursuit of State and Federal Funds (on-going)
5. Begin Process of RFP Preparations for Contract Operator, Customer Service and Billing (4th quarter)
6. Develop Web Site for District (1st quarter)

Provided by the Key Largo Wastewater Treatment District

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1700 Palm Beach Lakes Boulevard, Suite 1000
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561-640-0820
Fax: 561-640-8202
Federal Tax I.D. #65-0500793

April 7, 2003
Invoice # 28085

KEY LARGO WASTEWATER TREATMENT DISTRICT
C/O ANDREW M. TOBIN, ESQUIRE
P.O. BOX 620
TAVERNIER, FL 33070

RE: GENERAL
I.D. 1724-000

CONFIDENTIAL - ATTORNEY CLIENT PRIVILEGED

For Services Rendered Through March 31, 2003

Current Fees	6,614.50
Current Costs	460.60
Current Invoice Total	7,075.10
Total Due	$ 7,075.10

Timekeeper	Hours	Rate/Hour	Amount
AMY M. DUKES	36.9	$ 135.00	$ 4,981.50
LAURA J. FEAGIN	0.3	$ 135.00	$ 40.50
TERRY E. LEWIS	7.9	$ 175.00	$ 1,382.50
DAVID E. RAMBA	1.2	$ 175.00	$ 210.00

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Federal Tax I.D. #65-0500793

KEY LARGO WASTEWATER TREATMENT DISTRICT
Re: GENERAL
I.D. 1724-000

April 7, 2003
Invoice # 28085

Date	Description of Services	Atty	Hours	Amount
03-03-03	CORRESPOND WITH EMAIL TO F. DOYLE RE: FORWARDING ORIGINAL SIGNATURE PAGES OF TRANSITION INTERLOCAL AGREEMENT AND REQUEST FOR BOYLE'S ADDENDUMS; RECEIVE AND REVIEW EMAIL FROM D. REFLING RE: EMAIL SENT ON 2/28/03 RE: SUNSHINE LAW AND DESIGN CRITERIA PROFESSIONAL RE: EVALUATION COMMITTEE; FORWARD BOYLE'S ADDENDUMS TO F. DOYLE; CORRESPOND WITH EMAIL TO R. SHEETS RE: MARCH 26 BOARD MEETING; CONFER WITH T. LEWIS RE: MARCH 26 BOARD MEETING; CORRESPOND WITH EMAIL TO A. TOBIN RE: SAME; RECEIVE AND REVIEW AGENDA AND PUBLIC MEETING NOTICE FROM F. DOYLE; PHONE CONFERENCE WITH R. SHEETS RE: SAME; PHONE CONFERENCE WITH A. TOBIN RE: 3/5/03 MEETING; PHONE CONFERENCE WITH F. DOYLE RE: AGENDA AND MARCH 26, 2003 BOARD MEETING ISSUES; RECEIVE AND REVIEW KEY LARGO PARK BID TABULATIONS FROM R. SHEETS; RECEIVE AND REVIEW EMAIL FROM R. BETANCOURT RE: KEY LARGO TRAILER VILLAGE RFP REQUEST FOR FINANCIAL STATEMENTS; CORRESPOND WITH EMAIL TO A. TOBIN, R. SHEETS AND T. LEWIS RE: AGREEMENTS RECEIVED FROM TAX COLLECTOR AND PROPERTY APPRAISER RE: EXTENSION TO MARCH 1 RE: SPECIAL ASSESSMENTS; RECEIVE AND REVIEW EMAIL FROM F. DOYLE RE: UPCOMING BOARD MEETING DATES; RECEIVE AND REVIEW FAX FROM COMMISSIONER M. NELSON RE: MEMO TO G. GARRETT RE: CORRECT DISTRICT BOUNDARIES (MSTU).			
03-03-03	CONFERENCE WITH L. TODD RE: LEGISLATION.	AMD	2.8	378.00
03-04-03	REVIEW DOCUMENTS IN PREPARATION FOR PREPARING LEGAL REPORT; PREPARE LEGAL REPORT FOR 3/5/03 BOARD MEETING; RECEIVE AND REVIEW LENGTHY EMAIL FROM C. BROOKS RE: ETHICS AND SUNSHINE LAW; CORRESPOND WITH EMAIL TO C. BROOKS RE: SAME AND DEADLINE; PHONE CONFERENCE WITH R. SHEETS RE: SAME; PHONE CONFERENCE WITH T. LEWIS RE: SAME; PHONE CONFERENCE WITH C. BROOKS RE: RESPONSE TO ETHICS AND SUNSHINE LAW ISSUES	TEL	0.8	140.00

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KEY LARGO WASTEWATER TREATMENT DISTRICT
Re: GENERAL
I.D. 1724-000

April 7, 2003
Invoice # 28085

Date	Description of Services	Atty	Hours	Amount
	RE: NEWSLETTER; RECEIVE CALL FROM R. SHEETS RE: ISSUES FOR 3/5/03 BOARD MEETING; CORRESPOND WITH (EMAIL) T. LEWIS RE: KEY LARGO TRAILER VILLAGE EVALUATION COMMITTEE QUESTION RE: FINANCIAL INFORMATION REQUEST; RECEIVE AND REVIEW FINALIZED AND FULLY-EXECUTED TRANSITION INTERLOCAL AGREEMENT, RECENTLY-EXECUTED RESOLUTIONS AND NOTICES OF PUBLICATION FROM F. DOYLE; RECEIVE AND REVIEW DEP GRANT SUBMITTAL FROM R. SHEETS; CORRESPOND WITH EMAIL TO G. GARRETT RE: TRANSITION INTERLOCAL AGREEMENT.			
03-04-03	PHONE CONFERENCE WITH A. DUKES; WORK SESSION WITH L. TODD RE: LEGISLATION.	AMD	3.4	459.00
03-05-03	RECEIVE AND REVIEW EMAIL FROM C. BROOKS RE: NEWSLETTER TO BE DISCUSSED AT BOARD MEETING TODAY; CORRESPOND WITH EMAIL TO C. BROOKS RE: SAME; FINALIZE LEGAL REPORT FOR MEETING TODAY AND FORWARD TO ALL BOARD MEMBERS; RECEIVE AND REVIEW EMAIL FROM D. MILES RE: PENDING PAYMENTS AND REQUEST FOR ADDITIONAL INFORMATION; FOLLOW-UP; CORRESPOND WITH EMAIL TO T. LEWIS RE: ENGINEERING CONSULTANT CONTRACT; PHONE CONFERENCE WITH A. TOBIN RE: ENGINEERING CONTRACT, ISSUES TO BE DISCUSSED AT TODAY'S BOARD MEETING AND GSG CONTRACT; PHONE CONFERENCE WITH A. TOBIN AND T. LEWIS RE: CHAPTER 120 LEGISLATION; FORWARD COPY OF TRANSITION INTERLOCAL AGREEMENT TO G. GARRETT.	TEL	1.0	175.00
03-05-03	WORK SESSION RE: SPECIAL ACT EXEMPTION FROM CHAPTER 120; PREPARE AND SEND LETTER TO REPRESENTATIVE SORENSON.	AMD	2.0	270.00
03-06-03	RECEIVE CALL FROM R. SHEETS RE: BOARD MEETING; CORRESPOND WITH EMAIL TO T. LEWIS RE: MEETING WITH R. SHEETS RE: SPECIAL ASSESSMENTS; COORDINATE SAME; REVIEW AND ANALYZE LETTER FROM T. LEWIS TO REP. SORENSEN RE: CHAPTER 120 LEGISLATION AND CORRESPOND WITH EMAIL TO T. LEWIS RE: SAME.	TEL	1.0	175.00
03-06-03	CONFERENCE WITH L. TODD RE: LEGISLATION.	AMD	1.0	135.00
03-07-03	RECEIVE AND REVIEW EMAIL FROM R. SMITH RE:	TEL	0.5	87.50

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Federal Tax I.D. #65-0500793

KEY LARGO WASTEWATER TREATMENT DISTRICT
Re: GENERAL
I.D. 1724-000

April 7, 2003
Invoice # 28085

Date	Description of Services	Atty	Hours	Amount
	TRANSITION INTERLOCAL AGREEMENT; FORWARD AGREEMENT TO R. SMITH; CORRESPOND WITH F. DOYLE RE: 3-5-03 BOARD MEETING DISCUSSION AND 3-26-03 BOARD MEETING ISSUES; CORRESPOND WITH EMAIL TO S. HUTTON AND G. GARRETT RE: TRANSITION INTERLOCAL AGREEMENT EXHIBITS.			
03-07-03	REVIEW MEMO RE: HB 185.	AMD	0.8	108.00
03-10-03	RECEIVE CALL FROM R. SHEETS RE: TARGET HOOK-UP RATES AND MONTHLY FEES RESOLUTION AND RELATED ISSUES; FORWARD RESOLUTION RE: SAME TO R. SHEETS; PHONE CONFERENCE WITH G. GARRETT RE: BOCC STANDARD FOR TARGET HOOK-UP RATES AND MONTHLY CHARGES; CORRESPOND WITH EMAIL TO R. SHEETS RE: SAME; CORRESPOND WITH EMAIL TO R. SMITH RE: TRANSITION INTERLOCAL AGREEMENT AND COORDINATE DELIVERY OF SAME.	LJF	0.3	40.50
03-11-03	CORRESPOND WITH EMAIL TO G. GARRETT RE: COUNTY ORDINANCE RE: TARGET HOOK UP RATES AND CHARGES; CORRESPOND WITH EMAIL TO R. SHEETS RE: SAME; RECEIVE AND REVIEW ORDINANCE FROM G. GARRETT; FORWARD TO R. SHEETS.	AMD	1.3	175.50
03-12-03	RECEIVE CALL FROM R. SHEETS; RETURN CALL RE: KEY LARGO TRAILER VILLAGE EVALUATION COMMITTEE ISSUES AND KEY LARGO PARK BID STATUS; RECEIVE AND REVIEW EMAIL FROM R. SHEETS RE: EVALUATION COMMITTEE COMMENTS FROM R. SMITH; RECEIVE AND REVIEW EMAIL FROM R. SHEETS RE: MANAGEMENT SERVICES AGREEMENT, BOARD MEMO AND RELATED DOCUMENTS.	AMD	0.8	108.00
03-13-03	RECEIVE CALL FROM R. SHEETS RE: KEY LARGO PARK STATUS; RECEIVE AND REVIEW EMAIL FROM R. SHEETS RE: CORRESPONDENCE WITH R. SMITH RE: FUNDING ISSUES; REVIEW AND ANALYZE REVISED DRAFT MANAGEMENT AGREEMENT AND ATTACHMENTS; CORRESPOND WITH R. SHEETS AND T. LEWIS RE: SAME.	AMD	1.5	202.50
03-14-03	RECEIVE AND REVIEW LENGTHY EMAIL FROM R. SHEETS RE: KEY LARGO PARK AND KEY LARGO TRAILER VILLAGE FUNDING ISSUES; RECEIVE AND	AMD	1.3	175.50

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KEY LARGO WASTEWATER TREATMENT DISTRICT
Re: GENERAL
I.D. 1724-000

April 7, 2003
Invoice # 28085

Date	Description of Services	Atty	Hours	Amount
	REVIEW EMAIL FROM F. DOYLE RE: TECHNICAL EVALUATION COMMITTEE MINUTES FROM FEBRUARY 28, 2003, AND MARCH 12, 2003; REVIEW MINUTES.			
03-17-03	RECEIVE AND REVIEW AFFIDAVITS OF PUBLICATION FOR NEWSPAPER NOTICES FROM F. DOYLE.	AMD	1.0	135.00
03-17-03	ATTEND HOUSE ADMINISTRATION COMMITTEE RE: LEGISLATION.	AMD	0.4	54.00
03-17-03	PHONE CONFERENCE WITH L. HINKLE RE: KEYS AQUEDUCT AUTHORITY; MEETING WITH REP. SORENSEN RE: EXPLANATION OF AMENDMENTS.	TEL	1.0	175.00
03-18-03	WORK SESSION RE: SPECIAL ACT.	DER	0.5	87.50
03-18-03	RECEIVE AND REVIEW EMAIL RE: MINUTES OF TECHNICAL EVALUATION COMMITTEE AND UPCOMING MEETING AGENDAS FROM F. DOYLE; RECEIVE CALL FROM F. DOYLE RE: TECHNICAL EVALUATION COMMITTEE LEGAL CONCERNS (LEFT MESSAGE); RETURN CALL; RECEIVE AND REVIEW EMAIL FROM T. LEWIS RE: CHAPTER 120 LEGISLATION UPDATE; RECEIVE AND REVIEW EMAIL FROM R. SHEETS' OFFICE RE: MANAGEMENT SERVICES AGREEMENT; FORWARD TO T. LEWIS.	TEL	0.5	87.50
03-19-03	REVIEW AND ANALYZE REVISED MANAGEMENT SERVICES AGREEMENT; REVISE AGREEMENT RE: NEW SECTIONS RE: CONSTRUCTION MANAGEMENT.	AMD	1.2	162.00
03-20-03	RECEIVE AND REVIEW EMAIL FROM R. SHEETS RE: EMAIL FROM J. WILKINSON AND R. SMITH RE: TECHNICAL EVALUATION COMMITTEE ISSUES; RECEIVE CALL FROM R. SHEETS; RETURN CALL RE: MANAGEMENT SERVICES AGREEMENT, RESOLUTION TO BE PASSED ON MARCH 26TH PER D. SMITH'S REQUEST AND FEMA REQUIREMENTS AND CONFERENCE CALL TOMORROW; RECEIVE AND REVIEW EMAIL FROM D. MILES RE: FY 2004 BUDGET CALENDAR AND ATTACHMENTS; FORWARD TO T. LEWIS; RECEIVE AND REVIEW EMAIL FROM D. MILES RE: PENDING PAYMENTS AND ATTACHMENTS; FORWARD REVISIONS TO REVISED MANAGEMENT SERVICES AGREEMENT TO T. BEARY AND R. SHEETS FOR REVIEW; CORRESPOND WITH EMAIL TO T. BEARY AND R. SHEETS RE: PROPOSED RESOLUTION FOR ADOPTION ON MARCH 26TH;	AMD	1.2	162.00

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Invoice # 28085

Date	Description of Services	Atty	Hours	Amount
	PHONE CONFERENCE WITH T. LEWIS RE: SAME AND ADDITIONAL PERTINENT ISSUES; RECEIVE AND REVIEW EMAIL FROM G. BAUMAN RE: REVISED MANAGEMENT SERVICES AGREEMENT; REVIEW AND ANALYZE REVISED AGREEMENT WITH LEGAL'S AND MANAGER'S CHANGES INCORPORATED AND FORWARD ADDITIONAL REVISIONS TO R. SHEETS; CORRESPOND WITH G. BAUMAN RE: SAME; RECEIVE AND REVIEW DRAFT AGENDA FROM F. DOYLE FOR MARCH 26TH BOARD MEETING; PHONE CONFERENCE WITH R. SHEETS RE: RESOLUTION FOR MARCH 26TH BOARD MEETING; CORRESPOND WITH F. DOYLE RE: STATUS OF RESOLUTION; RECEIVE CALL FROM R. SHEETS RE: RESOLUTION; CORRESPOND WITH EMAIL TO A. TOBIN RE: GARTEK ENGINEERING INVOICE.			
03-21-03	WORK SESSION WITH A. DUKES AND R. SHEETS RE: MSTU; WORK SESSION RE: LEGISLATION.	AMD	3.0	405.00
03-21-03	RECEIVE AND REVIEW EMAIL FROM R. SHEETS RE: COST OVERRUNS AND DISCUSSION THIS MORNING; CORRESPOND WITH EMAIL TO R. SHEETS RE: RESOLUTION TO BE ADOPTED ON MARCH 26TH PER R. SMITH'S REQUEST; RECEIVE AND REVIEW REVISED MANAGEMENT SERVICES AGREEMENT AND MEMORANDUM TO THE BOARD FROM R. SHEETS' OFFICE; CORRESPOND WITH EMAIL TO T. LEWIS RE: SAME; RECEIVE AND REVIEW EMAIL AND ATTACHMENTS FROM D. MILES RE: AUDITOR RFP FOR MARCH 26TH BOARD MEETING; PHONE CONFERENCE WITH R. SHEETS RE: RESOLUTION AND MSTU ISSUES; COORDINATE CONFERENCE CALL WITH R. SHEETS RE: MSTU ISSUES; DRAFT RESOLUTION RE: EVIDENCE OF INTENT TO PROCEED WITH PROJECT WORK, PER R. SMITH'S REQUEST; CORRESPOND WITH R. SHEETS RE: AMENDMENT NO. 1 TO FDEP GRANT ASSISTANCE AGREEMENT; PHONE CONFERENCE WITH A. TOBIN RE: MSTU ISSUES AND BOARD MEETING ON MARCH 26; CONFERENCE CALL WITH R. SHEETS AND T. LEWIS RE: MSTU ISSUES; WORK SESSION WITH T. LEWIS RE: DRAFT RESOLUTION RE: INTENT TO PROCEED WITH PROJECTS; FORWARD RESOLUTION TO R. SHEETS; PREPARE AND SEND EMAIL TO R.	TEL	1.0	175.00

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Federal Tax I.D. #65-0500793

KEY LARGO WASTEWATER TREATMENT DISTRICT
Re: GENERAL
I.D. 1724-000

April 7, 2003
Invoice # 28085

Date	Description of Services	Atty	Hours	Amount
	BETANCOURT RE: REQUEST FOR PAYMENT OF INVOICES ON APRIL 9, 2003; PHONE CONFERENCE WITH D. KOHLAGE'S OFFICE RE: INQUIRY RE: COUNTY ORDINANCE RE: MSTU; RESEARCH CONCERNING SAME; ATTEND CONFERENCE CALL WITH R. SHEETS, FKAA AND BOYLE ENGINEERING RE: FEMA ISSUES.			
03-24-03	RECEIVE CALL FROM R. SHEETS RE: DRAFT RESOLUTION TO BE HEARD BY THE BOARD ON 3-26-03; RECEIVE AND REVIEW EMAIL FROM R. BETANCOURT RE: PAYMENT OF OUTSTANDING INVOICES; RECEIVE AND REVIEW EMAIL FROM A. TOBIN RE: GARTEK INVOICES; CORRESPOND WITH EMAIL TO A. TOBIN AND R. SHEETS RE: SAME; RECEIVE CALL FROM R. SHEETS RE: REVISION TO RESOLUTION; RETURN CALL; CONFER WITH T. LEWIS RE: A. TOBIN'S REQUEST RE: GARTEK INVOICE ISSUES; RECEIVE AND REVIEW EMAIL FROM T. BEARY RE: REVISED RESOLUTION, MEMO TO THE BOARD AND REVISED/FINALIZED AGENDA FOR 3-26-03 MEETING; PHONE CONFERENCE WITH T. BEARY RE: SAME; RECEIVE CALL FROM R. SHEETS RE: MSTU ISSUES, GARTEK AND REVISED RESOLUTION.	AMD	4.7	634.50
03-25-03	RECEIVE AND REVIEW EMAIL FROM T. BEARY RE: MANAGEMENT SERVICES AGREEMENT; REVIEW AND ANALYZE AGREEMENT; CORRESPOND WITH EMAIL TO A. TOBIN RE: GARTEK ISSUES; RECEIVE EMAIL FROM A. TOBIN RE: GSG CONTRACT ISSUES; CORRESPOND WITH EMAIL TO T. LEWIS RE: SAME; PHONE CONFERENCE WITH D. KOLHAGE'S OFFICE RE: MSTU RESOLUTION AND RESEARCH ON THE MONROE COUNTY WEBSITE RE: SAME; CORRESPOND WITH EMAIL TO T. LEWIS RE: SAME; RECEIVE AND REVIEW EMAIL FROM T. BEARY RE: COST COMPARISONS AND MEMO RE: FINANCIAL STATUS FOR KEY LARGO PARK AND KEY LARGO TRAILER VILLAGE; PHONE CONFERENCE WITH A. TOBIN (LEFT MESSAGE); RECEIVE CALL FROM A. TOBIN RE: ISSUES FOR BOARD MEETING TOMORROW; PREPARE PRESENTATION FOR BOARD MEETING.	AMD	2.0	270.00
03-26-03	WORK SESSION RE: GSG CONTRACT; WORK SESSION RE: RFP ISSUES.	AMD	3.2	432.00
		TEL	0.8	140.00

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KEY LARGO WASTEWATER TREATMENT DISTRICT
Re: GENERAL
I.D. 1724-000

April 7, 2003
Invoice # 28085

Date	Description of Services	Atty	Hours	Amount
03-26-03	REVIEW AND ANALYZE REVISED GRANT SUBMITTAL WITH ATTACHMENTS SUBMITTED TO FDEP; RECEIVE EMAIL FROM F. DOYLE RE: ATTENDING BOARD MEETING BY PHONE TODAY; CORRESPOND WITH EMAIL TO T. LEWIS RE: CHAPTER 120 LEGISLATION UPDATE; RECEIVE CALL FROM F. DOYLE RE: BOARD MEETING ATTENDANCE; RETURN CALL; CORRESPOND WITH EMAIL TO T. LEWIS RE: MSTU COUNTY ISSUES AND GSG CONTRACT; PREPARE FOR LEGAL REPORT PRESENTATION; PREPARE LEGAL REPORT AND FORWARD TO BOARD MEMBERS; PHONE CONFERENCE WITH BOARD MEMBERS AT BOARD MEETING RE: UPDATE ON LEGAL ISSUES.	AMD	2.5	337.50
03-27-03	WORK SESSION RE: GSG CONTRACT; PHONE CONFERENCE WITH A. TOBIN.	TEL	0.5	87.50
03-27-03	MEETING WITH REP. SORENSEN RE: TECHNICAL PROVISIONS OF HB 165.	DER	0.7	122.50
03-27-03	CORRESPOND WITH EMAIL TO A. TOBIN RE: BOARD MEETING; PHONE CONFERENCE WITH T. LEWIS RE: DISTRICT ISSUES AND GSG CONTRACT; ORGANIZE AND FILE REVISED DEP GRANT SUBMITTAL; CORRESPOND WITH EMAIL TO F. DOYLE RE: BOARD MEETING ISSUES; RECEIVE EMAIL FROM F. DOYLE RE: EXECUTED RESOLUTION 2003-14; RECEIVE AND REVIEW FAX FROM F. DOYLE RE: EXECUT'ED RESOLUTION 2003-14 AND AMENDMENT NO. 1 TO STATE FINANCIAL ASSISTANCE AGREEMENT; CORRESPOND WITH EMAIL TO F. DOYLE RE: SAME.			
03-28-03	WORK SESSION WITH R. SHEETS RE: BID DOCUMENTS AND ISSUES.	AMD	1.3	175.50
03-28-03	RECEIVE AND REVIEW EMAIL FROM T. LEWIS RE: J. WILKINSON'S COMMENTS RE: AMENDMENT NO. 1 TO STATE FINANCIAL ASSISTANCE AGREEMENT; WORK SESSION WITH T. LEWIS RE: BOARD MEETING ISSUES AND GSG CONTRACT.	TEL	0.8	140.00
03-31-03	RECEIVE AND REVIEW EMAIL FROM F. DOYLE RE: DRAFT 4/9/03 BOARD MEETING AGENDA; CONFER WITH T. LEWIS RE: SAME; CORRESPOND WITH EMAIL TO F. DOYLE RE: COMMENTS ON AGENDA; RECEIVE AND REVIEW EMAIL FROM R. SHEETS RE: CONFERENCE CALL ON 4/4/03 AND ISSUES; RECEIVE AND REVIEW EMAIL FROM F. DOYLE RE:	AMD	0.6	81.00

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KEY LARGO WASTEWATER TREATMENT DISTRICT
Re: GENERAL
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April 7, 2003
Invoice # 28085

Date	Description of Services	Atty	Hours	Amount
	ADDITION TO AGENDA FROM J. WILKINSON.	AMD	0.9	121.50
		Total Fees	$	6,614.50

Date	Cost Description	Amount
03-17-03	FEDEX CHARGES; COURIER SERVICE TO G. GARRETT ON 2/18/03; FEDERAL EXPRESS	14.46
03-17-03	FEDEX CHARGES; COURIER SERVICE TO R. FELDMAN ON 2/18/03; FEDERAL EXPRESS	14.46
03-19-03	COMPUTER RESEARCH; WESTLAW RESEARCH FOR FEBRUARY 2003; WEST GROUP PAYMENT CENTER	15.96
03-25-03	COURIER SERVICES; COURIER SERVICE TO M. ANDERSON, DIV. OF EMERGENCY MANAGEMENT ON 2/21/03; FEDERAL EXPRESS	42.97
03-25-03	COURIER SERVICES; COURIER SERVICE TO COMM. MURRAY E. NELSON ON 2/21/03; FEDERAL EXPRESS	27.84
03-25-03	COURIER SERVICES; COURIER SERVICE TO R. SMITH, BUREAU OF WATER FACILITIES ON 2/21/03; FEDERAL EXPRESS	16.21
	COPY CHARGES	23.73
	FACSIMILE CHARGES	133.40
	POSTAGE	83.75
	TELEPHONE CHARGES	7.82
		80.00
	Total Costs	$ 460.60

DRAFT

Key Largo Wastewater Treatment District
Board of Commissioners Meeting Minutes
4:00 PM Wednesday, March 14, 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")
David Miles, Chief Financial Officer, Government Services Group, Inc. ("GSG")
Tammei Beary, Office Administrator, Government Services Group, Inc. ("GSG")
Charles Sweat, Director of Operations, Government Services Group, Inc. ("GSG")

Guests Present

Robert Betancourt, Gartek Engineering
Mary Lou Wilkinson, Key Largo Resident
Ann Henson, The Reporter
Robert Burt, Key Largo Resident
Burke Cannon, Key Largo Resident
Pete Kinsley, The Haskell Company
Michael Longenecker, Key Largo Resident
Sandra Bogan, Ram Rod Key
Tim Beizgin, Ram Rod Key
Fred Mittl, Boyle Engineering
Walt Messer, D.N. Higgins Insurance
Murray Nelson, Commission District

A. Call to Order

Chairman Tobin called the meeting to order at 4:00 PM.

B. Pledge of Allegiance

The pledge was recited.

C. BUDGET WORKSHOP

First order of business is the budget workshop, which is Item C. I will turn the meeting over to our Manager.

Robert Sheets states that this is the first of what will be several workshops to discuss the 2004 budget. We have a brief agenda today and will try to accomplish everything that is on the agenda, but if we don't, not to worry, as we will have more meetings before any decision is made. The purpose of this meeting today is to familiarize everyone with the process and to remind everyone of what we have accomplished this year so that we can set the table for the objectives of what we want to accomplish next year. David has provided for you the preliminary fiscal budget for 2004. As you remember when we worked back in January to try to compute a maximum millage rate for this year, the process at that time was to take the nine-month budget, annualize it and add a 20% cushion to it. Everyone at the table was brand new and we really didn't know what the budget needs would be on a line item basis. David will go through those line items, and as you will see you can take notes, you can make comments and as these numbers evolve, you can make updates to it.

Robert starts off with acknowledging what we have accomplished this year. He stated the following:

1. The District did not exist before November of 2002.
2. There have been in excess of 25 meetings since you have been formed to try to advance the delivery of wastewater services.
3. You have established protocols and have hired the District manager and general counsel and a value engineer on the two projects.
4. We have developed and delivered on schedule the Grant Submittal to DEP. This was a major accomplishment.
5. You finalized a major Interlocal agreement between the District, FKAA and the County that articulated the roles and responsibilities would be as this District moved forward.
6. You have advertised, received and evaluated bids and proposals on Key Largo Park and Key Largo Trailer Village. Another major accomplishment given the maturity of this Board and the fact that we see other local governments with far more maturity and far more staff that have not been as successful as we have been.
7. We are going to have negotiated an agreement with respective contractors for $1.3 million dollars of additional investments in Key Largo Park.

Robert states that the District has done a great job in these accomplishments and adds that these accomplishments should be added to the budget each year so that we can communicate back to the community as to where the money is being spent.

The next item Robert addressed was tentative goals that have been set. He asks that the Board review these goals and opened it for discussion. He then asked that David take the Board through the Budget document.

David Miles takes the floor.

David goes through the planning document and explains its content. He discussed the Operating Budget for the fiscal year 2004 budget. He also included a five-year plan for the long-range goals. David took the Board through the plan and based on the brief history, adjusted the numbers to reflect this experience.

He is projecting that our expenditures will be slightly lower than the revenue stream. We should bring in over $8,000 into the new fiscal year. Based on the preliminary figures for 2004, we should bring in over $77,000 in operating surplus based on the .035 millage rate which produces the bulk of the revenue.

David explains the current year budget and the draft budget for 2004. He explains that we will go through a couple more changes to this before its finalization.

Two primary revenue streams are MSTU Revenue Stream and Monthly Systems Fees.

We do not expect to have the facilities online and generating revenue until towards the end of fiscal year 2005. The MSTU revenue is based on 95% based on the assessed value is a little under $600,000.

Mr. Wilkinson asks "what did you use for the assessed value?"

Mr. Sheets responds with "we used the numbers from the property appraiser." We left out the homestead exemptions and included only taxable value."

The taxable value for 2003 was $1,750,673,519 and what we did for 2004 and thereafter is that we estimated a 3% escalation factor through natural growth. So the number for 2004 is $1,803,193,725.

Mr. Brooks asks "what percentage of increased tax value did you take?"

Mr. Miles responds with 3% of the growth rate and the taxable value. It may be slightly higher it might be slightly lower. We won't know until the November timeframe what the actual number will be.

Mr. Brooks, "Didn't we just experience about a 12% increase in property values?"

Mr. Sheets, we may very well have and that's great! It's when you have the opposite when you've used a 12% growth factor and your actual growth is 3% that you have the problems.

Mr. Brooks, "David do you have a program that allows you to put a percentage of income for each category?"

David, "Yes we do, I don't have that program with me, but I can do that."

Mr. Brooks, "That would be helpful."

Mr. Brooks, "What are the miscellaneous revenues David? Are those Jerry's donations?"

David, those include things like a $111 fee that was charged to each engineering company. Small amounts of money for various reasons do come in. The interest income is up fairly substantially. The bulk of the receipts for the MSTU should come in toward the end of the year.

Jerry, "I was talking to the tax collector and they are going to charge us $8,000 to collect the MSTU monies based on the number of parcels.

Robert, they have the statutory right to charge up to 2%. Under the MSTU there is no manipulation under special assessment. It should be very nominal.

Jerry Wilkinson, "Shouldn't we call this a capital recovery fee instead of connection fees?"

Robert Sheets, "Your absolutely right."

Andy Tobin joins the meeting.

Andy Tobin, "I apologize for being late, could you go back and cover what I missed?"

Robert Sheets, This was the first of three meetings, to discuss the budget, our accomplishments so far, and at the end of that process, the Board will discuss the new process of going through the numbers so that you know how these numbers are arrived at and how to set objectives for next year. We will have to go through this draft budget document. What we have accomplished this year is what will be discussed.

David Miles is going over his budget recommendations for Fiscal Year 2004

David Miles, I have addressed that there are two principals or two primary systems revenues. We are not expecting the capital recovery fees to kick in until the 2005 fiscal year. We do have the $100,000 worth of loan proceeds in 2003, which will not be repeated for Monroe County and the proceeds of the grant of $250,425 from Monroe County for 2004. We have projected a small amount of revenues

Our total revenue estimate is $606,000 for fiscal year 2004 compared to basically an 8-month budget of $352,000 in revenue for this fiscal year that we are currently in.

Andy, "Remind me what our fiscal year is?"

Robert, October – September of 2003.

Cris Beaty, "Looking out into 2005-06 to the wastewater system fees, is that based on a monthly fee per EDU?

Robert, $35 per connection .

Cris, So that would be over 700 connections by 2006?

Robert, yes and Cris raises a good point, these revenue projections for both the system fees and the capital recovery fees are based on the original EDU count. The actual numbers will actually be higher if we are able to do all the work.

This is a workshop not a public hearing, so please direct your questions to the Board.

Resident Burt - What if the MSTU does not pass?

Andy, Then we will be sitting there with you.

Jerry, Now I'm hearing this comment and why, we still have this special assessment?

Andy, I was just being galip Jerry. The back up plan is a special assessment.

Jerry, I assume that we will be making this special assessment by the number of properties?

Andy, Question on this wastewater system fee, that is monthly?

Robert Sheets, Yes, $35 per month.

Andy, How many residents,

Robert, This is predicated on 706, is that actual or is that projected.

Andy, What is the actual?

Andy, So 627 is the amount that are actually in the Park?

Up to 850?

Andy T - So with the $35 per month and with the Capital Recovery Fee, that should be all there is? If the MSTU falls out of the equation, we can't meet our budget?

Robert, not without the special assessment.

Jerry, I thought we were working basically in the Key Largo Park,

David, 507 for KLTV and 120 for KLP that was based on a study that was done by our Utility Rate Consultants.

Jerry, I'd like to ask our engineers, I don't agree with these numbers.

Andy, restate your question Jerry, I'm not sure what you're asking.

Jerry We just said it was 627 customers.

JW There are only 79 in KLP plus or minus a few. But it can't be anymore than 90 Jerry, Okay 90 and how many in the Village?

Robert, Your talking about 2006 numbers, let's focus on the 2004 budget now.

David, Going into the operating expenses for 2004, we have the first line which is Line number 9 is the commissioners fees, we're over in your worksheets now, as you can see I'm projecting, I put in $36,900 for the current year and $45,000 for 2004 that was predicated for three meetings and six months of the year of three meetings in all twelve months. With an average of half and half which comes up with $45,000. The following line is 7.6%.

The following line after that is the cost so the SS taxes and once again if that number were changed up or down. The next line after that is boosted when we originally put the budget together, the number was higher, I have increased that number for next year will be 12 months long as opposed to an 8 month year as this year for the current fiscal year. I've straight lined that number at $8,000 and we are on target for the next year for copying, printing and binding.

The postage and delivery expenses we just extrapolated for next year and it is based on the current year.

The same thing is true for the insurance expense, we signed up for the Florida League of Cities for our insurance quote, but based on us going on a 12-month period of time instead of an 8-month period of time.

Charles Brooks, Didn't we get a full year for the $7,500?

DM No, that just covered the fiscal year through September 30th of this year.

The miscellaneous expense covered many minor items, telephone expenses, long distance calls, etc. that are normally very minor, but they accumulate up to an amount.

Legal advertising expenses once again we are right on target for the $1,800 for this year and once again, we've extrapolated it out to $2,880 for 2004 budget.

The office supplies are the same, there may be a little bit of a savings in that particular budget line.

Dues and subscriptions we have had to pay that amount.

Travel expenses. Now I do not know as time goes on which meetings you care to attend, but that is something that you will need to let me know.

Rents and leases have been zeroed out for the office expense. I've left in the $1,200 to rent out a physical office.

Permits, As we get into the construction phase, there are a number of permit fees with the counties, so I have increased that amount to $2000 for 2004.
Utilities, are once again, what we thought they would be. These amounts have been extended into the next year budget.

Reserve for contingencies, the $40,500 has not been touched this year, we have extended that just on an annualized basis of $64,800 and basically that is our buffer for the unknown, that amount can be set at your discretion.

Those are the total board expenses. This year we are looking at $105,375. Next year $166,540 when you add them together.

Andy, Reserve Contingencies discussion.

Robert, We will go into the reserve this year, we will spend some of those monies, some of those reserves are going to be targeted to be spent next year. You can let it elapse into funding spending monies

Andy, okay I just don't like the cumulative effect of $60,000 per year adding up to $300,000, I think it skews the budget.

Andy, My second point is that I am really not happy about adding Capital Recovery fee being added to our operating revenue. I think that should be a special category. I think it also skews our budget.

Andy, When you show a surplus for 2005-06, it's not really a surplus?

David, We can set up a sub-category call non-operating revenue so it becomes clear to the public and it is precisely the way it will be shown.

Budgetary documents do not have to be done according to CAF, the next time around I will pull that amount out.

David, Are there any questions or comments about the Board expenses or the budget?

Mr. Brooks, I have one question about the regulatory and permit fees, could those be capitalized as well?

David, If they are a direct portion of the construction process yes, they would be paid out of the capital account.

Andy, I'm resisting the urge to comment on specifics and dollars and I will suggest that we discuss this in the next meeting.

Robert, Well this meeting has to end in ten minutes and we will direct those questions to the next budget workshop when we start tearing into the budget, this information on the sheets in front of you should articulate tentative goals.

We will do the workshop in two workshops and two public meetings.

That workshop takes place most likely in the second in September.

Order to Adjourn Workshop by Andy Tobin

Robert, the next meeting, we will be prepared to discuss those goals and objectives for next year.

Budget Workshop is Adjourned.

Does the public have any comments?

Burt, One thing that I was thinking about is reimbursement for these folks for air conditioning etc.

Any other comments?

Adjourned.

The Meeting was called back to order and the Board recognized distinguished Councilman Murray Nelson.

Please rise and we will pledge allegiance

We have already done that

D. Additions, Deletions or Corrections to the Agenda

It is now time to go over the additions or deletions

E. Action Items

F. General Manager's Report

1. Status Report/Discussion regarding the final amendment to the Inter-Local Agreement between the County, FKAA and District

2. Status Report/Discussion regarding the Memorandum Of Understanding (MOU) Between the Key Largo Wastewater Treatment District and the Florida Keys Aqueduct Authority Regarding the FEMA Phase I Grant Program for the Key Largo Trailer Village Project

3. Status Report/Discussion regarding the KLTV and KLP Contract Negotiations

4. Status Report/Discussion regarding the Consulting Engineering Services Request for Qualifications - CCNA process

G. Legal Counsel's Report

H. Engineer's Report

I. Commissioner's Items

1. Commissioner Brooks -- Discussion of comments submitted for the EPA's PMP

J. Minutes – April 9, 2003 and April 23, 2003

K. Meeting Adjournment

I would like to add the wording for the MSTU

JW do you want to take that up as Item I2

Okay, we don't have

Item no 1 is simply the letter sent to the city attorney that discussed the $914K I have not yet heard back from John, but will contact him tomorrow to discuss this with him this was

JW I have a question, how would we account for the interest, when this starts being paid back at 0% interest and

The principal would be approved in the ten years that it would be paid back

What do the Key Largo Park people have to share

RS it is a liability of the District not of the people,

This is an obligation of the district

JW that would be a heck of a burden for the district,

RS it is not a burden on the district, the burden would be on the district to fund future capital projects.

JW I haven't seen it worded it that way

It's in your book Jerry
Charles it's in the book

AT Robert, wasn't it provided in something else

RS yes, it was refined and provided in the second briefing memorandum to the board which I think was in the May,

but using this one, the funds would be returned to the county over the next ten years,

So we have a right to return that money unless we use it.

JW that is a perfect

JW I don't see where this flow of cash to the tune of almost a million dollars is going to come out of the amount of customers,
CB it's not beyond our capability, since we have an

We are 1.1 ahead if we did nothing,

AT not according to our budget charly,

Well not according to our budget

We collect 2700

RS this debt service transfer over the next ten years, so that number is going to go down over 90k per year

660 edus at 2700 is still not going to be enough and I object to that being a loan instead of a grant

Will this be a line of credit like, infrastructure advance, that's creative financing,

RS if the county agrees to make those funds available until we make that

CB did we already agree on that wording?

Yes, just so we can put it in context

AT, a portion of it would be returned in that year on a ten year, actually that should start in 2006, it's a non-operating expense,

It's on the line item transfer

Can we call that something other than a debt service transfer?

Yes, we can address that.

RS, Item F2 at our meeting on ____ two meetings ago, I mentioned , it was the meeting that we met with FKAA and Jim Reynold

This is to put them on notice that we will be submitting our expenses for the Phase I grant, is FKAA's not ours, Jim called last week that they are still reviewing it and they will get back with us next week.

AT that is not reflected anywhere, any

All of those will be out of the capital budget.

F3 – is the memorandum of understanding
Nope, try again

This is a status report of our negotiations with Haskell and Higgins, the board has been provided with a briefing memorandum that reflects the efforts of the negotiating team of _____- not to mention tremendous cooperation by _____

The contracts that you have although they are technically drafts at this minute, are basically at a point that both firms would execute those contracts if asked to do so

The Higgins company was the lowest bid and have agreed to on their base bid, that would have been 187 K in savings and they have also given us a

They have also agreed to hold their prices which would mean as much as nine months. The negotiating team will recommend that we move forward with Higgins on the base bid, because we know we will be coming back

I talked to Dick Smith yesterday just so I had a clear understanding of the commitment that will take placed

Amy has joined the meeting

Talked with Dick Smith and made sure we understand that we satisfy the it's more than that now, we do have to enter into an agreement we will have an amendment no 2 that will stipulate a new

That in fact encumbers those funds from anyone else taking those funds and

I will get back to Dick Smith and hope that we can act of that on May 28th. Also, we have been notified by DEP that we will receive an additional $135,000 of funds which with us agreeing to amendment no 2, this protects those funds.

KLTV, are there any

AT You said that there was an extra $180 price after the bid overall.

The other thing about holding prices for nine months, I'm still concerned that we have county permits to get through and I'm hearing some discontent over the MSTU, that nine months is not a very long time to get permits or go through a challenge. I just think it is realistic that we look at other scenarios just in case.

AT - The other thing is that one of the things that has come up is that KLP has been put into a tier two system, I don't know what the board is going to do, but we are getting ready to spend a lot of money in Key Largo Park that the county is not going to all to have built out, so that is something else that we should look at if it's going into a moratorium

RS we want to stop, take a breath and look at where we want to invest and we should clearly have the time to address those issue and

AT – and I have not really had the time to address those issue either, Tim McGarry and Bob Feldman and Richard Collins could take a look at it, the county's attorney's office, I don't know if I will have a comfort level by next week to sign a contract, but okay that's the park,

The village as a result of the negotiating committee has ___ Haskell, all the good stuff is in there, the pricing deductions, the schedule, the scope the one thing that we have to make sure though is that we put appropriate wording in there. They are supposed to be

getting back to me regarding the cash draws. Anything that Haskell would look to be reimbursed for FEMA would pay, so depending on how much risk we wanted to pay we could look to FEMA..... ultimately we have to comply with FEMA, I would say that this is the biggest issue. How they can draw their dollars down, not just Phase I, but that's probably the remaining issue.

Amy, I still have the table of contents I want to make sure that nobody has any other changes before I finish.

Higgins, I though nine months was a pretty good gesture on our part, but I think we better go more.

RS I think that the decisions that we are asking you to make over the next two weeks encompass both projects

Can we absolutely.

We put together this funding document the dollars that have been spent are in reserve by the FKAA that also includes the land cost. The contract prices are the contract prices, the KLTV number might be off three dollars, but that's all.

It is shown on the

Funds reserved for the district that is funds construction management, at $11,000. We have now added to those numbers
The FDEP new monies of $135,000 is now shown so we have a revised total of roughly 1.3 or 1.4 million dollars of funds to reinvest in the KLP. So we can use those monies to

I think that is very good news we are very happy to report that, we need to think how best to use those dollars.

Every one keeps asking about the Edu issue, if you work on the assumptions that we have the ability to reach approximately 850.

I have calculated the cost at 13000 and have netted out the land cost and have in kind land cost

So to put that entire burden on the first people in, it is unfair. If you put that

I haven't compared this with other ___ in the keys, but this is a marked reduction in where we started. I believe that based on this information that we have provided that the board approve these recommendations at the meeting on the 21st pending any changes by the board.

AT I just wanted to ask Commissioner Nelson a question is 13.6 a consistent price around the county?

I believe that number is a little below in some, but consistent in others. Little Venice is the only one to sign a contract at this point. There was a private

IAT, Thank you for letting me put you on the spot.

Bauman, Project Status meetings, the monthly meetings in the Trailer Village, are those meetings monthly? District and the Engineers?

RS any meetings are public, it's required by law, but there's the law and there's common sense, we want as much turn out as we can

My suggestion is to make that a public noticed meeting that everyone can attend.

Usually those meetings are public, ,

No, we are talking about the status meetings between the District and the engineers,

Mike Longnecker, Keys resident – Usually, when they had a meeting like that we really did not get much public interest, the FKAA came, but not many residents and it was not noticed.

Haskell - We plan on giving out notices to the public

Gary I do not know what a submittal is?

Longnecker, a submittal is a particular type of equipment or materials that are submitted to the districts engineers for approval.

Gary is looking at section 8.14

Robert could you look at that submittal section and make sure that is clear and what that is and what that means?

I thought that was a change order and

RS I do want to make sure that everyone knows

We want to make sure that everyone is comfortable with the contracts and
What they all mean, and make sure that we understand that if we don't understand something, we have steps to go through, make sure that we are all confident and comfortable

Cris, the little subdivision between KLP and KLTV, Sunset, once we get the amendment two approved, the funds are all protected, how do we best invest those dollars.

Lets say that we have two streets in that we may want to use those funds, are those units prices good for those type of expenditures? I guess

There is not even those restrictions on it,

Are we envisioning anything other than Sunset Cove,

Unit prices are good, and possibly

JW I want to get back to my favorite subject, EDUs, even though there is no house on the property line

We can't charge anyone for an EDU if there is no house on the lot, I just don't see how we are going to get that many EDU's

This is a great number, but I think it should be less, it's a misleading number, in my estimate there are 349 vacant lots in key largo park that we are going to run pipe

We are not going to start running pipe,

And 79 and 445

Charles Brooks, my compliments to David, after all the meeting that we have had, you have been able to put everything into four pages, and cover every subject.

I would encourage this board to move forward the signature on these two contracts in warp speed and not tie ourselves down by intimate details that we have already been through. We have an experienced district manager, lawyer, engineers, etc., and I

AT – I am going to turn back to our commissioner regarding these 850 EDUs and ___ EDUs could also be misleading, we are going before the County Board and it would be nice if we could get some indication as to where we are, moratorium regarding tier two properties and I think the county has some flexibility in this arbitration. It doesn't say anything, if we are committing 12 million dollars, this district is the alter ego of this county, this is the area that the county wants its limited _____ to take place, basically I want the left hand and the right hand to work together.

Commissioner – May I respond , obviously if it's going to be a tier two property development would be stopped for two year and basically it is a I got a letter from Marlene yesterday, KLP is a tier three, so you can be assured that it is a tier three, also I think you should realize that in that they are 50x50 which are too small so every two lots will be counted as one, there are 220 houses and take the remaining lots that are not built on that would be your amount of buildable lots. The issue of the county being in sync with the KL Board because it is in our best interest to find an area that can be built.

At our recent meeting and because of the attendance of one of your members Key west was trying to readjust, Mr. Brooks got the intergovernmental task force to agree that any portion of the Lets hope that the bill passes.

The 914K repayment loan, so I think that this is a non issue, I still think it is a dollar amount that should be kept here.

That 100,000 was a loan and I will be continue to strive to keep that money here.

AT on the 21st when we were actually negotiating, we couldn't exactly tell the board no, we hoped that the board, after they see the progress would forgive those loans, that the county would have a definite time frame.

Nelson, I think we need to look at the County and the District as a _____ as we work with the FKAA and take and equal eye with this District and the question of the MSTU is going to come up. The county has adopted an MSTU in three other areas in this county. The Key largo area has gotten a lot of money ,

The fact that Mr. Brooks has added another 914K

This has resulted in a lower MSTU be

I would just like to say to the contractors, the board and I would urge the board to go forward to get this project started. That money came to you because another area did not utilize it.

AT Great,

Charley - Let me make a correction, we keep saying the 21st, the BoCC meeting is on the 20th,

Nelson, no, we don't want to discuss this then,

Then we hav

We can open the meeting and then reconvene after our meeting

AT, I would feel better doing it on the 28th, I'm just not going to rush getting through these, Terry Lewis is out of town, I just got back to town,

Can we get an updated figure on this EDU figure?

Charley, correct me if I'm wrong, but we keep designing the project on existing residents, I believe we have discussed and we have that open, we can go in any direction and put vacuum pits or go the other route and pick up more users the day the system comes on line and that option is open to us once we sign the contracts,

850 is the plant capacity,

Yes, what I am looking for Robert, is I would like that number refined so that

We are going to have a build out of x

If we add Sunset Cove that we have another assumption, we should have another

RS You can do that, however, the first number that

Tell me how may existing units are in the park
How may are in the village
And how may are going to buildout
It's not just for our benefit, but these people are going to be sharing the maintenance costs and these people are going to need to know how much this is going to costs

That what these numbers are real important, so that everyone knows what we are signing on for, if Sunset cove is

I want to know these numbers before I sign the contract! I'm nervous!

I need to have a contractual provision, that if there are

Contract should have provisions that if there are questions, that direct us to particular comments.

I have yet in five years to take anyone to court, because we have that type of communication between contractors

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<note from Lisa, My transcription of Side A, Board Meeting 2 starts here>

A: …running off and filing lawsuits because that's just going to stop the project, and we cannot afford for that to happen.

?: I haven't read the Park contract, but the village contract calls for mediation instead of litigation, so it's got a pretty detailed dispute (??)

A: OK good. I'm sorry, I just haven't had a chance to read those contracts. I got them yesterday by e-mail and just have not had a chance to go through them.

Also ?? it says the contractor has 10 days, I think it says 10 days, to reply to any ?? that the ??

A: The time certain clause in every step of the dispute process.

It's covered pretty good in here. I feel pretty good.

A: OK, good.

?: I've got one other thing to say here, Robert. We're talking about September 5 being done with this thing? We're talking 9 months out ahead here, now we're talking a year out ahead. How…

Robert: You're absolutely right, and fortunately what I've been told by both DEP, DCA and FEMA is they're not oblivious to that fact. We even re-verified that in the meeting we had with them is that if due to no fault of any of ours these issues keep getting moved out, then obviously the hammer date has to move also. FEMA and DCA both have made that commitment.

Murmur

And I hope we don't have to change any of those, but we understand that there are circumstances that are beyond any of our control.

Murmuring

What is the September date you're talking about?

Robert: September 2005, all the FEMA funds have to be spent.

...important date, especially if it gets stretched out here.

??: Mr. Chairman, I'd like to poll the Board on the 21st meeting because there's been some suggestion of no meeting. For two reasons, one is we set that meeting in case the MSTU did not go through because if we did have to go another route, which pretty much the timeline of the MSTU does not go through, so that was the original need for that meeting and I still can't see any reason for delay in getting these contracts underway, so I guess I would like to know how the rest of the Board feels about having the whole week to review the contracts and apparently one member has been through it a lot more than I have, and I've been involved in it. ...see if the rest of the Board members feel that they're ready to sign a contract on the 21st and then poll the Board to see if we're going to have the 21st meeting or not.

??: My original schedule, I thought that we agreed to, was that we would review the contract by today, provide questions and get answers from staff and contractors at this meeting, allow the negotiating team to re-do the contracts by the 21st for approval on the 21st. I thought that's what the Board had agreed to. That's why I spent the time studying them over the last three days. Was that not our schedule? Anybody recollect?

?: That was my understanding.

That was your understanding too, (name?) Cris?

Andy ?: You know, I think it's really poor negotiating tactics to take a vote to rush a contract. I don't think there's any reason for us to rush and I think it's poor negotiating strategy to push as hard as you're pushing. So why don't we just do what we're comfortable doing and...

??: We've been through it for three months.

Andy?: Well, you've been through it, I haven't so I'm not as comfortable as you are.

??: So my next question would be, we've polled it

Andy?: Well you're not going to get me any more comfortable by polling.

??: OK, I'm asking what Cris is.

??: I was under the understanding of what Jerry just said, that I received this e-mail Monday night or Monday afternoon. I was out of the office yesterday and it took me half a day to open it and print it. I have just got it bound and I haven't read it, so I don't think with my schedule I'm gonna get through the entire contract and be ready to decide by the 21st.

??: By the 21st.

??: I've only read through the contract and made a few notes. I haven't... I had to do it two or three times. 132 pages and a 109 pages is the

Cris ??: Jerry, you don't have to justify. If you're not ready.

??: What are the ramifications of waiting an extra week?

?: Mr. Chairman, may I respond to that?

Robert: As I understand what y'all are struggling with and what DEP is putting on us, ?? the June 30th date is not really June 30. We have to approve Amendment #2, it then goes back into their process for internal processing. That being said, I could still bring back Amendment #2 on the 28th. That could be part of the process we go through in approving the contract. That gives them then two weeks before our June 11th meeting to come back with it fully executed on their side. I'd be lying to you if I said we couldn't do that. We can do that. I understand this is complicated. I guess we hoped we could have gotten this contract in your hands before Monday night, but we just could not do that. Any guidance or adjustments or critiques you have today is helpful. You can still give us further guidance in terms of contract modifications on the 21st, but at the point in which this Board does decide to, I believe you've used the term "sign the agreement", here's the process that needs to happen for this to happen correctly. The Board at some meeting, either at the 21st or 28th, will make a motion to approve this contract as to form, pending approval, pending execution and signature, by these two firms first. They must sign it first. I would never ask the Vice or the Chairman to sign any agreement that the contractor is not prepared to sign. Now, there may be some non-substantive changes to that agreement. It would not have to come back to the Board for approval if they're non-substantive. They would go straight back to the Chairman for execution. That could still be ratified even with the non-substantive changes. IF there were substantive changes it would have to come back to the board, unless something happens very unusual ? this side, I don't see that being a problem. So they would execute the agreements, they would come back to Andy for signature. That's how the process would work, whether you do them the 21st or the 28th. By your action of directing that to happen, DEP

becomes content because you have approved a contract as to form, they're going to sign it, it will come back to then Andy for final execution. Would I like to see it happen the 21st. Yes. In lieu though of this Board being totally comfortable, I would not push the Board to do that. I'm going to talk to Dick Smith in the morning. I need to make Dick Smith happy with these schedules. I'm going to present him schedules assuming ?? these agreements, in terms of sequence of events. We would need to still approve that Amendment #2 on the 28th. AS long as we're able to do that, I believe we're OK. I think anything beyond that, Commissioner Brooks' concern is absolutely critical. It becomes problematic at that point. We will potentially lose those dollars.

?: Any other Board discussion? Charlie?

Charlie: So what are we going to do—the 21st or the 28th?

?: I just think there's a lot going on on the 21st...

??: Let's get a consensus from the Board.

?? We've got a consensus. We want to redo it? Jerry, you got a problem with the 28th?

Jerry: I have a problem if one of us, in particular Andy who has the legal background, is not going to be prepared. I guess what I'm asking is try to get prepared by the 21st if possible.

??: The problem is that we've had two contracts and Terry is out of town and I have some questions that I want to discuss with our counsel. Given the fact that the 21st is a Board of County Commissioners, we've got some serious issues on the 21st, I didn't think that the extra week was going to be a problem until just a moment ago. So, um, we may wind up over at the BoCC on that day. I just think we're putting too much on the agenda for the 21st. If there's three objections we'll do on the 21st?

Doesn't know if he can be ready by 21st, doesn't want to be under that pressure.

We put a negotiating team that has been working hard and entrusted them to have best interests at heart. I trust that they did.

Amy, you're still there? You and Terry were there and you and Terry agree with the contract as it stands?

(argument with Charlie)

Move and second to do it on 21st. Discussion called

Jerry?? Wants to meet on 21st and discuss, particularly with Chairman, and to hear comments.

??: affirms we will meet on 21st and discuss but doesn't presume that it will be signed with legal counsel out of the country. Just wants an extra week to look at it. Stick to

Board discussion and vote on the motion (to sign it or not on the 21st). Then debate if the motion was to cancel the 21st meeting and go to the BoCC or meet and discuss, possibly sign but probably go to the 28th.

The motion is withdrawn.

Reminder that the chairman doesn't have to sign right away.

Next item of business.

Robert: An RFQ was issued for consulting engineers. We received 13 submittals, they have been reviewed and are being evaluated. I'm going over the process so you can comment and you can hear our recommendations. The 13 statements of qualification have been received and are being reviewed. We have also enlisted a county rep to assist in the evaluation (George Garrett). We intend to come back with the firms ranked, you have the score sheets. Most likely we would recommend that the top five firms would come before the board (not all at once). If a board member wants to add another firm to that group (to pick up a firm that was overlooked), then we will add them. The Board has to decide how many engineers of record it wants for the District. Keep in mind that the Board will need engineering support in several areas: to help manager manage the projects (construction). Also, to help with planning for the flow of funds to come and help identify the needed projects for the District. Might want another engineer for design. Then we go to these engineers for plans and scopes whenever we have work to do. I welcome comments.

Gary passes

Cris: Is it possible that you would recommend a firm for design over another area?

Robert: we want diversity and varying areas of strength. Don't put all eggs in one basket. Our main goal is construction management. The district manager takes a roll in that, but we need an engineer to sign off.

??: Worksheet doesn't have a column for George Garrett but he'll be using our criteria.

Charlie: I'm not too comfortable with someone from the County being on the evaluation committee. In a way that defeats our purpose as being an independent district. Then I questioned what experience George Garrett has in selecting engineers. I can see your experience (Robert, David), so explain George's background. It seems like our narrowing process [seems to repeat itself].

Robert: George is the water resource coordinator for the county. He touches in many ways all of these projects. He has ample opportunity to observe all these projects, what works and doesn't. HE brings local knowledge and flavor. In a perfect world, we would have outside engineers on the selection committee just to help out. There's only two firms on that list that we don't know. We can remove George from the list if you want. You don't hire the firm so much as the individual you're working with. Could we just give you a list with no Board participation? Would you be comfortable with that? You need to

hold us accountable. This is pretty standard stuff, though maybe not for y'all. Not nearly as complex as the Park/Village.

? How much time would be involved

Robert: If you want to do it in the next 30 days, you'll have to spend a couple of days reading them. Then meet with the evaluation committee to go over the rankings, and then I can put together an explanation as to why we picked who we did. Then the Board will still have a wild card to add to the list if they want.

?: So a couple of days to review...

R: And for me to prepare the team findings.

?: I'm trying to figure out if I have enough time to do that and I think I do.

??: Is George Garrett willing?

R: Yes sir, he said he would.

??: Jerry, do you have...

Jerry: I have the same concerns as Charlie. I don't see why George Garrett is even considered. How big are the packets?

Robert: About that big (makes a gesture)

Jerry: We need some way to interject someone, so it's not totally the Committee. I don't see any problem with going ahead without George. I just don't know, never done design, build...

Robert: Only two things I can guarantee is that no matter who the committee is, there will be seven real unhappy firms and 5 ecstatic firms.

?: Board still gets to meet the five and bring in others and then those firms go on a list and then...

Robert: You will select engineers of record from that list of 13 so many firms that become our engineers of record.

??: But when you bring back 5 and we add or subtract, on the same day do we have to select an engineer of record or do we have an opportunity to interview and select among the number?

Robert: Yes, and when you select them as engineer of record, that doesn't guarantee them one nickel of work. There's no retainer. If you have jobs that come under their expertise, you can call upon them to give you a scope.

??: It seems to me this should be a streamlined process, not cumbersome. I know George is willing to assist us but I don't see that he has the time or is necessary. If you think you need him…

Robert: I thought it would give us a little more balance and objectivity. I didn't want you to think our objectivity was in any way biased.

??: I think we're looking for bias because bias means you have an opinion and we need your opinions. This isn't something we have expertise in. If you have expertise in hiring engineers, then you're the right guy to shorten the list a little bit.

??: He's trying to alleviate our concern that all three individuals are from GSG. Could we add an independent engineer to this list?

Robert: If I can find one who will do it without wanting to be paid.

(laughter)

Robert: Charles knows more engineers than we do.

??: We're not in public comment now, this is Board discussion.

??: When we make this selection of these engineers of record, are we locked into them forever?

Robert: Most of our contracts were for three years. You can't add to the list without repeating the CCNA process. Those that are on there can stay, but there has to be some term to the agreement and then you do it again.

??: We are able to pay whatever the job or task is, there's no limit other than what we have in the bank?

Robert: The $25,000 issue is not an issue.

??: AS a followup, why is it necessary—David, for instance—need to be on this committee?

Robert:: Because he's been with me on every evaluation committee I've done in the past, he's going to make a lot of stupid mistakes but he's got about 20 years of contract management experience at the federal, state level. He sees things I don't see. He's a real balance for me. Charles has forgotten more about engineering than I'll ever know.

Jerry: We don't have a single P.E. on the evaluation committee.

??: WE just asked him to get one.

Betancourt: Suggest Florida Statutes for hiring, need a licensed engineer. That's the way it is. <hard to understand, not close to mic>

Charlie: Make a motion that our ranking committee be David Miles, Robert Sheets, Charles Sweat, a licensed engineer who will not be part of the selection, and a member of the Wastewater District Board. You don't have to put this in, but anyone but me.

??: Second.

??: Seconded for discussion, start with Gary.

Gary: No. <pass>

Cris: I'm just concerned about Robert's comment about finding an engineer...

Robert: I'll find an engineer and we'll send back to you, the Board, the credentials of the engineer and firm.

??: And that's for nothing?

Robert: That's what we can pay for.

??: Let's hope we don't' get what we pay for.

Jerry: Gary, would you consider doing this?

Gary: Yes, I would.

Jerry: I would like to see Gary, with the comments he's made. I think he could contribute something.

Robert: That's fine with us.

??: If Gary's willing to do it. I'll support the motion. I thought it would be cumbersome to put a Board member on it since we're getting them back anyway, but if Gary is willing then I'll support. We'll make an appointment.

Robert: If this engineer is required to travel, are we allowed to tell him/her that we will reimburse them for travel?

??: And you're talking about traveling....

Robert: Down here, to the Keys.

??: Can't we do this over the telephone?

Robert: I would remind the Board of your continual reminding me of how much you like to see things conducted in eh Keys. If we can do it over the phone, but in case they have to make a trip here, anyone will ask if they can be reimbursed for their travel expenses?

??: We're just adding a whole process to something that doesn't seem necessary but o.K.

Jerry: And the same should be for Gary, if he has to travel.

Gary: I'll do everything I can to defer the lodging costs. (laughter)

Robert: We're talking very insignificant dollars, maybe a couple of hundred.

??: So most everyone will be conducting business over the phone as best they can.

??: Shouldn't' we make that an official motion since it involves money?

??: I don't think that's necessary.

Robert: ?? Up to a hundred dollars.

??: We watch every nickel, a tight-fisted board.

?? Any no votes? Hearing none, the motion passes. Gary, you have accepted.

Gary: Yes.

??: And I'll be the backup if you can't since the other members have spent a lot of time on the negotiating team and evaluation report.

Robert: Mr. Chairman, that concludes the General Manager's report.

?: Amy are you still there?

Amy: Yes.

??: Got your nails done yet?

<laughter>

We' re going to take a five minute break.

Legal Report

Amy: Andy, I do not actually have a legal report prepared. My duty is pretty much centered around the contract negotiations which we've already covered. I don't have anything else to report.

??: Do you want to tell us about Terry and how he's doing?

Amy: I heard from him yesterday afternoon. He was in Panama somewhere and he said today he was going to be in Costa Rica. He's been checking his e-mail here and there but I haven't heard from him today. Pretty neat trip.

Gary: Amy, the Sorensen bill to keep us from doing the FS-120 rules, did that pass Congress?

Amy: As far as I know, that did go through.

??: But it's not signed by the governor yet. Needs both houses.

??: How about taking a five minute break? We've been going for two hours now. Is that OK?

<break>

Engineer's Report

?: we're going to have a 15 second engineer's report from Item H. Identify yourself please for the record?

Fred: Fred Mittl from Boyle Engineering. Not a whole lot to report obviously since everyone has been working on negotiating a contract. The only thing worth reporting from my perspective is the Key Largo Park permitting through FDEP (I know Dave Reffling mentioned Dick Smith was curious on how that was going). Several weeks ago we submitted that response to the DEP comments on the collection system and I'm waiting to hear back. I've phoned in and they haven't responded back, but they're reviewing our response. That's where we are now. We don't have one but we expect one within the deadline.

?: Thank you, Fred.

Robert: That was about 45 seconds.

Commissioners' Items

?: OK, moving on to #I, Commissioner's Items. Mr. Brooks.

CB: I attended what they call a work group and the chairman is from the governor's office. It's the Everglades restoration thing that's been coming up. It was held at the Westin today. That was quite informative about the new bill that went through. Part of that discussion, when Cecilia with SFWD and Shelley with the Army Corp gave a presentation and part of that showed that Islamorada, Marathon and Unincorporated Monroe County were going to get 29.3 million dollars. The Chairman noticed that KLWWD was not mentioned in there, so I made a point (didn't intend to speak but I did). So that was noticed. Then last Friday I attended the Intergovernmental Task Force Meeting and that meeting is for the public and everybody. That's the conglomerate of all the entities within Monroe County. Their main purpose has been to coordinate all the

municipalities so we don't argue over who gets what part of the 100 million that may or may not come through. Years ago, the formula was laid out that Key Largo would get 29.3 million, Islamorada would get the same, Marathon would get the same, and Key West and Key Colony would get less. And that's what Mr. Nelson has fought diligently for years to make sure because that was changed from Key Largo to Unincorporated. By attending that meeting, there seems to be a bill that Sorenson has put in for this year to get another 3 million from the state. What happened, Key West attended and had been to Tallahassee and lobbied to get a greater percentage than had been agreed to. That upset other municipalities and fortunately we got agreement that we would stand with the original agreement for 29.3 for Key Largo (etc). We would stay with that formula for the additional 3 million. That's what we accomplished by being at that meeting. We may still have to reconfirm that, but pretty much the task force has confirmed that Key Largo will get 29.3.

?: Is that the 3 million from the federal government?

CB: No, Ken Soreson this year introduced a bill still to be settled, an additional 3 million dollars in wastewater coming from the state that will be divided up between all the Monroe County entities. Key West, instead of 10 percent, was going for 23 percent. They were voted down so we would stay with the federal formula.

?: Isn't there also 3 million from congress through the Corp of Engineers.

CD: That's the 3 million we didn't get from the feds this year. The congressional process is that it authorizes X dollars. The original bill authorized 100 million. If it came out, they would appropriate it in graduated steps. They finally appropriated 440,000 for engineers to do planning and work. SFWMD. They asked for appropriation for 3 million for this year. It did not go through. Now they're going after appropriations for the next year. I don't think they've settled that amount.

<murmurs and laughter>

?: So is you guys agree that any future appropriations would maintain that ratio or just for this 3 million?

CB: If we got the 100 million, and I read just this morning, we're supposed to do 35 percent between local and state. The feds come up with 100 million, we have to provide 35 percent. That's what the state has put in. It started at 35 million. Bush came into a meeting and said the state would come up with 17 million, so that's what we're hearing now. Of course the county has been kicking in.

?: Follow-up? OK, next item, Jerry's item, the MSTU wording.

Jerry: Thank you Commissioner Nelson for faxing this. I'm just really concerned about the ordinance itself for the wording where they say that we have a four year budget. I don't know that we've ever even talked about a four year budget. The one that really bothered me was that time of hookup we were going to give all the houses that paid this MSTU a credit against their hookup fee. We don't even have a hookup fee, so a credit

against zero would be zero, but we do have a capital cost recovery. This would be a law of diminishing returns as we kept returning all their money. The MSTU would be about 29 mill to pay for the last 1000 houses to hook up. Then it goes on with, "However the MSTU provides the option to pay the revenue for these options in a number of ways." I think the public is being deceived if they think they are going to receive a credit. In the ordinance itself, it sunsets in four years. I think I know why, because Palm Key, Bay Point, they will sunset in 4 years. These 680 however many EDUS, only represents about.5% of about 13,000 EDUs. This MSTU is going to go on, some form of payment, for 20 more years. It's going to keep going. We may have a new BoCC in four years and may have through this again. I don't think this should have a sunset clause.

Robert: For Key Largo.

Jerry: Sunset for Conch Key. At the most two years. Baypoint three years at the most. I know Commissioner Spiehard's objection to ?? being included because they haven't taken step one. And so she sees 6-8 years of going on. Then it says in Section 5-B, "The BoCC board shall adopt the budget for the KLWWTD taxing unit." I don't know if the BoCC... I think they're copying something because it says "provided by the authority." I think they're talking about the FKAA and transferring over to us. I'm wondering if we want to sunset and start this process over again or should it go until the Board... We requested it to start. Should we request it to stop if we want to when we want?

?: Dos Amy have a copy of this ordinance.

Amy: No, I don't have it.

?: You're making a very good point on this Section 5-B. That does seem backwards.

Jerry: (quotes something) We should set a cap. I personally would like to see the Board set it each year and we send it out on the TRIM notices.

?: We can't set it. It's the County's millage.

?: We can request.

Jerry: You're correct.

?: I guess, to be consistent, the Board CC has to adopt the budget of the KLWTD which they can only do with our input. I guess with further review, that's the way it has to work.

Jerry: They can approve our budget, they can even be a part of it if they want.

?: Don't we have to request the MSTU each year?

?: No requirement, but if we want money we have to keep the County in the loop, involve the staff, and let them know what kind of money we want and how it's going to be spent.

?: Point, Mr. Chairman, is that the Board requests an MSTU...it's a mirror image of the ones that were done in Baypoint and Conch Key.

Jerry: Right, I think so.

?: This Board though, if they ask for an MSTU, if in any one of those four years they don't want it, then they need to notify the tax assessor and he'll omit it that year. But should you request four years, which mirrors the other districts, and they felt as though at the end of four years that was enough to support and maintain the contracts on that plan. This Board has a different setup. Also, the Board has the option at the end of four years to request another MSTU based on what your projections are. I think you're not bound or limited by the 4 year term. We know we have four years of funding, but if we finish up early we have the option not to impose further. (We don't have to be lookalikes and create further problems.) I think the Board needs to look at what we're trying to attain and also have the flexibility to impose it one year, two years, three years, and to extend it (if necessary). I agree that Jerry makes a good point in the verbiage there and I ask that the attorney for the District should look at that wording and see if our ultimate goal is different from (other districts).

?: Marathon is four years?

?: Yes.

?: These others are pretty high because they expect the sunset two to three or...Marathon's not going to do it. They're talking about cluster systems and piecemealing it. We're 38 percent of all the EDUS in Monroe County. If we're going to have to replace it by a special assessment, which does not...does it renew every year?

Robert: It's just like any budget process. You have to approve it and decide how you're going to pay for it. Every one of these sunsets every year because you may decide not to raise or lower assessments It's a self-regulating process.

?: We should probably put this in our long-range planning. Is the MSTU or the special assessment the best way to do this. By then we'll have more experience in how to impose taxes in the fairest way possible.

Robert: I think the issue is going to be forced upon us before then. I took a five second glance at that. The first time you take a connection fee from a customer in less than two years. As the briefing document is written, we will reimburse you for all assessments as a credit against your capacity, capital recovery fee. Let's say you pay $70 a year for two years. And on year 3 we take your 2700 dollars, we will net out of that the $140 and we'll never assess you a millage assessment again. If that's how we go, then I need to refine all my financial projections because that's not what we've moved forward on.

?: Is that what's in this ordinance?

R: That's what's in the briefing document.

?: So it's not binding.

R: I don't know about binding, but if you say to the community that's what you're going to do, you'd better do it.

?: What briefing document?

Jerry: It's a general summary.

R: The Commissioner and I talked but we need to sit down and talk more about it so I can understand what's wanting to be accomplished.

Jerry: The District has requested a millage rate for the MSTU of .35 mills. WE requested one not to exceed it, but we could do it at less than that. We requested that to be a cap.

?: Maybe Tim McGarry can by next week amend this and you could touch base.

R: There's a couple of issues. That would certainly require us to redo things. THE MSTU is only to cover administration and management. The 35 was set to cover maintenance and I just did q quick calculation and that maintenance fee is generating at most about $3 at most per month that could go to admin. We need about 8,000 connections under the 35 dollars scenario to cover maintenance and admin costs of the District. WE need to understand this. Second, Amy, this is a question to you. Under an MSTU, since that's a tax, everybody has to be assessed equally. I don't know how we could have residents in the MSTU who are not paying it.

Amy: I think you're right.

R: We need to better understand that. That's the uniform issue.

Jerry: I thought that the residents, particularly in the Trailer Village, should know that because they get hooked up and pay the 2700, they still have to pay this tax.

R: In the public hearing we had, we showed all the residents a chart that showed what you pay before and after connection. After connection you pay the monthly fee and the MSTU. Now, yes, at some point as we keep adding connections, that 35 a month over 13,000 will... (tape side ends)

<Tape 3, Board Meeting, Side A>

?: Robert, can you make contact with Tim McGary?

Robert: I'll talk to Commissioner Nelson tonight and then whoever he directs me to.

?: Because Tim signed this and Tim usually goes real quick, just got a lot on his plate. We have to get Amy a copy of this resolution. I think the reference to the Board is proper here, Jerry, there's a definition that says the Board means the BoCC. The Board

is going to have to adopt the budget as part of its taxing authority, there has to be a budget to support it. They'll look to us for info to support their budget, but it's their responsibility to create the budget. I think it's legal but Amy needs to take a look. Any other discussion?

Charley: Looking at Section 3-C, note that this resolution says from "time to time" Board may take action not inconsistent with this ordinance or the transition agreement to assist the District" to aid in planning etc. to benefit Key Largo MSTU. What they're saying there is should the county have additional funds at any time they can give us more money for administration. Which answers Jerry's question about funds coming from other funding sources. The county can do that. This is a good one. <laughter>

?: Keep in mind with respect to CC, should they fund this board for O&M they would be compelled to fund all other areas.

Jerry: If county got rich, they could do it.

?: Don't hold your breath.

?: Next item. Approval of the Minutes.

?: Let's back up here. Still on I, 2.Basically the only thing we suggested changing is the summary page.

?:I think so.

Robert: Jerry brought up things.

J: They didn't give you any direction.

Robert: Maybe I'm reading into this, but the discussion we need to have is not just the summary page, but the sunset provision. Clearly the ordinance doesn't mirror the summary page. There is no clause in the ordinance (based on a 2 minute reading) that mirrors the provision of discontinuing an assessment once you're hooked up or remitting of a rebate for the assessments you've paid against the connection fee. Those are big issues and I need to understand that. I'm not too worried about the sunset provision because that's just a provision that the District is not prohibited from having their own referendum and having their own millage. Your hands aren't bound by that provision.

Jerry: To answer that, basically, we're not objecting or suggesting any changes to the resolution per se. What we're suggesting is just the summary page.

Robert: I want to read it again.

Jerry: The effective Date, section 9-A, shall be subject to KLWTD adopting a resolution consenting to the inclusion of the unincorporated, etc and so forth. Once the BoCC adopts it, we have to make a resolution. What I'm trying to get a feel for is how much of this do we agree with.

Robert: I would need to get a copy of it and talk to Tim McGarrity tomorrow.

?: WE need to get a copy to Amy right away. That's an interesting clause that Charlie mentioned. I'd think the ordinance becomes effective when adopted. Amy, there's a provision in here that says, Section 9, the effectiveness of this ordinance shall be subject to (quote). I would think that ordinances are effective when adopted and filed. Charley's raising an interesting issue about when it becomes effective and what we need to do. Could you take a look at that?

Amy: Yes.

?: Marathon did the same thing.

Jerry: I thought we already did this back in February.

?: I think the BoCC is just trying to make sure that the community knows it's our tax and not theirs. By making us vote on it one more time, they're proving that it's ours.

?: I would hate to have a defective ordinance. So the direction to the manager is to work with Commissioner Nelson and Tim McGarry to amend the agenda item summary at this point in time. The direction is also to our attorney to look at the proposed ordinance and to send up a red flag if she sees anything. Any other direction?

?: At the BoCC meeting, last time we didn't do so good. Someone needs to plan ahead about how we're going to present at the meeting so we're not running around up to the microphone.

?: Robert, do you want to give us a preview of what you had in mind? You mentioned a chart and some numbers, did we not have that discussion?

Robert: I've got to read this. WE want to walk in there as part of the whole community. This is not our MSTU, this is the County's MSTU. WE want to be effective in communicating to them that it's to benefit them and us, it's a partnership. They need to understand if they're trying to make one size fit all, we need to understand what that size is and can we make adjustments. If not, we need to sit down and explain how that size doesn't fit us very well. We have to be able to articulate that. If we can do it before the meeting, great, if we have to do it at the meeting, we have to do it in a professional and concise way.

?: I thought there was discussion, a financial analysis that the MSTU, especially in the low-income areas, had a befit where a special assessment...

Robert: I think we're going to a federation meeting after this. I've got the 10 most commonly asked questions about MSTU/MSBU. We can certainly show the same charts we showed before on what a MSTU would affect in terms of property, what an ad valorem assessment would look like. WE can do all that. I was even thinking about what would be the most effective.

?: I guess we're all going to be there at 5 on the 20th. Last time, Commissioner Nugent suggested he wanted to see hundreds of people clamoring for a tax.

<Laughter and head counting>

Robert: There will be 6 at least.

?: I think we want Robert to be our voice at that meeting and we need to have sufficient detail in terms of why we need it and what other alternatives we might have and how those are poor in comparison.

Robert: I learned a long time ago don't try to convince somebody that doesn't need it. Let's try to understand what the Board's leanings are. I don't want to sell them they're already inclined to do.

?: Let's ask Commissioner Nelson one more question. Do you think that we should make a presentation that evening, something so they understand where we're coming from?

Nelson: Certainly have someone present your view, keeping in mind that the Commission has already adopted this 5-0 for the other areas. I think everyone sitting there realizes that if they don't adopt an MSTU for this Board, then they get the opposite situation of having to pay for it. So I think that's a self-motivating factor and I'd build on that.

Jerry: I don't understand that. The opposite position is that we have to go for an assessment.

?: We can't get there in time.

Jerry: I thought we could with the $20,000

Robert: Keep talkin'... <laughter> We committed to this board that if you gave us the word Go on May 21st, then we can meet the statutory deadlines for a non ad valorem assessment program prepared for you to decide on.

?: Obviously we all have a lot of vested interests here. That should be the case and if that special assessment was adopted and challenged by anyone in the keys, what would be your fallback?

?: I think it's virtually impossible to get that through the system without challenge and have any sort of funding ability for at least one more year.

?: That's the point. I don't think it's worth jeopardizing ?? when you have fully latitude with the MSTU to change and adjust it.

Robert: I concur, I was just responding to the direct question of if for whatever reason your Board didn't vote for it. I would never want to make that an option presented to a Board. That's the worst, worst case scenario.

Jerry: WE don't have any guarantee there won't be a challenge to this.

?: The MSTU has been challenged and rechallenged and holds firm. I don't think that an MSTU based on current law and the fact it's been tested would be challenged. It's up to the person challenging to meet the level… It's almost a fail safe method.

?: You're right, the commissioner is right on.

?: This is misleading and when Tim looks at this again he'll revise it. Any more discussion on this MSTU wording?

?: <mumble> a lot of people over the years make a presentation to the commission but it's really for the public. Who knows who's going to be there in what position. Not that I'm one way or the other, but making a presentation could answer a lot of the public's questions even though we know pretty much.

?: The Community really does watch these things and we should make at least a 10 minute presentation on where we've been, where we're at and where we're going and the contracts and the negotiations and the savings. This is a good time to present that.

?: Move we adjourn.

?: Move we table the minutes until our clerk returns.

?: We already decided that earlier.

?: Oh good!

?: We're adjourned. Thank you everybody. Good job.
<end of Lisa's transcription>

<Tammei's notes from the meeting itself, covering the same section of tape, Tape 2 Board Side A, and the Tape 3 Side A>

That if we do get into a dispute

It also stipulates that if a time certain clause is brought up

I have one other thing to say Robert, we are talking about 2005, how do we meet these guidelines

DCA and FEMA are not oblivious to that fact. If these issues keep getting moved out,

Our contracts are drawn up with a September date to start.

I think it is an important date

Mr. Chairman, I want to poll the board on the 21st meeting, because there has been some suggestion of no meeting, one we set that meeting in case the MSTU does not go through, that was the original need for that meeting, and I still can't see any need for the delay in getting these contracts signed.

I want to poll the board and see if they are ready to sign the contracts and then see if we need the meeting on the 21st if we wait till the 28th.

Bauman, I thought we were to go over them today, make changes, then sign them on the 21st

Tobin, I think it's poor negotiating tactics or strategy to push as hard as we're pushing, I'm not comfortable signing it right now.

Cris, It took me quite some time to open and print this document,

AT - What are the ramifications of waiting?

RS – the June 30 date is really not June 30, Amendment No. 2, still needs to be approved by the 28th. Commissioner's concern becomes absolutely critical at that point.

Understand that this is complicated, we would have gotten this into your hands before Monday, however that was not possible..

The board at some meeting will make a motion to approve this contract as to form pending signature, from these two firms have signed first. There may be some non-substantive changes that would come back to the board, if there are substantive changes it would then come back to the board, however whether it is approved

I will talk to Dick Smith in the morning, I will

Gary, I have a problem with even one of your members, especially the commissioner has questions,

Andy, I would just say that with the questions that I may have and Terry out of town, I'm not comfortable.

Gary, we have put together a negotiating team, that have been working on this for weeks and weeks and weeks, and we have entrusted them

Charley, why don't we ask Amy, Amy you and Terry have gone over these contracts and

Andy, Charley that is not necessary

Charley, well I just think that

Andy, That is not necessary the board has already made the decision to

Motion is to sign it on the 21st

Why not just sign it today, if we are going to sign something that we are not going to read?!!

If there is a

F4 is the list

Haskell - May I say something, if they are going to be signed by us first, they are going to take a week to ten days to get them signed, that will give you another week to look over

F4 – RFQ regarding consulting engineers, received 13 submittals have been reviewed or are being evaluated

Lets go through the process - the 13 statements and qualifications will be ranked, George Garrett will be enlisted, you have a copy of the evaluation score sheets that will be used.

Staff will come back with a ranking and most likely we will recommend that the fop five firms will come before in a meeting. The board has the discretion that if you want to have one put into that group, you can. They can be interviewed. At that point the board will have to make a decision as to how many engineers they can have on those projects. I will recommend one firm for that purpose

You will need an engineer for the next flow of funds for the District. Once you have selected those engineers of record, we can go to those engineers for some of the issues that are before you today.

Is it possible that you would recommend one for design and one for engineering.

Some firms are very strong in design, some in this, I don't need five firms that look alike, we want firms that bring a varying degree of skill. Keep in mind that our main goal is construction management. We have to have an engineer that can sign off on

Charley, As I told you I'm not comfortable that someone from the county be on the selection committee. I think that takes away our__ as a district. Then I question how much experience George Garret has in selecting the engineers, explain to me what George's background is on that.

Would be saving time by reviewing all three on a board level instead of a ranking committee? Can you answer my question on George>

George is a water resource on these projects, those that have worked those that haven't worked. He certainly brings the knowledge and flavor. In a perfect world we could bring outside engineers that would not bid on the work, so that they could be part of this.

There is probably not a firm on that list that we have not worked with. If George is an issue, we can remove him. Could we proceed forward without giving you a recommendation.

This is not like doing what you did in selecting a proposal, this is nowhere near the complexity of what you have seen with the other.

How much time would be involved?

Well if you want to do it in the next 30 days,

The board is still going to have a wildcard

Andy, Is George Garrett willing to do this?

JW, I don't see why George Garrett is even being considered for this

How much time are we talking?

The only two things that I can guarantee, is that no matter who you put on the committee, there are going to be seven unhappy firms and five happy firms.

Then the board takes those five firms and makes it's selection

Would we then sel

Once you select the engineer of record there is not one nickel of work that he will get.

I thought it would give us a new

I think you have experience in hiring and

When we make this selection of Engineer of record, are we locked into that? You can't change that without going through the CCNA process

We are able to pay whatever the job or the process, there is no limit on what we can pay,

Andy, why is it necessary for David to be on this committee?

Because David has 20 years of experience federal and state contracts, it's the cumulative experience that makes me comfortable.

Betancourt you need to have a licensed engineer

Charley makes a motion that our ranking committee be David Miles, Robert Sheets, Charles Sweat and a licensed engineer that will not be part of the selection and a wastewater board member, Gary Bauman

Gary has no discussion.

Cris, I'm just concerned about Robert's issue that finding one for free might be difficult

Gary

Robert, can I tell this engineer that they will be reimbursed for there travel?

Andy, I think we are just adding a whole process that we don't need, but okay,

Motion Passes! Gary accepts

Mr. Chairman, that concludes the General Manager's report

We have legal counsel's report and then we will take a five-minute break.

Amy, I really don't have anything else to report.

Do you want to tell us about where Terry is and what he is doing?

Gary has a question, the Sorenson bill to keep us from doing the FS120 did it pass through Congress. Yes, it did, but it's not signed by the Governor.

We will reconvene:

Fred Mittl with Boyle, don't have a lot to report, Key Largo Park permitting through several weeks ago, we submitted a report to FDEP and we are waiting their response for the permit.

Moving on to number I, Commissioners Items, Mr. Brooks

This is saying the EPA and the EMP, I attended a work group the chairman on the everglades project and it was quite informative. Part of that discussion was that the SFWMD gave a presentation and part of that presentation showed that Islamorada and marathon was going to get 29 million and the key largo wastewater project was not mentioned. I also attended the intergovernmental task force meeting which is a conglomerate and their main purpose is to coordinate the municipalities so that we are not arguing over the funding. Some years ago it was said that we would get $29 million, Islamorada was to get $29 million and Commissioner Nelson has fought vigorously on this issue and

This upset some of the other municipalities and that we would stand with the original would stand with the agreed upon $29 million and the additional 3 million from the state. We may still have to reconfirm that, but pretty much Key Largo is still going to get there

Gary, is that federal or from the state

It would be from the state,

Key west was going for

The congressional process is that congress authorizes if it came out, they would appropriate 440 thousand for all the planning and all the work. SFWMD asked for 3 million that did not go through.

Now there going after 30 next year.

So, that's my report.

Gary, so is that 29.3, did you guys agree that any future appropriations,

If we got the 100 million, we are supposed to do 35 % between the local and the state. That is what the state has been putting in. Bush came into the meeting where they were discussing this and said that the state will come up with

Next Item is Jerry's item, the MSTU wording,

Thank you Commissioner Nelson documenting this,
I am concerned that it says that we would have a four-year budget, and at time of hook up they would be given a credit against their hook up fee. We are not charging a hook up fee, so how could we do that. Then it goes on to say the MSTU provides options in a number of ways

In the ordinance itself, it sunsets in four years and I think I know why they put it in there, because comp key and bay point will sunset in four years, but most of Key Largo is looking at 20 years. In section 5b, the BoCC board shall adopt a budget for the Key Largo District, and I kind of think they are copying something because it quotes the "Authority" so maybe it's the FKAA?

Should we request this to stop

Andy, You are making a very good point on this section 5B, I think it does seem backwards

Jerry, I think we should set the mill,

Andy, I guess to be consistent the board can

Jerry, well they can approve our budget

Andy, there is no requirement that we request them to be a part

Commissioner Nelson, the MSTU is a mirror image of the ones that were done in Com, Bay,

If you don't want them to be ..... they felt that within the four years they would have

Also this board has the option at the end of four years to request another four years and you are not bound by the MSTU, so it gives you the flexibility to know that you have four years to not collect the MSTU for the next four

Gary, so you are saying that this would sell to the other commissioners if this were not in there.

Nelson, Certainly, if ..... I think the board needs to look at what you are looking at here and spend it as you so deem necessary. I do agree that Jerry has a good point here in that the wording does not seem appropriate here. Although the district is the same as marathon and Bay point

Jerry, there going to piecemeal it, we are still 38 percent in Monroe County. If we are going to replace it by special assessment,

RS, it's just like every other special assessment, its going to sunset every year.

Andy, that's something that we should put into our long range planning, is the assessment or the MSTU going to be the best way to go about this?

RS The issue is going to be upon us soon, "we will reimburse you for the assessment.

The only thing I can say there is that if that is the way we go I need to refine all of my estimates, because that is not what we discussed.

We need to sit down and talk more about what is wanted to be accomplished.

It says that the District has requested th

The MSTU is to cover only administration and management. I just did a quick

Everyone has to be assessed as an equal, that's the uniform

I though that the residents should know. They are still going to have to pay this tax.

They should be shown what's going to be paid before connection and what's going to be paid after

Tape 3-Side A

Charley - Looking at section 3 c, the board may from time to time take any action, not inconsistent with this action, take any .....

What they are saying there is should the county have any additional funds at any time..... So the county can do that at any time.

Nelson, just keep in mind though that if we fund this board for operations maintenance, we would have to fund all the other counties.

Sunset provision does not mirror the assessment once you have

Sunset provision is not prohibitive that if you could do any of those things, your hands are not bound by any of those provisions.

So to redirect my questions, what we are suggesting is just the summary page, section 9A, adopting the resolution

Once the BOCC adopts this, we have to turn around and adopt this

Robert will talk to Tim McGarry tomorrow, but needs a copy of this right away.

Andy Tobin: Amy, there is a provision in section 9 saying the effectiveness of this

Direction is for the Manager to work with the Commissioner regarding this Section 9 item and working with the attorney to reword this issue.

Andy: Robert, can you give us a brief preview of what we can expect at the MSTU meeting?

This is a

We can certainly show the affects of an MSTU chart on what they have done before and what would be the most affective, etc.

Gary, Just to get back to my point, I think we want Robert to be our voice at that meeting and I think that we need sufficient detail before he goes in to represent us.

I think we need to have a pre-disposition before we go in,

Andy Tobin, Commissioner Nelson, do you think we need to do a short presentation? I think that what you need to know is that the board has already voted to do this on other counties, so.....

Jerry, so I don't understand

Robert, keep Talkin... ☺

Nelson, Obviously we all have a vested interest here,

Tobin, I think it would be virtually impossible for us to

And that's my point that I don't think the board should jeopardize there position in any way.

Nelson, I don't think an MSTU should be based

It's almost a fail safe method to generate dollars.

Andy, this is misleading and I'm sure that when Tim reads it again, he will revise it.

Burt, can I make a suggestion,

Move we adjourn,

Move we table the meetings

Key Largo Wastewater Treatment District

Guest Sign In Sheet

Wednesday, May 14, 2003

****Please Print****

Name & Title	Representing	Phone
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Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
3:00 PM Wednesday, May 14, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. BUDGET WORKSHOP

D. Additions, Deletions or Corrections to the Agenda

E. Action Items

F. General Manager's Report

1. Status Report/Discussion regarding the final amendment to the Inter-Local Agreement between the County, FKAA and District

2. Status Report/Discussion regarding the Memorandum Of Understanding (MOU) Between the Key Largo Wastewater Treatment District and the Florida Keys Aqueduct Authority Regarding the FEMA Phase I Grant Program for the Key Largo Trailer Village Project

3. Status Report/Discussion regarding the KLTV and KLP Contract Negotiations

4. Status Report/Discussion regarding the Consulting Engineering Services Request for Qualifications - CCNA process

G. Legal Counsel's Report

H. Engineer's Report

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J. Minutes -- April 9, 2003 and April 23, 2003

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1. Commissioner Brooks -- Discussion of comments submitted for the EPA's PMP

J. Minutes -- April 9, 2003 and April 23, 2003

K. Meeting Adjournment

Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
3:00 PM Wednesday, May 14, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. BUDGET WORKSHOP

D. Additions, Deletions or Corrections to the Agenda

E. Action Items

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MEMORANDUM TO THE BOARD

TO: BOARD OF DIRECTORS

CC: TERRY LEWIS, AMY DUKES, CHARLES SWEAT, FAITH DOYLE

FROM: ROBERT SHEETS

SUBJECT: GARTEK ENGINEERING

DATE: 5/6/03

I have attached for your information, a letter provided to me by Steve Gibbs from Gartek Engineering addressed to both Mr. Gibbs and Ann Hinson. Mr. Gibbs contacted me as part of an article that he is preparing in response to this correspondence and was asked for my response regarding several comments attributed to Robert Betancourt. I will bring this issue up at the May 14th Board meeting under the District Manager's section of the Agenda.

Facsimile

TRANSMITTAL

to: Steve Gibbs
fax #: 1-305-664-8411
re: The Reporter article "Bill payment exceeds purchasing law"
date: 5/5/03
pages: 5, including cover sheet.

Dear Steve:

Attached please find a copy of my response to the article published last Friday May 2, 2003 in the Reporter entitled **"Bill payment exceeds purchasing law"**.
It is obvious to me that they are trying to tarnish my reputation by having the news papers publish their own twisted side that only represents the **"Central Florida politicians"** side and a minority of the Board members that have been influenced by their twisted words. The politicians only desire is to gain complete control of the Key Largo Waste Water Board in their hope to not only "manage" but also operate and maintain the Central Sewer systems for Key Largo (and all the millions associated with it). This is only the beginning it is up to us to relinquish control of the Key Largo Sewer Systems and all the millions of tax payers dollars attached to them to a group of Central Florida people that only have their best interest in mind.
I hope the Free Press will let the people of Key Largo know the true side of the editorial published by the Reporter.

From:

Robert L. Betancourt, P.E.
President

Gartek Engineering Corporation
7210 S.W. 39th Terrace / Miami, Florida 33155 / (305) 266-8997 / Fax (305) 264-9496 / www.gartek-engineering.com

Facsimile

TRANSMITTAL

to:	Ann Henson
fax #:	305-852-8249
re:	Gartek's Additional Services-KLWWTD
date:	5-02-03
pages:	13

Dear Ms. Henson:
As you know there are two (2) sides to every story. The people of Key Largo heard one side in the Reporter article published by your editor and written by you today, entitled **"Bill payment exceeds state purchasing law"**. I hope they are also given a chance to hear my side. I know you called me several times and that it is my fault for not taking the time to respond to your calls. There are several reasons why I did not get back to you including: available time on my side, professional courtesy to other consultants working for the KLWWTD, etc. As you know Gartek Engineering Corp. was put in a very controversial position from day one by having to perform a peer review on Boyle Engineering's (FKAA Engineers); work product. I thought that, ethically, it was the right thing to do, by not making news paper head lines of the problems we discovered during our review, however we have written comments on the KLTV and KLP projects that are available for public review and the Reporter review at your request.

Lets start from the beginning: Gartek Engineering Corp., was selected based on a competitive selection process. This project was advertised in local news papers. We did presentations and competed against two other firms, complying as far as we are concerned, with the Consultants' Competitive Negotiations Act (CCNA) except for maybe the way it was advertised by the Board, which did not follow all the CCNA requirements according the General Manager and KLWWTD legal counsel's interpretation.

As pointed out in your article during our presentation, "after some prodding by the Board" I came up with a figure of $23,000 for our fee based on one (1) set of documents review that was estimated to be performed on a two (2) weeks period. The reason as to why I was so hesitant to give an estimate was because I had not seen the documents prepared by FKAA Engineers, neither one Board member nor the Manager had seen these documents that we were supposed to review and were getting ready to sign a Contract on it. **How could they ask me to put a "not to exceed" Lump Sum price on a scope of work that**

nobody knew? To make things worst the new appointed Manager immediately reduced my number to $20,000 again without having any knowledge on Engineering or the scope of work involved.

Attached please find a copy of our proposal for additional services to the General Manager Mr. Robert Sheets. If you please refer to the date when this request was sent **(Feb. 12, 2003)**, you will find that it was 3 days before we had to send out our first invoice. As you know we officially started working on this project on **Jan. 16, 2003 (unofficially we had been working on these projects free of charge long before the Contract was signed)**; and by Contract we were supposed to submit invoices on a monthly basis. As soon as I realized we had exceeded our agreed lump sum amount in our first monthly billing preparation, **I informed the Manager and the Board.** In addition I did a projection on the estimated hours necessary to complete these projects for their consideration and approval (please refer to attached projected time- table as of 2/10/03).

The reasons why we exceeded the original lump sum amount are explained in the attached letter dated Feb.12, 2003. Our request for additional services was ignored until recently by the Manager and the Board. However they both continue to request our services and continue to receive the benefit of our input on these two projects. Our comments have originated the **savings of over $1,000,000 from Boyle Engineering original KLP design.** For example our idea to combine Gravity and Vacuum sewer distribution into the KLP and KLTV projects which resulted in the reduction of the number of valve pits originally designed by Boyle Engineering at +/- 500 pits to +/- 250 pits and associated savings. Also we have contributed to the **savings of $500,000 from the KLTV Haskell proposal** (see attached April 15, 2003 Value Engineering items proposed by Gartek Engineering Corp.); out of which **the savings of $500,000 were already achieved for the KLTV project alone,** during the negotiations with the Haskell Team. This led to the recommendation to proceed with the negotiations to award the KLTV project and begin the negotiations with the KLP Contractor (Higgins). We believe that if the Park is re-designed, additional savings could also be achieved in order to connect the entire KLP to the proposed Sewer System. Up to now only 1/3 of the Park is connected. This will equate to very high operating and maintenance cost for those people that will be connected since they (33%) will have to pay for all the expenses of the entire Sewer System which was originally intended to serve all the 100% of the KLP residents.

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The actual cost submitted by Gartek for services rendered are as follows:

Original estimated and approved lump sum amount:	$20, 000.00
Amount requested on Feb.12, 2003:	$27,980.00
(including $11,640 exceeded on 2/12/03 +	
$16,340 estimated to complete Evaluation Phase)	
Total requested (original + additional)	$47.980.00

Attached is also a copy of our final invoice up to the end of the evaluation Phase. As you can see the actual time expended was $5,150.00 over the **estimated lump sum of $16,340**. We had agreed to write off the additional $5,150.00 (which included not charging for our attendance to the Board Meetings which however was required by our contract and charged or invoiced by all other consultants and paid by the Board to all others except Gartek Engineering Corp.).

I believe the minority's opinion of the Board, regarding Gartek Engineering Corp. invoices are due to their lack of involvement and knowledge on our work and achievements for the benefit of these two projects. The Board members that approved a motion to consider our additional services had been working with us in the Design review phase, the KLTV Contractor' s evaluation committee phase and the KLP negotiations committee phase. They are well aware of the time expended on our part that has **led to the savings of over $1,500,000 for these two projects**. All the work rendered by Gartek Engineering Corp., is not included in the billing amount that we have invoiced. We did not charged for the time that I personally, as well as, other members of my organization have expended in the interest of these projects. We have donated to this Board and the Key Largo Community a lot of our time even though we are not elected officials and do not work for free. The Bill could have been a lot larger if I was going to be invoicing for all the time we actually worked on these projects.

Gartek Engineering Corp. accounting books are open for any one that will like to check and review our invoices. I strongly recommend that not only Gartek's invoices are . reviewed but also the invoices and Contracts from Boyle Engineering, Legal Counsel, and GSG are reviewed and made public (you'll find that they exceed by far our charges and they were not selected through competitive selection process either). This way the people of Key Largo could have a chance to compare their charges vs. their contributions and/or savings that they have provided to the Key Largo community on these two projects.

We have been trying very hard to keep the Board informed on all the issues regarding these projects. We have refused from the beginning to comply with the

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General Manager's request to send all comments, correspondence, etc. only to him. I think the Board should be copied on all correspondence so they can review it and then decide what the Board should know and what they should not. We have been copying all the Board members on all Engineering's issues, which after all are what these two projects are all about and will continue to do so as long as we are the KLWWTD Engineers. This has created a lot friction between GSG and Gartek. In my opinion the Manager has the control of the Board Bank's account and now wants to have complete control, which means getting rid off the local Engineers and bringing new Engineers that could be molded to their political ways.

I would not be surprised if Gartek Engineering Corp. will be disqualified, before we are even given a chance to again compete for the KLWWTD Engineer position that we already had achieved through a competitive selection process.

If you have any questions, please call me.

Sincerely
Gartek Engineering Corp.

Robert L. Betancourt, P.E.
President

From:

Robert L. Betancourt, P.E.
President

Gartek **Engineering** **Corporation**
7210 S.W. 39th Terrace / Miami, Florida 33155 / (305) 266-8997 / Fax (305) 264-9496 / www.gartek-engineering.com

Proposal Scoring Worksheet **Individual**

Request for statement of qualifications for wastewater professional engineering services, Key Largo Wastewater Treatment District ("KLWTD")

Proposer

Criteria	David Miles	Robert Sheets	Charles Sweat	Total Points
Location (10 points)				
Experience and Qualifications (30 points)				
A. Years of Experience as Engineer				
B. Number of Wastewater Projects				
C. Dollar value of wastewater projects				
D. References				
E. Number of Engineers and cumulative Years of experience				
Key Personnel (20 points)				
A. Names and resumes				
B. Years of WW Experience				
C. Experience with vacuum based systems				
Similar Project Work (30 points)				
A. Number & Location				
B. Dollar Value				
C. Dates Completed				
D. Recommendation from entities				
E. References				
Current, Recent and projected workload (10 points)				
A. Potential Conflicts				
B. Value & No. Projects at same time				
Commitment of Principals				
Totals				

Proposal Scoring Worksheet **Summary Sheet**

RFQ

Request for statement of qualifications for wastewater professional engineering services, Key Largo Wastewater Treatment District ("KLWTD")

Proposer

Criteria	David Miles	Robert Sheets	Charles Sweat	Total Points
Location (10 points				
Experience & Qualifications (30 points)				
Key Personnel (20 points)				
Similar Project Work (30 points)				
Current, recent and projected workload (10 points)				
Total				

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

May 5, 2003

Via Federal Express Overnight Delivery

Mr. William H. Lynch, P.E.
Associate Vice President
ARCADIS G&M, Inc.
712 U.S. Highway One, Suite 200
North Palm Beach, FL 33408

RE: Key Largo Wastewater Treatment District's RFQ for Engineering Services
April 30, 2003

Dear Mr. Lynch:

In my capacity as the Clerk to the Key Largo Wastewater Treatment District's Board of Commissioners please find enclosed a copy of the REQUEST FOR STATEMENT OF QUALIFICATIONS FOR WASTEWATER PROFESSIONAL ENGINEERING SERVICES that you responded to on April 30, 2003.

Due to a discrepancy between the wording of the public notice that was advertised in the local newspapers and the official documents that were forwarded to you, I am respectfully requesting that you please compare your submittal to the highlighted section of the enclosed to ensure your compliance with the request.

If you find that your submittal was NOT in compliance with the request and you wish to forward an amendment to your Statement of Qualification please do so by **5:00 p.m. E.S.T. on Friday May 9, 2003.**

Amendments are to be forwarded to:

Faith Doyle, Clerk to the KLWTD Board
c/o Government Services Group
614 N. Wymore Road
Winter Park, FL 32789

Please be advised that failure to provide any of the items listed under the heading of "Proposals must include" will result in your submittal being deemed non-responsive.

Thank you for your interest in working with the Key Largo Wastewater Treatment District and fell free to call 305-451-5105 or 407-629-6900 with any questions or concerns.

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

Sincerely,

Faith Doyle
Clerk to the KLWTD Board

Enclosure

cc: Robert E. Sheets, General Manager
Amy Dukes, Legal Counsel
The KLWTD Commissioners

REQUEST FOR STATEMENT OF QUALIFICATIONS FOR WASTEWATER PROFESSIONAL ENGINEERING SERVICES

In accordance with the Consultants' Competitive Negotiation Act ("CCNA"), section 287.055, Florida Statutes, the Key Largo Wastewater Treatment District, a legal entity and public body created by Chapter 02-337, Laws of Florida, 2003 ("KLWTD"), is seeking the services of qualified firms or individuals to provide continuing professional engineering services for the KLWTD's wastewater utility system. The scope of professional services includes the following:

(1) **Construction Feasibility Reviews** - Provide an independent and detailed review of design drawings and construction documents related to the rehabilitation, modification, expansion and/or repair of existing and proposed KLWTD owned or operated buildings, facilities, wastewater treatment plants, pumping facilities, and wastewater collection facilities.

(2) **Construction Scheduling** - Evaluate scheduling requirements related to rehabilitation, modification, expansion and/or repair of the above referenced facilities.

(3) **Value Analysis** - Provide an independent review of design drawings and/or construction cost estimates of projects at various stages of design related to rehabilitation, modification, expansion and/or repair of the above referenced facilities.

(4) **Training** - Provide training sessions, workshops, meeting and reports related to rehabilitation, modification, expansion and/or repair of the above referenced facilities when said service is not provided by the project lead design firm.

(5) **Architectural Services** - Perform preliminary design, final design, specifications, bid documents, bid analysis, services during construction, permitting, regulatory agency liaison services, and inspection services related to rehabilitation, modification, expansion and/or repair of the above referenced facilities.

(6) **General Engineering Studies** - Develop master plans, capacity studies and other studies pertaining to any utility facility operation required by the KLWTD and perform any needed engineering due diligence requested by the KLWTD.

(7) **Construction Services** - Construction and inspection/management services as requested by the KLWTD.

(8) **Other** - Attend various KLWTD Board of Commissioners, community, regulatory agency and staff meetings on issues related to the above work.

The KLWTD anticipates selecting at least three firms that will be required to execute the KLWTD's standard consulting services agreement for professional services within thirty (30) days of selection. It is intended that this agreement will be for a term of three (3) years with optional renewal periods and subject to an annual performance review. Task assignments will be subject to scope definition and fee negotiation on a case-by-case basis. The KLWTD may choose to select another firm or use in-house staff to perform any of the above services in whole or in part. No minimum amount of professional services or compensation is guaranteed to the selected firms.

Proposals must be mailed or delivered in a sealed envelope marked "Continuing Professional Engineering Services RFQ" to the KLWTD's office, 614 N. Wymore Road, Winter Park, Florida, 32789, by 2 p.m., E.S.T., April 30, 2003. Interested parties should submit an original and eight (8) copies of a letter of interest and qualifications package for consideration. Any proposal received after this advertised deadline will not be considered.

Proposals must include:

(1) Letter of interest;
(2) Name and address of applicant and location of the office from which the work is to be performed;
(3) Detailed listing and examples of relevant experience and qualifications for the requested services;
(4) Listing of key personnel to be assigned for these services. Resumes for individual team members must indicate position, number of years with the submitting firm, amount of relevant experience, education, and professional qualifications;
(5) Information on three (3) similar projects completed within the past five (5) years, including a project description, location, name of project manager, project time line, scheduled and actual completion date, cost of the project and a client reference;
(6) Proof of professional liability insurance and business insurance coverage;
(7) Recent, current and projected workload of the submitting firm;
(8) Supporting statements indicating that the firm has an Affirmative Action Program and a completed Drug Free Workplace form and Public Entity Crime Statement;
(9) Statement of litigation that the firm or staff is currently involved in or has been involved in as a plaintiff or defendant in the past five (5) years; and
(10) Any other information that the applicant believes is essential to performance of the above services.
(11) A check payable to the Key Largo Wastewater Treatment District in the amount of $111.00 (one hundred eleven dollars) for a Dun and Bradstreet Business Information Report.

Failure to provide the required copies and information shall result in the proposal being deemed non-responsive. The KLWTD reserves the right to reject all proposals, waive any informalities and to request additional information from the applicant as necessary. The

evaluation of all proposals and awarding of contracts will be done in accordance with the CCNA. The KLWTD anticipates issuing invitations to negotiate at its May Board of Commissioner's meeting, which will be held at 4 p.m. on May 14, 2003, Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, Florida.

Proposers may contact Mr. Charles Sweat or Ms. Faith Doyle, at the address below, to receive a copy of the KLWTD's evaluation criteria, a copy of the proposed standard contract. Questions regarding this RFQ must be in writing and submitted to:

Charles Sweat
KLWTD Director of Operations
614 North Wymore Road
Winter Park, Florida 32789
(305) 451-5105 - local telephone
(407) 629-6900 - telephone
(407) 629-6963 - facsimile
csweat@govmserv.com

THE KLWTD Board of Commissioners

ORIGINAL

Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
3:00 PM Wednesday, May 14, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

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KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

May 7, 2003

VIA FACSIMILE AND U.S. MAIL

Mr. John Richard Collins
Monroe County Attorney
Post Office Box 1026
Key West, Florida 33041

Dear Mr. Collins:

Attached for your review is the final proposed wording and terms regarding the $914,000 Matching Funds provided by Monroe County.

This memorandum was presented and approved at our April 9th Board meeting.

Should you have any questions regarding this matter, please don't hesitate to contact me.

On behalf of the Board, I would like to thank you for your assistance in this matter.

Sincerely,

Robert E. Sheets

Robert E. Sheets
District Manager

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

MEMORANDUM TO THE BOARD

TO: BOARD OF DIRECTORS

CC: TERRY LEWIS, AMY DUKES, DAVE MILES & CHARLES SWEAT, FAITH DOYLE

FROM: ROBERT SHEETS, GENERAL MANAGER

SUBJECT: STATUS REPORT/DISCUSSIONS WITH COUNTY RE: $914,285 LOAN

DATE: 5/7/03

On Thursday, April 3, 2003, Mr. Brooks and I met with the County Attorney and his staff to discuss the proposed language and terms regarding the $914,285 loan by the County as a match to the FEMA Grant for the Key Largo Trailer Village Project.

In addition to the County Attorney and his staff being present at that meeting, the County Administrator, Jim Roberts joined us halfway through the discussion. Based on our discussions, the following will outline the current status of the negotiations and will continue to provide a framework for our Board.

Based on our discussions, the County is willing to provide the following terms and conditions regarding the $914,285:

1. The $914,285 will not be repaid in any form for five years, which would be the year 2008. At that time, the repayment would be amortized over ten years. This ten-year amortization of the $914,285 would "not" include any interests costs to the Key Largo Wastewater Treatment District.

2. The County stipulated that as the funds are paid back to the County, those funds would be placed in an account and would be recognized as dollars available for reallocation to the District for use in future capital projects.

I cannot speak for Mr. Brooks, but I believe that these terms more than meet us halfway and may only require minor modification, especially if the County has committed to holding these funds in a restricted account for use by the District in future capital improvement programs. Also, please keep in mind that we will receive all of our impact fees by the first quarter of 2006 therefore, we will have the ability to earn interest on these funds prior to any amortization or pay back to the County.

If agreeable, I would suggest that we place this on the Agenda for discussion at our April 9, 2003 meeting so we can then respond back to the County regarding our initial response to this proposal.

KEY LARGO WASTEWATER TREATMENT DISTRICT
POST OFFICE BOX 491; KEY LARGO, FLORIDA 33037
(305) 451-5105

April 25, 2003

Mr. Jim Reynolds
Florida Keys Aqueduct Authority
P.O. Box 1239
1100 Kennedy Drive
Key West, Florida 33041-1239

Re: Memorandum Of Understanding (MOU) Between the Key Largo Wastewater Treatment District and the Florida Keys Aqueduct Authority Regarding the FEMA Phase I Grant Program for the Key Largo Trailer Village Project

Dear Mr. Reynolds:

This letter will serve as a Memorandum of Understanding (MOU) between the Key Largo Wastewater Treatment District and the Florida Keys Aqueduct Authority (FKAA). The purpose of this MOU will be to articulate the services that the District will perform on behalf of the FKAA as the Grantee for the Phase I FEMA Grant for the Key Largo Trailer Village (KLTV) project. Since the formation of the District's Board in November, the District has embarked on advancing infrastructure improvements in both Key Largo Park (KLP) and KLTV. Although the majority of the initial efforts were to meet deadlines and requirements placed on us by the FDEP, efforts have been expended and expenses incurred to advance the KLTV project.

While FKAA has been involved through the retaining of Boyle Engineering in advancing the development of the RFP and Preliminary Design Report for Key Largo Trailer Village, responsibilities and costs have been incurred by the District and will continue to be so to insure that KLTV complies with the scope of service outlined in the FEMA Phase I Grant.

It is the District's desire to enter into this agreement for the purpose of recovering costs incurred by the District that are reimbursable under the current FEMA Grant program.

The scope of our involvement is identified as follows:

- Review and Evaluation of the Preliminary Design Report For KLTV, Prepared by Boyle Engineering: Gartek Engineering has performed an extensive review of the

Board of Directors: Chairman Andrew Tobin, Gary Bauman, Cris Beaty, Charles Brooks, Jerry Wilkinson

PDR as the District's Engineer hired for this specific task. In addition, the District Manager (Government Services Group) has also incurred costs and expense in the administration and project management of this process.

- Evaluation of the RFP for Key Largo Trailer Village. Again as stated above, the District has retained the services of Gartek Engineering and Government Services Group to carry out document review and oversight administration for the development and finalization of this document.

- Evaluation of the Key Largo Trailer Village proposals. The District's consultants, Gartek Engineering and Government Services Group have worked closely with Boyle Engineering in the evaluation of the proposals by the formation of an evaluation committee. Extensive time and costs have been incurred and have been born by the District's limited operating budget and funds. This evaluation process accumulated in the Board selecting The Haskell Company as the number one ranked firm.

- Negotiation of the KLTV design build team's contract. The District is continuing to incur costs and expenses related to this negotiation. Negotiations are just beginning and have required time and expense from Gartek, Government Services Group and the District's General Counsel, Lewis, Longman and Walker.

- Project Management and the oversight of all Phase I design activities consistent with the FEMA Phase I Grant. Once this agreement has been finalized, the District will incur reimbursable costs to administer and oversee this program and to insure that all requirements identified in the Scope of Services for the FEMA Phase I Grant are complied with. This will require time by the District's Manager, (Government Services Group) and Lewis, Longman and Walker. The District is currently going through the CCNA process and will select an "engineer of record" for the District.

- Project Administration. The District will be responsible for all documentation and oversight administration of payment request Grant Administration. Although FKAA is the official Grantee, all submittals will be documented by the District consistent with the standards outlined in the FEMA Grant program.

The District has contracted the services described above with the following three firms. They are as follows:

1. Gartek Engineering:

   - Review of the preliminary design report for Key Largo Trailer Village.
   - Review of the Key Largo Trailer Village RFP.
   - Evaluation of the Key Largo Trailer Village proposals.

- Assistance in negotiations for the Key Largo Trailer Village design build team contract.

2. Government Services Group, Inc.:

   - Review of the preliminary design report for Key Largo Trailer Village.
   - Review of the RFP for Key Largo Trailer Village.
   - Assist in the evaluation of all Key Largo Trailer Village proposals.
   - Assist in selection and negotiation of the Key Largo Trailer Village design build team.
   - Serve as Project Manager and oversight for all Phase I design build activities and insure compliance with the Grant requirements identified in the FEMA Phase I Grant.
   - Overall Project and Grant Administration. GSG as District Manager will be responsible to insure that all requirements outlined in both Federal and State funding requirements and Grant programs for the Key Largo Trailer Village will be adhered to.
   - The District Manager will carry out the preparation and submittal of all progress reports and invoices. Also, the District Manager will carry out all involvement on behalf of the District regarding FEMA's SEA program.
   - The District Manager will carry out public Meetings and review of documentation.
   - Grants Management

3. Lewis, Longman & Walker, P.A.:

   - Review of Professional Services Agreements with Gartek Engineering for KLTV review.
   - Review of KLTV preliminary proposal for legal sufficiency.
   - Review of KLTV preliminary contract for design build services.
   - Review of KLTV proposals for legal compliance for RFP.
   - Assist the District in all contract negotiations for KLTV.

The District has entered into formal agreements with all three entities. As is the case with your jurisdiction, we have maintained detailed records of hours spent and expenses incurred. This agreement will allow the District to submit on a monthly basis requests for reimbursement to the FKAA for costs specific to the FEMA Phase I Grant program. All expenses will be supported by adequate documentation consistent with Grant requirements.

As a special note, the Board has informed me that at a meeting in December, Tim McGarity of the FKAA staff indicated to the Board that the costs incurred by the District to retain engineers and experts to review these programs would be covered. Therefore, we will be requesting reimbursement for costs already incurred with Gartek Engineering for the review of the preliminary design report, the RFP and their assistance so far in the evaluation process for the Key Largo Trailer Village.

Based on your response and approval of this Memorandum of Understanding, the District will prepare immediately a request for reimbursement against the FEMA program. Should the Authority have any special forms or procedures for this reimbursement process, the District would be happy to comply with those requirements.

Should you have any questions or require additional information, please do not hesitate to contact me.

We have prepared this document for approval on behalf of the District.

Sincerely,

Robert E. Sheets,
General Manager
Key Largo Wastewater Treatment District

Cc: Board of Directors, KLWTD
Terry Lewis
Faith Doyle

Signed and Approved By:

_____
Mr. Jim Reynolds, Florida Keys Aqueduct Authority

Dated: _____

RESPONDERS TO THE KLWTD CONTINUING ENGINEERING SERVICES REQUEST FOR PROPOSALS

April 30, 2003

William H. Lynch, P.E., Associate Vice President (561)881-0077
ARCADIS G&M, Inc.
712 U.S. Highway One, Suite 200
North Palm Beach, FL 33408
FAX (561)881-0012
EMAIL blynch@arcadis-us.com

David R. Refling, P.E., DEE, Principal-in-Charge (407)513-8260
Douglas H. Eckmann, P.E., DEE, Office Manager Fort Myers (239)273-7996
Boyle Engineering
4415 Metro Parkway, Suite 404
Fort Myers, FL 33916
FAX (239) 273-0913

David A. Gierach, P.E., President (407)322-6841
CPH Engineers
500 West Fulton Street
Sanford, FL 32771
FAX (407)330-0639

John P. Downes, P.E., Executive Vice President (954)921-7781
Calvin, Giordano & Associates, Inc.
1800 Eller Drive, Suite 600
Fort Lauderdale, FL 33316
FAX (954)921-8807

Jorge E. Corzo, President (305)445-2900
Corzo Castella Carballo Thompson Salman, P.A. (C3TS, P.A.)
901 Ponce De Leon Boulevard, Suite 900
Coral Gables, Florida 33134
FAX (305)445-3366
EMAIL jcorzo@c3ts.com

Layda B. Garcia, Vice President, Marketing (305)266-8997
Gartek Engineering Corporation
7210 Southwest 39 Terrace
Miami, FL 33155
FAX (305)264-9496

Steve McGucken, P.E., Chief Operating Officer (813) 871-5331
Reed Thursby, P.E., Project Manager
Kisinger Campo & Associates Corporation
2203 North Lois Avenue, Suite 1200
Tampa, FL 33607
FAX (813)871-5135
EMAIL smcgucken@kcaeng.com; rthursby@kcaeng.com

Victor A. Hurlburt, P.E., Senior Associate (407)660-1133
Malcolm Pirnie, Inc.
2301 Maitland Center Parkway, Suite 140
Maitland, FL 32751-7414
FAX 407-660-9550
EMAIL vhurlburt@pirnie.com

Alejandro Toro, P.E., Vice President, (305)444-8241
Metcalf & Eddy
800 Douglas Entrance, Suite 770
Coral Gables, FL 33134
FAX (305)444-4306

Arsenio Milian, P.E., President (305)441-0123
Milian, Swain & Associates, Inc.
2025 S.W. 32nd Avenue
Miami, FL 33145
FAX (305)441-0688

Marc P. Walch, P.E., DEE, Vice President, Project Director, (407)647-7275
Roberto Ortiz, P.E., DEE, Vice President , Senior Division Manager, (305)592-7275
PBS&J
2001 Northwest 107th Avenue
Miami, FL 33172-2507

Ron Giovannelli, P.E., Vice President (813)286-1711
Thomas J. Christ, P.E., Project Manager (305)884-8900
URS Corporation
Eastern Financial Building, Suite 1000
700 South Royal Poinciana Boulevard
Miami Springs, FL 33166
FAX (305)884-2665

R. Jeff Weiler, P.E., President (941) 764-6447
The Weiler Engineering Corporation
20020 Veterans Blvd., Suite 7-9
Port Charlotte, FL 33954
FAX (941) 764-8915

PMP Corrections/Comments

Page 3-11 Distribution Formula approved by the ITF (Distribution Formula)
line 4 in the matrix, "Monroe County" should strike out "Monroe County" and replaced with Key Largo Wastewater District -- see attached documentation.

Page 3-11 section 3.3.2 Initial Projects List
does process restrict projects that may not be on the list at this date but may be in readiness to proceed when federal grants are available, excluded from receiving available federal dollars?

Page 3-5 table 3.1 Summary of a Master Project List
note spreadsheet here -- correction of "Key Largo wastewater district" the ~~board.~~

Page 3-7
add the Key Largo wastewater district and their purpose in authorization

List of Acronyms section 4
add to list KLWTD -- Key Largo Wastewater Treatment District

Appendix E. funding scheme approved by ITF
note KLWTD is not listed for fair and equitable distribution of federal grants. KLWTD is subordinated under the "unincorporated Monroe County" umbrella. KLWTD is a special district legislated by the state legislature as sole Authority for wastewater in the Key Largo area, therefore the KLWTD should be given equal consideration and Authority as any municipality within Monroe County

Point of Clarification
does this document go through one more review?
What will be the method for amending?

DRAFT

RESOLUTION 2003-15

A RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT,

_____

_____

_____

_____

WHEREAS,

_____

_____

_____

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

Whereas -- the Florida Legislature created and incorporated (FS -- 337) as an independent special district, pursuant to chapter 189, Florida statutes, to be known as the Key Largo Wastewater Treatment District (district), in Monroe County, which special district shall be a public body corporate and politic.

Whereas -- the purpose of the district shall be to perform such acts and shall be necessary for the sound planning, acquisition, development, operation and maintenance of wastewater management systems within the district.

Whereas -- the district shall have exclusive jurisdiction over the acquisition, development, operation, and management of a wastewater management system in and for the district boundaries. The district boundaries all of Key Largo starting at Tavernier Creek, and everything north on Key Largo excluding Ocean Reef all in Monroe County, Florida.

Whereas -- Monroe County BOCC and the mayor's of the cities of Key West, Key Colony Beach, Layton, Marathon and Islamorada reached an agreement to split the $100 million in the following matter:

DRAFT

The Monroe County BOCC and the mayors of the cities of Key West, Key Colony Beach, Layton, Marathon and Islamorada reached an agreement to split the $100 million in the following manner:

Key Largo	29.56% =	$29,560,000
Islamorada	29.56% =	29,560,000
Marathon	29.56% =	29,560,000
Key West	10.3 % =	10,320,000
Key Colony Beach	.2 % =	200,000
Layton	.8 % =	800,000.

All parties present agreed to this and when Carmen Turner asked for a show of hands that supported this position, all political parties raised their hands.

Whereas -- the Monroe County BOCC on the 20th day of November, 2000 unanimously passed resolution No. 468-2001 confirming the action of the Monroe County chairperson George Neugent's agreement to the above shared distribution whereby Key Largo was to receive 29.56% = $29,560,000 of the potential $100 million federal grant . *See attached*

Whereas -- the present PMP on page 3-11 makes no reference to KLWTD receiving any distributed funds. Under this scenario the KLWTD receives no funds or is subordinated to attempt to politically acquire funds from the County. The KLWTD is an independent special district political body which is entitled to fair share equal distribution as any of the other municipalities.

Whereas -- the PMP page 3-5 table 3.1 indicates Islamorada and Marathon each have 7 projects. The KLWTD has 14 projects at an estimated cost $139.7 million, $40 million more than either Islamorada or Marathon's estimated cost. Yet according to the distribution formula on page 3.11 both Islamorada and Marathon are slated for $29.3 million each, 70% more dollars than the KLWTD.

Whereas -- the KLWTD is the largest single area in the Keys and can provide the greatest benefit by reducing the nutrient loading at a larger scale than most other areas in the Keys.

Be Resolved by the Board of the Key Largo Wastewater Treatment District of Monroe County, Florida that the Distribution Formula on page 3-11 in the Final Draft (2/23/03) of the Program Management Plan, Florida Keys Water Quality Improvements Program be revised to strike out ~~Monroe County~~ and replaced with "Key Largo Wastewater Treatment District" to be eligible for $29,300,000 of the $100 million federal funding should it be appropriated.

Passed and adopted by the board of the Key Largo Wastewater Treatment District of Monroe County, Florida at a regular meeting of said board held on the ninth day of April 2003.

PASSED AND ADOPTED this 26th day of February, 2003.

DRAFT

KEY LARGO WASTEWATER TREATMENT DISTRICT GOVERNING BOARD

_____,
Chair, Key Largo Wastewater Treatment District

_____.
Secretary, Key Largo Wastewater Treatment District

I:\Client Documents\Key Largo WTD\1724-000\Misc\Resolution re Target Hook up Fee and Charge.doc

Mayor McCoy

RESOLUTION NO. 468 - 2001

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA, CONFIRMING THE ACTION OF THE CHAIRPERSON OF THE MONROE COUNTY BOARD OF COUNTY COMMISSIONERS AS ONE OF THE SIGNATORIES FOR WASTEWATER FUNDING

WHEREAS, an agreement was entered into by the Mayors of Islamorada, Marathon and Key West representing their respective cities and Monroe County Board of County Commissioners Mayor George R. Neugent representing unincorporated Key Largo for the purpose of arriving at a distribution of an anticipated $100,000,000.00 federal funding. This letter of agreement, dated April 25, 2001, shall become a part of this resolution; and

WHEREAS, a confirmation of the signatory for Monroe County Board of County Commissioners is needed; and

WHEREAS, the action may have implications for State of Florida participation; and

WHEREAS, this resolution should provide further comfort to the residents of Key Largo that financial assistance is paramount and further that this resolution and all its implications are contingent upon the full one hundred million federal appropriation being committed; now, therefore

BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MONROE COUNTY, FLORIDA that the action of the Monroe County Board of County Commissioners, as one of the signatories, is hereby confirmed.

PASSED AND ADOPTED by the Board of County Commissioners of Monroe County, Florida, at a regular meeting of said Board held on the 20th day of November, 2001.

Mayor Charles McCoy	yes
Mayor Pro Tem Dixie Spehar	yes
Commissioner Murray Nelson	yes
Commissioner George Neugent	yes
Commissioner Nora Williams	yes

Attest: DANNY L. KOLHAGE, Clerk

By _____
Deputy Clerk

BOARD OF COUNTY COMMISSIONERS
OF MONROE COUNTY, FLORIDA

By _____
Mayor/Chairperson

DANNY L. KOLHAGE
CLK, CIR, CT
MONROE COUNTY, FLA

Idreswastewater$

FILED FOR RECORD
2001 DEC 26 AM 9:39

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY
BY _____
ROBERT N. WOLFE
DATE 12-19-01

COUNTY of MONROE
KEY WEST FLORIDA 33040
(305) 294-4641

Murray E. Nelson
Commissioner, District Five
Damaron Building, Suite II
99198 Overseas Highway
Key Largo, FL 33037
PHONE (305) 852-7175
FAX (305) 852-7162
Email: boccdis5@mail.state.fl.us

BOARD OF COUNTY COMMISSIONERS
MAYOR George Neugent, District 2
Mayor Pro-Tem Nora Williams, District 4
Dixie Spehar, District 1
Charles "Sonny" McCoy, District 3
Murray Nelson, District 5

April 25, 2001

Representative Ken Sorenson
317 House Office Building
402 S. Monroe Street
Tallahassee, FL 32399-1300

Dear Ken:

Here are just a few thoughts regarding the agreement on the $100 million federal appropriation.

The Monroe County BOCC and the mayors of the cities of Key West, Key Colony Beach, Layton, Marathon and Islamorada reached an agreement to split the $100 million in the following manner:

Key Largo	29.56% =	$29,560,000
Islamorada	29.56% =	29,560,000
Marathon	29.56% =	29,560,000
Key West	10.3 % =	10,320,000
Key Colony Beach	.2 % =	200,000
Layton	.8 % =	800,000.

All parties present agreed to this and when Carmen Turner asked for a show of hands that supported this position, all political parties raised their hands.

JEWEL
MAYOR RESPONSE

MAYOR FRANK R. KULISKY
VICE MAYOR RON LEVY
COUNCILMAN GEORGE GEISLER

COUNCILMAN MARK GREGG
COUNCILMAN JAMES MOONEY

RECEIVED
AUG 28 2001

August 28, 2001

Commissioner Murray E. Nelson
Damaron Building, Ste. 2
99198 Overseas Highway
Key Largo FL 33037

Dear Commissioner Nelson:

This letter is in response to your letter of August 27, 2001 regarding nutrient reduction agreements.

As a member of the Intergovernmental Task Force, I have been active in the solicitation and allocation of both Federal and State funding for nutrient reduction. I was in attendance in Tallahassee when the "bang for the buck" agreement was signed off on, and I was in fact a signer of that agreement.

Let me give you an answer to your question. I have not been aware of any change regarding the inclusion of Key Largo as one of the three large initial wastewater projects to be funded. To my knowledge, no vote occurred on the IGTF level after the agreement was signed.

Sincerely,

Frank R. Kulisky, Mayor
Islamorada, Village of Islands

P.O. Box 568 • Islamorada, FL 33036
305.664.2345 fax 305.853.5357 www.islamorada.fl.us

JIMMY WEEKLEY
Mayor

THE CITY OF KEY WEST
P. O. BOX 1409
KEY WEST, FLORIDA 33041-1409
www.keywestcity.com

RECEIVED
AUG 30 2001
Sewer Master
RESPONSE

August 28, 2001

Commissioner Murray E. Nelson
Monroe BOCC
Damaron Building, Suite II
99198 Overseas Highway
Key Largo, FL 33037

Dear Commissioner Nelson,

I have not been made aware of any changes to the agreements reached at the Intergovernmental Task Force Meetings in regards to either the distribution of the $100 million in federal funding, or the distribution plan for any first year federal allocation.

At the September 5th City Commission meeting, I have sponsored a resolution in support of the aforementioned agreement. Key West will receive a 10.3% share, and will be one of the four projects in line for first year funding.

I do not recall any changes to the agreement based on the current status of the Key Largo sewer project. The IGTF has agreed that the first projects ready to go would be in line to receive the first year of federal funds, but no project to date has been targeted for a delayed allocation.

Sincerely,

Jimmy Weekley
Mayor

DRAFT

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
Terry Lewis, Legal Counsel
Robert Betancourt, P.E. Engineer
Faith Doyle, Clerk to the Board

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.
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 Development and Implementation of a Non Ad Valorem Assessment Program for administrative and management costs

    a. Approval of the Work Plan for development 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 it could 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 E 1 was moved to later in the meeting.

Mr. Sheets referred to his memorandum that was forwarded to the Board via email. The memorandum concerned 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 Procedures Act.

Mr. Lewis then informed the Board that he is the legislative liaison for the Florida Association of Special Districts (FASD) and with over 100 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 MOTION 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.

Mr. Lewis noted that to hire an engineer for fees that are greater than $25,000 the approved CCNA process must be followed. 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 was not aware of any basis for the Board to 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 an engineer 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 piecemealed 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 KLWTD 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 conducted 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 is declared 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, an amended contract with assigned tasks 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 CONTSTRANTS 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 without research. Mr. Lewis informed the Board that they could go forward and pay on an amended contract into

the future to address the emergency. 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 WITHRDREW THE ORIGINAL MOTION.

COMMISIONER 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:

COMMISSIONER BAUMAN	NO
COMMISSIONER BEATY	YES
CHAIRMAN TOBIN	YES
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSON	YES

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 CONSTRANTS 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:

COMMISSIONER BAUMAN	NO
COMMISSIONER BEATY	YES
CHAIRMAN TOBIN	NO
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSON	YES

THE MOTION CARRIED.

COMMISSIONER BROOKS MADE A MOTION PREDICATED ON THE DECLARED MOTION TO AUTHORIZE THE 2ND CONCTRACT AMENDMENT STATING 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:

COMMISSIONER BAUMAN	NO
COMMISSIONER BEATY	YES
CHAIRMAN TOBIN	NO
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSONSON	YES

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 a single project.

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 PROJCET. 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 the 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 was 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:

COMMISSIONER BAUMAN	NO
COMMISSIONER BEATY	YES
CHAIRMAN TOBIN	YES
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSON	YES

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. COMMISIONER 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 is 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 without 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 selected 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:

COMMISSIONER BAUMAN	YES
COMMISSIONER BEATY	YES
CHAIRMAN TOBIN	YES
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSON	NO

THE MOTION CARRIED.

Commissioner Brooks stated that that the EPA's request for comments on the Program Management Plan (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 UNICORPORATED KEY LARGO. COMMISSIONER BEATY SECONDED 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 needed 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

COMMISSIONER BAUMAN MADE A MOTION TO APPROVE THE MINUTES OF THE FEBRUARY 26, 2003 AND MARCH 5, 2003 MEETINGS. COMMISSIONER BEATY SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

J. Meeting Adjournment

Chairman Tobin adjourned the meeting at 7:25 p.m.

DRAFT

Key Largo Wastewater Treatment District

Board of Commissioners Meeting Minutes

4:00 PM Wednesday, April 23, 2003

Key Largo Civic Club

209 Ocean Bay Drive

Key Largo, Monroe County, Florida

Board Members Present

Chairman Andrew Tobin
Commissioner Gary Bauman
Commissioner Cris Beaty
Commissioner Charles Brooks
Commissioner Jerry Wilkinson

Staff Present

Robert Sheets, General Manager, Government Services Group, Inc.
Terry Lewis, Esq., Legal Counsel, Lewis, Longman and Walker, P.A. (via telephone)
Robert Bentancourt, PE, Gartek Engineering
Faith Doyle, Board Clerk, Government Services Group, Inc.

Guests Present

David Refling, P.E. DEE, Boyle Engineering
Walter E. Messer, D.N. Higgins, Inc.
James B. Jones, Roediger Pittsburgh, Inc.
Charles Fishburn, Gartek Engineering
Michael Longenecker, Key Largo Resident
Pete Kinsley, The Haskell Company
Nos Espat, Randazza
Ann Henson, Reporter for the Key Largo Reporter
Steve Gibbs, Reporter for the Free Press

A. Call to Order

Chairman Tobin called the meeting to order at 4:00 p.m.

B. Pledge of Allegiance

The Pledge of Allegiance to the United States of America was recited.

C. Additions, Deletions or Corrections to the Agenda

Mr. Tobin asked the general manger to report on the recent negotiations meeting with FKAA. Mr. Sheets stated that he and Commissioner Brooks attended the meeting along with representatives of the FDCA, FEMA and FKAA. The FEMA schedule for the Environmental

Assessment or what FEMA refers to as a 'FONSI' Phase I should be signed in July. The KLTV project cannot start until the 'FONSI' Phase II is signed mostly likely in early September. Funds are contingent on the 'FONSI' being approved. The October 31 date becomes moot because it cannot be met due to no fault of the KLWTD.

Mr. Sheets stated that with the Board's approval he would forward a letter to the FKAA to request reimbursable costs for KLWTD's sub-contractors for Phase 1 costs. Mr. Sheets stated that only KLTV costs between now and July would be for KLTV Phase 1 engineering. Commissioner Bauman asked for a new timeline. Mr. Sheets stated that the FDEP requires a new Schedule C and that one would be prepared and forwarded once the KLTV and KLP contract negotiations are concluded.

Chairman Tobin requested Item E 6 "Status report on the KLTV contract negotiations" be brought to the floor for discussion. Mr. Sheets referred to his memorandum that had been distributed to the Board at the meeting.

Mr. Terry Lewis, legal counsel, joined the meeting by phone at 4:15 pm.

Mr. Sheets stated that as a result of the meetings with Haskell approximately $550,000 in savings had been negotiated. Discussion ensued concerning the specifics of the memorandum and the attachments to it. The memorandum is made part of this record as "Attachment A".

Chairman Tobin stated that after the discussion on re-bidding the projects, he was still open to it. Commissioner Bauman asked Mr. Sheets what action was required by the Board to stay on track. Mr. Sheets stated that either the Board needs to approve beginning the negotiation process at the present meeting or at the May 14, 2003 meeting or to act to re-bid the projects at the May 14, 2003 in order to make the June 30, 2003 deadline.

Mr. Refling reiterated the comments of Mr. Sheets concerning the negotiation team, adding that all members have done an excellent job. Mr. Refling added that at present it is hard to identify all cost savings options because the KLTV project has not been fully designed yet, it is conceptual, and at the 30%, 60% 90% submittals, more savings could be identified. The benefits of a lump sum contract were discussed. It was noted that one of the major benefits is that the required documentation is less and if any cost savings are realized it is shared between KLWTD and the contractor, but if there are overages (not as a result of an owner requested change order) the contractor absorbs them. Mr. Sheets noted that although the documentation requirements are less, the KLWTD does not give up any audit rights.

Chairman Tobin asked about reduction to the number of valves and how the design continues to be refined. Mr. Refling stated that the companies looked at the conceptual design and gave initial cost saving ideas after entering the negotiation process and that Haskell's engineers have looked at the concept in the Park and have identified where there is potential for adding a gravity system at the end of some lines. Mr. Pete Kinsley of Haskell added that all parties are concerned with proper design, especially Haskell, because they are contracted to guarantee an operating system.

Discussion ensued as to where pits would be located and if there would be stubs for undeveloped lots. Mr. Refling stated that there would be an exhibit to the contract demonstrating that all future building lots would be connectable to the system.

Chairman Tobin asked that Mr. Refling explain in detail all eleven points stated in Mr. Sheets' memorandum.

Mr. Refling stated that item one concerning sales tax savings is not an addressable issue at present. The amount stated was an estimate and could be used if feasible, however the amount was not included in Haskell's 'best and final' price. The sales tax issue can be decided at a later time and is contained in the contract documents.

Mr. Refling stated that item two concerning the use of Airvac or Roevac as vacuum system supplier is something that he personally needs more information on to make a decision. Mr. Fishburn added that Haskell feels comfortable with both so competition could result in savings. Mr. Refling added that there is time to look at it further.

Discussion on the bottom line savings ensued. Mr. Fishburn stated that directional boring may provide benefits and potential savings but there are concerns with the technology. Mr. Kinsley commented that in their experience the technology is good for force mains and cables, but a vacuum system needs to be done on a slope. Mr. Walt Messer of Higgins has done boring but not for gravity lines and believes there is too much risk to be ignored. Commissioner Tobin stated that if the technology is available that the engineers need to look at it and decide. Mr. Refling stated that he is not convinced yet because of the complexity of this system and the field conditions make it complicated and it may not work. Commissioner Wilkinson doesn't believe it would work with Airvac. Discussion ensued on the process. Chairman Tobin asked if the technology could be tested in the area. Mr. Messer suggested the U.S.1 cut across would be a good place to try it due to its proximity to the plant. Chairman Tobin asked who makes the decision to do it. Mr. Kinsley stated that KLWTD would suggest it and the contractor would decide due to liability issues, adding that all members must be comfortable so the warranty is enforceable. It was noted that the FDOT would not permit a total closing of U.S. 1 to complete the cut across.

Discussion ensued on the use of USBF, and Mr. Kinsley stated that there would be no significant cost savings on installation but the maintenance is less.

Commissioner Wilkinson asked for clarification on what spare parts would be eliminated. Mr. Refling stated that they are whole valves, but there are spare parts in both contracts and it was a duplication of effort and they are not needed for both projects.

Commissioner Bauman asked if the construction management services were being reduced. Mr. Sheets stated that $300,000 was programmed in for KLP and after talking to staff there is a commitment that $150,000 would cover it.

Commissioner Beaty questioned the reasoning for the $50,000 reduction on the U.S. 1 crossing. Mr. Messer spoke with Mike Reese of the FKAA who verified that FDOT doesn't require casing so the savings are on the casing and that this would be confirmed when a permit application is filed.

Commissioner Brooks commented that going through contract negotiations for the first time is tiring and time consuming but rewarding and he believes the KLWTD is in a win/ win situation. Commissioner Brooks stated that there is nothing but benefits for the KLWTD if the Board moves forward. He stated that with all the concessions given by Higgins and Haskell, there is cash in the bank. He stated that he recommends KLWTD go forward with the negotiations with Haskell.

Commissioner Brooks made a motion to follow the recommendations as specified on page 3 of Mr. Sheets' memorandum. Commissioner Tobin stated that he is not at Commissioner Brooks' comfort level and would like to continue discussion. Commissioner Brooks stated that if the Board does not move in this direction and attempts a re-bid it is uncertain if they would be lower and they could be higher. Commissioner Brooks was also concerned a re-bid could jeapordize the $1.66 million from FDEP. Chairman Tobin asked for reaffirmation that the process should go forward.

Mr. Terry Lewis stated that a motion to go forward as quickly as possible with Haskell negotiations was acceptable. Then the next item for the Board to consider would be to determine the low bidder for the KLP and motion for award. Mr. Lewis stated that at that point, in his opinion, the Board would be able to discuss simultaneous negotiations with Haskell and Higgins. Mr. Lewis stated that the negotiation team has done competent work. Chairman Tobin stated that he was comfortable with the legal opinion provided. Commissioner Brooks withdrew the motion on the floor.

COMMISSIONER BROOKS MADE A MOTIONED TO FOLLOW THE RECOMMENDATIONS OF THE NEGOTIATING TEAM AND THAT THE BOARD AUTHORIZE THE TEAM TO CONTINUE AND MOVE FORWARD TO FINAL NEGOTIATIONS FOR THE KLTV PROJECT. COMMISSIONER BAUMAN SECONDED THE MOTION. CHAIRMAN TOBIN ASKED FOR ANY FURTHER DISCUSSION. Commissioner Wilkinson asked if the Board was continuing the negotiations in an effort to bring back the contract for Board approval. Mr. Sheets stated that was correct. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

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

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

Chairman Tobin called the next item of business, an additional item, to be named action item D 4, the consideration of the apparent low bidder for the KLP project. Chairman Tobin requested that the letter of recommendation be presented for ratification at the next meeting. Chairman Tobin asked Mr. Refling to reiterate what was contained in the recommendation letter. Mr. Refling stated that the KLP project was based on a design/bid/build set of documents and bids were received based on a base bid and two alternates. The RFP specified that consideration would be on the lowest responsive, responsible bidder on the base bid only. D.N. Higgins was low bidder and lowest responsive, responsible bidder and Boyle Engineering recommends D.N. Higgins for award of the base bid.

Mr. Lewis suggested a motion to select Higgins as the apparent low bidder contingent on Higgins negotiating to determine cost savings by integrating the projects. Mr. Messer of Higgins asked if integrating the projects meant doing them both together. If so Higgins

agreed. Commissioner Brooks asked for confirmation of DEP restrictions on combining projects. Mr. Sheets stated that the contract would need to be carefully constructed because of DEP procurement policies and the fact that the $1.66 million can only pay for KLP components. Mr. Sheets stated that because these are federalized due to the FEMA involvement we need to keep them informed. Mr. Lewis suggested the verbiage 'negotiate simultaneous contracts'. Commissioner Wilkinson objects due the fact that Higgins' position would be strengthened and Haskell's weakened. Mr. Lewis explained that the selection of Higgins as low bidder would be conditional on successful concurrent negotiations to get the lowest price possible, and if the negotiations fail, the Board would be in the position to re-bid.

THE MOTION WAS MADE BY COMMISSIONER BROOKS AS SUGGESTED AND SECONDED BY CHAIRMAN TOBIN. Discussion ensued on how the continued negotiations would be handled. Mr. Messer of Higgins asked if the KLP was a bid process and not a design build, how do you negotiate a low bid. Mr. Refling stated for clarity that what he believes Mr. Lewis said was once these motions are made and approved then the Board would motion for the negotiation team to meet and this would permit all parties to talk and take all factors into consideration. Mr. Lewis affirmed Mr. Refling's statement.

COMMISSIONER BROOKS MADE A MOTION TO SELECT D.N. HIGGINS AS APPARENT LOW BIDDER CONDITIONED ON SUCCESSFUL CONCURRENT NEGOTIATIONS WITH D.N. HIGGINS AND HASKELL TO LOWER THE OVERALL COSTS OF THE INTEGRATED PROJECTS. IF THE NEGOTIATIONS ARE UNSUCCESSFUL THE BOARD MAY REJECT THE BIDS. COMMISSIONER BAUMAN SECONDED THE MOTION FOR DISCUSSION. Chairman Tobin stated that this brings two projects together that never should have been separated. Commissioner Bauman added that if the contract is achieved then we could look at adjusting the work by change order. CHAIRMAN TOBIN CALLED FOR FURTHER DISCUSSION. Commissioner Wilkinson had concerns with premature selection of Higgins without the KLTV contract being final. Chairman Tobin stated that he still had concerns but this looks like a more efficient way to move forward. Discussion ensued concerning if the Board had the right to re-bid until a contract is signed. It was noted that re-bid would still be possible but the purpose is to come back with contracts for Board approval as soon as possible. Mr. Sheets assured the Board that the negotiation team would go slow so that all parties have no regrets after signing, while keeping within the deadlines. Mr. Sheets stated that if the Board makes the decision it would provide him with the information to revise Schedule C with reasonable deadlines. Chairman Tobin asked when draft contracts could be expected. Mr. Sheets stated that possibly by May 14th a draft for review with action at the May 28th meeting unless a special meeting is called. Mr. Sheets stated that with three weeks between today and the May 14th meeting it could be done. Mr. Lewis suggested the Board notice a special meeting on the 21st and if it is not needed then it could be cancelled. CHAIRMAN TOBIN CALLED FOR A VOTE WHICH WAS AS FOLLOWS:

COMMISSIONER BAUMAN	**YES**
COMMISSIONER BEATY	**YES**
COMMISSIONER BROOKS	**YES**
COMMISSIONER WILKINSON	**NO**
CHAIRMAN TOBIN	**YES**

THE MOTION CARRIED.

Action Items

1. Approval of the Work Plan for Developing and Implementation of a Non Ad Valorem Assessment Program for administrative and management costs

Chairman Tobin informed the Board that John Dent, attorney for the Monroe County Property Appraiser, called him concerning a potential problem with the KLWTD MSTU request that is on the May 19, 2003 BOCC agenda. Legal Counsel will verify that in February the KLWTD had communicated with the Tax Collector who indicated that the deadline had been met. Mr. Lewis stated that Chapter 200 the 'TRIM' statute has a section that says MSTU taxes on a tax role need to be created prior to January 1. But, the same section states that the deadline doesn't apply if the MSTU is to be created in an area to be served by a special taxing district. MSTU creation should not be a problem in Mr. Lewis' opinion. Mr. Lewis will contact Mr. Dent to remind him that this point has been researched. Mr. Lewis does not feel there is any prohibition to creating an MSTU. Chairman Tobin stated that this work plan relates to the MSTU being approved. Commissioner Brooks stated that the non ad-valorem process should be initiated after the MSTU decision to avoid incurring costs. Chairman Tobin asked what the deadline was for special assessment. Mr. Sheets stated that notice is required to meet the uniform information act, which includes getting the role prepared and holding a public hearing by September 15, 2003.

COMMISSIONER BEATY MADE A MOTION TO TABLE THE ITEM UNTIL THE BOCC ACTS ON THE MSTU. COMMISSIONER BAUMAN SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

2. Approval of Gartek, Engineering Corporation additional services request for KLTV Contract Negotiations Phase

Mr. Lewis stated that at the last meeting the Board approved changing Gartek's contract to the maximum amount permissible per the CCNA laws. The Board also declared an emergency and authorized the spending of an additional $6,000 for Gartek to participate in the KLTV contract negotiations. The only pending issue is on the retroactive amount over and above the $25,000 CCNA threshold. Mr. Lewis has conducted the research requested by the Board and did not find case law to support retroactive emergencies.

Chairman Tobin asked for discussion the item. Commissioner Brooks stated that he was concerned because he had made the motions and he is upset that an email after the fact had resulted in an additional change in the contract. Commissioner Brooks stated that as far as the legal handling of resolutions after a motion is made, a resolution should be drafted and reviewed for legal sufficiency. Commissioner Brooks stated that he then received an email from Ms. Dukes (legal counsel) containing the Gartek amendment to contract that incorporated changes to the motions already made and passed by the Board. Mr. Lewis stated that he did not recall reviewing any resolutions and if the contract does not reflect what the Board would like it could be corrected. He added that no intent to negate the actions of the Board was intended. Commissioner Brooks quoted Section 1.02.E concerning duplicate payments. Commissioner Brooks believes this to be a major change in his mind

and it was disturbing to him that the email that resulted in this change should also be a public record.

Commissioner Brooks stated that during the discussion prior to voting on his motions on the Gartek issue, as he recalls from his own memory and the draft minutes provided by the clerk, that the increase of $5,000 was a change to the original contract and should be a separate amendment. Mr. Lewis stated that there is no legal purpose in separating them. Commissioner Brooks stated his intention for the emergency declared was for the purpose of retroactively paying the balance to Gartek for the additional $27,000. Commissioner Brooks reiterated that his intent was to okay the payment of additional services. Commissioner Brooks stated that his next motion was to approve the additional $6,000 to Gartek to participate in the negotiation process for the KLTV project award and it was his understanding that this was to be a contract amendment. Commissioner Brooks believes the beginning of the emergency was November 19, 2002.

Mr. Lewis stated that he could find no basis in law to declare a retroactive emergency and that after reviewing case law, Gartek should have presented a change order and that even with a change order the Board by law could not approve anything above $25,000 without a bonafide emergency. Mr. Lewis stated that there is no case law that would support payment of the unapproved additional services. Discussion ensued on the case law concerning overages to a contract. Mr. Lewis stated that if the Board was aware of the work, the Administrative Procedures Act (which Mr. Lewis noted that the KLWTD was under presently) states that the declaration of an emergency must be from a period in time going forward. Mr. Lewis found no basis in law that demonstrates an emergency could be declared retroactively. Mr. Lewis understands the dilemma faced by the Board but can give no support from the law in support of the Board's decision. Commissioner Brooks asked directly if Mr. Lewis could provide support that the Board could not pay it. Mr. Lewis stated that before paying it the Board could request an opinion from the State Attorney General. Commissioner Brooks reaffirmed that the next step would be to ask for an A.G.O. Mr. Lewis answered in the affirmative but does not believe the opinion would result in a positive answer. Mr. Lewis would not advise the KLWTD to spend the money. Commissioner Brooks stated that the amendment in front of the Board should be approved so that Gartek would be compensated for the $5,000 and the additional $6,000, however he would like to find a legal way to pay the $27,000 in additional services. Commissioner Brooks asked if Gartek would still be paid the $5,000 if the amendment was not approved. Mr. Lewis stated that the $5,000 could be paid because the Board approved the motion, however a contract amendment is ultimately required. Mr. Lewis stated that the Board could approve the amendment with the suggested changes.

The Chairman asked for additional comments from the Board.

Commissioner Bauman stated that the discussion of the Gartek additional services request was presented as a legal discussion item and not as an action item and that in his opinion Commissioner Brooks made three motions that the Board had no time to review.

Commissioner Beaty stated that the agreement is sufficient. He questioned the Board's ability to pay the additional services if a change order was approved by the Board. Commissioner Beaty stated that he agreed that Gartek should be paid for the additional services and that the Board should continue to try and find the means to do so.

Commissioner Tobin stated that to go back to the reason for contracting with Gartek it was by request of Commissioner Wilkinson who wanted another engineering opinion to improve his comfort level with the information provided by the FKAA. Chairman Tobin asked Mr. Refling at that time if it were reasonable to have an additional engineering opinion.

Chairman Tobin recalled that Mr. Refling agreed that two engineers were reasonable for the KLTV project because it was a design/build project. Mr. McGarry indicated that the expenditure for the additional engineering was possible.

Chairman Tobin stated that after speaking with Robert and Chuck at length that he agrees they are doing good work for the KLWTD, however, the legality of a retroactive emergency and asking for an A.G.O. could cause the KLWTD more expense and embarrassment. Chairman Tobin recalled that the emergency was to be based on legal research to determine if there could be a retroactive emergency. Chairman Tobin stated that he was concerned with any contractor double billing and that double billing was addressed in the contract amendment because of his concerns with being charged for the attendance of both Chuck and Robert on the invoices in question. Chairman Tobin stated that he wants to be fair and to do what is right and if there are circumstances that warrant the charges for two staff members' attendance they should be pre-approved. Chairman Tobin noted that the KLWTD does not have the extra money in the budget and that Gartek is looking at reducing their bill. Chairman Tobin also stated concern with the use of sub-consultants because the Board has no privities with Gartek's sub-consultants. Chairman Tobin concluded that the Board is aware that Gartek's work is good but the Board has to struggle with setting bad precedent by passing a retroactive emergency if there is not legal authority to do so. Chairman Tobin would support only paying critical services that were helpful to the KLTWD and to pay them from grant money for engineering services only.

Commissioner Brooks stated that his issues include making changes to an already approved 'resolutions' via email, the $5,000 increase to the original $20,000 contract, the declaration of an emergency, and the additional $6,000 for contract negotiations. Commissioner Brooks stated that no motion was made by the Board to put in the amendment that Gartek would receive no payment for two staff members being present and it is improper to add or take away from the intent of a motion. Commissioner Brooks quoted from the draft April 9, 2003 minutes. Stating that his point was that this legal opinion was not part of his motion. Mr. Lewis apologized for being the one who presents problems but added that he cannot make up the law to support an action.

Commissioner Wilkinson stated he as technical committee chair was not aware of the invoice amounts or that the CCNA threshold of $25,000 had been exceeded. He feels Gartek should be paid, if not retroactively it should be paid from the FKAA engineering funds. Commissioner Tobin believed that the original $20,000 had been approved by the FKAA. Mr. Sheets stated that he would explore getting reimbursed for costs incurred on these projects with Phase I moving forward.

Commissioner Bauman stated that he doesn't recall anyone on the Board being assigned to review invoices for Gartek nor should the Board take any blame for the situation. He believes it is the vendor's responsibility to get change orders for their work. The original

contract was a $20,000 fixed fee, not-to-exceed contract and that Gartek is a professional services firm and to over-bill by $22,000 is a problem.

Commissioner Brooks quoted again from the April 9, 2003 draft minutes. Chairman Tobin stated that you cannot debate recollection and if the motion was recalled wrong it should be restated and the vote taken again.

COMMISSIONER BROOKS MOTIONED TO APPROVE THE AMENDMENT WITH THE STRIKING OF SECTION 1.02.E SECTION Commissioner Brooks asked for an explanation of the last whereas clause. Mr. Lewis stated that it was his understanding of the amended contract. Commissioner Brooks stated that it was his intent for the emergency to be retroactive and it is not. Mr. Lewis stated that the Board could vote to approve the amendment while striking the last whereas. COMMISSIONER BROOKS CONTINUED HIS MOTION ADDING AND STRIKING THE LAST WHEREAS CLAUSE. COMMISSIONER WILKINSON SECONDED FOR DISCUSSION. Chairman Tobin believed Section 1.02.E should stay because striking it sets precedent for vendors to double bill. It doesn't say we won't pay if double billing is warranted it just gives us the right to determine if it is valid. Chairman Tobin stated that by taking it out it would open the door to be double billed. Discussion ensued on what the definition of double billing was. Commissioner Bauman asked if the $6,000 for contract negotiation was a fixed price not-to-exceed $6,000. Mr. Lewis confirmed that it was a not-to-exceed price of $6,000. COMMISSIONER BROOKS RESTATED HIS MOTION TO STRIKE SECTION 1.02.E FROM THE GARTEK CONTRACT AMMENDMENT. COMMISSIONER WILKINSON SECONDED THE MOTION. CHAIRMAN TOBIN ASKED FOR FURTHER DISCUSSION. THERE BEING NONE HE CALLED FOR THE VOTE.

COMMISSIONER BEATY	**NO**
COMMISSIONER BAUMAN	**NO**
CHAIRMAN TOBIN	**NO**
COMMISSIONER BROOKS	**YES**
COMMISSIONER WIKINSON	**YES**

THE MOTION FAILED BY A VOTE OF THREE AGAINST AND TWO IN FAVOR.

COMMISSIONER BROOKS MADE A MOTION TO STRICK THE LAST WHEREAS CLAUSE FROM THE GARTEK CONTRACT AMENDMENT. COMMISSIONER WILKINSON SECONDED THE MOTION. CHAIRMAN TOBIN ASKED FOR DISCUSSION. Chairman Tobin asked if the 'whereas' should be stricken or should it read as an affirmative declaration of a retroactive emergency. COMMISSIONER BROOKS RESTATED HIS MOTION SO THAT THIS EMERGENCY BY THE DISTRICT BOARD SHALL BE CONSIDERED TO APPLY RETROACTIVELY. COMMISSIONER WILKINSON SECONDED THE RESTATED MOTION. Commissioner Wilkinson stated that if this is declared a retroactive emergency the Board still needs to deal with the additional services bill and someone should be designated to sit down with Gartek and bring back a final invoice amount. CHAIRMAN TOBIN ASKED FOR FURTHER DISCUSSION. THERE BEING NONE HE CALLED FOR A VOTE.

COMMISSIONER BAUMAN	**NO**
COMMISSIONER BEATY	**YES**

COMMISSIONER BROOKS	**YES**
COMMISSIONER WILKINSON	**YES**
CHAIRMAN TOBIN	**NO**

THE MOTION CARRED.

Chairman Tobin asked if legal counsel could take the lead on discussing the invoices with Gartek. Commissioner Bauman stated that he had a problem with legal doing the review. Mr. Sheets stated that the CFO David Miles would be more appropriate.

COMMISSIONER WILKINSON MADE A MOTION TO APPROVE THE AMENDED CONTRACT WITH GARTEK. COMMISSIONER BEATY SECONDED THE MOTION. WITH NO FURTHER DISCUSSION CHAIRMAN TOBIN CALLED FOR A VOTE.

COMMISSIONER BAUMAN	**NO**
COMMISSIONER BEATY	**YES**
COMMISSIONER BROOKS	**YES**
COMMISSIONER WILKINSON	**YES**
CHAIRMAN TOBIN	**NO**

THE MOTION CARRIED.

Chairman Tobin recessed the meeting at 7:30 p.m.

Co-Chairman Wilkinson reconvened the meeting at 7:40 p.m.

3. Approval of the Pending Payments Schedule

Mr. Sheets presented the Pending Payments Schedule and noted that the Gartek payment of $5,000 was included. Mr. Sheets stated that an additional payment needed to be added for $175.00 payable to the Florida Department of Community Affairs for KLWTD annual special districts fee.

COOMMISIONER BEATY MOTIONED TO APPROVE THE PENDING PAYMENTS SCHEDULE WITH THE ADDITON OF THE $175.00 PAYMENT TO THE FDCA. COMMISSIONER BROOKS SECONDED THE MOTION. CO-CHAIRMAN WILKSON ASKED FOR ANY DISCUSSION. WITH NO FURTHER DISCUSSION ALL WERE IN FAVOR AND THE MOTION CARRIED.

D. General Manager's Report

1. State of Florida Commission on Ethics Statement of Financial Interests

Mr. Sheets stated that this item required no action from the Board if the members had previously filed an ethics statement with the clerk of courts. The clerk would be forwarding a list of the KLWTD Commissioners to the Commission on Ethics per their request.

2. Interim Financial Reports for KLWTD as of March 31, 2003

Mr. Sheets stated that this item was informational and that no Board action was required.

3. Status Report/Discussion regarding the final amendment to the Inter-Local Agreement between the County, FKAA and District

Mr. Sheets stated that the information presented would be drafted into a letter to be forwarded to the BOCC attorney requesting these changes to the agreement and requesting that they be considered by the BOCC at their May meeting.

4. Status Report Florida Association of Special District membership and Florida Department of Community Affairs FASD Annual Conference Scholarship

Mr. Sheets stated that the Special District Association offered a pro-rated membership fee to the KLWTD and that an application for a scholarship for registration fees to attend the annual conference in early June had been submitted. Mr. Sheets stated that it was highly suggested that KLWTD members attend.

5. Status report on the Consulting Engineering Services Request for Qualifications - CCNA process

Mr. Sheets stated that no action was necessary on this item and that the list of vendors that had requested or been forwarded submittal packages was being provided for informational purposes.

6. Status report on the KLTV Contract Negotiations

Mr. Sheets stated that this item had been covered in previous discussion.

7. Status report on the Amendment No. 1 to DEP Agreement LP0338 – Revised Schedule C

Mr. Sheets stated at a revised Schedule C would be provided at the May 14, 2003 meeting.

Mr. Sheets requested that the Board consider holding a budget workshop prior to the May 14, 2003 meeting to discuss the FY2004 KLWTD Budget. It was the Board's consensus to hold the budget workshop beginning at 3:00 p.m. at the Key Largo Civic Club on May 14, 2003 and for a public notice to be issued.

E. Legal Counsel's Report -- NONE

There were no other legal counsel items to be discussed.

F. Engineer's Report

There were no other engineer's items to be discussed.

G. Commissioner's Items

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

Commissioner Brooks stated that due to the earlier discussion the item should be tabled.

2. Commissioner Brooks -- Discussion of comments submitted for the EPA's PMP

Commissioner Brooks requested the item be tabled until the May 14, 2003 meeting.

3. Commissioner Bauman – Discussion on Gartek Engineering, Inc. correspondence dated February 14, 2003

Commissioner Bauman stated that he had no further comments on this issue.

H. Minutes – March 26, 2003

COMMISSIONER BROOKS MADE A MOTION TO APPROVE THE MARCH 26, 2003 MINUTES. COMMISSIONER BEATY SECONDED THE MOTION. CHAIRMAN TOBIN VOTED NO. THE MOTION CARRIED.

I. Meeting Adjournment

Commissioner Brooks made a motion to adjourn. Commissioner Beaty seconded the motion. All were in favor. The meeting was adjourned at 8:10 p.m.

MEMORANDUM TO THE BOARD

TO: BOARD OF DIRECTORS

CC: TERRY LEWIS, AMY DUKES, CHARLES SWEAT, FAITH DOYLE

FROM: NEGOTIATING TEAM

SUBJECT: KEY LARGO TRAILER VILLAGE NEGOTIATIONS

DATE: 4/23/03

At our last regularly scheduled Board meeting, the Board ranked the Haskell Company as the number one ranked firm for purposes of contract negotiation for the Key Largo Trailer Village Project. The Board directed the General Manager to head this negotiation and form a team that consists of Commissioner Charles Brooks, representatives from Gartek, Boyle Engineering, GSG and Lewis, Longman and Walker.

The negotiating committee had numerous phone conferences to discuss negotiating strategy and has met with Haskell on two occasions. The first was Tuesday, April 15th and the final meeting was on Monday, April 21st. Haskell, at the April 21st meeting had representatives from Brown and Caldwell and Higgins, Inc.

As a result of those negotiations, the following reductions were offered by Haskell as an agreed upon reduction in the Guaranteed Maximum Price (GMP) of their $8,443,203 proposal:

1) Sales tax savings if the Board will purchase all major equipment, piping and pumps. The Haskell team offered to prepare all submittals and associated paper work. The Board will have to review their submittals and authorize a purchase order under the KLWWTD name. Haskell estimated a $50,000 savings for plant equipment and a $25,000 savings for vacuum system materials, for a total of $75,000.

2) Equipment cost savings if Haskell has the option to use Airvac or Roevac as the vacuum system supplier. The total savings of $75,000 for this substitution.

3) Spare parts savings for the vacuum system. Currently there are spare parts in the KLTV and KLP projects, and only one set is necessary. Haskell offered a savings of $25,000 to eliminate spare parts from their scope.

4) Elimination of the trailer-mounted vacuum pump for testing the vacuum system. Only one is required for both projects assuming close coordination between the KLTV and KLP. Haskell offered a savings of $20,000.

5) Reduction of vacuum system supplier representative services. Haskell believes that savings can be realized by reducing the on-site inspections quoted by the suppliers.

Although they had not received confirmation, Haskell indicated that they are standing by their estimate of a $30,000 savings for this item.

6) Reduction of the landscaping scope that was assumed in their estimate. Haskell offered a savings of $25,000.

7) Elimination of a "double-counting" error that they made when their cost proposal was prepared. Apparently, the cost of the vacuum pumps was inadvertently included twice. Haskell offered a $35,000 savings for this item.

8) Elimination of the Owner's trailer. Haskell offered a savings of $15,000.

9) Reduction in costs of the collection system by incorporating gravity at some locations within the KLTV, similar to the KLP design, and further minimizing the number of vacuum valves and pits. Haskell offered a savings of $150,000 utilizing this approach.

10) Optimization of the U.S. 1 crossing. Utilizing an open cut similar to that which was allowed by the Florida Department of Transportation (FDOT) for the Little Venice project, savings should be realized. Higgins confirmed this and offered a $50,000 savings.

11) Haskell has reduced the Guaranteed Maximum Price an additional $50,000 in consideration of a lump-sum contract. Total Savings $550,000.

These savings are estimates. Actual savings will depend upon final contract negotiations and other issues that cannot be addressed until detailed design is underway.

These savings to the GMP total $500,000.

In addition to the savings listed above, other contractual terms were discussed. Haskell has also provided a list of suggested changes to the standard contract (see attached copy). This list was discussed with Haskell at the Monday meeting. In addition, General Counsel has reviewed these items and has provided a written response (see attachment). The negotiating committee does not believe that any of the items listed in Haskell's correspondence represent a major conflict with the Board's objectives.

Based on the Board's goal of reaching as many customers with the funds available, the negotiating team believes that the Haskell "best and final" (see attachment) offer provides the District with an opportunity to reach a sufficient number of EDUs to make this project more cost effective. Because of the short time frame between receipt of the "best and final" offer and the Board meeting today, the following table has been provided to show what impact the final offer by Haskell will have on total funds available for both Key Largo Park and Key Largo Trailer Village.

Item	Amount
KLTV (Best and Final)	$7,895,000
Preliminary Engineering Planning	$392,955
Construction Management (Revised)	$400,000
Key Largo Park (Base Bid)	$1,097,650
Engineering	$325,000
Construction Management (revised)	$150,000
Total Committed Funds	$10,260,605
Plus Land Purchase	$826,234
Grand Total	$11,086,839
Funds Available	$12,411,646
Balance Remaining	$1,324,807

[1] Includes $100,000 from South Florida Water Management District.

Based on these potential costs savings, the Board has the opportunity to move forward with final negotiations with the Haskell Company for the Key Largo Trailer Village Project. In addition, the Board could authorize the negotiating team to finalize the contract with Higgins for the base bid for Key Largo Park. At that point, the District would have the option of issuing a change order with either or both firms to conduct additional work within Key Largo Park based on the funds available.

Recommendations

It is the negotiating team's recommendation that the Board authorize the negotiating team to continue and move toward final negotiations with Haskell for the Key Largo Trailer Village Project. The team also recommends that the board authorize negotiations to begin as soon as KLTV is finalized with Higgins for the Key Largo Park base bid.

The District's General Counsel will become more involved in the discussions at this point, due to the fact that in addition to the costs reductions, other terms and conditions will need to be incorporated into the final contract between the Haskell Company and the District.

Closing

The goal and purpose will be to maximize efficiencies and economies of scale for the completion of the Key Largo Park based on available funds.

Attached to your briefing document is a copy of the Haskell Company's best and final offer, dated April 22, 2003, the Haskell letter dated April 18, 2003 outlining proposed contract modifications and the correspondence from Lewis, Longman and Walker dated April 22, 2003, which responds to the proposed contract modifications by the Haskell Company.

In closing, as District Manager, I would like to recognize and thank every member of the negotiating team for all the hard work that has taken place since this process has begun.

Peter M. Kinsley
Division Leader – Water

Via Facsimile 850-224-7206
And Overnight Delivery

April 22, 2003

Re: Design/Build Wastewater Management System for the Key Largo Trailer Village Area
Best and Final Cost Proposal

Mr. Robert E. Sheets, Chief Executive Officer
Government Services Group, Inc.
1500 Mahan Drive
Suite 250
Tallahassee, Florida 32308

Dear Mr. Sheets:

The Haskell Company is pleased to present to the Key Largo Wastewater Treatment District (KLWWTD) our "Best and Final" Cost Proposal for the Design-Build Wastewater Management System for the Key Largo Trailer Village Area project. The Haskell Company will design and construct the above referenced project in accordance with the requirements of the Request for Proposals and as defined in our Design-Build Technical Proposal for $7,970,000.00. The "Best and Final" Cost Proposal was developed as follows:

Original Total Combined Project Cost	$	8,445,203.00
Option to use Roe Vac in lieu of Airvac	<$	75,000.00>
Eliminate Collection System Spare Parts	<$	25,000.00>
Eliminate Collection System Testing Equipment	<$	20,000.00>
Reduce Man-hours of Collection System Representative	<$	30,000.00>
Reduce Landscaping Scope	<$	25,000.00>
Eliminate Vacuum Pumps Pricing Double Up	<$	35,000.00>
Eliminate Owner Trailer	<$	15,000.00>
Reduce Number of Vacuum Valve Pits	<$	150,000.00>
Open Cut US 1 Crossing	<$	50,000.00>
Convert Contract to Lump Sum Agreement	<$	50,203.00>
"Best and Final" Total Combined Project Cost	$	7,970,000.00

It should be noted that the "Best and Final" Total Combined Project Cost does not include the $75,000.00 savings associated with sales tax credits on KLWWTD purchased material. These costs must be included in the original contract value and would be credited to the KLWWTD as material is purchased and associated deductive change orders are executed. Once these savings are realized, the actual project cost would be $7,895,000.00.

The conditions associated with the "Best and Final" Total Combined Project Cost are as follows:

1. The KLWWTD will give consideration to the proposed contract modifications presented in the Haskell letter dated April 18, 2003 and discussed during the April 21, 2003 negotiations.
2. The Haskell Company has the option of using Roe Vac in lieu of Airvac for the vacuum collection system.
3. There will be no vacuum collection system spare parts provided under this contract. It is assumed that the vacuum collection system spare parts provided with the Key Largo Park project will suffice.
4. There will be no vacuum collection system testing equipment provided under this contract. It is assumed that the vacuum collection system testing equipment provided with the Key Largo Park project will be used on the Key Largo Village project.
5. The vacuum collection system representative will be limited to eight weeks of onsite support (training, observation, startup, etc.). No additional support should be required to properly deliver the project.
6. The landscaping budget has been reduced to $28,585.00. This budget should be sufficient to provide landscaping meeting the requirements of the project.
7. There will be no owner trailer provided under this contract.
8. The agreement is based upon one hundred thirty-one (131) vacuum valve pits. This number of vacuum valve pits should be sufficient provide a complete an operable vacuum collection system.
9. The contract will be converted from a cost plus with GMP agreement to a lump sum agreement.
10. The agreement is based upon open cutting the US 1 crossing. All indications from DOT are positive with this regard.

The Haskell Company recognizes KLWWTD's desire to utilize USBF secondary treatment in lieu of SBR secondary treatment. As discussed, the capital cost of USBF appears to be greater than the capital cost of SBR. We are analyzing the construction cost associated with this treatment process in order to identify and ultimately eliminate all cost differences between the two systems. It is our intent to offer the KLWWTD the option of using either USBF or SBR for the "Best and Final" Total Combined Project Cost indicated above. It should be noted that the 50/50 shared savings provisions of the contract will be waived with regard to USBF and that all cost reductions realized with this treatment process will be returned to the KLWWTD in full.

Thank you for your consideration. If you should have any questions or concerns in this matter, please feel free to contact me at (904) 357-4868. We look forward to a mutually successful project.

Sincerely,

Peter M. Kinsley
Division Leader - Water

cc: Daniel R. Dumke

Peter M. Kinsley
Division Leader - Water

April 18, 2003

Re: Design/Build Wastewater Management System for the Key Largo Trailer Village Area
Proposed Contract Modifications

Mr. Robert E. Sheets, Chief Executive Officer
Government Services Group, Inc.
1500 Mahan Drive
Suite 250
Tallahassee, Florida 32308

Dear Mr. Sheets:

The Haskell Company has reviewed the draft Contract for the Design/Build Wastewater Management System for the Key Largo Trailer Village Area dated January 2003. We have found the Contract to be generally acceptable; however, would request your consideration of the following additions, deletions and modifications:

Article 2 – General Provisions

Paragraph 2.1 – Relationship of the Parties
Add to the end of this paragraph "Should design modifications and alternate materials or equipment have cost and/or schedule impact to the CONTRACTOR, an equitable Change Order will be provided in accordance with Article 9 of this Agreement."

Paragraph 2.2 – Engineer
Change this paragraph to read "Engineering services shall be furnished by licensed employees of CONTRACTOR, its Subcontractors, or as permitted by the law of the state where the Project is located."

Paragraph 2.4 – Definitions
With regard to the definition of "Notice to Proceed", and as discussed in our meeting of April 15, 2003, The Haskell Company proposes that only one (1) overall Notice to Proceed be issued for the Project.

With regard to the definition of "Uncontrollable Circumstance", we propose the following:

> Paragraph (1)(a), change to read "an act of God, hurricane, landslide, lightning, earthquake, fire, flood, plague, tornadoes, ~~(but not including reasonably anticipated weather conditions for the geographic area of the Facility)~~, explosion, sabotage or similar occurrence, acts of public enemy, extortion, war, acts of terrorism, blockade or insurrection, riot or civil disturbance;"

Paragraph (1)(d)(4), change to read "subsurface conditions of which the CONTRACTOR, ~~through the exercise of reasonable diligence,~~ could not reasonably be expected to have noticed."

Add a Paragraph (1)(m) which reads "Closure, road work or travel restrictions on U.S. Highway 1."

Add a Paragraph (1)(n) which reads "Delay of residential and commercial system connections preventing completion of the Acceptance Test."

Article 3 – Contractor's Responsibilities

Paragraph 3.1.3. – CONTRACTOR"S Requested Design Changes
In the last sentence, strike the words "and (4) are feasible."

Paragraph 3.1.6. – Reuse of Documents
Change the second sentence to read "Reuse on another project, change, or alteration by KLWWTD or by others acting through or on behalf of KLWWTD of any such instruments of service without the written permission of CONTRACTOR ~~will be at such person or entity's sole risk~~ is prohibited."

Paragraph 3.3.11. – Permits
Add to the end of this paragraph "Permits for residential and commercial system connections are not part of this Agreement."

Paragraph 3.3.12.2 – ~~COMPANY~~ CONTRACTOR Tests
Change the first sentence to read "Contractor shall conduct all tests and inspections of the construction ~~(including shop tests) or inspections~~ as required ~~by good engineering practice,~~ by the final design requirements, by Applicable Law, or by Insurance Requirements."

Paragraph 3.4.2 – KLWWTD Safety Procedures
Change paragraph (b)(1) to read, "CONTRACTOR shall have in place a training program to comply with ~~OSHA Regulations 1910.119 (g)~~ 29 CFR 1926 OSHA Construction Industry Regulations. "Certifications and Records" shall include safety performance records, current safety programs, training program and certifications, experience with related processes. Evidence should refer to the following procedures: Lockout/tagout (§1910.147), confined space entry ~~(1910.147)~~ (§1910.146), and emergency response (§1926.35)."

Change paragraph (c)(4) to read "Prior to beginning construction work Contractor shall submit for approval a list of safety officer(s) designated for the Project and, if ~~required~~ requested, ~~examples of daily badges, the badge issuing process, and example of log-in sheets with provisions for transferring responsibility from one safety officer to another, and proof of training sign-in sheets and questionnaires for all on-site personnel~~ proof of employee safety orientation"

Paragraph 3.6 – Hazardous Waste and Investigation of Site Conditions
Propose to strike Paragraph 3.6.7 in its entirety. (Note: Language of this Paragraph is redundant with that of Paragraph 3.6.9).

Paragraph 3.8 – KLWWTD Purchased Equipment
In Paragraph 3.8.2.(e), last sentence, correct spelling of the word "direct".

Add a Paragraph 3.8.2.(o) which reads "Should delivery of any KLWWTD equipment or material delay or impact the Contractor's performance of the Work in any way, Contractor shall be entitled to an equitable change order in accordance with Article 9 of this Agreement."

Add a Paragraph 3.8.2.(p) which reads "All vendors and/or manufacturers associated with KLWWTD purchased equipment and materials shall provide performance and payment bonds as required by this Agreement. Terms and conditions of the individual purchase agreements will be mutually determined by CONTRACTOR and KLWWTD."

Article 5 – Subcontracts

Paragraph 5.6 – CONTRACTOR's Construction Superintendent
In the first paragraph, strike the parenthesized words (the "Construction Manager").

Article 9 – Changes In The Work

Paragraph 9.1 – Extension of Time
Change the second sentence of the first paragraph to read "An application by CONTRACTOR for extension of time must be in writing, must be set forth in detail the reasons and causes of the delay, and must be submitted to the KLWWTD within seven (7) days following the ~~occurrence~~ recognition of the delay."

In the second paragraph, add "acts of terrorism" after the word "war".

Paragraph 9.3 – Extra Work
Change paragraph (c)(3) to read "For special equipment and machinery required for the economical performance of the authorized work, CONTRACTOR shall receive payment based on the rental price for each item of equipment at ninety percent (90%) of Blue Book and the actual time of its use on the work, including delivery, set-up and training if required."

Article 10 – Emergency Situation

Paragraph 10.5 – Costs and Compensation
After the second sentence, add the following "In addition, in the event it is determined that the emergency or threat was not caused by Contractor Fault, CONTRATOR shall receive an extension of the Schedule Date of Substantial Completion or the Scheduled Acceptance Date, as appropriate, on account of LKWWTD Emergency Operations."

Article 11 – Payment For Construction Phase Services

Paragraph 11.1.3 – Construction Disbursement Procedure
Change sentence six to read "The KLWWTD shall pay CONTRACTOR within the expiration of such thirty (30) day period if (1) the KLWWTD determines and verifies in writing that the work has progressed in accordance with this Agreement, or (2) the KLWWTD fails to verify or dispute the certified requisition within ~~thirty (30)~~ ten (10) days of receipt."

Paragraph 11.1.4 – Information Supporting Invoice
Change Paragraph (h) to read "Unconditional waivers executed by each subcontractor or materialmen to either CONTRACTOR or entities in privity of contract with CONTRACTOR, attesting to receipt of payment in full through the date thirty (30) days prior to ~~of~~ the invoice most recently paid by the KLWWTD to CONTRACTOR. Lien waivers will be provided only from those subcontractors or materialmen who have fully complied with the notification requirements of the applicable Florida Statutes."

Paragraph 11.2 – Payment Procedures
Change the fifth sentence to read "Retainage on the remaining work only shall be reduced to ~~five percent (5%)~~ zero percent (0%)."

Paragraph 11.3 – Progress Payments
Add to the end of Paragraph 11.3.1 the following sentence "Payments will be made to ~~CONTRACTOR from KLWWTD via electronic (wire) transfer of funds.~~"

In Paragraph 11.3.4, correct the spelling of the words "manuals", "documentation", "Director", and "representative".

Article 12 – Indemnity, Insurance and Waiver of Subrogation

Paragraph 12.2 – Indemnity
Change the first sentence of this paragraph to read "To the fullest extent permitted by law, CONTRACTOR shall indemnify and hold the KLWWTD harmless (including all officers, employees, agents, and consultants of the KLWWTD) from and against all verifiable claims, damages, losses and expenses ~~of any nature~~, including but not limited to reasonable attorney's fees ~~(including any attorneys' fees incurred in connection with any appellate or administrative action)~~, arising directly ~~or indirectly~~ from performance ~~or non-performance~~ of the work described in this Agreement by CONTRACTOR, a Subcontractor, or anyone directly ~~or indirectly~~ employed by them ~~or anyone for whom they may be liable~~ in connection with the performance of work.

Article 13 – Termination Of The Agreement And KLWWTD's Right To Perform CONTRACTOR's Responsibilities

Paragraph 13.2 – KLWWTD Right to Perform CONTRACTOR's Obligations and Termination by KLWWTD for Cause
Change Paragraph 13.2.1 to read "If CONTRACTOR fails to perform any of its obligations under

this Agreement, KLWWTD may, after seven (7) days written notice, during which period CONTRACTOR fails to ~~perform~~ commence with appropriate actions to satisfy such obligation, undertake to perform such obligations."

Change the first sentence of the last section of Paragraph 13.2.2 to read "If CONTRACTOR fails to commence with appropriate actions to cure within seven (7) days, KLWWTD, without prejudice to any other right or remedy including reasonable damages permitted, may take possession of the site and complete the Scope of Work utilizing any reasonable means."

Article 14 – Dispute Resolution

Paragraph 14.1 – Dispute Notice
At the end of this paragraph, add the sentence "Dispute Notices shall be provided in accordance with Article 11 of this Agreement."

Paragraph 14.6 – Mediation
Change the term "Independent Engineer" to "Independent Party" throughout.

Paragraph 14.7 – Judicial Review
Change the last sentence of Paragraph 14.7.1 to read "Both parties agree to the waiver of jury trial, unless required by applicable Local, State or Federal law."

~~Paragraph 14.8 – Work Continuance and Payment~~
Change the second sentence of this Paragraph to read "If CONTRACTOR continues to perform, KLWWTD shall continue to make payments and perform its responsibilities in accordance with this Agreement."

Article 15 – Miscellaneous Provisions

Paragraph 15.3 – Governing Law
In the last sentence of this Paragraph, correct the spelling of the word "inconvenient".

Paragraph 15.4 – Delivery of Documents in Electronic Format
Change the last sentence of this Paragraph to read "Electronic copies shall consist of computer readable data submitted in ~~any form and~~ a format ~~the KLWWTD may reasonably request to facilitate the administration and enforcement of this Agreement~~ of the most current versions of Microsoft Office (Excel/Word), AutoCAD and Adobe Acrobat."

Paragraph 15.17 – Costs of Enforcement
Change this paragraph to read "In the event any party to this Agreement shall be required to retain an attorney to enforce any terms, conditions or covenants under this Agreement, or to remedy any breach, the prevailing party shall be entitled to recover the verifiable costs of any such enforcement proceedings, including, but not limited to, reasonable attorney's fees (including charges for paralegals and others working under the direction or supervision of the party's attorney), ~~whether incurred in connection with pre-litigation demands, mediation, trial, appeal, bankruptcy, proceedings, or otherwise, and court costs."~~

Pursuant to our general discussion regarding Payment for Construction Phase Services, The Haskell Company would like to offer, for your consideration, a Lump Sum payment arrangement in lieu of the current GMP procedures outlined in Article 11 of the Agreement. In an effort to achieve the project budget goals of the KLWWTD, we are expending significant effort to reduce costs wherever possible. In doing so, we are consequently eliminating the potential for shared savings in a GMP-type contract. Admittedly, the documentation required in a GMP contract will require considerable efforts by both contracting parties. A lump sum agreement will simplify the payment process significantly. Should this concept prove to have merit through our forthcoming discussions, The Haskell Company will propose the necessary substitute language for Article 11 for KLWWTD review.

As a general statement, any provisions of addenda issued prior to these negotiations should be included as appropriate in the Contract. No attempt has been made in the proposed modifications above to include these changes. In addition, it is understood that the majority of the Contract Exhibits A through P will be developed as contract negotiations are finalized in this regard.

Thank you again for your time and consideration of the above. If you should have any questions or concerns in this matter, please feel free to contact the undersigned at (904) 357-4225.

Sincerely,

Peter M. Kinsley
Division Leader

cc: Daniel R. Dumke

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Reply To: West Palm Beach

April 22, 2003

VIA TELEFACSIMILE

Mr. Robert E. Sheets
Government Services Group, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308

RE: Design/Build Wastewater Management System
for the Key Largo Trailer Village Area
Proposed Contract Modifications

Dear Robert:

We have reviewed the letter from the Haskell Company (Peter M. Kinsley, Division Leader) dated April 18, 2003, as well as the draft Design-Build Agreement. The following comments follow the format of Haskell's suggested revisions as outlined in Mr. Kinsley's letter for ease of reference.

Article 2 - General Provisions

1. Paragraph 2.1 - The revisions are acceptable.
2. Paragraph 2.2 - The revisions are acceptable.
3. Paragraph 2.4 - The revisions are acceptable.
4. Paragraph (1)(d)(4) - The revisions are unacceptable.
5. Paragraph (1)(m) - The revisions are acceptable.
6. Paragraph (1)(n) - The revisions are acceptable.

Article 3 - Contractor's Responsibilities

1. Paragraph 3.1.3 - The revisions are acceptable.
2. Paragraph 3.1.6 - The revisions are unacceptable.
3. Paragraph 3.1.3 - The revisions are acceptable.
4. Paragraph 3.3.11 - The revisions are acceptable.
5. Paragraph 3.3.12.2 - The revisions are acceptable.
6. Paragraph 3.4.2(b)(1) - The revisions are acceptable.
7. Paragraph 3.4.2(c)(4) - The revisions are acceptable.
8. Paragraph 3.6 - The revisions are unacceptable.
Leave in Paragraph 3.6.7.

9. Paragraph 3.8 - Thank you for pointing out this spelling error.

10. Paragraph 3.8.2(o) - The addition of this paragraph is acceptable with the following revision: "Should delivery of any ~~KLWWTD~~ equipment or material ordered and purchased by KLWWTD delay or impact the Contractor's performance of the Work in any way, Contractor shall be entitled to an equitable change order in accordance with Article 9 of this Agreement."

11. Paragraph 3.8.2(p) - The revisions are acceptable.

Article 5 - Subcontracts

1. Paragraph 5.6 - The revisions are acceptable.

Article 9 - Changes in the Work

1. Paragraph 9.1 - The revisions are unacceptable as is, but are acceptable with the following revision: "An application by CONTRACTOR for extension of time must be in writing, must be set forth in detail the reasons and causes of the delay, and must be submitted to KLWWTD within seven (7) days following notice to KLWWTD ~~of the delay.~~"

2. Paragraph 9.3 - The revisions are acceptable.

Article 10 - Emergency Situation

1. Paragraph 10.5 – The revisions are acceptable.
2. Paragraph 11.1.3 – The revisions are unacceptable.
3. Paragraph 11.1.4 – The revisions are acceptable.
4. Paragraph 11.2 – The revisions are acceptable.
5. Paragraph 11.3 – The revisions are acceptable.
6. Paragraph 11.3.4 – Thank you for pointing out these spelling errors.

Article 12 - Indemnity, Insurance and Waiver of Subrogation

1. Paragraph 12.2 - The revisions are unacceptable as is. We recommend the paragraph be revised to reflect the following: "To the fullest extent permitted by law, CONTRACTOR shall indemnify and hold the KLWWTD harmless (including all officers, employees, agents, and consultants of the KLWWTD) from and against all ~~verifiable~~ claims, damages, losses and expenses ~~of any nature,~~ including but not limited to ~~reasonable~~ attorneys' fees and costs (including

any attorneys' fees incurred in connection with any appellate or administrative action), arising ~~directly or indirectly~~ from performance or non-performance of the work described in this Agreement by CONTRACTOR, a Subcontractor, or anyone under the direction and control of CONTRACTOR.

Article 13 - Termination of the Agreement and KLWWTD'S Right to Perform CONTRACTOR'S Responsibilities

1. Paragraph 13.2 - The revisions are acceptable.
2. Paragraph 13.2.2 - The revisions are acceptable.

Article 14 - Dispute Resolution

1. Paragraph 14.1 - The revisions are acceptable.
2. Paragraph 14.6 - The revisions are acceptable.
3. Paragraph 14.7 - The revisions are acceptable.
4. Paragraph 14.8 - The revisions are acceptable.

Article 15 - Miscellaneous Provisions

1. Paragraph 15.3 - The revisions are acceptable.
2. Paragraph 15.4 - The revisions are acceptable.
3. Paragraph 15.17 - The revisions are acceptable with the following revision: "In the event any party to this Agreement shall be required to retain an attorney to enforce any terms, condition or covenants under this Agreement, or to remedy any breach, the prevailing party shall be entitled to recover the verifiable costs and fees of any such enforcement proceedings, including, but not limited to, reasonable attorney's fees (including charges for paralegals and others working under the direction or supervisions of the party's attorney)."

Should you have any questions or comments or require any further clarification, please do not hesitate to contact me or Amy.

Sincerely yours,

Terry E. Lewis

TEL/bt
c. Andrew M. Tobin, Esquire
Amy M. Dukes, Esquire
I:\Client Documents\Key Largo WTD\1724-000\Corr\Sheets letter re Haskell.doc

Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
3:00 PM Wednesday, May 14, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. BUDGET WORKSHOP

D. Additions, Deletions or Corrections to the Agenda

E. Action Items

F. General Manager's Report

1. Status Report/Discussion regarding the final amendment to the Inter-Local Agreement between the County, FKAA and District

2. Status Report/Discussion regarding the Memorandum Of Understanding (MOU) Between the Key Largo Wastewater Treatment District and the Florida Keys Aqueduct Authority Regarding the FEMA Phase I Grant Program for the Key Largo Trailer Village Project

3. Status Report/Discussion regarding the KLTV and KLP Contract Negotiations

4. Status Report/Discussion regarding the Consulting Engineering Services Request for Qualifications - CCNA process

G. Legal Counsel's Report

H. Engineer's Report

I. Commissioner's Items

1. Commissioner Brooks -- Discussion of comments submitted for the EPA's PMP

J. Minutes – April 9, 2003 and April 23, 2003

K. Meeting Adjournment

Key Largo Wastewater Treatment District
Board of Commissioners Meeting Agenda
3:00 PM Wednesday, May 14, 2003
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order

B. Pledge of Allegiance

C. **BUDGET WORKSHOP** – Robert and/or David anything for this?

D. Additions, Deletions or Corrections to the Agenda

E. Action Items

1. **Approval of the Pending Payments Schedule** – David anything for this?

F. General Manager's Report

1. **Status Report/Discussion regarding the final amendment to the Inter-Local Agreement between the County, FKAA and District** – Robert on or off ~~copy of letter to County~~ ~~attrys~~

2. **Memorandum Of Understanding (MOU) Between the Key Largo Wastewater Treatment District and the Florida Keys Aqueduct Authority Regarding the FEMA Phase I Grant Program for the Key Largo Trailer Village Project** – Robert, I plan on inserting ~~your April 25, 2003 letter to Jim Reynolds~~ anything else?

3. **Status report on the Consulting Engineering Services Request for Qualifications - CCNA process** – Robert, please advise if one copy of the ~~memo~~ verbal additional request letter with a list of all that were sent is sufficient. list of 13 firms

4. **Status report on the KLTV and KLP Contract Negotiations** -- Robert, let me know what if anything you want for this item

5. **Status report on the Amendment No. 1 to DEP Agreement LP0338 – Revised Schedule C** – Robert, last meeting you said you'd have it for this meeting!!!! Is it possible without the final contracts? Please advise.

6. **Discussion on GARTEK letter to the local papers** – Robert, anything in addition to your memo of 5-5-03

ROBERT – AM I MISSING ANY ITEMS?????

Work from Jerry Cus

G. Legal Counsel's Report

H. Engineer's Report

I. Commissioner's Items

1. Commissioner Brooks -- Discussion of comments submitted for the EPA's PMP

2. *Commissioner Wilkinson – "procedures email" ?!?!?!?!?!?!*

J. Minutes – April 9, 2003 and April 23, 2003

K. Meeting Adjournment