July 9th

2003
Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda
4:00 PM Wednesday, July 9, 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
   1. Approval of the Revised Monroe County/Key Largo Wastewater Treatment District Loan Agreement
   2. Approval of the Standard Contract for Consulting/Professional Services
F. General Manager's Report
   1. Potential revision to the KLWTD Board Meeting Schedule
   2. Status Report on the Haskell Company's KLTV Preliminary Project Schedule
G. Legal Counsel's Report
H. Engineer's Report
I. Commissioner's Items
K. Meeting Adjournment
KLWTD Board Meeting
July 9, 2003

Item C

Budget Workshop
July 2, 2003

Chairman and Members of the Board of Directors
Key Largo Wastewater Treatment District

Dear Sirs:

Enclosed is the second revision of the FY 2004 draft budget document for use during the Budget Workshop on July 9, 2003 for the first full fiscal year of operation of the Key Largo Wastewater Treatment District (KLWWT). This budget includes an operating budget sheet and discussions of the initial two capital projects to establish the wastewater treatment capability of the District. Staff has incorporated the changes suggested by the Board at the June 18, 2003 Budget Workshop. Changes to the operating budget are highlighted in bold. There were no changes to the capital budget.

For purposes of reviewing the operating budget, staff has estimated the revenue and expenses to be incurred during the first partial year of District operations (FY 2003), and used this experience to project both revenue and expense in the budget year, FY 2004. For purposes of long range planning, estimated operating and debt service and renewal and replacement transfers have also been projected for the next four fiscal years (FY 2005-2008). This allows the Board to focus both on short-range budget issues, while seeing the long-range implications of their decisions.

The operating budget reflects that the two capital projects will be completed in FY 2005, with a full year of operations not taking place until FY 2006. Initial connection fees begin being received in FY 2005, with the majority being received in FY 2006. In the budget year three sources of revenue are shown, with the majority being received by an MSTU millage rate of 0.35. The MSTU revenue amounts assume a three (3) percent per year increase in assessed value, with the same 0.35 millage rate applied each year. The result has been reduced by five (5) percent, to reflect the reduction in actual proceeds expected after early payment discounts and uncollectable amounts are accounted for. Minor interest and miscellaneous revenues are also projected.

FY 2004 expenses have been re-computed. All changes made June 18 are balanced, so no net increase or decrease to the operating budget revenue and expenses resulted in FY 2004. Staff has proposed a balanced budget for FY 2004, with a surplus estimated at $77,209 for the year. Key expenditure considerations include an annual estimated three (3) percent increase in the cost living for most expense lines.

Principal changes include adding the Grants Specialist and Special Project lines to the budget. Funding was moved from the rents and leases, contingency, legal counsel, utility rate consultant and engineering services lines to fund these new lines.
The Capital Budget projects the completion of the Key Largo Trailer Village project and as much of the Key Largo Park project as feasible within the available funding sources. It also provides for adequate resources for contract administration and engineering oversight during the construction. Currently total funds available for the two projects amount to $12,598,958. $12,582,144 is committed to the construction of the two projects, including $1,336,957 available for future construction in Key Largo Park. This leaves a balance of $16,814 uncommitted for the Key Largo Village Project, for contingencies.

I look forward to your input to the operating and capital budgets of the district at this third budget workshop.

Sincerely,

Robert Sheets

Robert E. Sheets
General Manager
Key Largo Capital Budget  
FY 2003-FY 2005  
Prepared June 16, 2003

<table>
<thead>
<tr>
<th>Revenue (Sources of Funds):</th>
<th>Key Largo Park</th>
<th>Key Largo Trailer Village</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Federal:</strong></td>
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<tr>
<td>FEMA Phase I</td>
<td>-</td>
<td>1,097,143</td>
<td>1,097,143</td>
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<tr>
<td>FEMA Phase II</td>
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<td>4,388,571</td>
<td>4,388,571</td>
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<td><strong>Subtotal Federal:</strong></td>
<td>$</td>
<td>$ 5,485,714</td>
<td>$ 5,485,714</td>
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<td><strong>State:</strong></td>
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<tr>
<td>FDEP</td>
<td>1,660,000</td>
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<tr>
<td>FDEP II</td>
<td>187,312</td>
<td>-</td>
<td>187,312</td>
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<td>SFWMD</td>
<td>-</td>
<td>100,000</td>
<td>100,000</td>
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<tr>
<td>DCA- Cess Pit Grant</td>
<td>690,445</td>
<td>535,155</td>
<td>1,225,600</td>
</tr>
<tr>
<td>DCA- Unmet Needs</td>
<td>-</td>
<td>914,286</td>
<td>914,286</td>
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<td><strong>Subtotal State:</strong></td>
<td>$ 2,537,757</td>
<td>$ 1,549,441</td>
<td>$ 4,087,198</td>
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<td><strong>Local:</strong></td>
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<tr>
<td>304 Fund FEMA Phase 1&amp;2 Match</td>
<td>-</td>
<td>914,285</td>
<td>914,285</td>
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<tr>
<td>148 Fund</td>
<td>356,000</td>
<td>-</td>
<td>356,000</td>
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<tr>
<td>304 Cess Pit Fund</td>
<td>705,200</td>
<td>224,327</td>
<td>929,527</td>
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<tr>
<td>304 Land Purchase</td>
<td>-</td>
<td>826,234</td>
<td>826,234</td>
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<tr>
<td><strong>Subtotal Local:</strong></td>
<td>$ 1,061,200</td>
<td>$ 1,964,846</td>
<td>$ 3,026,046</td>
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<tr>
<td><strong>Total Funds Available:</strong></td>
<td>$ 3,598,957</td>
<td>$ 9,000,001</td>
<td>$ 12,598,958</td>
</tr>
</tbody>
</table>

Expenses (Proposed Uses):

**Construction:**
- Vacuum Collection System Construction: 1,097,000 5,311,489 6,408,489
- Tie-in To Trailer Village/Vacuum Valves: 60,000 - 60,000
- Proportion Share KL Village WWTP: 600,000 2,058,511 2,658,511
- Future Construction: 1,336,957 - 1,336,957
**Subtotal Construction:** $ 3,093,957 $ 7,370,000 $ 10,463,957

**Management/Design:**
- Planning, Design, Permitting, & Bidding: 355,000 386,953 741,953
- Construction Management & Administration: 150,000 400,000 550,000
- Land Purchase: - 826,234 826,234
**Subtotal Management/Design:** $ 505,000 $ 1,613,187 $ 2,118,187

**Total Estimated Project Costs:** $ 3,598,957 $ 8,983,187 $ 12,582,144

**Balance Available:** $ - $ 16,814 $ 16,814
# Key Largo Wastewater Treatment District

## Five Year Operating Forecast

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<tr>
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<tbody>
<tr>
<td><strong>OPERATING REVENUE</strong></td>
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<td></td>
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<tr>
<td>Wastewater System Fees</td>
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<td>$6,300</td>
<td>$6,334</td>
<td>$6,334</td>
<td>$6,334</td>
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<tr>
<td>MSTU Revenue</td>
<td>20,000</td>
<td>617,548</td>
<td>636,075</td>
<td>655,157</td>
<td>674,803</td>
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<tr>
<td>Interest Income</td>
<td>200</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Loan Proceeds</td>
<td>5,300</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grant Proceeds</td>
<td>3,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td><strong>Subtotal Operating Revenue</strong></td>
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<td>$632,148</td>
<td>$635,915</td>
<td>$642,897</td>
<td>$653,443</td>
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</tbody>
</table>

| **NON-OPERATING REVENUE** |         |         |         |         |         |
| Capital Recovery (connection impact Fees) | -       | 81,000  | 1,811,300 | -       | -       |
| **Subtotal Non-Operating Revenue** | -       | 81,000  | 1,811,300 | -       | -       |

| **Total Revenues** | $352,625 | $713,148 | $2,526,915 | $942,897 | $963,443 |

| **OPERATING EXPENSES** |         |         |         |         |         |
| Board Expenses         | 36,000  | 45,000  | 45,000  | 45,000  | 45,000  |
| Board Meetings         | 2,000   | 3,500   | 3,500   | 3,500   | 3,500   |
| Payroll Taxes          | 8,000   | 8,200   | 8,450   | 8,700   | 8,900   |
| Copy/Delivery Charges  | 2,700   | 4,400   | 4,530   | 4,675   | 4,800   |
| Postage                | 7,500   | 12,000  | 12,360  | 12,730  | 13,110  |
| Insurance              | 1,200   | 1,800   | 1,900   | 1,960   | 2,020   |
| Miscellaneous          | 825     | 2,975   | 3,075   | 3,170   | 3,260   |
| Newspaper/Legal Ads    | 1,000   | 1,850   | 1,900   | 1,960   | 2,020   |
| Office Supplies        | 325     | 325     | 359     | 375     | 400     |
| Dues & Subscriptions   | 2,000   | 2,000   | 2,000   | 2,000   | 2,000   |
| Travel                | 620     | 620     | 640     | 660     | 680     |
| Rents & Leases         | 746     | 746     | 746     | 746     | 746     |
| Telephone             | 4,000   | 4,000   | 4,000   | 4,000   | 4,000   |
| Utilities             | 3,750   | 3,750   | 3,750   | 3,750   | 3,750   |
| Reserve for Contingencies | 500   | 500     | 500     | 500     | 500     |
| Operating and Management Services | 40,500 | 40,500  | 40,500  | 40,500  | 40,500  |
| Operations & Maintenance Contract | -       | 4,500   | 100,850 | 196,755 | 202,475 |
| Billing & Customer Service Contract | -       | 550     | 23,125  | 23,820  | 24,530  |
| Management Contract    | 77,300  | 137,400 | 141,618 | 145,860 | 150,243 |
| Total Operating Expenses | 352,625 | 519,073 | 740,054 | 769,768 | 791,154 |

| **NON-OPERATING EXPENSES** |         |         |         |         |         |
| Capital Expenditures from Operating Account | 5,000 | 7,000   | 7,000   | 7,000   | 7,000   |
| Renewable Replacemen Transfer | 4,365 | 13,167  | 13,167  | 13,167  | 13,167  |
| Debt Service Transfer (Monroe County $100,000 Loan) | 21,525 | 21,525  | 21,525  | 21,525  | 21,525  |
| **Total Non-Operating Expenses Paid From Operating Revenue** | 5,000 | 39,890  | 41,692  | 41,692  | 41,692  |
| Debt Service Transfer (Monroe County FEMA Match - $914,285) | - | - | - | 91,429 | 91,429 |
| **Total Non-Operating Expenses Paid From Non-Operating Revenue** | - | - | - | 91,429 | 91,429 |
| Total Non-Operating Expenses | 5,000 | 39,890  | 41,692  | 41,692  | 41,692  |
| Total Expenses | $344,625 | $552,763 | $790,746 | $902,269 | $924,275 |

<p>| | | | | | |
|                      |         |         |         |         |         |
| Total Operating Surplus | 7,950  | 73,385  | 124,269 | 131,417 | 130,597 |
| Total Non-Operating Surplus (Deficit) | - | 81,000  | 1,611,900 | (91,429) | (91,429) |
| Total Fund Surplus/(Deficit) | 7,950  | 168,385 | 1,736,169 | 39,888  | 39,168  |
| Cumulative Fund Surplus | 7,950  | 245,545 | 1,981,714 | 2,021,702 | 2,060,870 |</p>
<table>
<thead>
<tr>
<th>Line No.</th>
<th>Account Name</th>
<th>Current Budget 2003</th>
<th>Draft Budget 2004</th>
<th>Comments</th>
<th>Recommended Budget 2004</th>
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<td><strong>System Operating Revenues</strong></td>
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<td>MSTU Revenue</td>
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<td>4</td>
<td>Loan Proceeds</td>
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<tr>
<td>5</td>
<td>Grant Proceeds</td>
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<td>6</td>
<td>Miscellaneous</td>
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<td>2,000</td>
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<td><strong>Subtotal Operating Revenues</strong></td>
<td>$382,625</td>
<td>$606,082</td>
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<td>7</td>
<td>Capital Recovery Fees</td>
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<td><strong>Subtotal Non-Operating Revenues</strong></td>
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<td></td>
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<tr>
<td></td>
<td><strong>Total System Revenues</strong></td>
<td>$382,625</td>
<td>$606,082</td>
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<tr>
<td></td>
<td><strong>Operating Expenses</strong></td>
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<td><strong>Board Expenses</strong></td>
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<td>8</td>
<td>Commissioner's Fees</td>
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<td>Copy / Printing / Binding</td>
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<td>Postage and Delivery Expense</td>
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<td>Bad Debt Expense</td>
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<td>18</td>
<td>Travel</td>
<td>2,500</td>
<td>4,500</td>
<td>Reduced 20%, included payments to Civic Club if needed</td>
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<td>Rents and Leases</td>
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<td>Regulatory / Permit Fees</td>
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<td>Reduced from $64,000 to zero in FY 2004, moved to Special Projects line</td>
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<td>Reserve for Contingencies</td>
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<tr>
<td>24</td>
<td>Customer Outreach / Marketing</td>
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<td>Reduced from $120,000. Balance moved to Grant Specialist line. Reduced from 15,000 and transferred to Grant Specialist line. Reduced from 50,000, moved to Special Projects line.</td>
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<td>Operations and Maintenance Contract</td>
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<td>Billing and Customer Service Contract</td>
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<td>Management Contract</td>
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<td>Legal - General Counsel</td>
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<td>108,000</td>
<td>Reduced from 120,000. Balance moved to Grant Specialist line. Reduced from 15,000 and transferred to Grant Specialist line. Reduced from 50,000, moved to Special Projects line.</td>
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<td>Utility Rate Consultant</td>
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<td>Engineering Services</td>
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<td>Audit and Accounting Fees</td>
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<td>16,300</td>
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<td>Lab Services</td>
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<td>33</td>
<td>Grant Specialist</td>
<td></td>
<td>27,000</td>
<td>New line added June 18.</td>
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<td>34</td>
<td>Special Projects</td>
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<td>122,000</td>
<td>New line added June 18.</td>
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<td>35</td>
<td>Computer Support</td>
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<td><strong>Total Professional Services</strong></td>
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<td>Draft Budget 2004</td>
<td>Comments</td>
<td>Recommended Budget 2004</td>
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<td>Non-Operating Expenses</td>
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<td>Debt Service</td>
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<td>Local (County) Loan For Seed Money ($100,000)</td>
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<td>Transfers to Renewal and Replacement Account</td>
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<td>Total Non-Operating Expenses</td>
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KLWTD Board Meeting
July 9, 2003

Item E - 1

Approval of the Revised Monroe County/Key largo Wastewater Treatment District Loan
TO: Key Largo Wastewater Treatment District Board Members

CC: Charles Sweat, Director of Operations
    Terry Lewis, Board Attorney
    Amy Dukes, Board Attorney
    Faith Doyle, Clerk to the Board

FROM: Robert Sheets, General Manager

DATE: July 1, 2003

RE: KLWTD Loan Agreement with Monroe County

At the direction of the KLWTD Board of Commissioners, the District’s legal counsel and general manager have reviewed the attached agreement and made various modifications based on discussions with the Board.

Please note that in the black-lined version several changes have been made. The most significant of which appears in paragraphs 3 (A) and 6.

Paragraph 3 (A) stipulates that if sufficient funds are not available to cover the loan repayment amounts that repayment would be differed until such funds are available to cover the repayment amount. Paragraph 6 has been inserted to affirmatively state that the parties agree to revisit the loan agreement prior to the actual repayment to the County.

It is both legal counsel’s and the district manager’s recommendation that the Board consider this modified agreement for execution. We believe these modifications meet with the Board’s direction and provide the District with a reasonable agreement between the District and the County.
LOAN AGREEMENT
KEY LARGO WASTEWATER TREATMENT DISTRICT

THIS LOAN AGREEMENT is entered into by and between Monroe County, a political subdivision of the State of Florida (the County) and the Key Largo Wastewater Treatment District, an independent special district (the District), pursuant to Sec. 2.03(A)(2) of an interlocal agreement between the parties effective February 26, 2003 (the interlocal agreement). A copy of the interlocal agreement, together with all its exhibits, is attached as Exhibit A and made a part hereof.

1. On or before July 1, 2003, the County shall transfer to the District the sum of $731,428 and shall request the Florida Keys Aqueduct Authority (FKAA) to transfer to the District the sum of $182,857 (which sum the County had previously transferred to the FKAA for the purposes described in paragraph 2 of this loan agreement).

2. a) The District agrees to establish a special fund to be called the Key Largo Trailer Village Project Fund (the Fund) and to deposit therein the money described in Paragraph 1 of this loan agreement. Money in the Fund may only be used to pay the costs of constructing the Key Largo Trailer Village central wastewater treatment and collection system (the Project) that are authorized as appropriate matching expenditures in the DCA/FEMA grant for the Project. A copy of the DCA/FEMA grant is attached to this loan agreement as Exhibit B.

b) The District shall make disbursements or payments from the Fund only for the costs authorized in subparagraph 2(a) of this loan agreement. The District shall prepare and keep the records of such disbursements and payments according to generally accepted governmental accounting principles consistently applied and shall retain those records for a period of five years from the date of the completion of the Project. The records must be made available upon request to an auditor employed by the County or the State of Florida. If the auditor determines any funds may have been spent for unauthorized purposes, the auditor shall meet with District staff to confirm the purpose of the expenditure. If, after meeting with District staff, the auditor determines that any of the funds transferred to the District under this loan agreement were expended for purposes not authorized by this loan agreement or the DCA/FEMA grant, then the District shall, within 30 days of the auditor’s determination, return the amount determined by the auditor to have been improperly spent together with interest, calculated at the rate set forth in Sec. 55.03(1), FS, commencing on the date the auditor determined the funds were expended for a purpose not authorized by this loan agreement or the DCA/FEMA grant. This subparagraph controls over and amends any inconsistent language in the interlocal agreement Sec. 2.03(A)(2).

c) Moneys transferred to the District under this loan agreement for deposit in the Fund must be deposited and secured in the same manner as public funds are authorized to be deposited and secured by the laws of the State of
Florida. Any interest paid on moneys deposited in the Fund will belong to the District.

3. a) Beginning on July 1, 2008, and on each July 1st thereafter through July 1, 2018, the District shall pay to the County $91,428.50 for repayment of the funds transferred to the District pursuant to paragraph 1 of this loan agreement, provided that the District has collected a sufficient amount of funds to cover the loan repayment amounts. If the District has not collected a sufficient amount of funds to cover the loan repayment amounts each July 1st until the loan is repaid in full, the District’s loan repayment installment for that year will be waived until the following year, and each year thereafter. The parties agree that the $91,428.50 is entirely a return of principal and that the County may not demand, or seek to charge, the District any interest on the funds transferred to the District pursuant to this loan agreement. The only exception to this no interest provision is the interest payable on funds determined to have been spent for a purpose not authorized by this loan agreement.

b) The County agrees to establish a special fund for the receipt and deposit of the moneys paid by the District to the County pursuant to subparagraph 3(a) of this loan agreement. The County agrees to return the moneys deposited in that fund for wastewater treatment and collection projects located within, or serving the residents of, the Key Largo Wastewater Treatment District. The moneys so deposited shall be spent by the District for District wastewater projects pursuant to interlocal agreement(s) entered into between the parties.

4. The requirement of each party that moneys be deposited and accounted for in a special fund may be satisfied by deposit in a single non-exclusive bank account or investment pool provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit.

5. This loan agreement is not intended to, and does not give rise to, legal or beneficial rights on behalf of any third parties. The contractors, subcontractors, subsubcontractors, materialmen and tort claimants of the District, or any other third party, claiming or demanding damages, liability, payment, or other demand on account of an act, acts or omission or omissions of the District, its officers, employees, or agents, must seek the relief demanded or claimed from the District only.

6. The parties agree that prior to the time the first repayment amount is due to the County, as stated in paragraph 3 herein, the parties shall revisit and reconsider this Agreement to determine whether the terms and conditions of the repayment schedule should be amended.

7. All writings required by this loan agreement (including the payment of moneys) shall be sent to:
by certified mail, return receipt requested, or by a national courier service such as Federal Express. The above addresses may be changed by written notification.

8. This written loan agreement is the parties’ final mutual understanding. It supersedes any prior negotiations or agreements, whether written (in any format) or oral, and may only be amended by a writing signed by both parties.

9. This loan agreement will take effect on the signature date of the last party to execute the agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates written below.

(SEAL)
ATTEST: DANNY L. KOLHAGE, CLERK

BOARD OF COUNTY COMMISSIONERS
OF MONROE COUNTY, FLORIDA

By ____________________________
Deputy Clerk
Date ____________________________

By ____________________________
Mayor/Chairman

(SEAL)
Attest:

KEY LARGO WASTEWATER TREATMENT
District

By ____________________________
Secretary
Date ____________________________

jconKLWWD

I:\Client Documents\Key Largo WTD\1724-000\Misc\Loan agreement - Monroe County.doc
KLWTD Board Meeting
July 9, 2003

Item E - 2

Approval of the Standard Contract for Consulting/Professional Services
Key Largo Wastewater Treatment District

Contract for Consulting/Professional Service
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CONTRACT FOR CONSULTING/PROFESSIONAL SERVICES

This Contract is made and entered into this ______ day of ____________, 2003, by and between ______________________________ whose principal place of business is at ________________________________________________ (the "Consultant"), whose Federal I.D. number is _______________, and the Key Largo Wastewater Treatment District, a legal entity and public body created by Chapter 02-337, Laws of Florida, 2003 (the "District"), whose principal place of business is ________________________________.

WITNESSETH

WHEREAS, the District has pursued the engineering selection process contemplated under Florida Statutes; and

WHEREAS, after due review of the proposals, the Board of Commissioners for the District selected ______ firms for continuing engineering consulting agreements; and

WHEREAS, Consultant was one of those firms selected; and

WHEREAS, District desires to obtain the continuing professional engineering consulting services of the Consultant concerning certain design, construction, permitting and engineering study services, said services being more fully described in Work Authorizations issued under this Contract for the projects.

NOW, THEREFORE, in consideration of the mutual promises herein, the District and the Consultant agree as follows:

ARTICLE ONE

CONSULTANT'S RESPONSIBILITY

1.1. Consultant shall provide to District continuing professional engineering consulting services in the area of sewer engineering and analyses for the duration of the Contract.

1.2. The Basic Services to be performed by Consultant hereunder shall be issued periodically as Work Authorizations under this Contract in the format generally set forth in Schedule A. The basis of compensation to be paid Consultant by the District for Basic Services is set forth in Article Five and Schedule B, "Basis of Compensation" attached to each Work Authorization, which is attached hereto and incorporated herein. Work Authorization requests will be made to Consultant as may be warranted, including but not limited to updates of plans, designs of sewer improvements, field and construction services, and permitting activities as may be reasonably contemplated hereunder.

1.3. The Consultant agrees to obtain and maintain throughout the period of this Contract all such licenses as are required to do business in the State of Florida, including, but not limited to, all licenses required by the respective state boards, and other governmental agencies responsible for
regulating and licensing the professional services to be provided and performed by the Consultant pursuant to this Contract.

1.4. The Consultant agrees that, when the services to be provided hereunder relate to a professional service which, under Florida Statutes, requires a license, certificate of authorization or other form of legal entitlement to practice such services, it shall employ and/or retain only qualified personnel to provide such services.

1.5. Consultant agrees that the Project Manager for the term of this Contract shall be:

NAME OF PRINCIPAL
ADDRESS OF PRINCIPAL

The Consultant agrees that the Project Manager shall devote whatever time is required to satisfactorily manage the services to be provided and performed by the Consultant hereunder. The person selected by the Consultant to serve as the Project Manager shall be subject to the prior approval and acceptance of the District, and such approval or acceptance shall not be unreasonably withheld.

1.6. Consultant agrees, within fourteen (14) calendar days of receipt of a Written request from the District, to promptly remove and replace the Project Manager, or any other personnel employed or retained by the Consultant, or any subconsultants or subcontractors or any personnel of any such subconsultants or subcontractors engaged by the Consultant to provide and perform services or Work pursuant to the requirements of this Contract, whom the District shall request in writing to be removed, which request may be made by the District with or without cause.

1.7. The Consultant has represented to the District that it has expertise in the type of professional services that will be required for the project. The Consultant agrees that all services to be provided by Consultant pursuant to this Contract shall be subject to the District’s review and approval and shall be in accordance with the generally accepted standards of professional practice in the State of Florida, as well as in accordance with all published laws, statutes, ordinances, codes, rules, regulations and requirements of any governmental agencies which regulate or have jurisdiction over the project or the services to be provided and performed by Consultant hereunder. In the event of any conflicts in these requirements, the Consultant shall notify the District of such conflict and utilize its best professional judgment to advise District regarding resolution of the conflict.

1.8. Subject to Florida’s Public Records Law, Consultant agrees not to divulge, furnish or make available to any third person, firm or organization, without District’s prior written consent, or unless incident to the proper performance of the Consultant’s obligations hereunder, or in the course of judicial or legislative proceedings where such information has been properly subpoenaed, any non-public information concerning the services to be rendered by Consultant hereunder, and Consultant shall require all of its employees, agents, subconsultants and subcontractors to comply with the provisions of this paragraph.
1.9. Evaluations of the District's project budget, preliminary estimates of construction cost and detailed estimates of construction cost prepared by the Consultant represent the Consultant's best judgment as a design professional familiar with the construction industry. The Consultant cannot and does not guarantee that bids or negotiated prices will not vary from any estimate of construction cost or evaluation prepared or agreed to by the Consultant. Notwithstanding anything above to the contrary, Consultant shall revise and modify Construction Documents and assist in the rebidding of the Work at no additional cost to District, if all responsive and responsible bids exceed the estimates of construction costs prepared by Consultant.

1.10. Consultant shall not be responsible for means, methods, techniques, sequences or procedures of construction selected by contractors or the safety precautions and programs incident to the work of contractors.

ARTICLE TWO
ADDITIONAL SERVICES OF CONSULTANT

If authorized in writing by the District, the Consultant shall furnish or obtain from others Additional Services of the types listed in Article Two herein. These services will be paid for by District as indicated in Article Five and Schedule B as attached to each Work Authorization. The following services, if not otherwise specified in Schedule A as part of Basic Services, shall be Additional Services:

2.1. Preparation of applications and supporting documents (except those already to be furnished under this Contract) for private or governmental grants, loans, bond issues or advances in connection with the project.

2.2. Services resulting from significant changes in the general scope, extent or character of the project or its design including, but not limited to, changes in size, complexity, District's schedule or character of construction; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to and not reasonably anticipated prior to the preparation of such studies, reports or documents, or are due to any other causes beyond Consultant's control.

2.3. Preparation and submission of information to and necessary consultations with the local Transportation Department, Florida Department of Environmental Protection, Florida Department of Transportation, regional water management districts, U.S. Army Corps of Engineers or other appropriate regulatory agencies, in order to obtain necessary permits or approvals for construction of the project, unless such permits are expressly included in Basic Services to be performed by Consultant hereunder as set forth in the Schedule A-Scope of Services for a Work Authorization issued hereunder.

2.4. Providing renderings or models for District's use.
2.5. Investigations and studies involving detailed consideration of operations, maintenance and overhead expenses; the preparation of feasibility studies, cash flow and economic evaluations, rate schedules and appraisals; and evaluating processes available for licensing and assisting the District in obtaining process licensing.

2.6. Furnishing services of independent professional associates and consultants for other than the contract services to be provided by Consultant hereunder.

2.7. Services during out-of-town travel required of Consultant and directed by District, other than visits to the project site or District's office.

2.8. Assistance in connection with bid protests, rebidding or renegotiating contracts for construction, materials, equipment or services, except as otherwise provided for herein.

2.9. Providing any type of property surveys, aerial photography or related engineering services needed for the transfer of interests in real property and field surveys for design purposes and engineering surveys and staking to enable contractors to proceed with their work and providing other special field surveys.

2.10 Preparation of operating, maintenance and staffing manuals, except as otherwise provided for herein.

2.11 Preparing to serve or serving as a consultant or witness for the District in any litigation, or other legal or administrative proceeding, involving the Project (except for assistance in consultations which are included as part of the Basic Services to be provided herein).

2.12. Additional services rendered by Consultants in connection with the Project, not otherwise provided for in this Contract or not customarily furnished in accordance with generally accepted engineering practice.

ARTICLE THREE
DISTRICT'S RESPONSIBILITIES

3.1. The District shall designate in writing a District's Representative to act as the District's representative with respect to the services to be rendered under this Contract (hereinafter referred to as the "District's Representative"). The District's Representative shall transmit instructions, receive information, interpret and define District's policies and decisions with respect to Consultant's services for the Project. However, the District's Representative is not authorized to issue any verbal or written orders or instructions to the Consultant that would have the effect, or be interpreted to have the effect, of modifying or changing in any way whatever:

(a) The scope of services to be provided and performed by the Consultant hereunder;
(b) The time the Consultant is obligated to commence and complete all such services; or
(c) The amount of compensation the District is obligated or committed to pay the Consultant.
3.2. The District's Representative shall:

(a) Review and make appropriate recommendations on all requests submitted by the Consultant for payment for services and work provided and performed in Accordance with this Contract;

(b) Provide all criteria and information requested by Consultant as to District's requirements, for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations;

(c) Upon request from Consultant, assist Consultant by placing at Consultant's disposal all available information in the District's possession pertinent to the Project, including existing drawings, specifications, shop drawings, product literature, previous reports and any other data relative to design or construction of the Project;

(d) Arrange for access to and make all provisions for Consultant to enter the Project site to perform the services to be provided by Consultant under this Contract; and

(e) Provide notice to Consultant of any deficiencies or defects discovered by the District with respect to the services to be rendered by Consultant hereunder.

3.3. Consultant acknowledges that access to the Project Site, to be arranged by the District for Consultant, may be provided during times that are not the normal business hours of the Consultant.

3.4. District shall be responsible for the acquisition of all easements, property sites, rights-of-way, or other property rights required for the Project and for the costs thereof, including the costs of any required land surveys in connection with such acquisition.

3.5 For the purposes of this Contract, the District's Representative shall be:

Charles Sweat  
Director of Operations  
614 North Wymore Road  
Winter Park, Florida  32789  
(407)629-6900

The System Manager is:

Robert E. Sheets  
Government Services Group, Inc.  
1500 Mahan Drive, Suite 250  
Tallahassee, Florida  32308  
(850) 681-3717
ARTICLE FOUR
TIME

4.1. Services to be rendered by Consultant shall be commenced subsequent to the execution of any Work Authorizations issued pursuant to this Contract, after receiving written Notice to Proceed from District for all or any designated portion of the Project and shall be performed and completed in accordance with the Project Schedule attached to the Work Authorization as Schedule C, the form of which is attached hereto and made a part hereof.

4.2. Should Consultant be obstructed or delayed in the prosecution or completion of its services as a result of unforeseeable causes beyond the control of Consultant, and not due to its own fault or neglect, including but not restricted to acts of God or of public enemy, acts of government or of the District, fires, floods, epidemics, quarantine regulations, strikes or lock-outs, then Consultant shall notify District in writing within five (5) working days after commencement of such delay, stating the cause or causes thereof, or be deemed to have waived any right which Consultant may have had to request a time extension.

4.3. No interruption, interference, inefficiency, suspension or delay in the commencement or progress of Consultant's services from any cause whatsoever, including those for which district may be responsible in whole or in part, shall relieve Consultant of its duty to perform or give rise to any right to damages or additional compensation from District. Consultant's sole remedy against District will be the right to seek an extension of time to its schedule. This paragraph shall expressly apply to claims for early completion, as well as claims based on late completion. Provided, however, if through no fault or neglect of the Consultant, the services to be provided hereunder have not been completed within the schedule identified in the Work Authorization, the Consultant's compensation shall be equitably adjusted, with respect to those services that have not yet been performed, to reflect the incremental increase in costs experienced by Consultant.

4.4. Should the Consultant fail to commence, provide, perform or complete any of the services to be provided hereunder in a timely and reasonable manner, in addition to any other rights or remedies available to the District hereunder, the District at its sole discretion and option may withhold any and all payments due and owing to the Consultant until such time as the Consultant resumes performance of its obligations hereunder in such a manner so as to reasonably establish to the District's satisfaction that the Consultant's performance is or will shortly be back on schedule.

ARTICLE FIVE
COMPENSATION

5.1. Compensation and the manner of payment of such compensation by the District for services rendered hereunder by Consultant shall be as prescribed in Schedule B; entitled "Basis of Compensation," which is attached herein and made a part hereof.

5.2. The total amount to be paid by the District under this Contract for all services and materials, including "out of pocket" expenses and any approved subcontracts, shall not exceed the amount set forth in the approved Work Authorizations without prior approval of the District's Board of
Commissioners. The Consultant shall notify the District's Representative in writing when 90% of the "not to exceed amount" has been reached. The District will not pay Consultant any amount which exceeds the "not to exceed amount" unless the Consultant has requested and received written approval from the District for such amount.

5.3. Invoices received by the District from the Consultant pursuant to this Contract will be reviewed and approved in writing by the District's Representative, indicating that services have been rendered in conformity with the Contract, then sent to the System Manager for review, approval and payment. All invoices shall contain a detailed breakdown of the services provided for which payment is being requested. Invoices shall be paid within thirty (30) days following the District Representative's approval, who shall process all payments in a prompt manner or advise Consultant in writing of reasons for not processing same. In addition to detailed invoices, upon request of the District's Representative or the System Manager, Consultant will provide District with detailed periodic Status Reports on the project.

5.4. "Out-of-pocket" expenses shall be reimbursed in accordance with Florida law and Schedule B. All requests for payment of "out-of-pocket" expenses eligible for reimbursement under the terms of this Contract shall include copies of paid receipts, invoices, or other documentation acceptable to the District's Representative and to the System Manager. Such documentation shall be sufficient to establish that the expense was actually incurred and necessary in the performance of the Scope of Work described in this Contract.

5.5. In order for both parties herein to close their books and records, the Consultant will clearly state "final invoice" on the Consultant's final/last billing to the District for each work order. This final invoice shall also certify that all services provided by Consultant have been performed in accordance with the applicable Work Authorization and all charges and costs have been invoiced to the District. Because this account will thereupon be closed, any and other further charges not included on this final invoice are waived by the Consultant. Acceptance of final payment by Consultant shall constitute a waiver of all claims and liens against District for additional payment.

ARTICLE SIX
WAIVER OF CLAIMS

6.1. Consultant's acceptance of final payment shall constitute a full waiver of any and all claims related to the obligation of payment by it against District arising out of this Contract or otherwise related to the Project, except those previously made in writing and identified by Consultant as unsettled at the time of the final payment. Neither the acceptance of Consultant's services nor payment by District shall be deemed to be a waiver of any of District's rights against Consultant.
ARTICLE SEVEN
TRUTH IN NEGOTIATION REPRESENTATIONS
AND PUBLIC ENTITY CRIMES STATEMENT

7.1. Consultant warrants that Consultant has not employed or retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Contract and that Consultant has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this Contract.

7.2. In accordance with provisions of Section 287.055(5)(a), Florida Statutes, the signature of this Contract by the Consultant shall also act as the execution of a truth in negotiation certificate certifying that the wage rates, overhead charges, and other costs used to determine the compensation provided for in this Contract are accurate, complete and current as of the date of the Contract and no higher than those charged the Consultant's most favored customer for the same or substantially similar service. Should the District determine that said rates and costs were significantly increased due to incomplete, noncurrent or inaccurate representation, then said rates and compensation provided for in this Contract shall be adjusted accordingly.

7.3. Pursuant to section 287.133, Florida Statutes, the Consultant, by its execution of this Agreement, acknowledges and attests that neither it, nor any of its suppliers, subcontractors, or consultants who shall perform work which is intended to benefit the District, has been placed on the convicted vendor list following a conviction for a public entity crime. Consultant further understands and accepts that this Agreement shall be voidable by the District or subject to immediate termination by the District in the event there is any misrepresentation or lack of compliance with the mandates of section 287.133, Florida Statutes. The District, in the event of such termination, shall not incur any liability to the Consultant for any work or materials furnished.

ARTICLE EIGHT
TERMINATION OR SUSPENSION

8.1. Consultant shall be considered in material default of this Contract and such default will be considered cause for District to terminate this Contract, in whole or in part, as further set forth in this section, for any of the following reasons: (a) failure to begin work under the Contract within a reasonable time after issuance of the Notice(s) to Proceed of a Work Authorization, or (b) failure to properly and timely perform the services to be provided hereunder or as directed by the District pursuant to this Contract, or (c) the bankruptcy or insolvency or a general assignment for the benefit of creditors by Consultant or by any of Consultant's principals, officers or directors, or (d) failure to obey laws, ordinances, regulations or other codes of conduct, or (e) failure to perform or abide by the terms or spirit of this Contract, or (f) for any other just cause. The District may so terminate this Contract, in whole or in part, by giving the Consultant seven (7) calendar days' written notice.

8.2. If, after notice of termination of this Contract as provided for in paragraph 8.1 above, it is determined for any reason that Consultant was not, in default, or that its default was excusable, or
that District otherwise was not entitled to the remedy against Consultant provided for in paragraph 8.1, then the notice of termination given pursuant to paragraph 8.1 shall be deemed to be the notice of termination provided for in paragraph 8.3 below and Consultant's remedies against District shall be the same as and limited to those afforded Consultant under paragraph 8.3 below.

8.3. District shall have the right to terminate this Contract, in whole or in part, without cause upon seven (7) calendar days' written notice to Consultant. In the event of such termination for convenience, Consultant's recovery against the District shall be limited to that portion of the fee earned through the date of termination, together with any retainage withheld and any costs reasonably incurred by Consultant that are directly attributable to the termination, but Consultant shall not be entitled to any other or further recovery against the District, including, but not limited to, anticipated fees or profits on work not required to be performed.

8.4. Upon termination, the Consultant shall deliver to the District all original papers, records, documents, drawings, models, and other material set forth and described in this Contract.

8.5. The District shall have the power to suspend all or any portions of the services to be provided by Consultant hereunder upon giving Consultant two (2) calendar days prior written notice of such suspension. If all or any portion of the services to be rendered hereunder are so suspended, the Consultant's sole and exclusive remedy shall be to seek an extension of time to its schedule in accordance with the procedures set forth in Article Four herein.

ARTICLE NINE
PERSONNEL

9.1. The Consultant is, and shall be, in the performance of all work services and activities under this Contract, an Independent Contractor, and not an employee, agent, or servant of the District. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the Consultant's sole direction, supervision, and control. The Consultant shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the Consultant's relationship and the relationship of its employees to the District shall be that of an Independent Contractor and not as employees or agents of the District.

9.2. The Consultant represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the District, nor shall such personnel be entitled to any benefits of the District including, but not limited to, pension, health and workers' compensation benefits.

9.3. All of the services required hereunder shall be performed by the Consultant or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

9.4. Any changes or substitutions in the Consultant's key personnel, as may be listed in Article One, must be made known to the District's Representative and written approval must be granted by
the District's Representative before said change or substitution can become effective, said approval for which shall not unreasonably be withheld.

9.5. The Consultant warrants that all services shall be performed by skilled and competent personnel to professional standards applicable to firms of similar local and national reputation.

ARTICLE TEN
SUBCONTRACTING

10.1. Consultant shall not subcontract any services or work to be provided to District without the prior written approval of the District's Representative. The District reserves the right to accept the use of a subcontractor or to reject the selection of a particular subcontractor and to inspect all facilities of any subcontractors in order to make a determination as to the capability of the subcontractor to perform properly under this Contract. The District's acceptance of a subcontractor shall not be unreasonably withheld. The Consultant is encouraged to seek minority and women business enterprises for participation in subcontracting opportunities.

ARTICLE ELEVEN
FEDERAL AND STATE TAX

11.1. The District is exempt from payment of Florida state sales and use taxes. The District will sign an exemption certificate submitted by the Consultant. The Consultant shall not be exempted from paying sales tax to its suppliers for materials used to fulfill contractual obligations with the District, nor is the Consultant authorized to use the District's tax exemption number in securing such materials.

11.2. The Consultant shall be responsible for payment of its own and its share of its employees' payroll, payroll taxes, and benefits with respect to this Contract.

ARTICLE TWELVE
AVAILABILITY OF FUNDS

12.1. The District's performance and obligation to pay under this contract is contingent upon an appropriation of funds for the purposes defined in the work orders, or as otherwise requested by the System Manager.

ARTICLE THIRTEEN
OWNERSHIP OF DOCUMENTS

13.1. Upon completion or termination of this Contract, all records, documents, tracings, plans, specifications, maps, evaluations, reports, computer assisted design or drafting disks and other technical data, other than working papers, prepared or developed by Consultant under this Contract shall be delivered to and become the property of District. Consultant, at its own expense, may retain copies for its files and internal use. To the extent provided by law, District agrees to indemnify and hold harmless Consultant with respect to any claim, loss or damage, including attorneys' fees
incurred by Consultant due to the District's use of said records, documents, tracings, plans, specifications, maps, evaluations, reports, computer disks and other technical data on some other project unless such use is authorized by Consultant.

13.2. With respect to and in consideration for the indemnification provided by District in paragraph 13.1. above, Consultant agrees to pay to District $10.00, the sufficiency and receipt of which is acknowledged through the signing of this Contract.

13.3. The District and the Consultant shall comply with the provisions of Chapter 119, Florida Statutes (Public Records Law). Consultant assumes no liability for the use of such documents by the District or others for purposes not intended under this Contract.

ARTICLE FOURTEEN
MAINTENANCE OF RECORDS

14.1. Consultant will keep adequate records and supporting documentation which concern or reflect its services hereunder. The records and documentation will be retained by Consultant for a minimum of five (5) years from the date of termination of this Contract or the date the Project is completed, whichever is later. District, or any duly authorized agents or representatives of District, shall have the right to audit, inspect and copy all such records and documentation as often as they deem necessary during the period of this Contract and during the five (5) year period noted above; provided, however, such activity shall be conducted only during normal business hours.

ARTICLE FIFTEEN
INSURANCE

15.1. During the life of the Contract the Consultant shall provide, pay for, and maintain, with companies satisfactory to the District, the types of insurance described herein. All insurance shall be from responsible companies duly authorized to do business in the State of Florida and/or responsible risk retention group insurance companies registered with the State of Florida. Prior to execution of this Contract by District, the insurance coverages and limits required must be evidenced by properly executed Certificates of Insurance on forms which are acceptable to the District. The Certificates must be personally, manually signed by the Authorized Representatives of the insurance company/companies shown on the Certificates with proof that he/she is an authorized representative thereof. In addition, certified, true and exact copies of all insurance policies required shall be provided to the District, on a timely basis, if required by the District. These Certificates and policies shall contain provisions that thirty (30) days' written notice by registered or certified mail shall be given the District of any cancellation, intent not to renew, or reduction in the policies' coverages, except in the application of the Aggregate Limits Provisions. In the event of a reduction in the Aggregate Limit of any policy, the Consultant shall immediately take steps to have the Aggregate Limit reinstated to the full extent permitted under such policy. All insurance coverages of the Consultant shall be primary to any insurance or self-insurance program carried by the District applicable to this Project.
15.2. The acceptance by the District of any Certificate of Insurance for this Project evidencing the insurance coverages and limits required in this Contract does not constitute approval or agreement by the District that the insurance requirements have been met or that the insurance policies shown on the Certificates of Insurance are in compliance with the requirements of this Contract.

15.3. Before starting and until acceptance of the work by District, Consultant shall procure and maintain insurance of the types and to the limits specified in paragraph 15.7 entitled "Required Insurance," which is attached hereto and made a part hereof. Consultant shall require each of its subconsultants and subcontractors to procure and maintain, until the completion of that subconsultant's or subcontractor's work, insurance of the types and to the limits specified in paragraph 15.7, unless such insurance requirement for the subconsultant or subcontractor is expressly waived in writing by the District. Said waiver shall not be unreasonably withheld upon Consultant representing in writing to District that Consultant's existing coverage includes and covers the subconsultants and subcontractors for which a waiver is sought, and that such coverage is in conformance with the types and limits of insurance specified in paragraph 15.7. All liability insurance policies, other than the Professional Liability, Workers, Compensation and Employers' Liability policies, obtained by Consultant to meet the requirements of this Contract shall name District as an additional insured as to the operations of the Consultant under this Contract and the Contract Documents shall contain severability of interests provisions.

15.4. If any insurance provided pursuant to this Contract expires prior to the completion of the work, renewal Certificates of Insurance and, if requested by District, certified, true copies of the renewal policies shall be furnished by Consultant thirty (30) days prior to the date of expiration. Should at any time the Consultant not maintain the insurance coverages required in this Contract, the District may cancel this Contract or at its sole discretion shall be authorized to purchase such coverages and charge the Consultant for such coverages purchased. The District shall be under no obligation to purchase such insurance, nor shall it be responsible for the coverages purchased or the insurance company or companies used. The decision of the District to purchase such insurance coverages shall in no way be construed to be a waiver of its rights under this Contract.

15.5. Certificates of insurance, reflecting evidence of the required insurance, shall be filed with the System Manager prior to the commencement of the work. The Consultant shall not commence work under this Contract until it has obtained all insurance required under this paragraph and such insurance has been approved by the System Manager, nor shall the Consultant allow any subcontractor to commence work on its sub-contract until all similar such insurance required of the subcontractor has been obtained and approved.

15.6. Policies shall be issued by companies authorized to do business under the laws of the State of Florida and shall have adequate Policyholders and Financial ratings in the latest ratings of A.M. Best, said A.M. Best rating for which shall be A- or better.
15.7. REQUIRED INSURANCE

1. Commercial General Liability

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

A. Single Limit Bodily Injury & Property Damage
   1. Each Occurrence  $1,000,000
   2. Annual Aggregate  1,000,000

B. Personal Injury
   Annual Aggregate  $1,000,000

2. Comprehensive Automobile Liability

Comprehensive Automobile Liability for all vehicles used in the performance of this Contract:

A. Single Limit Bodily Injury & Property Damage
   1. Each Occurrence  $1,000,000

Coverage shall include owned, hired and/or non-owned vehicles.

The District must be named as an additional insured for the Automobile and Commercial General Liability coverage.

3. Professional Liability

Professional Liability with limits not less than $2,000,000. If coverage is provided on a claims made basis then coverage must be continued for the duration of this Contract and for not less than one (1) year thereafter, or in lieu of continuation, provide an "extended reporting clause" for one (1) year.

4. Worker's Compensation Insurance

Workers' Compensation Insurance shall be maintained during the life of this Contract to comply with statutory limits for all employees, and in the case any work is sublet, the Consultant shall require any Subcontractors similarly to provide Workers' Compensation Insurance for all the latter's employees unless such employees are covered by the protection
afforded by the Consultant. The Consultant and its Subcontractors shall maintain during the life of this Contract Employer's Liability Insurance. The following must be maintained.

A. Workers' Compensation Statutory
B. Employer's Liability $300,000 per accident

The District reserves the right to require any other insurance coverage it deems necessary depending upon the exposures.

ARTICLE SIXTEEN
INDEMNIFICATION

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

16.2. The Consultant agrees to indemnify and hold harmless the District, its officers, agents and employees against any loss, damage or expense (including all costs and reasonable attorneys' fees) suffered by District from (a) any breach or misconduct by the Consultant of this Contract, (b) any inaccuracy in or breach of any of the representations, warranties or covenants made by the Consultant herein, (c) any claims, suits, actions, damages or causes of action arising during the term of this Contract for any personal injury, loss of life or damage to property sustained by reason or as a result of performance of this Contract by the Consultant and the Consultant's agents, employees, invitees, and all other persons, claims, suits, actions, damages or causes of action for any personal injury, loss of life or damage to property sustained by reason or as a result of the presence of the Consultant and the Consultant's agents, employees, invitees, and all other persons, and (d) Consultant acknowledges and agrees that District would not enter into this Contract without this indemnification of District by Consultant, and that District's entering into this Contract shall constitute good and sufficient consideration for this indemnification. These provisions shall survive the expiration or earlier termination of this Contract. Nothing in this Contract shall be construed to affect in any way the District's rights, privileges, and immunities as set forth in Section 768.28, Florida Statutes.

16.3. Consultant acknowledges that the general conditions of any construction contract shall include language, satisfactory to the District's attorney, in which the contractor agrees to hold harmless and to defend District, Consultant, their agents and employees, from all suits and actions, including attorney's fees, and all costs of litigation and judgments of any name and description arising out of or incidental to the performance of the construction contract or work performed thereunder. District acknowledges that Consultant shall be expressly named as an indemnified party, and shall be held harmless, in the general conditions of any construction contract, and shall be named as an additional insured in any contractor's insurance policies.
ARTICLE SEVENTEEN
SUCCESSORS AND AssignS

17.1. The District and the Consultant each binds itself and its successors, executors, administrators and assigns to the other party of this Contract and to the successors, executors, administrators and assigns of such other party, in respect to all covenants of this Contract. Except as above, neither the District nor the Consultant shall assign, sublet, convey or transfer its interest in this Contract without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the District which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the District and the Consultant.

ARTICLE EIGHTEEN
REMEDIES

18.1. This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Contract shall be held in Monroe County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

ARTICLE NINETEEN
CONFLICT OF INTEREST

19.1. The Consultant represents that it has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder, as provided for in the Code of Ethics for Public Officers and Employees (Chapter 112, Part III, Florida Statutes). The Consultant further represents that no person having any interest shall be employed for said performance.

19.2. The Consultant shall promptly notify the System Manager, in writing, by certified mail, of all potential conflicts of interest for any prospective business association, interest or other circumstance which may influence or appear to influence the Consultant's judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the Consultant may undertake and request an informed determination from the System Manager as to whether the association, interest or circumstance would be reviewed by the System Manager as constituting a conflict of interest if entered into by the Consultant. The System Manager agrees to notify the Consultant of its opinion by certified mail within thirty (30) days of receipt of notice by the Consultant. Such determination may be appealed to the Board of Directors by the Consultant within thirty (30) days of the System Manager's notice to the Consultant. If, in the opinion of the System Manager or District, the prospective business association, interest or circumstance would not constitute a conflict of interest by the Consultant, the System Manager or District shall so state in the notice and the Consultant
shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the District by the Consultant under the terms of this Contract.

ARTICLE TWENTY
DEBT

20.1. The Consultant shall not pledge the District’s credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien or any form of indebtedness. The Consultant further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Contract.

ARTICLE TWENTY ONE
NONDISCRIMINATION

21.1. The Consultant warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, or sexual orientation.

ARTICLE TWENTY TWO
ENFORCEMENT COSTS

22.1. If any legal action or other proceeding is brought for the enforcement of this Contract, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this Contract, the successful or prevailing party or parties shall be entitled to recover reasonable attorney’s fees, court costs and all expenses (including taxes) even if not taxable as court costs (including, without limitation, all such fees, costs and expenses incident to appeals), incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

ARTICLE TWENTY THREE
NOTICE

23.1. All notices required in this Contract shall be sent by certified mail, return receipt requested to the Consultant’s Representative, the District Representative and the System Manager at the addresses shown in Articles One and Three hereof.

ARTICLE TWENTY FOUR
MODIFICATION OF SCOPE OF WORK

24.1. It is the intent of this Contract that District shall from time to time issue Work Authorizations for Consultant to perform work. All Work Authorizations will be duly approved by the District’s Board of Directors prior to issuance. Consultant shall expeditiously perform such work within the schedule indicated in the work order in accordance with Article Four above. Consultant shall timely cooperate with District Representative and System Manager in negotiating the cost and schedule of said work orders prior to submission to the District Board of Directors for approval. The District
reserves the right to make changes in the Scope of Work, including alterations, reductions therein or additions thereto. Upon receipt by the Consultant of the District's notification of a contemplated change, the Consultant shall, in writing: (1) provide a detailed estimate for the increase or decrease in cost due to the contemplated change, (2) notify the District of any estimated change in the completion date, and (3) advise the District if the contemplated change shall effect the Consultant's ability to meet the completion dates or schedules of this Contract.

24.2. If the District so instructs in writing, the Consultant shall suspend work on that portion of the Scope of Work or work order affected by a contemplated change, pending the District's decision to proceed with the change. Consultant shall be entitled to invoice District for that portion of the work completed prior to receipt of the written notice.

24.3. If the District elects to make the change, the District shall initiate a Contract Amendment and the Consultant shall not commence work on any such change until such written amendment is signed by the Consultant and the System Manager, and if such Scope of Work is in excess of $20,000 it must also first be approved by the Board of Directors.

ARTICLE TWENTY FIVE
MODIFICATION

25.1. The District and the Consultant agree that this Contract together with the Exhibits hereto, sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto in accordance with Article Twenty-Four – Modification of Scope of Work. In the event of any conflict or inconsistency between this Contract and the provisions in the incorporated Exhibits, the terms of this Contract shall supersede and prevail over the terms in the Exhibits.

ARTICLE TWENTY SIX
MISCELLANEOUS

26.1. Consultant, in representing District, shall promote the best interest of District and assume towards District a duty of the highest trust, confidence and fair dealing.

26.2. No modification, waiver, suspension or termination of the Contract or of any terms thereof shall impair the rights or liabilities of either party.

26.3. This Contract is not assignable, in whole or in part, by Consultant without the prior written consent of District.

26.4. Waiver by either party of a breach of any provision of this Contract shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this Contract.
26.5. The headings of the Articles, Schedules, Parts and Attachments as contained in this Contract are for the purpose of convenience only and shall not be deemed to expand, limit or change the provisions in such Articles, Schedules, Parts and Attachments.

26.6. This Contract, initially consisting of ____________ continuously numbered pages including the referenced Schedules and Attachments hereto, constitutes the entire agreement between the parties hereto and shall supersede, replace and nullify any and all prior agreements or understandings, written or oral, relating to the matter set forth herein, and any such prior agreements or understanding shall have no force or effect whatever on this Contract.

ARTICLE TWENTY SEVEN
SEVERABILITY

27.1. If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such term or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have set their hands and official seals the day and year first above written.

CONTRACTOR ————
CONTRACTOR

Secretary

Chief Executive Officer
KEY LARGO WASTEWATER TREATMENT DISTRICT

Its Chair

ATTEST:

Clerk to the Board

Approved as to form

KLWTD General Counsel
Schedule A consists of the following component Parts:

A.1. DESCRIPTION OF PROJECT (Work Authorization Form)

BASIC SERVICES:

A.2. DESIGN REPORT
A.3. PRELIMINARY DESIGN
A.4. FINAL DESIGN
A.5. CONSTRUCTION BID SERVICES
A.6. CONSTRUCTION CONTRACT ADMINISTRATION
A.7. DETAILED OBSERVATION OF CONSTRUCTION
Work Authorization No. ____________

Professional Services Agreement
Between the

Key Largo Wastewater Treatment District Utility District, a legal entity and public body created by
Chapter 02-337, Laws of Florida, 2003

and

[Consultant]

A. Summary of Services to Be Rendered

B. Project Cost

C. Schedule:

D. Administrative Fee to GSG (if applicable)

E. Notice/Project Manager of Consultant

[Consultant]

Certification that Sufficient Funds are Available:

______________
CFO

KLWTD Chairman

Director of Operations
A.2. DESIGN REPORT.

A.2.1. Consult with District to clarify and define District's requirements for the Project and review available data.

A.2.2. Advise District as to the necessity of District obtaining from Consultant, Additional Services described in Article Two of this Agreement, such as, but not limited to probings, subsurface explorations, special permits, or other similar investigations.

A.2.3. Prepare a Design Report containing schematic layouts, sketches and conceptual design criteria with appropriate exhibits to indicate clearly the considerations involved (including applicable requirements of all governmental authorities having jurisdiction over the project), and any alternative designs available to District and setting forth Consultant's findings and recommendations. The Design Report also shall contain Consultant's professional evaluation of District's Project budget. Said evaluation shall contain Consultant's initial professional opinions of probable total costs for the Project, including construction costs, contingencies, and allowances for charges of all professionals and consultants. The Design Report also shall present Consultant's recommendations as to how the construction contract(s) should be let out for bid.

A.2.4. Furnish five (5) copies of the Design Report, schedule and conduct a meeting with District to present the Design Report for District's review and approval.
A.3.  PRELIMINARY DESIGN.

A.3.1. Prepare in a format acceptable to District, all preliminary Contract Documents, including but not limited to all designs, drawings, special conditions, general conditions, supplemental conditions, specifications and bid and Agreement forms, necessary for construction of the Project.

A.3.2. Keep District informed as to the status of the project design through no less than monthly meetings at the District's offices.

A.3.3. Upon completion and submission to District of the preliminary design for Project, provide to District five (5) copies of the preliminary Contract Documents and Consultant's professional preliminary opinions of probable total Project and construction costs for review and approval by District. The improvements for which services are to be rendered under this Agreement shall include the Project as described in the description in paragraph A.1.1. of this Schedule A.
A.4. FINAL DESIGN.

A.4.1. Provide District with proposed final construction drawings and detailed opinions of probable total Project construction costs in writing for District's review, prior to completion of the final Contract Documents, so that any changes that may be necessary in accordance with Project's budgetary schedule can be made prior to bid.

A.4.2. Upon District's approval of detailed opinions of probable total Project and construction costs, provide to District, for its review and approval, five (5) copies of final Contract Documents.
A.5. CONSTRUCTION BID SERVICES.

A.5.1. Consultant shall assist in securing bids and:

(a) provide interpretation and clarification of Contract Documents during bidding;

(b) coordinate bid process with District including advertisements, publications, Contract Document sales and receipt of bids;

(c) distribute Contract Documents during bidding phase to prospective bidders;

(d) maintain record of prospective bidders to whom bidding documents have been distributed;

(e) organize and conduct pre-bid meeting with prospective bidders;

(f) attend the bid opening, prepare bid tabulation sheets and assist District in evaluating bids or proposals and in assembling and awarding contracts for construction, materials, equipment and services;

(g) assist District in evaluating bidder's previous experience, if necessary;

(h) prepare and issue addenda as appropriate to interpret or clarify Contract Documents;

(i) provide District with a recommendation as to the acceptability of subcontractors, suppliers and other persons and organizations proposed by the bidders for those portions of the work as to which such acceptability is required by the Contract Documents;

(j) provide District with recommendation concerning the acceptability of substitute materials and equipment proposed by bidder(s) when substitution prior to the award of contacts is allowed by the Contract Documents; and,

(k) make a recommendation of contract award.
A.6. CONSTRUCTION CONTRACT ADMINISTRATION.

A.6.1. Consult with the District and contractors as reasonably required and necessary with regard to construction of the Project, including but not limited to pre-construction conference and monthly coordination meeting with District and contractor.

A.6.2. Review materials and workmanship of the Project and report to District any deviations from the Contract Documents which may come to the Consultant's attention; determine the acceptability of work and materials and make recommendation to District to reject items not meeting the requirements of the Contract Documents.

A.6.3. Recommend to the District in writing that the work, or designated portions thereof, be stopped if, in Consultant's judgment, such action is necessary to allow proper inspection, avoid irreparable damage to the work, or avoid subsequent rejection of work which could not be readily replaced or restored to an acceptable condition. Such stoppage to be only for a period reasonably necessary for the determination of whether or not the work will in fact comply with the requirements of the Contract Documents.

A.6.4. Require that any work which is covered up without being properly observed be uncovered for examination and restored at contractor's expense if deemed appropriate by the Consultant.

A.6.5. Issue interpretations and clarifications of Contract Documents during construction, and evaluate requests for substitutions or deviations therefrom. Notify District of any such requested
deviations or substitutions and when reasonably necessary provide District with a recommendation concerning same. Prepare work change orders as directed by District.

A.6.6. Submit to District, in a format acceptable to District, monthly progress and status reports, including but not limited to manpower, amount of work performed and by whom, equipment, problems encountered, method to correct problems, errors, omissions, deviations from Contract Documents, and weather conditions.

A.6.7. Review shop drawings, diagrams, illustrations, catalog data, schedules and samples, the results of laboratory tests and inspections, and other data which contractors are required to submit for conformance with the design concept of the Project and compliance with the provisions of the Contract Documents.

A.6.8. Monitor all required Project records, including but not limited to delivery schedules, inventories and construction reports. Based upon the Project records, as well as Consultant's observations at the site and evaluations of the data reflected in contractor's application for payment, Consultant shall render a recommendation to District concerning the amount owed to the contractor(s) and shall forward the contractor's application for such amount to District. Such approval of the application for payment shall constitute a representation by Consultant to District, based on observations and evaluations, that:

(a) the work has progressed to the point indicated;
(b) the work is in substantial accordance with the Contract Documents; and
(c) the contractor(s) is (are) entitled to payment in the recommended amount.
A.6.9. Receive and review all items to be delivered by the contractor(s) pursuant to the Contract Documents, including but not limited to all maintenance and operating instructions, schedules, guarantees, warranties, bonds and certificates of inspection, tests and approvals. Consultant shall transmit all such deliverables to District with Consultant's written comments and recommendations concerning their completeness under the Contract Documents.

A.6.10. Negotiate with the contractor(s), the scope and cost of any necessary contract change orders, using as a basis for such negotiations data or other information emanating from the Contract Documents, including but not limited to the bid sheet, technical specifications, plans, shop drawings, material specifications, and proposed material and labor costs. Prepare, recommend and submit for District's approval such change orders.

A.6.11. Upon receiving notice from the contractor advising Consultant that the Project is substantially complete, Consultant, shall schedule and, in conjunction with District, conduct a comprehensive inspection of the Project, develop a list of items needing completion or correction, forward said list to the contractor and provide written recommendations to District concerning the acceptability of work done and the use of the Project. For the purposes of this provision, substantial completion shall be deemed to be the stage in construction of the Project where the Project can be utilized for the purposes for which it was intended, and where minor items need not be fully completed, but all items that affect the operational integrity and function of the Project are capable of continuous use.
A.6.12. Perform final inspection in conjunction with District, and assist District in closing out construction contract, including but not limited to, providing recommendations concerning acceptance of Project and preparing all necessary documents, including but not limited to, lien waivers, contractor's final affidavit, close-out change orders, and final payment application.

A.6.13. Prepare and submit to District upon completion of construction of the Project, five (5) sets of record drawings and one (1) set of reproducible record drawing mylars of the work constructed, including those changes made during the construction process, using information supplied by the contractors and other data which can reasonably be verified by Consultant's personnel.

A.6.14. Prepare and submit to District upon completion of construction of Project a final report of variations from the construction Contract Documents, including reasons for the variations.
A.7. DETAILED OBSERVATION OF CONSTRUCTION.

A.7.1. Construction work shall be done under the full-time observation of at least one representative of Consultant; or by such additional representatives of the Consultant as may be necessary for observing the construction of the Project, as may be authorized and approved by the District.

A.7.2. During detailed observation of construction Consultant shall act to protect District's interests in Project and:

(a) take 3 x 5 color 35 mm photographs of important aspects of the Project process and submit same together with corresponding negatives on a continuous basis to District; such pictures to be properly categorized and identified as to date, time, location, direction and photographer, with subsequent notations on drawings;

(b) maintain appropriate field notes from which record drawings can be generated;

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

(d) observe operation or performance testing and report findings to District and contractor [optional insert i.e., including copies of bacteriological and pressure tests] when potable water lines are involved upon completion of operable units.

END OF SCHEDULE A
SCHEDULE B
BASIS OF COMPENSATION

B.1.1. As consideration for providing Basic Services as set forth herein in Parts A.2, A.3, A.4, A.5 and A.6 of Schedule A, District agrees to pay, and Consultant agrees to accept, the lump sum fees as shown on Attachment A entitled "Schedule Fees for Basic Services".

B.1.2. Payment For Basic Services under Parts A.2, A.3, A.4, A.5 and A.6 of Schedule A shall be paid on a lump sum basis in accordance with set milestones as follows:

(a) the A.2 milestone shall be the submittal to District of the Design Report and Consultant's initial professional opinions of probable total Project and construction costs.

(b) the A.3 milestone shall be the submittal to District of the preliminary Contract Documents and Consultant's preliminary opinions of probable total Project and construction costs.

(c) the A.4 milestone shall be the submittal to the District of the final Contract Documents after District's approval of detailed opinions of probable total Project and construction costs.

(d) the A.5 milestone shall be the award of bids by District.

(e) the A.6 milestone shall be the close-out of construction contract, final inspection and submittal of record drawings and final report of variations from the construction Contract Documents.

B.1.3. Payment for Basic Services under Parts A.3, A.4 and A.6 of Schedule A shall be paid on a lump sum fee basis in equal monthly installments as follows:
(a) payment for Basic Services under Part A.3 shall be paid monthly based upon the preliminary design time plus one month, the last payment to be twice the others (i.e. a 6-month design time will yield 6 monthly payments; the first 5 of which will be equal to one-seventh (1/7) the fee shown on Attachment A for Part A.3. Preliminary Design). However, payments shall commence no sooner than thirty (30) days after submittal of the Design Report and shall occur no more often than monthly, except last payment due for the services provided under Part A.3 (i.e. twice the previous monthly payments) shall not be made until submittal to District of the preliminary Contract Documents under Part A.3.

(b) payment for Basic Services under Part A.4 shall be paid monthly based upon the final design time plus one month, the last payment to be twice the others (i.e. a 6-month design time will yield 6 monthly payments; the first 5 of which will be equal to one-seventh (1/7) the fee shown on Attachment A for Part A.4. Final Design). However, payments shall commence no sooner than thirty (30) days after approval and acceptance by District of the Preliminary Contract Documents and shall occur no more often than monthly, except last payment due for the services provided under Part A.4. (i.e. twice the previous monthly payments) shall not be made until approval and acceptance by District of the preliminary Contract Documents under Part A.4.

(c) payment for Basic Services under Part A.6 shall be paid on a monthly basis based upon the construction time plus three months, the last payment to be twice the others (i.e. a 7-month construction schedule will yield 10 monthly payments; the first 9 of which will be equal to one-eleventh (1/11) the fee shown on Attachment A for Part A.6 Construction Contract Administration). However, payment shall commence no sooner than thirty (30) days after the Notice to Proceed to the contractor and shall occur no more often than monthly, except the last payment due for the services provided under Part A.6 (i.e. twice the previous monthly payments) shall not be made until the close-
out of construction contract, final inspection and submittal of record drawings and final report of variations from the construction Contract Documents under Part A.6. Services in excess of the fee shown on Attachment A for Part A.6 Construction Contract Administration not due to delay caused by Consultant shall be considered Additional Services.

B.2.1. As consideration for providing Basic Services under Part A.7 entitled "Detailed Observation of Construction" and for properly approved Additional Services set forth in Article Two of this Agreement as estimated on Attachment C entitled "Consultant's Estimate of Additional Services", District agrees to pay and Consultant agrees to accept payment on a time and reimbursable cost basis. Payments for Part A.7 services and properly approved Additional Services shall be made monthly on a time and reimbursable cost basis computed in accordance with either Attachment B entitled "Consultant's Employee Hourly Rate Schedule" for employees working under this Agreement or Attachment C entitled "Consultant's Estimate of Additional Services". Payment shall be made monthly on an as needed basis, not to exceed 40 hours per person per week. Payment for services performed by individuals beyond 40 hours per week or Saturdays, Sundays or holidays, shall be increased by a factor of 1.5 applied to Attachment B provided such overtime work is approved by District in advance whenever possible and not due to Consultant's own fault or neglect.

B.2.2. Reimbursable costs shall mean the actual expenditures made by the Consultant while providing Basic Services under Part A.7 or Additional Services, in the interest of the Project, listed in the following sub-paragraphs:

(a) expenses for transportation and subsistence incidental to out-of-town travel required by Consultant and directed by District, other than visits to the Project Site or District's office;
(b) expenses for preparation, reproduction, photographic production techniques, postage and handling of drawings, specifications, bidding documents and similar Project-related items in addition to those otherwise required in Parts A.2, A.3, A.4, A.5 and A.6 of Basic Services;

(c) when authorized in advance by District, except as specifically otherwise provided herein, the expense of overtime work requiring higher than regular rates; and

(d) expenses for renderings, models and mock-ups requested by District.

B.2.3. By way of example and not limitation, reimbursable costs shall specifically not include expenditures, except as otherwise described in paragraph B.2.2, such as:

(a) expenses for transportation and subsistence;

(b) overhead, including field office facilities;

(c) overtime not authorized by District; or

(d) expenses for copies, reproductions, postage, handling, express delivery, and long distance communications.

B.3.1. In no case shall the lump sum figures on Attachment A be exceeded without a change in the scope of the project being approved by the Board of Directors for the Key Largo Wastewater Treatment District Utility District.

B.3.2. Detailed Construction Observation work performed under Part A.7. and Additional Services, shall be paid as substantiated to the limits shown in Attachment C, but not to exceed the sum of those figures without execution of an appropriate Agreement amendment.
B.3.3. Payments will be made for services rendered, no more than on a monthly basis, within thirty (30) days of submittal of an approvable invoice. The number of the purchase order by which District the services have been made, shall appear on all invoices. All invoices shall be reasonably substantiated, identify the services rendered and must be submitted in triplicate in a form and manner required by District.

B.3.4. Consultant acknowledges that Attachment A - Schedule of Fees for Basic Services, Attachment B - Consultant's Employee Hourly Rate Schedule, and Attachment C - Consultant's Estimate of Additional Services, each attached to this Schedule B are incorporated herein and, will be the basis for District's budgeting, authorizing and monitoring of expenditures under this Agreement.

B.3.5. As compensation for coordinating subconsultant activities for District, Consultant shall be allowed an administrative fee not to exceed ten percent (10%) of the actual cost of services rendered under Part A.7 and Additional Services. For the purposes of this provision the actual cost of services rendered shall not include any mark-up between the vendor who actually performed the services and any sub-consultant. No administrative fee or mark-up shall be paid in conjunction with the provision of Basic Services as set forth in Parts A.2, A.3, A.4, A.5 and A.6 of Schedule A.

END OF SCHEDULE B.
SCHEDULE B - ATTACHMENT A

SCHEDULE OF FEES FOR BASIC SERVICES

[reduce schedule to be provided by Consultant and place it here]
SCHEDULE B - ATTACHMENT B

CONSULTANT'S EMPLOYEE HOURLY RATE SCHEDULE

[reduce schedule to be provided by Consultant and place it here].
SCHEDULE B - ATTACHMENT C

CONSULTANT'S ESTIMATE OF ADDITIONAL SERVICES
(INCLUDING DETAILED OBSERVATION OF CONSTRUCTION)

[reduce schedule to be provided by Consultant and place it here]
SCHEDULE C
PROJECT SCHEDULE

[reduce schedule to be provided by Consultant and place it here.]
Item J

Draft June 25, 2003 Meeting Minutes
(revised 7/7/03)
Key Largo Wastewater Treatment District
Board of Commissioners Meeting Minutes
4:00 PM Wednesday, June 25, 2003
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

COMMISSIONERS 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
Amy Dukes, Legal Counsel, Lewis Longman & Walker, P.A. (via telephone)
Faith Doyle, KRWTD Board Clerk

GUESTS PRESENT

Monroe County Commissioner Murray Nelson
Donna Hanson, Executive Assistant to Commissioner Nelson
David Refling, P.E., DEE, Boyle Engineering
Doug Eckman, P.E., Boyle Engineering
Peter Kinsley, The Haskell Company
Walter Messer, D.N. Higgins, Inc.
Robert E. Burt, Key Largo Resident
Michael Longenecker, Key Largo Resident
Joe Peternit, Brown & Caldwell
Tim Bergin, CDG

A. Call to Order

Vice Chairman Jerry Wilkinson as Acting Chairman called the meeting to order at 4:04 p.m.

B. Pledge of Allegiance

The Pledge of Allegiance was recited.

C. Additions, Deletions or Corrections to the Agenda
Acting Chairman Wilkinson suggested that items D-1 and D-2 be postponed until the arrival of Chairman Tobin.

Commissioner Brooks suggested that item E-2 be moved to action item D-7 because it is of a timely nature.

Acting Chairman Wilkinson approved the amended agenda as stated.

D. Action Items

1. Execution of the KLP Construction Agreement with D.N. Higgins, Inc.

Please see below

2. Execution of the KLTV Design/Build Agreement with The Haskell Company

Please see below.

3. Approval of the Engineering CCNA Rankings and Recommendations

Acting Chairman Wilkinson brought the Engineering CCNA Rankings and Recommendations to the floor for discussion. Mr. Robert Sheets stated that the evaluation of the 13 engineering submittals had been completed. He informed the Board that the evaluation committee members unanimously approved the recommendations. The individual scoring sheets completed by the committee members and a memorandum providing narratives on the top eight ranked firms were also provided. Mr. Sheets stated that the main focus was to identify firms that provide water and wastewater expertise. Mr. Sheets stated that he would answer any questions on the scores and rankings. Mr. Sheets stated that the recommendation includes requesting the Board to negotiate the standard engineering contract with the top five ranked firms. Mr. Sheets noted that the contract does not guarantee work but provides engineers of record to request proposals for future projects. The other recommendation is to request the Board to approve staff to begin negotiating a scope of service for retaining the firm to work as project manager on the KLP and KLTV construction. The committee recommended that Weiler Engineering Company (WEC) be selected as the projects’ construction manager. Mr. Sheets stated that WEC was uniquely qualified because they were one of the top five firms reviewed, they have worked in the Keys and have done vacuum systems. Mr. Sheets stated that if the Board authorizes the negotiations the Board would be made aware of the appointed project manager and have the opportunity to interview them. If the candidate is deemed not qualified, then another can be selected. Mr. Sheets stated that the recommendations also request the Board to consider a firm for planning and developing a strategic plan for assistance in securing future funding. The committee recommends Malcolm Pirnie, Inc. be selected for the planning tasks. Mr. Sheets stated that if the Board would not act on the recommendations today, it would not impede the process of getting the projects on line. However, one should be selected as soon as the Notice to Proceed (NTP) is issued.

Commissioner Bauman stated that as a member of the evaluation committee he looked for firms with current water and wastewater experience and suggested that prior to assigning
specific tasks, an interview with the principal engineer would be of benefit. This would assist
the Board in determining if the firm and the principal engineer was sufficient for the task and
if not the Board could request another firm be looked at for either planning or construction
management.

Acting Chairman Wilkinson stated that he has concerns with the recommendation and that
he would prefer to use all 13 submitting firms because the future projects have not been
determined. Commissioner Wilkinson was also concerned with WEC being listed as a team
member of The Haskell Company in their proposal and if chosen as the KLWTD's engineer
of record, there could be a conflict of interest. Mr. Peter Kinsley of The Haskell Company
stated that WEC was listed on the Haskell team as a subcontracted peer reviewer for Brown
and Caldwell and that this was a minor role. Mr. Kinsley added that Haskell would not have
any reservations should WEC contract with the KLWTD. Mr. Kinsley stated that WEC is not
presently under contract with Haskell because a contract would not have been issued to
them until Haskell was awarded the KLWTD contract, which was being executed at this
meeting.

Mr. Sheets stated that not all 13 submitting firms were qualified for the specific needs of a
wastewater district and that some have little or no wastewater experience. The review was
conducted to identify those firms who could respond to the KLWTD's particular needs.

Commissioner Bauman added after spending 20-25 hours reviewing the 13 submittals, he
would not recommend having all 13 firms as engineers of record because asking for scopes
of work proposals would be too time intensive.

Commissioner Brooks asked Commissioner Bauman concerning the choice of construction
project managers if he had met with any of the firms. Commissioner Bauman stated that he
had not met personally with them but had reviewed the resumes of the key personnel that
were provided in the submittals. Commissioner Brooks asked if the WEC project manager
would meet with the Board before being contracted with. Mr. Sheets stated that they could
be asked to make a presentation to the Board.

Commissioner Brooks asked: if action was taken today would there be five firms under
contract? Mr. Sheets stated that a standard contract with each firm would be presented to
the Board for approval and then a work authorization would initiate individual tasks.
Commissioner Brooks asked if the Board would approve all of the work authorizations. Mr.
Sheets stated that all contracts and work authorizations required Board approval.
Commissioner Brooks asked how would the cost for their services be identified. Mr. Sheets
stated that would be determined after the scope of work is developed and they propose a
price. Commissioner Brooks asked if the Board has discretion on the scope of work. Mr.
Sheets answered affirmatively. Commissioner Brooks stated that he agrees with the
recommendation of the evaluation committee.

Mr. Sheets responded to Commissioner Wilkinson’s concern with a conflict of interest with
WEC stating that if engineering firms who had previous working relationships with these
contractors most of them could not be considered. Mr. Sheets stated that once WEC
contracts with the KLWTD they are bound by the engineering code of ethics to represent the
KLWTD. Commissioner Wilkinson stated that WEC has vacuum system experience and
Chairman Tobin joined the meeting at 4:25 p.m. and requested that Commissioner Wilkinson continue to Act as Chairman until the conclusion of the discussion on this agenda item.

Commissioner Wilkinson and Mr. Sheets provided an update on what had been presented and discussed to this point of the meeting.

Chairman Tobin stated concern that he had not had enough time to review the information and requested that it be tabled until the next meeting.

Discussion ensued on the evaluation process and the scoring and ranking procedure. Commissioner Bauman commented that the review was conducted on what was submitted. For example, the PBS&J submittal did not communicate that they had wastewater experience. Mr. Sheets stated that the evaluations were done independently with communication between the committee members and that evaluators weren’t told how to weight their scores. Chairman Tobin stated concern with the process and that he was not comfortable with the method of advertising because in his opinion it was not broad enough to contact engineers. Chairman Tobin was also concerned because the cost for engineering services has not been identified and he does not want to pay excessively for supervision of the projects. Chairman Tobin asked for a brief description of what the construction project manager’s scope of work would include.

Commissioner Wilkinson stated that the project manager would be involved with reviewing and approving every invoice and oversight of all facets of the project. He believes that the engineer should be in the District on a consistent basis.

Commissioner Bauman stated that the action requested of the Board today was to begin negotiations for a standard contract with five capable firms to be used for individual tasks as needed. Commissioner Bauman stated that Mr. Charles Sweat had contacted local firms concerning their interest.

Commissioner Beaty questioned the cumulative scores and the separation between the top three firms and the rest. Mr. Sheets stated that the top three gave information that was pertinent and easy to identify. Commissioner Beaty asked what benefit there was to contracting with five firms instead of eight. Mr. Sheets stated that the industry standard for this type of contract is three years in length and he does not anticipate the District requiring sufficient work to warrant eight engineers of record.

Chairman Tobin expressed concern about WEC having been listed as a sub-consultant on the Haskell proposal. Mr. Sheets and Mr. Kinsley reiterated the previous discussion for the Chairman’s benefit.

Commissioner Brooks stated that he believes the process was sound and that the committee has selected two local firms that have successful experience and for the Board to not move forward at this point seems unnecessary.
Discussion ensued concerning the repercussions of postponing action or starting the CCNA process again. Chairman Tobin asked for a summary of what the oversight of the projects would involve. Discussion ensued on the observation process, the involvement of the engineer of record and his reporting process.

Commissioner Brooks raised a point of order concerning the discussion of an item without a motion on the floor for discussion. Acting Chairman Wilkinson entertained a motion to continue the discussion. Acting Chairman Wilkinson made a motion to table the item until July 9th. Chairman Tobin stated that he needs to understand the firm's role before selecting an engineer and that he believes a local engineer could be more involved. Mr. Kinsley noted that on a design/build project, from an owner's perspective, the engineer of record verifies that Haskell is doing what the KLWTD is paying for and checks on the value engineering to protect Board interests, they review invoices, pay requests and value engineering decisions.

Chairman Tobin tabled the item until the July 9, 2003 meeting. Mr. Sheets requested direction from the Board. Mr. Sheets stated that he wants to address the concerns of the Board and the he does not want the Board to feel they have lost options through this process.

Chairman Tobin stated that he would feel more comfortable with an indication of how many local firms showed interest. Mr. Sheets stated that four Miami firms submitted qualifications but did not possess the expertise that the District requires. Discussion ensued. Chairman Tobin asked what the next step in the process would be after approving the recommended rankings. Mr. Sheets stated that a blanket contract with general terms and conditions would be brought to the Board for approval and the Board, via work authorization with a defined scope of service, would approve the actual work tasks.

Acting Chairman Wilkinson turned the floor over to Chairman Tobin at 5:35 p.m.

Chairman Tobin brought Item D-1, the execution of the KLP Contract with D.N. Higgins, to the floor. Chairman Tobin, Commissioner Bauman, Commissioner Beaty and Commissioner Wilkinson signed the document in view of the public. Commissioner Brooks abstained from signing indicating that he gave his consent to entering into the contract by means of his motion at the June 11, 2003 meeting.

Chairman Tobin brought Item D-2, the execution of the KLTV Contract with The Haskell Company, to the floor. Chairman Tobin, Commissioner Bauman, Commissioner Beaty and Commissioner Wilkinson signed the document in view of the public. Commissioner Brooks abstained from signing indicating that he gave his consent to entering into the contract by means of his motion at the June 11, 2003 meeting.

Chairman Tobin requested that Ms. Amy Dukes give a legal report. Ms. Dukes had no official report to present this week. Ms. Dukes requested to remain on the telephone line during the discussion of the Betancourt settlement offer.

4. Approval of the External Auditor Recommendation
Mr. Sheets stated that one of the statutory requirements of all Florida units of local government is to obtain an annual audit of the financial results of the entity based upon the fiscal year that runs from October 1 through September 30. The first fiscal year for the Key Largo Wastewater Treatment District will expire September 30, 2003.

Mr. Sheets informed the Board that on May 28, 2003, staff opened the technical proposals received from four audit firms, located in Florida. The Board of Directors appointed Board Member Cris Beaty and CFO David Miles to review the proposals and provide recommendations for award to the Board of Directors. Upon completion of the evaluation of the technical proposals, the financial proposals were opened on June 16, 2003. Both evaluators then completed their ranking of the four firms.

Provided for the Board was a spreadsheet showing the financial proposals from each of the four audit firms and the rankings performed by Chris Beaty and David Miles.

The highest ranked firm, Mull & Associates, submitted a proposed cost without the single audit of $8,500, which would be under the FY 2003 budget of $10,000. In later years when a single audit would be required, their proposed price would be $15,100. There is also a CPI adjustment in the draft contract.

Mr. Sheets recommends the Board to enter into contract negotiations with the top-ranked firm. The final price is an item that is open to negotiation as the contract is finalized. Mr. Sheets proposes bringing a final contract for Board approval by the second meeting in July. In the event a successful contract cannot be negotiated with the top-ranked firm by July 31, 2003, staff requests authorization to enter into contract negotiations with the second and third ranked firms, in turn, until a satisfactory contract can be achieved.

COMMISSIONER WILKINSON MADE A MOTION TO ACCEPT THE RECOMMENDATIONS AS STATED. COMMISSIONER BROOKS SECONDED THE MOTION FOR DISCUSSION, Chairman Tobin asked Commissioner Beaty for his opinion on the selection process. Commissioner Beaty stated that he believes the process was thorough and the top-ranked firm would have their principle accountants conducting the audit, which would insure consistency of those doing the actual work during the term of the contract. With no further discussion Chairman Tobin called for a vote. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

5. Approval of the Pending Payments List for June 25, 2003

Mr. Sheets presented the pending payments list noting that the $16,000 payment would be included in the June payments once the settlement amount is approved by the Board and upon receipt of the executed letter from Gartek. Commissioner Brooks asked if there are sufficient funds available to include the $16,000 payment to Gartek. Mr. Sheets answered in the affirmation.

COMMISSIONER BROOKS MADE A MOTION TO APPROVE THE JUNE 25, 2003 PENDING PAYMENTS LIST. COMMISSIONER WILKINSON SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.
6. Approval of the Gartek Counter-offer Amount and Payment Thereof

COMMISSIONER BROOKS MOTIONED TO ACCEPT THE LETTER OF FINAL OFFER IN THE AMOUNT OF $16,000.00 AND that the offer contained herein is not an admission by the District of any liability for payment of the amount in controversy but an offer to compromise and resolve all pending claims and disputes between the District and you and your firm and that by Gartek's signing of the letter they are agreeing to accept the offer of compromise as full and final settlement of any and all claims by Mr. Betancourt or Gartek arising out of your employment agreement with the District and waive any and all future claims that may arise out of that agreement and that payment would be made after the General Manager receives a signed copy of the letter. COMMISSIONER BEATY SECONDED FOR DISCUSSION. WITH NO FURTHER DISCUSSION CHAIRMAN TOBIN REQUESTED A ROLL CALL VOTE.

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THE MOTION CARRIED WITH A VOTE OF THREE IN FAVOR AND TWO AGAINST.

Mr. Michael Longenecker, a Key Largo resident, requested to address the Board stating that in his opinion it is not appropriate to pay Gartek anything over the amount contracted for.

Ms. Dukes disconnected from the meeting.

CHAIRMAN TOBIN BROUGHT ACTION ITEM D-7 TO THE FLOOR (DISCUSSION OF THE RESPONSE TO KEY WEST CITIZENS ARTICLE ON TOXIC WASTE DUMPING). COMMISSIONER BROOKS MOTIONED TO APPROVE THE LETTER WITH THE CORRECTIONS INDICATED BY COMMISSIONER BROOKS. COMMISSIONER WILKINSON SECONDED THE MOTION. CHAIRMAN TOBIN STATED CONCERN WITH ISSUING A RESPONSE FROM THE BOARD AND SUGGESTED THAT INDIVIDUAL RESPONSES WOULD BE MORE APPROPRIATE. WITH NO FURTHER DISCUSSION CHAIRMAN TOBIN REQUESTED A ROLL CALL VOTE.

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THE MOTION CARRIED WITH A VOTE OF THREE IN FAVOR AND TWO AGAINST.

E. General Manager's Report

Mr. Sheets presented the Interim Financial Reports for the KLWTD as of May 31, 2003 and invited questions. Chairman Tobin asked when the next budget workshop would be held. Mr. Sheets stated that it would be held on July 9, 2003.

Mr. Sheets will present the revised Monroe County loan agreement on July 9, 2003.

2. Discussion of the Response to the Key West Citizen Concerning the Dumping of Toxic Waste in the Gulf Stream

Please see above.


Mr. Sheets informed the Board that this schedule would be updated to reflect the receipt of the notice to proceed and the adjustment to the dates as a result of the delay in executing the agreement. Mr. Sheets stated that Mr. Kinsley, the FDEP and FEMA representative would be meeting concerning the draw down schedule after the notice to proceed was issued.

Chairman Tobin brought action item D-3 back to the floor for the Board’s consideration.

COMMISSIONER BAUMAN MADE A MOTION TO ACCEPT THE RECOMMENDATION OF THE CCNA EVALUATION COMMITTEE TO ENTER INTO STANDARD CONTRACTS WITH THE FIVE TOP RANKED FIRMS. COMMISSIONER BROOKS SECONDED THE MOTION, CHAIRMAN TOBIN ASKED FOR ANY FURTHER DISCUSSION. CHAIRMAN TOBIN ASKED IF THE BOARD WOULD HAVE ANY OBJECTION TO NEGOTIATING WITH THE TOP EIGHT. DISCUSSION ENSUED. COMMISSIONER BAUMAN AMENDED HIS MOTION TO INSTRUCT THE MANAGER TO NEGOTIATE STANDARD CONTRACTS WITH THE TOP EIGHT RANKED FIRMS. COMMISSIONER BEATY SECONDED THE AMENDED MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

Mr. Sheets stated that the next recommendation was to direct staff to approach WEC for a scope of work and fee for the task of being engineer of record and construction manager for the KLP and KLTV projects.

COMMISSIONER BROOKS MOTIONED TO DIRECT THE MANAGER TO REQUEST A SCOPE OF WORK FROM WEC FOR THE TASK OF CONSTRUCTION MANAGER FOR THE KLP AND KLTV PROJECT. COMMISSIONER BAUMAN SECONDED THE MOTION FOR DISCUSSION. Chairman Tobin asked if Board could vote to begin the bidding process with more than one of the eight top firms. Mr. Sheets stated that although his opinion is not a legal one he is aware of a State statute that might permit simultaneous negotiation but it is not the industry standard. Discussion ensued. Mr. Sheets stated that the only other firm he would recommend for construction management would be Boyle Engineering. Chairman Tobin asked if there could be a selection process between the two firms. Mr. David Reiling stated that it is not the normal operating procedure for public entities and that once ranking of the CCNA submittals is complete then a scope of work is negotiated with the top ranked firm
and if the negotiations fail then you request a scope from the next firm. This is the CCNA process for public entities. A private company has more flexibility in negotiations. Chairman Tobin asked if per the CCNA statutes it precludes simultaneous negotiations. Mr. Doug Eckmann of Boyle Engineering stated that per engineering ethics and Florida Statute it is illegal to submit prices for services that another firm is negotiating on and it is illegal to use another firm’s previously defined scope of service. It was suggested that the Board request the firm’s current rate schedules for informational purposes. CHAIRMAN TOBIN ASKED FOR ANY FURTHER DISCUSSION. THERE BEING NONE HE CALLED FOR A VOTE. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

Commissioner Wilkinson expressed concerned with not having approval from FEMA on the plant site. Mr. Sheets states that FEMA will pay every invoice submitted from six months ago regardless of the site approval for phase one, there will be no phase two if the site is not approved and it will be federal tax dollars wasted, not KLWTD funds. Mr. David Refling of Boyle Engineering suggested the Board consider issuing a notice to proceed for the design phase only. Discussion ensued.

COMMISSIONER BAUMAN MOTIONED TO INSTRUCT THE MANAGER TO START NEGOTIATIONS WITH MALCOLM PIRNIE AS PLANNING ENGINEERING AND COMMISSIONER BEATY SECONDED THE MOTION FOR FURTHER DISCUSSION. COMMISSIONER WILKINSON BELIEVES THE ACTION IS PREMATURE. MR. SHEETS STATED COSTS CANNOT BE INCURRED FOR PLANNING UNTIL THE NEW BUDGET YEAR AND IF NEGOTIATIONS FAIL WITH MALCOLM PIRNIE THEN ANOTHER FIRM COULD BE LOOKED AT. COMMISSIONER BAUMAN IS CONCERNED WITH GETTING THE PLAN STARTED AS SOON AS POSSIBLE. DISCUSSION ENSUED ON WHICH FIRMS ARE CONSIDERED PLANNERS. CHAIRMAN TOBIN STATED THAT HE WOULD LIKE THE FIRMS TO MAKE PRESENTATIONS. MR. SHEETS SAID HE WOULD RECOMMEND HAVING MALCOLM PIRNIE, BOYLE AND PBS&J. WITH NO FURTHER DISCUSSION CHAIRMAN TOBIN REQUESTED A ROLL CALL VOTE.

<table>
<thead>
<tr>
<th>COMMISSIONER BAUMAN</th>
<th>YES</th>
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<td>COMMISSIONER BEATY</td>
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<td>COMMISSIONER BROOKS</td>
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<td>COMMISSIONER WILKINSON</td>
<td>YES</td>
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<tr>
<td>CHAIRMAN TOBIN</td>
<td>&quot;YES&quot;</td>
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</tbody>
</table>

ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

F. Legal Counsel's Report

Please see above.

G. Engineer's Report

A report was not presented.

H. Commissioner's Items
There were no commissioner's items.


Commissioner Wilkinson made a motion to approve the May 28, June 4, June 11 and June 18, 2003 minutes. Commissioner Bauman seconded the motion. All were in favor and the motion was unanimously approved.

J. Meeting Adjournment

Chairman Tobin adjourned the meeting at 6:45 p.m.
Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda

4:00 PM Wednesday, July 9, 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
   1. Approval of the Revised Monroe County/Key Largo Wastewater Treatment District Loan Agreement
   2. Approval of the Standard Contract for Consulting/Professional Services
F. General Manager's Report
   1. Potential revision to the KLWTD Board Meeting Schedule
   2. Status Report on the Haskell Company's KLTV Preliminary Project Schedule
G. Legal Counsel's Report
H. Engineer's Report
I. Commissioner's Items
K. Meeting Adjournment
KLWTD Board Meeting
July 9, 2003

Item C

Budget Workshop
July 2, 2003

Chairman and Members of the Board of Directors
Key Largo Wastewater Treatment District

Dear Sirs:

Enclosed is the second revision of the FY 2004 draft budget document for use during the Budget Workshop on July 9, 2003 for the first full fiscal year of operation of the Key Largo Wastewater Treatment District (KLWWTD). This budget includes an operating budget sheet and discussions of the initial two capital projects to establish the wastewater treatment capability of the District. Staff has incorporated the changes suggested by the Board at the June 18, 2003 Budget Workshop. Changes to the operating budget are highlighted in bold. There were no changes to the capital budget.

For purposes of reviewing the operating budget, staff has estimated the revenue and expenses to be incurred during the first partial year of District operations (FY 2003), and used this experience to project both revenue and expense in the budget year, FY 2004. For purposes of long range planning, estimated operating and debt service and renewal and replacement transfers have also been projected for the next four fiscal years (FY 2005-2008). This allows the Board to focus both on short-range budget issues, while seeing the long-range implications of their decisions.

The operating budget reflects that the two capital projects will be completed in FY 2005, with a full year of operations not taking place until FY 2006. Initial connection fees begin being received in FY 2005, with the majority being received in FY 2006. In the budget year three sources of revenue are shown, with the majority being received by an MSTU millage rate of 0.35. The MSTU revenue amounts assume a three (3) percent per year increase in assessed value, with the same 0.35 millage rate applied each year. The result has been reduced by five (5) percent, to reflect the reduction in actual proceeds expected after early payment discounts and uncollectable amounts are accounted for. Minor interest and miscellaneous revenues are also projected.

FY 2004 expenses have been re-computed. All changes made June 18 are balanced, so no net increase or decrease to the operating budget revenue and expenses resulted in FY 2004. Staff has proposed a balanced budget for FY 2004, with a surplus estimated at $77,209 for the year. Key expenditure considerations include an annual estimated three (3) percent increase in the cost living for most expense lines.

Principal changes include adding the Grants Specialist and Special Project lines to the budget. Funding was moved from the rents and leases, contingency, legal counsel, utility rate consultant and engineering services lines to fund these new lines.
The Capital Budget projects the completion of the Key Largo Trailer Village project and as much of the Key Largo Park project as feasible within the available funding sources. It also provides for adequate resources for contract administration and engineering oversight during the construction. Currently total funds available for the two projects amount to $12,598,958. $12,582,144 is committed to the construction of the two projects, including $1,336,957 available for future construction in Key Largo Park. This leaves a balance of $16,814 uncommitted for the Key Largo Village Project, for contingencies.

I look forward to your input to the operating and capital budgets of the district at this third budget workshop.

Sincerely,

Robert Sheets

Robert E. Sheets
General Manager
Item E - 1

Approval of the Revised Monroe County/Key Largo Wastewater Treatment District Loan
TO: Key Largo Wastewater Treatment District Board Members

CC: Charles Sweat, Director of Operations
Terry Lewis, Board Attorney
Amy Dukes, Board Attorney
Faith Doyle, Clerk to the Board

FROM: Robert Sheets, General Manager

DATE: July 1, 2003

RE: K LWTD Loan Agreement with Monroe County

At the direction of the KLWTD Board of Commissioners, the District’s legal counsel and general manager have reviewed the attached agreement and made various modifications based on discussions with the Board.

Please note that in the black-lined version several changes have been made. The most significant of which appears in paragraphs 3 (A) and 6.

Paragraph 3 (A) stipulates that if sufficient funds are not available to cover the loan repayment amounts that repayment would be differed until such funds are available to cover the repayment amount. Paragraph 6 has been inserted to affirmatively state that the parties agree to revisit the loan agreement prior to the actual repayment to the County.

It is both legal counsel’s and the district manager’s recommendation that the Board consider this modified agreement for execution. We believe these modifications meet with the Board’s direction and provide the District with a reasonable agreement between the District and the County.
LOAN AGREEMENT
KEY LARGO WASTEWATER TREATMENT DISTRICT

THIS LOAN AGREEMENT is entered into by and between Monroe County, a political subdivision of the State of Florida (the County) and the Key Largo Wastewater Treatment District, an independent special district (the District), pursuant to Sec. 2.03(A)(2) of an interlocal agreement between the parties effective February 26, 2003 (the interlocal agreement). A copy of the interlocal agreement, together with all its exhibits, is attached as Exhibit A and made a part hereof.

1. On or before July 1, 2003, the County shall transfer to the District the sum of $731,428 and shall request the Florida Keys Aqueduct Authority (FKAA) to transfer to the District the sum of $182,857 (which sum the County had previously transferred to the FKAA for the purposes described in paragraph 2 of this loan agreement).

2. a) The District agrees to establish a special fund to be called the Key Largo Trailer Village Project Fund (the Fund) and to deposit therein the money described in Paragraph 1 of this loan agreement. Money in the Fund may only be used to pay the costs of constructing the Key Largo Trailer Village central wastewater treatment and collection system (the Project) that are authorized as appropriate matching expenditures in the DCA/FEMA grant for the Project. A copy of the DCA/FEMA grant is attached to this loan agreement as Exhibit B.

   b) The District shall make disbursements or payments from the Fund only for the costs authorized in subparagraph 2(a) of this loan agreement. The District shall prepare and keep the records of such disbursements and payments according to generally accepted governmental accounting principles consistently applied and shall retain those records for a period of five years from the date of the completion of the Project. The records must be made available upon request to an auditor employed by the County or the State of Florida. If the auditor determines any funds may have been spent for unauthorized purposes, the auditor shall meet with District staff to confirm the purpose of the expenditure. If, after meeting with District staff, the auditor determines that any of the funds transferred to the District under this loan agreement were expended for purposes not authorized by this loan agreement or the DCA/FEMA grant, then the District shall, within 30 days of the auditor’s determination, return the amount determined by the auditor to have been improperly spent together with interest, calculated at the rate set forth in Sec. 55.03(1), FS, commencing on the date the auditor determined the funds were expended for a purpose not authorized by this loan agreement or the DCA/FEMA grant. This subparagraph controls over and amends any inconsistent language in the interlocal agreement Sec. 2.03(A)(2).

   c) Moneys transferred to the District under this loan agreement for deposit in the Fund must be deposited and secured in the same manner as public funds are authorized to be deposited and secured by the laws of the State of
Florida. Any interest paid on moneys deposited in the Fund will belong to the District.

3. a) Beginning on July 1, 2008, and on each July 1st thereafter through July 1, 2018, the District shall pay to the County $91,428.50 for repayment of the funds transferred to the District pursuant to paragraph 1 of this loan agreement, provided that the District has collected a sufficient amount of funds to cover the loan repayment amounts. If the District has not collected a sufficient amount of funds to cover the loan repayment amounts each July 1st until the loan is repaid in full, the District’s loan repayment installment for that year will be waived until the following year, and each year thereafter. The parties agree that the $91,428.50 is entirely a return of principal and that the County may not demand, or seek to charge, the District any interest on the funds transferred to the District pursuant to this loan agreement. The only exception to this no interest provision is the interest payable on funds determined to have been spent for a purpose not authorized by this loan agreement.

b) The County agrees to establish a special fund for the receipt and deposit of the moneys paid by the District to the County pursuant to subparagraph 3(a) of this loan agreement. The County agrees to return the moneys deposited in that fund for wastewater treatment and collection projects located within, or serving the residents of, the Key Largo Wastewater Treatment District. The moneys so deposited shall be spent by the District for District wastewater projects pursuant to interlocal agreement(s) entered into between the parties.

4. The requirement of each party that moneys be deposited and accounted for in a special fund may be satisfied by deposit in a single non-exclusive bank account or investment pool provided that adequate accounting records are maintained to reflect and control the restricted allocation of the moneys on deposit.

5. This loan agreement is not intended to, and does not give rise to, legal or beneficial rights on behalf of any third parties. The contractors, subcontractors, subsubcontractors, materialmen and tort claimants of the District, or any other third party, claiming or demanding damages, liability, payment, or other demand on account of an act, acts or omission or omissions of the District, its officers, employees, or agents, must seek the relief demanded or claimed from the District only.

6. The parties agree that prior to the time the first repayment amount is due to the County, as stated in paragraph 3 herein, the parties shall revisit and reconsider this Agreement to determine whether the terms and conditions of the repayment schedule should be amended.

7. All writings required by this loan agreement (including the payment of moneys) shall be sent to:
by certified mail, return receipt requested, or by a national courier service such as Federal Express. The above addresses may be changed by written notification.

8. This written loan agreement is the parties’ final mutual understanding. It supersedes any prior negotiations or agreements, whether written (in any format) or oral, and may only be amended by a writing signed by both parties.

9. This loan agreement will take effect on the signature date of the last party to execute the agreement.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the dates written below.

(SEAL)
ATTEST: DANNY L. KOLHAGE, CLERK

BOARD OF COUNTY COMMISSIONERS
OF MONROE COUNTY, FLORIDA

By ___________________________                     By ___________________________
Deputy Clerk                                                                                  Mayor/Chairman
Date __________________________

(SEAL)
Attest:
KEY LARGO WASTEWATER TREATMENT
District

By ___________________________                     By ___________________________
Secretary                                                                                  Chairman
Date __________________________

I:\Client Documents\Key Largo WTD\1724-000\Misc\Loan agreement - Monroe County.doc
KLWTD Board Meeting
July 9, 2003

Item E - 2

Approval of the Standard Contract for Consulting/Professional Services
Key Largo Wastewater Treatment District

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CONTRACT FOR CONSULTING/PROFESSIONAL SERVICES

This Contract is made and entered into this _____ day of ____________, 2003, by and
between ____________________________________________, whose principal place of business is
at ____________________________________________, (the "Consultant"),
whose Federal I.D. number is ____________, and the Key Largo Wastewater Treatment
District, a legal entity and public body created by Chapter 02-337, Laws of Florida, 2003 (the
"District"), whose principal place of business is ________________________.

WITNESSETH

WHEREAS, the District has pursued the engineering selection process contemplated under
Florida Statutes; and

WHEREAS, after due review of the proposals, the Board of Commissioners for the District
selected _____ firms for continuing engineering consulting agreements; and

WHEREAS, Consultant was one of those firms selected; and

WHEREAS, District desires to obtain the continuing professional engineering consulting
services of the Consultant concerning certain design, construction, permitting and engineering study
services, said services being more fully described in Work Authorizations issued under this Contract
for the projects.

NOW, THEREFORE, in consideration of the mutual promises herein, the District and the
Consultant agree as follows:

ARTICLE ONE
CONSULTANT’S RESPONSIBILITY

1.1. Consultant shall provide to District continuing professional engineering consulting services
in the area of sewer engineering and analyses for the duration of the Contract.

1.2. The Basic Services to be performed by Consultant hereunder shall be issued periodically as
Work Authorizations under this Contract in the format generally set forth in Schedule A. The basis
of compensation to be paid Consultant by the District for Basic Services is set forth in Article Five
and Schedule B, "Basis of Compensation" attached to each Work Authorization, which is attached
hereeto and incorporated herein. Work Authorization requests will be made to Consultant as may be
warranted, including but not limited to updates of plans, designs of sewer improvements, field and
construction services, and permitting activities as may be reasonably contemplated hereunder.

1.3. The Consultant agrees to obtain and maintain throughout the period of this Contract all such
licenses as are required to do business in the State of Florida, including, but not limited to, all
licenses required by the respective state boards, and other governmental agencies responsible for
regulating and licensing the professional services to be provided and performed by the Consultant pursuant to this Contract.

1.4. The Consultant agrees that, when the services to be provided hereunder relate to a professional service which, under Florida Statutes, requires a license, certificate of authorization or other form of legal entitlement to practice such services, it shall employ and/or retain only qualified personnel to provide such services.

1.5. Consultant agrees that the Project Manager for the term of this Contract shall be:

NAME OF PRINCIPAL
ADDRESS OF PRINCIPAL

The Consultant agrees that the Project Manager shall devote whatever time is required to satisfactorily manage the services to be provided and performed by the Consultant hereunder. The person selected by the Consultant to serve as the Project Manager shall be subject to the prior approval and acceptance of the District, and such approval or acceptance shall not be unreasonably withheld.

1.6. The Consultant agrees, within fourteen (14) calendar days of receipt of a Written request from the District, to promptly remove and replace the Project Manager, or any other personnel employed or retained by the Consultant, or any subconsultants or subcontractors or any personnel of any such subconsultants or subcontractors engaged by the Consultant to provide and perform services or Work pursuant to the requirements of this Contract, whom the District shall request in writing to be removed, which request may be made by the District with or without cause.

1.7. The Consultant has represented to the District that it has expertise in the type of professional services that will be required for the project. The Consultant agrees that all services to be provided by Consultant pursuant to this Contract shall be subject to the District's review and approval and shall be in accordance with the generally accepted standards of professional practice in the State of Florida, as well as in accordance with all published laws, statutes, ordinances, codes, rules, regulations and requirements of any governmental agencies which regulate or have jurisdiction over the project or the services to be provided and performed by Consultant hereunder. In the event of any conflicts in these requirements, the Consultant shall notify the District of such conflict and utilize its best professional judgment to advise District regarding resolution of the conflict.

1.8. Subject to Florida's Public Records Law, Consultant agrees not to divulge, furnish or make available to any third person, firm or organization, without District's prior written consent, or unless incident to the proper performance of the Consultant's obligations hereunder, or in the course of judicial or legislative proceedings where such information has been properly subpoenaed, any non-public information concerning the services to be rendered by Consultant hereunder, and Consultant shall require all of its employees, agents, subconsultants and subcontractors to comply with the provisions of this paragraph.
1.9. Evaluations of the District's project budget, preliminary estimates of construction cost and detailed estimates of construction cost prepared by the Consultant represent the Consultant's best judgment as a design professional familiar with the construction industry. The Consultant cannot and does not guarantee that bids or negotiated prices will not vary from any estimate of construction cost or evaluation prepared or agreed to by the Consultant. Notwithstanding anything above to the contrary, Consultant shall revise and modify Construction Documents and assist in the rebidding of the Work at no additional cost to District, if all responsive and responsible bids exceed the estimates of construction costs prepared by Consultant.

1.10. Consultant shall not be responsible for means, methods, techniques, sequences or procedures of construction selected by contractors or the safety precautions and programs incident to the work of contractors.

ARTICLE TWO
ADDITIONAL SERVICES OF CONSULTANT

If authorized in writing by the District, the Consultant shall furnish or obtain from others Additional Services of the types listed in Article Two herein. These services will be paid for by District as indicated in Article Five and Schedule B as attached to each Work Authorization. The following services, if not otherwise specified in Schedule A as part of Basic Services, shall be Additional Services:

2.1. Preparation of applications and supporting documents (except those already to be furnished under this Contract) for private or governmental grants, loans, bond issues or advances in connection with the project.

2.2. Services resulting from significant changes in the general scope, extent or character of the project or its design including, but not limited to, changes in size, complexity, District's schedule or character of construction; and revising previously accepted studies, reports, design documents or Contract Documents when such revisions are required by changes in laws, rules, regulations, ordinances, codes or orders enacted subsequent to and not reasonably anticipated prior to the preparation of such studies, reports or documents, or are due to any other causes beyond Consultant's control.

2.3. Preparation and submission of information to and necessary consultations with the local Transportation Department, Florida Department of Environmental Protection, Florida Department of Transportation, regional water management districts, U.S. Army Corps of Engineers or other appropriate regulatory agencies, in order to obtain necessary permits or approvals for construction of the project, unless such permits are expressly included in Basic Services to be performed by Consultant hereunder as set forth in the Schedule A-Scope of Services for a Work Authorization issued hereunder.

2.4. Providing renderings or models for District's use.
2.5. Investigations and studies involving detailed consideration of operations, maintenance and overhead expenses; the preparation of feasibility studies, cash flow and economic evaluations, rate schedules and appraisals; and evaluating processes available for licensing and assisting the District in obtaining process licensing.

2.6. Furnishing services of independent professional associates and consultants for other than the contract services to be provided by Consultant hereunder.

2.7. Services during out-of-town travel required of Consultant and directed by District, other than visits to the project site or District's office.

2.8. Assistance in connection with bid protests, rebidding or renegotiating contracts for construction, materials, equipment or services, except as otherwise provided for herein.

2.9. Providing any type of property surveys, aerial photography or related engineering services needed for the transfer of interests in real property and field surveys for design purposes and engineering surveys and staking to enable contractors to proceed with their work and providing other special field surveys.

2.10 Preparation of operating, maintenance and staffing manuals, except as otherwise provided for herein.

2.11. Preparing to serve or serving as a consultant or witness for the District in any litigation, or other legal or administrative proceeding, involving the Project (except for assistance in consultations which are included as part of the Basic Services to be provided herein).

2.12. Additional services rendered by Consultants in connection with the Project, not otherwise provided for in this Contract or not customarily furnished in accordance with generally accepted engineering practice.

ARTICLE THREE
DISTRICT'S RESPONSIBILITIES

3.1. The District shall designate in writing a District's Representative to act as the District's representative with respect to the services to be rendered under this Contract (hereinafter referred to as the "District's Representative"). The District's Representative shall transmit instructions, receive information, interpret and define District's policies and decisions with respect to Consultant's services for the Project. However, the District's Representative is not authorized to issue any verbal or written orders or instructions to the Consultant that would have the effect, or be interpreted to have the effect, of modifying or changing in any way whatever:

(a) The scope of services to be provided and performed by the Consultant hereunder;
(b) The time the Consultant is obligated to commence and complete all such services; or
(c) The amount of compensation the District is obligated or committed to pay the Consultant.
3.2. The District's Representative shall:

(a) Review and make appropriate recommendations on all requests submitted by the Consultant for payment for services and work provided and performed in Accordance with this Contract;

(b) Provide all criteria and information requested by Consultant as to District’s requirements, for the Project, including design objectives and constraints, space, capacity and performance requirements, flexibility and expandability, and any budgetary limitations;

(c) Upon request from Consultant, assist Consultant by placing at Consultant’s disposal all available information in the District’s possession pertinent to the Project, including existing drawings, specifications, shop drawings, product literature, previous reports and any other data relative to design or construction of the Project;

(d) Arrange for access to and make all provisions for Consultant to enter the Project site to perform the services to be provided by Consultant under this Contract; and

(e) Provide notice to Consultant of any deficiencies or defects discovered by the District with respect to the services to be rendered by Consultant hereunder.

3.3. Consultant acknowledges that access to the Project Site, to be arranged by the District for Consultant, may be provided during times that are not the normal business hours of the Consultant.

3.4. District shall be responsible for the acquisition of all easements, property sites, rights-of-way, or other property rights required for the Project and for the costs thereof, including the costs of any required land surveys in connection with such acquisition.

3.5. For the purposes of this Contract, the District's Representative shall be:

   Charles Sweat  
   Director of Operations  
   614 North Wymore Road  
   Winter Park, Florida 32789  
   (407)629-6900

The System Manager is:

   Robert E. Sheets  
   Government Services Group, Inc.  
   1500 Mahan Drive, Suite 250  
   Tallahassee, Florida 32308  
   (850) 681-3717
ARTICLE FOUR
TIME

4.1. Services to be rendered by Consultant shall be commenced subsequent to the execution of any Work Authorizations issued pursuant to this Contract, after receiving written Notice to Proceed from District for all or any designated portion of the Project and shall be performed and completed in accordance with the Project Schedule attached to the Work Authorization as Schedule C, the form of which is attached hereto and made a part hereof.

4.2. Should Consultant be obstructed or delayed in the prosecution or completion of its services as a result of unforeseeable causes beyond the control of Consultant, and not due to its own fault or neglect, including but not restricted to acts of God or of public enemy, acts of government or of the District, fires, floods, epidemics, quarantine regulations, strikes or lock-outs, then Consultant shall notify District in writing within five (5) working days after commencement of such delay, stating the cause or causes thereof, or be deemed to have waived any right which Consultant may have had to request a time extension.

4.3. No interruption, interference, inefficiency, suspension or delay in the commencement or progress of Consultant's services from any cause whatsoever, including those for which District may be responsible in whole or in part, shall relieve Consultant of its duty to perform or give rise to any right to damages or additional compensation from District. Consultant's sole remedy against District will be the right to seek an extension of time to its schedule. This paragraph shall expressly apply to claims for early completion, as well as claims based on late completion. Provided, however, if through no fault or neglect of the Consultant, the services to be provided hereunder have not been completed within the schedule identified in the Work Authorization, the Consultant's compensation shall be equitably adjusted, with respect to those services that have not yet been performed, to reflect the incremental increase in costs experienced by Consultant.

4.4. Should the Consultant fail to commence, provide, perform or complete any of the services to be provided hereunder in a timely and reasonable manner, in addition to any other rights or remedies available to the District hereunder, the District at its sole discretion and option may withhold any and all payments due and owing to the Consultant until such time as the Consultant resumes performance of its obligations hereunder in such a manner so as to reasonably establish to the District's satisfaction that the Consultant's performance is or will shortly be back on schedule.

ARTICLE FIVE
COMPENSATION

5.1. Compensation and the manner of payment of such compensation by the District for services rendered hereunder by Consultant shall be as prescribed in Schedule B; entitled "Basis of Compensation," which is attached herein and made a part hereof.

5.2. The total amount to be paid by the District under this Contract for all services and materials, including "out of pocket" expenses and any approved subcontracts, shall not exceed the amount set forth in the approved Work Authorizations without prior approval of the District's Board of
Commissioners. The Consultant shall notify the District's Representative in writing when 90% of the "not to exceed amount" has been reached. The District will not pay Consultant any amount which exceeds the "not to exceed amount" unless the Consultant has requested and received written approval from the District for such amount.

5.3. Invoices received by the District from the Consultant pursuant to this Contract will be reviewed and approved in writing by the District's Representative, indicating that services have been rendered in conformity with the Contract, then sent to the System Manager for review, approval and payment. All invoices shall contain a detailed breakdown of the services provided for which payment is being requested. Invoices shall be paid within thirty (30) days following the District Representative's approval, who shall process all payments in a prompt manner or advise Consultant in writing of reasons for not processing same. In addition to detailed invoices, upon request of the District's Representative or the System Manager, Consultant will provide District with detailed periodic Status Reports on the project.

5.4. "Out-of-pocket" expenses shall be reimbursed in accordance with Florida law and Schedule B. All requests for payment of "out-of-pocket" expenses eligible for reimbursement under the terms of this Contract shall include copies of paid receipts, invoices, or other documentation acceptable to the District's Representative and to the System Manager. Such documentation shall be sufficient to establish that the expense was actually incurred and necessary in the performance of the Scope of Work described in this Contract.

5.5. In order for both parties herein to close their books and records, the Consultant will clearly state "final invoice" on the Consultant's final/last billing to the District for each work order. This final invoice shall also certify that all services provided by Consultant have been performed in accordance with the applicable Work Authorization and all charges and costs have been invoiced to the District. Because this account will thereupon be closed, any and other further charges not included on this final invoice are waived by the Consultant. Acceptance of final payment by Consultant shall constitute a waiver of all claims and liens against District for additional payment.

ARTICLE SIX
WAIVER OF CLAIMS

6.1. Consultant's acceptance of final payment shall constitute a full waiver of any and all claims related to the obligation of payment by it against District arising out of this Contract or otherwise related to the Project, except those previously made in writing and identified by Consultant as unsettled at the time of the final payment. Neither the acceptance of Consultant's services nor payment by District shall be deemed to be a waiver of any of District's rights against Consultant.
ARTICLE SEVEN
TRUTH IN NEGOTIATION REPRESENTATIONS
AND PUBLIC ENTITY CRIMES STATEMENT

7.1. Consultant warrants that Consultant has not employed or retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Contract and that Consultant has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, gift or any other consideration contingent upon or resulting from the award or making of this Contract.

7.2. In accordance with provisions of Section 287.055(5)(a), Florida Statutes, the signature of this Contract by the Consultant shall also act as the execution of a truth in negotiation certificate certifying that the wage rates, overhead charges, and other costs used to determine the compensation provided for in this Contract are accurate, complete and current as of the date of the Contract and no higher than those charged the Consultant’s most favored customer for the same or substantially similar service. Should the District determine that said rates and costs were significantly increased due to incomplete, noncurrent or inaccurate representation, then said rates and compensation provided for in this Contract shall be adjusted accordingly.

7.3. Pursuant to section 287.133, Florida Statutes, the Consultant, by its execution of this Agreement, acknowledges and attests that neither it, nor any of its suppliers, subcontractors, or consultants who shall perform work which is intended to benefit the District, has been placed on the convicted vendor list following a conviction for a public entity crime. Consultant further understands and accepts that this Agreement shall be voidable by the District or subject to immediate termination by the District in the event there is any misrepresentation or lack of compliance with the mandates of section 287.133, Florida Statutes. The District, in the event of such termination, shall not incur any liability to the Consultant for any work or materials furnished.

ARTICLE EIGHT
TERMINATION OR SUSPENSION

8.1. Consultant shall be considered in material default of this Contract and such default will be considered cause for District to terminate this Contract, in whole or in part, as further set forth in this section, for any of the following reasons: (a) failure to begin work under the Contract within a reasonable time after issuance of the Notice(s) to Proceed of a Work Authorization, or (b) failure to properly and timely perform the services to be provided hereunder or as directed by the District pursuant to this Contract, or (c) the bankruptcy or insolvency or a general assignment for the benefit of creditors by Consultant or by any of Consultant’s principals, officers or directors, or (d) failure to obey laws, ordinances, regulations or other codes of conduct, or (e) failure to perform or abide by the terms or spirit of this Contract, or (f) for any other just cause. The District may so terminate this Contract, in whole or in part, by giving the Consultant seven (7) calendar days’ written notice.

8.2. If, after notice of termination of this Contract as provided for in paragraph 8.1 above, it is determined for any reason that Consultant was not, in default, or that its default was excusable, or
that District otherwise was not entitled to the remedy against Consultant provided for in paragraph 8.1, then the notice of termination given pursuant to paragraph 8.1 shall be deemed to be the notice of termination provided for in paragraph 8.3 below and Consultant's remedies against District shall be the same as and limited to those afforded Consultant under paragraph 8.3 below.

8.3. District shall have the right to terminate this Contract, in whole or in part, without cause upon seven (7) calendar days' written notice to Consultant. In the event of such termination for convenience, Consultant's recovery against the District shall be limited to that portion of the fee earned through the date of termination, together with any retainage withheld and any costs reasonably incurred by Consultant that are directly attributable to the termination, but Consultant shall not be entitled to any other or further recovery against the District, including, but not limited to, anticipated fees or profits on work not required to be performed.

8.4. Upon termination, the Consultant shall deliver to the District all original papers, records, documents, drawings, models, and other material set forth and described in this Contract.

8.5. The District shall have the power to suspend all or any portions of the services to be provided by Consultant hereunder upon giving Consultant two (2) calendar days prior written notice of such suspension. If all or any portion of the services to be rendered hereunder are so suspended, the Consultant's sole and exclusive remedy shall be to seek an extension of time to its schedule in accordance with the procedures set forth in Article Four herein.

ARTICLE NINE
PERSONNEL

9.1. The Consultant is, and shall be, in the performance of all work services and activities under this Contract, an Independent Contractor, and not an employee, agent, or servant of the District. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the Consultant's sole direction, supervision, and control. The Consultant shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the Consultant's relationship and the relationship of its employees to the District shall be that of an Independent Contractor and not as employees or agents of the District.

9.2. The Consultant represents that it has, or will secure at its own expense, all necessary personnel required to perform the services under this Contract. Such personnel shall not be employees of or have any contractual relationship with the District, nor shall such personnel be entitled to any benefits of the District including, but not limited to, pension, health and workers' compensation benefits.

9.3. All of the services required hereunder shall be performed by the Consultant or under its supervision, and all personnel engaged in performing the services shall be fully qualified and, if required, authorized or permitted under state and local law to perform such services.

9.4. Any changes or substitutions in the Consultant's key personnel, as may be listed in Article One, must be made known to the District's Representative and written approval must be granted by
the District's Representative before said change or substitution can become effective, said approval for which shall not unreasonably be withheld.

9.5. The Consultant warrants that all services shall be performed by skilled and competent personnel to professional standards applicable to firms of similar local and national reputation.

ARTICLE TEN
SUBCONTRACTING

10.1. Consultant shall not subcontract any services or work to be provided to District without the prior written approval of the District's Representative. The District reserves the right to accept the use of a subcontractor or to reject the selection of a particular subcontractor and to inspect all facilities of any subcontractors in order to make a determination as to the capability of the subcontractor to perform properly under this Contract. The District's acceptance of a subcontractor shall not be unreasonably withheld. The Consultant is encouraged to seek minority and women business enterprises for participation in subcontracting opportunities.

ARTICLE ELEVEN
FEDERAL AND STATE TAX

11.1. The District is exempt from payment of Florida state sales and use taxes. The District will sign an exemption certificate submitted by the Consultant. The Consultant shall not be exempted from paying sales tax to its suppliers for materials used to fulfill contractual obligations with the District, nor is the Consultant authorized to use the District's tax exemption number in securing such materials.

11.2. The Consultant shall be responsible for payment of its own and its share of its employees' payroll, payroll taxes, and benefits with respect to this Contract.

ARTICLE TWELVE
AVAILABILITY OF FUNDS

12.1. The District's performance and obligation to pay under this contract is contingent upon an appropriation of funds for the purposes defined in the work orders, or as otherwise requested by the System Manager.

ARTICLE THIRTEEN
OWNERSHIP OF DOCUMENTS

13.1. Upon completion or termination of this Contract, all records, documents, tracings, plans, specifications, maps, evaluations, reports, computer assisted design or drafting disks and other technical data, other than working papers, prepared or developed by Consultant under this Contract shall be delivered to and become the property of District. Consultant, at its own expense, may retain copies for its files and internal use. To the extent provided by law, District agrees to indemnify and hold harmless Consultant with respect to any claim, loss or damage, including attorneys' fees
incurred by Consultant due to the District’s use of said records, documents, tracings, plans, specifications, maps, evaluations, reports, computer disks and other technical data on some other project unless such use is authorized by Consultant.

13.2. With respect to and in consideration for the indemnification provided by District in paragraph 13.1. above, Consultant agrees to pay to District $10.00, the sufficiency and receipt of which is acknowledged through the signing of this Contract.

13.3. The District and the Consultant shall comply with the provisions of Chapter 119, Florida Statutes (Public Records Law). Consultant assumes no liability for the use of such documents by the District or others for purposes not intended under this Contract.

ARTICLE FOURTEEN
MAINTENANCE OF RECORDS

14.1. Consultant will keep adequate records and supporting documentation which concern or reflect its services hereunder. The records and documentation will be retained by Consultant for a minimum of five (5) years from the date of termination of this Contract or the date the Project is completed, whichever is later. District, or any duly authorized agents or representatives of District, shall have the right to audit, inspect and copy all such records and documentation as often as they deem necessary during the period of this Contract and during the five (5) year period noted above; provided, however, such activity shall be conducted only during normal business hours.

ARTICLE FIFTEEN
INSURANCE

15.1. During the life of the Contract the Consultant shall provide, pay for, and maintain, with companies satisfactory to the District, the types of insurance described herein. All insurance shall be from responsible companies duly authorized to do business in the State of Florida and/or responsible risk retention group insurance companies registered with the State of Florida. Prior to execution of this Contract by District, the insurance coverages and limits required must be evidenced by properly executed Certificates of Insurance on forms which are acceptable to the District. The Certificates must be personally, manually signed by the Authorized Representatives of the insurance company/companies shown on the Certificates with proof that he/she is an authorized representative thereof. In addition, certified, true and exact copies of all insurance policies required shall be provided to the District, on a timely basis, if required by the District. These Certificates and policies shall contain provisions that thirty (30) days' written notice by registered or certified mail shall be given the District of any cancellation, intent not to renew, or reduction in the policies' coverages, except in the application of the Aggregate Limits Provisions. In the event of a reduction in the Aggregate Limit of any policy, the Consultant shall immediately take steps to have the Aggregate Limit reinstated to the full extent permitted under such policy. All insurance coverages of the Consultant shall be primary to any insurance or self-insurance program carried by the District applicable to this Project.
15.2. The acceptance by the District of any Certificate of Insurance for this Project evidencing the insurance coverages and limits required in this Contract does not constitute approval or agreement by the District that the insurance requirements have been met or that the insurance policies shown on the Certificates of Insurance are in compliance with the requirements of this Contract.

15.3. Before starting and until acceptance of the work by District, Consultant shall procure and maintain insurance of the types and to the limits specified in paragraph 15.7 entitled "Required Insurance," which is attached hereto and made a part hereof. Consultant shall require each of its subconsultants and subcontractors to procure and maintain, until the completion of that subconsultant's or subcontractor's work, insurance of the types and to the limits specified in paragraph 15.7, unless such insurance requirement for the subconsultant or subcontractor is expressly waived in writing by the District. Said waiver shall not be unreasonably withheld upon Consultant representing in writing to District that Consultant's existing coverage includes and covers the subconsultants and subcontractors for which a waiver is sought, and that such coverage is in conformance with the types and limits of insurance specified in paragraph 15.7. All liability insurance policies, other than the Professional Liability, Workers' Compensation and Employers' Liability policies, obtained by Consultant to meet the requirements of this Contract shall name District as an additional insured as to the operations of the Consultant under this Contract and the Contract Documents shall contain severability of interests provisions.

15.4. If any insurance provided pursuant to this Contract expires prior to the completion of the work, renewal Certificates of Insurance and, if requested by District, certified, true copies of the renewal policies shall be furnished by Consultant thirty (30) days prior to the date of expiration. Should at any time the Consultant not maintain the insurance coverages required in this Contract, the District may cancel this Contract or at its sole discretion shall be authorized to purchase such coverages and charge the Consultant for such coverages purchased. The District shall be under no obligation to purchase such insurance, nor shall it be responsible for the coverages purchased or the insurance companies or companies used. The decision of the District to purchase such insurance coverages shall in no way be construed to be a waiver of its rights under this Contract.

15.5. Certificates of insurance, reflecting evidence of the required insurance, shall be filed with the System Manager prior to the commencement of the work. The Consultant shall not commence work under this Contract until it has obtained all insurance required under this paragraph and such insurance has been approved by the System Manager, nor shall the Consultant allow any subcontractor to commence work on its sub-contract until all similar such insurance required of the subcontractor has been obtained and approved.

15.6. Policies shall be issued by companies authorized to do business under the laws of the State of Florida and shall have adequate Policyholders and Financial ratings in the latest ratings of A.M. Best, said A.M. Best rating for which shall be A- or better.
15.7. REQUIRED INSURANCE

1. Commercial General Liability

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

A. Single Limit Bodily Injury & Property Damage
   1. Each Occurrence $1,000,000
   2. Annual Aggregate 1,000,000

B. Personal Injury
   Annual Aggregate $1,000,000

2. Comprehensive Automobile Liability

Comprehensive Automobile Liability for all vehicles used in the performance of this Contract:

A. Single Limit Bodily Injury & Property Damage
   1. Each Occurrence $1,000,000

Coverage shall include owned, hired and/or non-owned vehicles.

The District must be named as an additional insured for the Automobile and Commercial General Liability coverage.

3. Professional Liability

Professional Liability with limits not less than $2,000,000. If coverage is provided on a claims made basis then coverage must be continued for the duration of this Contract and for not less than one (1) year thereafter, or in lieu of continuation, provide an "extended reporting clause" for one (1) year.

4. Worker's Compensation Insurance

Workers' Compensation Insurance shall be maintained during the life of this Contract to comply with statutory limits for all employees, and in the case any work is sublet, the Consultant shall require any Subcontractors similarly to provide Workers' Compensation Insurance for all the latter's employees unless such employees are covered by the protection
afforded by the Consultant. The Consultant and its Subcontractors shall maintain during the life of this Contract Employer's Liability Insurance. The following must be maintained.

A. Workers' Compensation Statutory
B. Employer's Liability $300,000 per accident

The District reserves the right to require any other insurance coverage it deems necessary depending upon the exposures.

ARTICLE SIXTEEN
INDEMNIFICATION

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

16.2. The Consultant agrees to indemnify and hold harmless the District, its officers, agents and employees against any loss, damage or expense (including all costs and reasonable attorneys' fees) suffered by District from (a) any breach or misconduct by the Consultant of this Contract, (b) any inaccuracy in or breach of any of the representations, warranties or covenants made by the Consultant herein, (c) any claims, suits, actions, damages or causes of action arising during the term of this Contract for any personal injury, loss of life or damage to property sustained by reason or as a result of performance of this Contract by the Consultant and the Consultant's agents, employees, invitees, and all other persons, claims, suits, actions, damages or causes of action for any personal injury, loss of life or damage to property sustained by reason or as a result of the presence of the Consultant and the Consultant's agents, employees, invitees, and all other persons, and (d) Consultant acknowledges and agrees that District would not enter into this Contract without this indemnification of District by Consultant, and that District's entering into this Contract shall constitute good and sufficient consideration for this indemnification. These provisions shall survive the expiration or earlier termination of this Contract. Nothing in this Contract shall be construed to affect in any way the District's rights, privileges, and immunities as set forth in Section 768.28, Florida Statutes.

16.3. Consultant acknowledges that the general conditions of any construction contract shall include language, satisfactory to the District’s attorney, in which the contractor agrees to hold harmless and to defend District, Consultant, their agents and employees, from all suits and actions, including attorney’s fees, and all costs of litigation and judgments of any name and description arising out of or incidental to the performance of the construction contract or work performed thereunder. District acknowledges that Consultant shall be expressly named as an indemnified party, and shall be held harmless, in the general conditions of any construction contract, and shall be named as an additional insured in any contractor’s insurance policies.
ARTICLE SEVENTEEN
SUCCESSORS AND ASSIGNS

17.1. The District and the Consultant each binds itself and its successors, executors, administrators and assigns to the other party of this Contract and to the successors, executors, administrators and assigns of such other party, in respect to all covenants of this Contract. Except as above, neither the District nor the Consultant shall assign, sublet, convey or transfer its interest in this Contract without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the District which may be a party hereeto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the District and the Consultant.

ARTICLE EIGHTEEN
REMEDIES

18.1. This Contract shall be governed by the laws of the State of Florida. Any and all legal action necessary to enforce the Contract shall be held in Monroe County. No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

ARTICLE NINETEEN
CONFLICT OF INTEREST

19.1. The Consultant represents that it has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance of services required hereunder, as provided for in the Code of Ethics for Public Officers and Employees (Chapter 112, Part III, Florida Statutes). The Consultant further represents that no person having any interest shall be employed for said performance.

19.2. The Consultant shall promptly notify the System Manager, in writing, by certified mail, of all potential conflicts of interest for any prospective business association, interest or other circumstance which may influence or appear to influence the Consultant's judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the Consultant may undertake and request an informed determination from the System Manager as to whether the association, interest or circumstance would be reviewed by the System Manager as constituting a conflict of interest if entered into by the Consultant. The System Manager agrees to notify the Consultant of its opinion by certified mail within thirty (30) days of receipt of notice by the Consultant. Such determination may be appealed to the Board of Directors by the Consultant within thirty (30) days of the System Manager's notice to the Consultant. If, in the opinion of the System Manager or District, the prospective business association, interest or circumstance would not constitute a conflict of interest by the Consultant, the System Manager or District shall so state in the notice and the Consultant
shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the District by the Consultant under the terms of this Contract.

ARTICLE TWENTY
DEBT

20.1. The Consultant shall not pledge the District's credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien or any form of indebtedness. The Consultant further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Contract.

ARTICLE TWENTY ONE
NONDISCRIMINATION

21.1. The Consultant warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, marital status, or sexual orientation.

ARTICLE TWENTY TWO
ENFORCEMENT COSTS

22.1. If any legal action or other proceeding is brought for the enforcement of this Contract, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of this Contract, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees, court costs and all expenses (including taxes) even if not taxable as court costs (including, without limitation, all such fees, costs and expenses incident to appeals), incurred in that action or proceeding, in addition to any other relief to which such party or parties may be entitled.

ARTICLE TWENTY THREE
NOTICE

23.1. All notices required in this Contract shall be sent by certified mail, return receipt requested to the Consultant's Representative, the District Representative and the System Manager at the addresses shown in Articles One and Three hereof.

ARTICLE TWENTY FOUR
MODIFICATION OF SCOPE OF WORK

24.1. It is the intent of this Contract that District shall from time to time issue Work Authorizations for Consultant to perform work. All Work Authorizations will be duly approved by the District's Board of Directors prior to issuance. Consultant shall expeditiously perform such work within the schedule indicated in the work order in accordance with Article Four above. Consultant shall timely cooperate with District Representative and System Manager in negotiating the cost and schedule of said work orders prior to submission to the District Board of Directors for approval. The District
reserves the right to make changes in the Scope of Work, including alterations, reductions therein or additions thereto. Upon receipt by the Consultant of the District’s notification of a contemplated change, the Consultant shall, in writing: (1) provide a detailed estimate for the increase or decrease in cost due to the contemplated change, (2) notify the District of any estimated change in the completion date, and (3) advise the District if the contemplated change shall effect the Consultant’s ability to meet the completion dates or schedules of this Contract.

24.2. If the District so instructs in writing, the Consultant shall suspend work on that portion of the Scope of Work or work order affected by a contemplated change, pending the District’s decision to proceed with the change. Consultant shall be entitled to invoice District for that portion of the work completed prior to receipt of the written notice.

24.3. If the District elects to make the change, the District shall initiate a Contract Amendment and the Consultant shall not commence work on any such change until such written amendment is signed by the Consultant and the System Manager, and if such Scope of Work is in excess of $20,000 it must also first be approved by the Board of Directors.

ARTICLE TWENTY FIVE
MODIFICATION

25.1. The District and the Consultant agree that this Contract together with the Exhibits hereto, sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto in accordance with Article Twenty Four - Modification of Scope of Work. In the event of any conflict or inconsistency between this Contract and the provisions in the incorporated Exhibits, the terms of this Contract shall supersede and prevail over the terms in the Exhibits.

ARTICLE TWENTY SIX
MISCELLANEOUS

26.1. Consultant, in representing District, shall promote the best interest of District and assume towards District a duty of the highest trust, confidence and fair dealing.

26.2. No modification, waiver, suspension or termination of the Contract or of any terms thereof shall impair the rights or liabilities of either party.

26.3. This Contract is not assignable, in whole or in part, by Consultant without the prior written consent of District.

26.4. Waiver by either party of a breach of any provision of this Contract shall not be deemed to be a waiver of any other breach and shall not be construed to be a modification of the terms of this Contract.
26.5. The headings of the Articles, Schedules, Parts and Attachments as contained in this Contract are for the purpose of convenience only and shall not be deemed to expand, limit or change the provisions in such Articles, Schedules, Parts and Attachments.

26.6. This Contract, initially consisting of ____________ continuously numbered pages including the referenced Schedules and Attachments hereto, constitutes the entire agreement between the parties hereto and shall supersede, replace and nullify any and all prior agreements or understandings, written or oral, relating to the matter set forth herein, and any such prior agreements or understanding shall have no force or effect whatever on this Contract.

ARTICLE TWENTY SEVEN
SEVERABILITY

27.1. If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such term or provision, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

IN WITNESS WHEREOF, the parties hereto have set their hands and official seals the day and year first above written.

CONTRACTOR _______________
CONTRACTOR

Secretary

Chief Executive Officer
KEY LARGO WASTEWATER TREATMENT DISTRICT

Its Chair

ATTEST:

Clerk to the Board

Approved as to form

KLWTD General Counsel
SCHEDULE A

SCOPE OF SERVICES

Schedule A consists of the following component Parts:

A.1. DESCRIPTION OF PROJECT (Work Authorization Form)

BASIC SERVICES:

A.2. DESIGN REPORT

A.3. PRELIMINARY DESIGN

A.4. FINAL DESIGN

A.5. CONSTRUCTION BID SERVICES

A.6. CONSTRUCTION CONTRACT ADMINISTRATION

A.7. DETAILED OBSERVATION OF CONSTRUCTION
Work Authorization No. ____________

Professional Services Agreement
Between the

Key Largo Wastewater Treatment District Utility District, a legal entity and public body created by
Chapter 02-337, Laws of Florida, 2003

and

[Consultant]

A. Summary of Services to Be Rendered

B. Project Cost

C. Schedule:

D. Administrative Fee to GSG (if applicable)

E. Notice/Project Manager of Consultant

[Consultant]

KLWTD Chairman

Certification that Sufficient Funds are Available:

__________________________________________

CFO

Director of Operations

A-H22
A.2. DESIGN REPORT.

A.2.1. Consult with District to clarify and define District's requirements for the Project and review available data.

A.2.2. Advise District as to the necessity of District obtaining from Consultant, Additional Services described in Article Two of this Agreement, such as, but not limited to probings, subsurface explorations, special permits, or other similar investigations.

A.2.3. Prepare a Design Report containing schematic layouts, sketches and conceptual design criteria with appropriate exhibits to indicate clearly the considerations involved (including applicable requirements of all governmental authorities having jurisdiction over the project), and any alternative designs available to District and setting forth Consultant's findings and recommendations. The Design Report also shall contain Consultant's professional evaluation of District's Project budget. Said evaluation shall contain Consultant's initial professional opinions of probable total costs for the Project, including construction costs, contingencies, and allowances for charges of all professionals and consultants. The Design Report also shall present Consultant's recommendations as to how the construction contract(s) should be let out for bid.

A.2.4. Furnish five (5) copies of the Design Report, schedule and conduct a meeting with District to present the Design Report for District's review and approval.
A.3. PRELIMINARY DESIGN.

A.3.1. Prepare in a format acceptable to District, all preliminary Contract Documents, including but not limited to all designs, drawings, special conditions, general conditions, supplemental conditions, specifications and bid and Agreement forms, necessary for construction of the Project.

A.3.2. Keep District informed as to the status of the project design through no less than monthly meetings at the District's offices.

A.3.3. Upon completion and submission to District of the preliminary design for Project, provide to District five (5) copies of the preliminary Contract Documents and Consultant's professional preliminary opinions of probable total Project and construction costs for review and approval by District. The improvements for which services are to be rendered under this Agreement shall include the Project as described in the description in paragraph A.1.1. of this Schedule A.
A.4. FINAL DESIGN.

A.4.1. Provide District with proposed final construction drawings and detailed opinions of probable total Project construction costs in writing for District's review, prior to completion of the final Contract Documents, so that any changes that may be necessary in accordance with Project's budgetary schedule can be made prior to bid.

A.4.2. Upon District's approval of detailed opinions of probable total Project and construction costs, provide to District, for its review and approval, five (5) copies of final Contract Documents.
A.5. CONSTRUCTION BID SERVICES.

A.5.1. Consultant shall assist in securing bids and:

(a) provide interpretation and clarification of Contract Documents during bidding;

(b) coordinate bid process with District including advertisements, publications, Contract Document sales and receipt of bids;

(c) distribute Contract Documents during bidding phase to prospective bidders;

(d) maintain record of prospective bidders to whom bidding documents have been distributed;

(e) organize and conduct pre-bid meeting with prospective bidders;

(f) attend the bid opening, prepare bid tabulation sheets and assist District in evaluating bids or proposals and in assembling and awarding contracts for construction, materials, equipment and services;

(g) assist District in evaluating bidder's previous experience, if necessary;

(h) prepare and issue addenda as appropriate to interpret or clarify Contract Documents;

(i) provide District with a recommendation as to the acceptability of subcontractors, suppliers and other persons and organizations proposed by the bidders for those portions of the work as to which such acceptability is required by the Contract Documents;

(j) provide District with recommendation concerning the acceptability of substitute materials and equipment proposed by bidder(s) when substitution prior to the award of contacts is allowed by the Contract Documents; and,

(k) make a recommendation of contract award.
A.6. CONSTRUCTION CONTRACT ADMINISTRATION.

A.6.1. Consult with the District and contractors as reasonably required and necessary with regard to construction of the Project, including but not limited to pre-construction conference and monthly coordination meeting with District and contractor.

A.6.2. Review materials and workmanship of the Project and report to District any deviations from the Contract Documents which may come to the Consultant's attention; determine the acceptability of work and materials and make recommendation to District to reject items not meeting the requirements of the Contract Documents.

A.6.3. Recommend to the District in writing that the work, or designated portions thereof, be stopped if, in Consultant's judgment, such action is necessary to allow proper inspection, avoid irreparable damage to the work, or avoid subsequent rejection of work which could not be readily replaced or restored to an acceptable condition. Such stoppage to be only for a period reasonably necessary for the determination of whether or not the work will in fact comply with the requirements of the Contract Documents.

A.6.4. Require that any work which is covered up without being properly observed be uncovered for examination and restored at contractor's expense if deemed appropriate by the Consultant.

A.6.5. Issue interpretations and clarifications of Contract Documents during construction, and evaluate requests for substitutions or deviations therefrom. Notify District of any such requested
deviations or substitutions and when reasonably necessary provide District with a recommendation concerning same. Prepare work change orders as directed by District.

A.6.6. Submit to District, in a format acceptable to District, monthly progress and status reports, including but not limited to manpower, amount of work performed and by whom, equipment, problems encountered, method to correct problems, errors, omissions, deviations from Contract Documents, and weather conditions.

A.6.7. Review shop drawings, diagrams, illustrations, catalog data, schedules and samples, the results of laboratory tests and inspections, and other data which contractors are required to submit for conformance with the design concept of the Project and compliance with the provisions of the Contract Documents.

A.6.8. Monitor all required Project records, including but not limited to delivery schedules, inventories and construction reports. Based upon the Project records, as well as Consultant's observations at the site and evaluations of the data reflected in contractor's application for payment, Consultant shall render a recommendation to District concerning the amount owed to the contractor(s) and shall forward the contractor's application for such amount to District. Such approval of the application for payment shall constitute a representation by Consultant to District, based on observations and evaluations, that:

(a) the work has progressed to the point indicated;

(b) the work is in substantial accordance with the Contract Documents; and

(c) the contractor(s) is (are) entitled to payment in the recommended amount.
A.6.9. Receive and review all items to be delivered by the contractor(s) pursuant to the Contract Documents, including but not limited to all maintenance and operating instructions, schedules, guarantees, warranties, bonds and certificates of inspection, tests and approvals. Consultant shall transmit all such deliverables to District with Consultant's written comments and recommendations concerning their completeness under the Contract Documents.

A.6.10. Negotiate with the contractor(s), the scope and cost of any necessary contract change orders, using as a basis for such negotiations data or other information emanating from the Contract Documents, including but not limited to the bid sheet, technical specifications, plans, shop drawings, material specifications, and proposed material and labor costs. Prepare, recommend and submit for District's approval such change orders.

A.6.11. Upon receiving notice from the contractor advising Consultant that the Project is substantially complete, Consultant, shall schedule and, in conjunction with District, conduct a comprehensive inspection of the Project, develop a list of items needing completion or correction, forward said list to the contractor and provide written recommendations to District concerning the acceptability of work done and the use of the Project. For the purposes of this provision, substantial completion shall be deemed to be the stage in construction of the Project where the Project can be utilized for the purposes for which it was intended, and where minor items need not be fully completed, but all items that affect the operational integrity and function of the Project are capable of continuous use.
A.6.12. Perform final inspection in conjunction with District, and assist District in closing out construction contract, including but not limited to, providing recommendations concerning acceptance of Project and preparing all necessary documents, including but not limited to, lien waivers, contractor's final affidavit, close-out change orders, and final payment application.

A.6.13. Prepare and submit to District upon completion of construction of the Project, five (5) sets of record drawings and one (1) set of reproducible record drawing mylars of the work constructed, including those changes made during the construction process, using information supplied by the contractors and other data which can reasonably be verified by Consultant's personnel.

A.6.14. Prepare and submit to District upon completion of construction of Project a final report of variations from the construction Contract Documents, including reasons for the variations.
A.7. DETAILED OBSERVATION OF CONSTRUCTION.

A.7.1. Construction work shall be done under the full-time observation of at least one representative of Consultant; or by such additional representatives of the Consultant as may be necessary for observing the construction of the Project, as may be authorized and approved by the District.

A.7.2. During detailed observation of construction Consultant shall act to protect District's interests in Project and:

(a) take 3 x 5 color 35 mm photographs of important aspects of the Project process and submit same together with corresponding negatives on a continuous basis to District; such pictures to be properly categorized and identified as to date, time, location, direction and photographer, with subsequent notations on drawings;

(b) maintain appropriate field notes from which record drawings can be generated;

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

(d) observe operation or performance testing and report findings to District and contractor [optional insert i.e., including copies of bacteriological and pressure tests] when potable water lines are involved upon completion of operable units.

END OF SCHEDULE A
SCHEDULE B

BASIS OF COMPENSATION

B.1.1. As consideration for providing Basic Services as set forth herein in Parts A.2, A.3, A.4, A.5 and A.6 of Schedule A, District agrees to pay, and Consultant agrees to accept, the lump sum fees as shown on Attachment A entitled "Schedule Fees for Basic Services".

B.1.2. Payment For Basic Services under Parts A.2, A.3, A.4, A.5 and A.6 of Schedule A shall be paid on a lump sum basis in accordance with set milestones as follows:

(a) the A.2 milestone shall be the submittal to District of the Design Report and Consultant's initial professional opinions of probable total Project and construction costs.

(b) the A.3 milestone shall be the submittal to District of the preliminary Contract Documents and Consultant's preliminary opinions of probable total Project and construction costs.

(c) the A.4 milestone shall be the submittal to the District of the final Contract Documents after District's approval of detailed opinions of probable total Project and construction costs.

(d) the A.5 milestone shall be the award of bids by District.

(e) the A.6 milestone shall be the close-out of construction contract, final inspection and submittal of record drawings and final report of variations from the construction Contract Documents.

B.1.3. Payment for Basic Services under Parts A.3, A.4 and A.6 of Schedule A shall be paid on a lump sum fee basis in equal monthly installments as follows:
(a) payment for Basic Services under Part A.3 shall be paid monthly based upon the preliminary design time plus one month, the last payment to be twice the others (i.e. a 6-month design time will yield 6 monthly payments; the first 5 of which will be equal to one-seventh (1/7) the fee shown on Attachment A for Part A.3. Preliminary Design). However, payments shall commence no sooner than thirty (30) days after submittal of the Design Report and shall occur no more often than monthly, except last payment due for the services provided under Part A.3 (i.e. twice the previous monthly payments) shall not be made until submittal to District of the preliminary Contract Documents under Part A.3.

(b) payment for Basic Services under Part A.4 shall be paid monthly based upon the final design time plus one month, the last payment to be twice the others (i.e. a 6-month design time will yield 6 monthly payments; the first 5 of which will be equal to one-seventh (1/7) the fee shown on Attachment A for Part A.4. Final Design). However, payments shall commence no sooner than thirty (30) days after approval and acceptance by District of the Preliminary Contract Documents and shall occur no more often than monthly, except last payment due for the services provided under Part A.4. (i.e. twice the previous monthly payments) shall not be made until approval and acceptance by District of the preliminary Contract Documents under Part A.4.

(c) payment for Basic Services under Part A.6 shall be paid on a monthly basis based upon the construction time plus three months, the last payment to be twice the others (i.e. a 7-month construction schedule will yield 10 monthly payments; the first 9 of which will be equal to one-eleventh (1/11) the fee shown on Attachment A for Part A.6 Construction Contract Administration). However, payment shall commence no sooner than thirty (30) days after the Notice to Proceed to the contractor and shall occur no more often than monthly, except the last payment due for the services provided under Part A.6 (i.e. twice the previous monthly payments) shall not be made until the close-
out of construction contract, final inspection and submittal of record drawings and final report of variations from the construction Contract Documents under Part A.6. Services in excess of the fee shown on Attachment A for Part A.6 Construction Contract Administration not due to delay caused by Consultant shall be considered Additional Services.

B.2.1. As consideration for providing Basic Services under Part A.7 entitled "Detailed Observation of Construction" and for properly approved Additional Services set forth in Article Two of this Agreement as estimated on Attachment C entitled "Consultant's Estimate of Additional Services", District agrees to pay and Consultant agrees to accept payment on a time and reimbursable cost basis. Payments for Part A.7 services and properly approved Additional Services shall be made monthly on a time and reimbursable cost basis computed in accordance with either Attachment B entitled "Consultant's Employee Hourly Rate Schedule" for employees working under this Agreement or Attachment C entitled "Consultant's Estimate of Additional Services". Payment shall be made monthly on an as needed basis, not to exceed 40 hours per person per week. Payment for services performed by individuals beyond 40 hours per week or Saturdays, Sundays or holidays, shall be increased by a factor of 1.5 applied to Attachment B provided such overtime work is approved by District in advance whenever possible and not due to Consultant's own fault or neglect.

B.2.2. Reimbursable costs shall mean the actual expenditures made by the Consultant while providing Basic Services under Part A.7 or Additional Services, in the interest of the Project, listed in the following sub-paragraphs:

(a) expenses for transportation and subsistence incidental to out-of-town travel required by Consultant and directed by District, other than visits to the Project Site or District's office;
(b) expenses for preparation, reproduction, photographic production techniques, postage and handling of drawings, specifications, bidding documents and similar Project-related items in addition to those otherwise required in Parts A.2, A.3, A.4, A.5 and A.6 of Basic Services;
(c) when authorized in advance by District, except as specifically otherwise provided herein, the expense of overtime work requiring higher than regular rates; and
(d) expenses for renderings, models and mock-ups requested by District.

B.2.3. By way of example and not limitation, reimbursable costs shall specifically not include expenditures, except as otherwise described in paragraph B.2.2, such as:
(a) expenses for transportation and subsistence;
(b) overhead, including field office facilities;
(c) overtime not authorized by District; or
(d) expenses for copies, reproductions, postage, handling, express delivery, and long-distance communications.

B.3.1. In no case shall the lump sum figures on Attachment A be exceeded without a change in the scope of the project being approved by the Board of Directors for the Key Largo Wastewater Treatment District Utility District.

B.3.2. Detailed Construction Observation work performed under Part A.7. and Additional Services, shall be paid as substantiated to the limits shown in Attachment C, but not to exceed the sum of those figures without execution of an appropriate Agreement amendment.
B.3.3. Payments will be made for services rendered, no more than on a monthly basis, within thirty (30) days of submittal of an approvable invoice. The number of the purchase order by which District the services have been made, shall appear on all invoices. All invoices shall be reasonably substantiated, identify the services rendered and must be submitted in triplicate in a form and manner required by District.

B.3.4. Consultant acknowledges that Attachment A - Schedule of Fees for Basic Services, Attachment B - Consultant's Employee Hourly Rate Schedule, and Attachment C - Consultant's Estimate of Additional Services, each attached to this Schedule B are incorporated herein and, will be the basis for District's budgeting, authorizing and monitoring of expenditures under this Agreement.

B.3.5. As compensation for coordinating subconsultant activities for District, Consultant shall be allowed an administrative fee not to exceed ten percent (10%) of the actual cost of services rendered under Part A.7 and Additional Services. For the purposes of this provision the actual cost of services rendered shall not include any mark-up between the vendor who actually performed the services and any sub-consultant. No administrative fee or mark-up shall be paid in conjunction with the provision of Basic Services as set forth in Parts A.2, A.3, A.4, A.5 and A.6 of Schedule A.

END OF SCHEDULE B.
SCHEDULE B - ATTACHMENT A

SCHEDULE OF FEES FOR BASIC SERVICES

[reduce schedule to be provided by Consultant and place it here]
SCHEDULE B - ATTACHMENT B

CONSULTANT'S EMPLOYEE HOURLY RATE SCHEDULE

[reduce schedule to be provided by Consultant and place it here].
SCHEDULE B - ATTACHMENT C

CONSULTANT'S ESTIMATE OF ADDITIONAL SERVICES
(INCLUDING DETAILED OBSERVATION OF CONSTRUCTION)

[reduce schedule to be provided by Consultant and place it here]
[reduce schedule to be provided by Consultant and place it here.]
Key Largo Wastewater Treatment District
Board of Commissioners Meeting Minutes
4:00 PM Wednesday, July 9, 2003
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

COMMISSIONERS 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
Amy Dukes, Legal Counsel, Lewis Longman & Walker, P.A. (via telephone-for the meeting only)
Faith Doyle, KLWTD Board Clerk

GUESTS PRESENT

Robert E. Burt, Key Largo Resident
Steve Gibbs, Reporter for the Free Press

A. Call to Order

Chairman Andrew Tobin called the meeting to order at 4:05 p.m.

B. Pledge of Allegiance

The Pledge of Allegiance was recited.

C. Budget Workshop

Chairman Tobin requested that Mr. Sheets conduct the workshop. Mr. Sheets stated that discussion regarding several budget items from the previous workshop had been incorporated into the documents presented.
Mr. Sheets stated that Line 19 “Rents and Leases” was reduced by 50%. It was the consensus of the Board that the amount allocated for rent and leases was greater than necessary and there could be funds left if a local office is not opened before the end of the fiscal year. The Board expressed a desire to have a district facility for meeting with citizens, holding Board meetings and to store copies of the official documents of the District.

Mr. Sheets stated that at the Board’s direction the contingency line 23 and line 30 were combined for special projects such as the planning study and customer outreach programs.

Mr. Sheets stated that because of the Board’s discussion in reference to professional services fees there was a $28,000 reduction to legal expenses and that $12,000 of those funds were reserved for a grant specialist. Mr. Sheets stated that legal expenses thus far have been greater because of the birth of district and that the drafting of initial contracts (professional services, Inter-local Agreement, County Loan Agreement) and resolutions have added to the expense. Mr. Sheets believes these expenses should decrease to $7-8,000 a month for general legal expenses during FY2004. Mr. Sheets noted that legal issues directly related to the capital projects should come from capital project funds. Chairman Tobin suggested that $5,000 a month for general legal counsel and a second line item for litigation reserve would be appropriate. Mr. Sheets agreed that a litigation reserve is an option or another option would be to have two lawyers one for general District issues and one as special utility legal counsel for more utility specific needs. Mr. Sheets stated that to revise the budget a consensus must be expressed.

Chairman Tobin asked the other member’s view on the issue. Commissioner Bauman agrees that legal fees are too high and asked what Mr. Sheets believes are the legal needs in FY2004 above and beyond the review of routine agendas. Mr. Sheets believes that during FY2004 the affairs of the District should become less intensive and that Chairman Tobin’s suggested $5,000 per month would equate to approximately 30 hours of legal services a month at $175 per hour, or 15 hours a meeting. Chairman Tobin stated that he believes it is not necessary to have extensive legal review for every agenda item. Commissioner Bauman believes that 15 hours a meeting is sufficient. Mr. Sheets suggested that legal counsel be presented with the option of an agreement with a fixed fee. This would be another option to reduce costs for routine matters and if there are specific issues to be explored it would be at the direction of the Board. Commissioner Beaty stated that $5,000 a month would be adequate in his opinion for review of the basic items and he would like to see a litigation contingency line item.

Commissioner Brooks stated that he had been concerned with legal expenses from the inception of the District and was disturbed when the Inter-local Agreement, which was a County project, became bogged down and the KLWTD accomplished the task and absorbed the expense of approximately $9,000. Commissioner Brooks believes that having general counsel and utility counsel would be of benefit. Commissioner Brooks would like a local attorney for general work and suggested Lewis, Longman and Walker for specific utility work. Commissioner Brooks has attempted to ascertain specific costs for different tasks by reviewing the current legal expenses. He stated that it is difficult to extrapolate the information. Discussion ensued on the specific amounts to be budgeted for general legal expense and if there should be a legal utility expense line added or a litigation contingency line added. Commissioner Wilkinson stated that he would prefer a local attorney for general
Chairman Tobin stated that he had brought it to the attention of Ms. Dukes that there is a need for more detailed time entries on legal invoices. Chairman Tobin suggested that all contracts entered into by the District stipulate that all invoices be itemized.

Commissioner Brooks asked if obtaining local legal counsel was on the floor for discussion. Chairman Tobin stated that he believes it is not appropriate to discuss the issue during the workshop but at some point in time it should be discussed. Commissioner Beaty agreed that it should be an issue for a future agenda. Commissioner Beaty asked if a request for qualification (RFQ) is necessary when contracting for legal services. Mr. Sheets stated that an RFQ is not required for legal services, but the issue of seeking other counsel should be for a valid reason, for example, if you are not receiving competent counsel, if you are being billed excessively, or if the workload is so great that additional counsel is required. Mr. Sheets believes this issue is an extremely important discussion item and needs to be thought out completely prior to action being taken. Chairman Tobin does not want to limit discussion but does have concerns with the issue being discussed at the present time. Commissioner Bauman stated that he desires discussing the matter in greater detail but believes it should not be at present. Commissioner Brooks requested that the item be added to a future meeting agenda as a discussion item. Chairman Tobin directed the Clerk to include the item for discussion on the agenda for the second meeting in August.

Mr. Sheets continued with the budget workshop and stated that line 29 was originally budgeted for a rate consultant was reduced to zero because a rate study is not warranted for FY2004. The funds were transferred to line 33 for a grant specialist as requested by the Board. Commissioner Wilkinson asked Mr. Sheets view on the need for a rate consultant. Mr. Sheets stated that the rates have been set for monthly service charges ($35) and the initial capacity fee ($2,700) and that until the contract operators come online it cannot be determined if increased rates are required to meet future budgets. The rate study would be necessary at that point.

Commissioner Brooks asked when rules for connection procedures and deposit collections would be enacted. Mr. Sheets stated that these procedures would fall under the mandatory connection procedure. The development of the mandatory connection procedure would be charged and paid for from the connection fees because it is an administrative expense of a capital project. Mr. Sheets stated that because the District is not under Chapter 120 administrative codes the Boards rules, the FKAA rules that were adopted by the KLWTD could
be used or they could choose to modify them, however there is no budgetary impact for FY2004.

Mr. Sheets noted that if the budget would be approved as discussed today there would be a $70,000 reserve. The reserve needs to be protected and over the next few years it is critical to have reserves for emergencies. The funds could not be re-appropriated without going through a specific procedure. Commissioner Brooks asked when final approval on the budget would be required and when it would be decided that the .35 MSTU rate would be utilized. Mr. Sheets stated that the budget would need to be approved in September and that the County has the millage of .35 and to reduce it would reduce the reserve. Mr. Sheets stated that a public hearing on the budget is necessary prior to adoption and the public hearing MUST be advertised 30 days in advance. Mr. Sheets stated that for the public to have time to review and respond to the budget it was suggested that a public input hearing be held in August. It was the consensus of the Board to have a public input hearing in August. It was suggested that copies of the budget be provided to the Key Largo Federation of Homeowners and the Key Largo Trailer Village Homeowners Association.

Commissioner Bauman requested budget to actual expenditure figures. Mr. Sheets suggested that the Board be provided with a quarterly financial status report. The chief financial officer, David Miles would present the current budget status and identify any shortfalls and recommend budget adjustments if warranted. The Board agreed with the suggestion.

Commissioner Wilkinson asked about the collection costs for the MSTU. Mr. Sheets stated the budget reflects a 95% collection rate for MSTU receivables. The balance of 5% should cover the cost of collection. Commissioner Wilkinson expressed concern with the cost of collection and the timing of transferring funds from the County to the KLWTD. Mr. Sheets stated that a liquidity analysis to verify funding requirements would be conducted by the CFO and that research is being conducted to establish a line of credit with TIB Bank to cover any cash flow difficulties.

Chairman Tobin questioned line 27 “Management” and the difference between the 2003 amount and 2004 management contract. Chairman Tobin also requested that the general manager keep time records. Mr. Sheets stated that the amount reflects the 3% annual increase as indicated by the management contract that would not be in effect until April 2004. Chairman Tobin would like to see the actual amount of $129,600, or 12 months x $10,800, in the budget.

Mr. Sheets stated that a revised budget would be presented at the next meeting prior to the advertisement being placed for the public hearings.

The workshop concluded and Chairman Tobin recessed the meeting at 5:10 p.m.

Chairman Tobin reconvened the meeting at 5:20 p.m.

D. Additions, Deletions or Corrections to the Agenda
There were no additions, deletions or corrections to the Agenda.

Ms. Amy Dukes joined the meeting via telephone at 5:25 p.m.

E. Action Items

1. Approval of the Revised Monroe County/Key Largo Wastewater Treatment District Loan Agreement

Chairman Tobin brought Item E1 to the floor. COMMISSIONER BROOKS MOTIONED TO APPROVE THE REVISED MONROE COUNTY/KEY LARGO WASTEWATER TREATMENT DISTRICT LOAN AGREEMENT. COMMISSIONER BAUMAN SECONDED THE MOTION. COMMISSIONER WILKINSON WAS NOT IN FAVOR OF THE MOTION AND VOTED NO. ALL OTHER MEMBERS WERE IN FAVOR. THE MOTION WAS APPROVED BY A VOTE OF FOUR TO ONE.

Legal Counsel Report

Ms. Dukes stated that she has been working on various projects in conjunction with the Manager and CFO since the last meeting including the Standard Professional Consultant Contract, the Auditors Service Contracts and the check writing policy. Chairman Tobin stated that the Standard Professional Consultant Contract was on the agenda and asked Ms. Dukes if it required any additional work. Ms. Dukes stated that it was complete. Ms. Dukes stated that the Auditors Service Contract needed minor changes.

Chairman Tobin informed the Board that as a result of communications with Danny Kolhage, Monroe County Clerk of Courts, concerns were raised in reference to the present KLWTD Expenditure Policy (Resolution 2003-11). The results are covered in a memo drafted by Lewis Longman and Walker. Mr. Kolhage questioned the General Manager’s check writing authority. Chairman Tobin noted that the FKAA requires the chairman and one board member’s signature on all disbursement checks and noted that law does not mandate this requirement. Mr. Sheets stated that under the current policy funds can’t be disbursed without approval by the Board and that the emergency provision gives approval for items under $1,000 and that any emergency expenditures must be reported to the Board immediately. Mr. Sheets suggested that the Chairman or the Secretary/Treasurer sign the disbursement approval document if one is developed and approved by the Board.

Discussion ensued concerning different expenditure procedures. Mr. Sheets stated that he would present a management recommendation on a procedure. Chairman Tobin suggested that separate procedures be developed for each fund in the future. Ms. Dukes stated that if the procedure changes, there would need to be a new resolution to enact it. Chairman Tobin agrees that a new resolution is required to change the procedure, which would include the suggested disbursement approval document. Chairman Tobin requested that the resolution be drafted and the disbursement approval document. Chairman Tobin stated that Resolution 2003-11 was conditioned on having errors and omissions insurance or wrongful acts coverage and that GSG had not included this specific coverage. Ms. Dukes stated that she would
amend the resolution once the policy is changed. Chairman Tobin stated that he would like to review Resolution 2003-11 to verify if the changes could be made without Ms. Dukes’ assistance.

Commissioner Brooks requested copies of the insurance documents for review that the Chairman had referred to. Chairman Tobin requested the Clerk to distribute copies of the GSG insurance certificates. Commissioner Brooks questioned the authorization of changing the check writing process. Chairman Tobin stated that at present the only action being explored was to have the Chairman and Secretary/Treasurer sign authorizing disbursements. Mr. Sheets suggested that a wrongful act rider be added to the current GSG insurance policy. The Board requested that a copy of the present KLWTD Expenditure Policy (Resolution 2003-11) be forwarded to them.

Chairman Tobin requested that the Auditor Services Contract be distributed to the Board and that it be placed on a future agenda.

Chairman Tobin brought to the floor for discussion the need to explore changing the Board meeting schedule due to conflicts with the Monroe County Planning Commission and County Commissioners meetings. The 2nd and 4th Thursday was suggested. Commissioner Brooks stated that the Civic Club schedule should be checked for availability and that he would take the new dates to the Civic Club Board for consideration on July 22. Commissioner Bauman requested the meetings be held the third Thursday. Commissioner Beaty would prefer Thursday meetings. Chairman Tobin stated that the August meetings are to be kept as scheduled and the switch would take place in September.

Discussion ensued concerning the rescheduling of the July 23 meeting to July 30. Chairman Tobin and Mr. Sheets have conflicts on July 23 and Ms. Dukes has a conflict on July 30. Mr. Sheets stated that the items of importance for the upcoming agenda include the scopes from Weiler Engineering Corporation (WEC) for construction management and the GSG construction administration work authorization. Mr. Sheets suggested that staff and WEC meet with individual Board members on July 21 and 22 on the scope of services so that revisions could be made to the scope so that it could be considered for Board authorization on July 30. Mr. Sheets stated that a formal presentation by WEC would be made on July 30 and that GSG would conduct a general construction management presentation illustrating the difference between A.6 and A.7 services.

Chairman Tobin suggested that Brown and Caldwell as design engineer on the Haskell team have a round table discussion along with WEC and GSG staff to understand what the KLWTD Board expects from project management. Chairman Tobin suggested the discussion be held at the July 30 meeting and that it be video taped in the event that negotiations with WEC fail. Chairman Tobin believes videotape would facilitate the process if the Board proceeds to the next engineering firm.

Discussion ensued on involving Brown and Caldwell in the process prior to WEC being under contract with KLWTD.
Commissioner Wilkinson asked how contract section E.2 ties into the 'scope of service'. Mr. Sheets stated that the general contract needs to be signed with general terms then a request for a scope of service, which results in a work authorization needs to be approved by the Board. Discussion ensued on redesign of the Park. Mr. Sheets stated that the present cost would include the redesign of the project at a price specified by WEC and that additional engineering work for KLP would require an additional engineer.

Commissioner Bauman asked if Brown and Caldwell were contractually bound to attend KLWTD meetings. Chairman Tobin stated that the cooperation clause in the Haskell contract was requested for this purpose. Ms. Dukes stated that her understanding is that under the cooperation clause, Haskell would need to request that Brown and Caldwell attend as part of the Haskell team. Mr. Sheets suggested that WEC, Haskell and Brown and Caldwell discuss the project management plan prior to the public meeting. Chairman Tobin, Commissioner Bauman and Commissioner Wilkinson agreed with Mr. Sheets’ suggestion adding that Higgins also needs to be involved. Mr. Sheets stated that his goal is to educate the Board during this first experience with project management and daily engineering activities. Chairman Tobin believes that the engineering fees are out of hand and need to be controlled. Mr. Sheets stated that he would initiate whatever action the Board requests. Discussion ensued. Commissioner Brooks believes the Board needs to act on a management plan and that when professionals are hired with specific expertise to oversee projects the Board needs to place confidence in them and in the case of WEC, Haskell had enough confidence in them to potentially have them on their team. Commissioner Beaty agrees that after an agreement has been reached with WEC on a scope of service all parties should meet to develop a management plan for the Board’s approval. Commissioners Brooks, Beaty, Bauman and Chairman Tobin agreed. Commissioner Wilkinson agreed but has concerns that he believes will be addressed during the meeting with WEC.

COMMISSIONER BROOKS MADE A MOTION TO RESCHEDULE THE JULY 23RD MEETING TO JULY 30TH AT 3:00 P.M. AND TO ADVERTISE THE CHANGE AND TO HAVE WEC MAKE A PRESENTATION ON CONSTRUCTION MANAGEMENT AND GSG MAKE A PRESENTATION ON CONSTRUCTION ADMINISTRATION. COMMISSIONER BEATY SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

It was the consensus of the Board that the WEC and GSG presentations, the pending payments and disbursement approval document (revised Resolution 2003-11) be the only items on the July 30, 2003 agenda.

2. Approval of the Standard Contract for Consulting/Professional Services

Chairman Tobin brought the item to the floor for discussion. Mr. Sheets stated that the contract had been approved by virtue of the issuance of the RFP and that this was being presented for ratification. Chairman Tobin believes that due to the potential for requested changes from the engineering firms, the contracts should be considered on an individual basis. Commissioner Brooks stated he has concerns with section 6.A and the several other statements in the contract. It was the consensus of the Board to table the item and to
consider the individual contracts that are received from the responding top eight engineering firms.

Mr. Sheets informed the Board that the Notice to Proceed (NTP) has been sent to the Haskell Company for the KLTV project. The Clerk was instructed to forward copies to the Board. Chairman Tobin stated concern over the issuance of the NTP being premature. Mr. Sheets stated that it was necessary to trigger an updated Schedule B and a meeting with the DCA to rework the draw down schedule. Discussion ensued on the issuance of the NTP and the ramifications of the action. The Manager and Legal Counsel were directed to review the ramifications and rescind the NTP if necessary. Commissioner Bauman asked what the first task is to be. Mr. Sheets stated that it would be the preliminary design. Commissioner Bauman believes the action was not premature and does not want the preliminary design delayed. Chairman Tobin requested that Mr. Sheets review the situation and to advise the Board of any areas of concern.

Commissioner Bauman asked if there has been any response to the letter that was forwarded to the FDEP. Mr. Sheets noted that no responses have been received.

COMMISSIONER BAUMAN MOTIONED TO APPROVE THE JUNE 25, 2003 MINUTES WITH THE ADDITION OF CHAIRMAN TOBIN'S YES VOTE ON PAGE 9. COMMISSIONER BEATY SECONDED THE MOTION. THE MOTION WAS UANANIMOUSLY APPROVED.

Mr. Sheets stated that a revised FY2004 Budget would be provided for the Board’s review at the July 30 meeting in preparation for advertisement.

Chairman Tobin adjourned the meeting at 6:42 p.m.
PUBLIC NOTICE OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT MEETINGS

The KLWTD Board hereby gives notice pursuant to Chapter 189, Florida Statutes, of the following CHANGES to the meeting schedule:

The previously scheduled meeting to be held at 4:00 p.m. on July 23, 2003 at the Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, FL, MM 99.5, has been cancelled. The meeting has been rescheduled for July 30, 2003 beginning at 3:00 p.m. at the same location.

The Board will consider all matters that are on the agenda for each meeting. Agendas will be available 48 hours prior to the meeting or workshop date by contacting District Clerk Faith Doyle at 305-451-5105 or fdoyle@govmserv.com.

Pursuant to Section 286.0105, Florida Statutes, notice is given that if a person decides to appeal any decision by the Board with respect to any matter considered at such hearings or meetings, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

In accordance with the Americans with Disabilities Act, persons needing special accommodations to participate in this proceeding should contact District Clerk Faith Doyle at 305-451-5105 or fdoyle@govmserv.com 72 hours prior to the meeting date.
### Key Largo Wastewater Treatment District

**Guest Sign In Sheet**

**Wednesday, July 9, 2003**

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<td>2. Robert Bunt</td>
<td>KLLTV &amp; Fed.</td>
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