February 18th 2004
Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda
5:00 PM Wednesday, February 18, 2004
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order
B. Pledge of Allegiance
C. Additions, Deletions or Corrections to the Regular Meeting Agenda
D. Minutes – Draft Draft October 17th 2003 and January 14, 2004
E. Public Comment
   1. Presentation by the Florida League of Cities on the K LWTD Insurance coverage
F. Legal Counsel’s Report
G. Action Items
   1. Approval of Legislative Change to House Bill 471 to 2002-337 Laws of Florida concerning vacancies to the Board
   2. Approval of Legislative Change to House Bill 471 to 2002-337 Laws of Florida concerning payments of Board salaries
   3. Approval of the K LWTD Annual Financial Report to the Department of Banking and Finance
   4. Approval of Amendment No. 1 to the Haskell Contract
   5. Approval of Amendment No. 2 to the Standard Engineering Consulting Contracts
   6. Acceptance of the Government Services Group, Inc. Letter of Resignation and the GSG Time and Materials Exhibit A
   7. Approval of the Pending Payments List for February 11, 2004
H. General Manager's Report
   1. Quarterly Financial Reports
   2. Update on the Tax Exempt Status
   3. February 4, 2003 Thirty Percent Design Meeting Minutes
   4. Update on the rescheduling of the Transition Plan, Administrative Procedures and Strategic Planning Workshops
I. Engineer's Report
   1. The Haskell Company's Design Development Protocol Review
J. Public Comment

0 action item to approve
K. Commissioner's Items

1. Discussion of Strategic Planning – Chairman Bauman
2. Update/Discussion of Near Shore Water Testing – Chairman Bauman
3. Discussion of "Decision Time" Email – Commissioner Wilkinson
4. Discussion of e-mails and communications – Commissioner Brooks
5. Discussion of enacting a resolution to begin a search for an administrative secretary/clerk – Commissioner Tobin
6. Discussion of the Legislative Forum Membership Meeting and Legislative Reception – Commissioner Brooks
7. Update/Discussion on the Ileana Ros-Lehitten meeting – Chairman Bauman

L. Meeting Adjournment
LEGISLATIVE FORUM MEMBERSHIP MEETING AND LEGISLATIVE RECEPTION

MARCH 24, 2004

GOVERNORS CLUB TALLAHASSEE, FL

HOTEL RESERVATIONS: Rooms have been blocked for March 23 and 24 at the Comfort Suites located at 1026 Apalachee Parkway, Tallahassee. Phone number is 850-224-3200. The rate is $95.00 per night. Request “Florida Association of Special Districts” when making your reservations. The deadline for receiving the special rate is March 9, 2004.
Membership Lunch Meeting and Legislative Reception
MARCH 24, 2004
11:30 AM
Governors Club
Tallahassee, Florida
REGISTRATION DEADLINE IS MARCH 19, 2004

Registration Fee*: $50.00 Member Spouse: $30.00
$75 per Non-Member

Name of Attendee: ________________________________________________
District/Firm Name: ______________________________________________
Title: ___________________________________________________________
Phone Number: ___________________________________________________
Email: __________________________________________________________

PLEASE ONE PERSON PER FORM OR ATTACH SEPARATE LIST.

PLEASE PAY IN ADVANCE OR AT REGISTRATION. POST MEETING
INDIVIDUAL BILLING CREATES AN ADMINISTRATIVE EXPENSE.

Check Enclosed: Yes No
Pay at Registration: Yes No
Credit Card: Type:_______ Card No: _____________________________
Expiration:___________ Name Card: ________________________________

Total Amount Due: $________

NOTE: Register and pay on line at www.fasd.com

Please remit payment to:
Florida Association of Special Districts-P.O. Box 19227-Plantation, FL 33318-0227
Telephone: 800-454-1014 FAX: 954-473-8866 Email: specialdistricts@fasd.com

* Registration Fee includes admittance to the Legislative Focus Meeting and the Reception.
Please inform the Association if you do not plan to attend both functions.
MEMBERSHIP LUNCH MEETING
AND
LEGISLATIVE RECEPTION
SCHEDULE

11:30 am-12:00 pm    Registration-Governor’s Club
12:00 pm-12:10 pm    Opening Remarks
                Virginia Cebula
12:10-1:10 pm        Buffet Lunch
1:00 pm-2:00 pm      Legislative Update
                Terry Lewis
                David Ramba
                Jim Linn
2:00 pm-4:00 pm      Legislative Rounds
6:00 pm              Registration Opens-Reception
6:00 pm-8:00 pm      Reception

Note: Valet parking available at the Governor’s Club. Parking is included in registration.

HOTEL RESERVATIONS: Rooms have been blocked for March 23 and 24 at the Comfort Suites located at 1026 Apalachee Parkway, Tallahassee. Phone number is 850-224-3200. The rate is $95.00 per night. Request “Florida Association of Special Districts” when making your reservations.

The deadline for receiving the special rate is March 9, 2004.
The Florida Association of Special Districts
Cordially Invites You
To Join Us For a

Reception Honoring
The Florida Legislature

WEDNESDAY, MARCH 24, 2004
6:00 pm - 8:00 pm

The Governors Club
202 1/2 South Adams Street
Tallahassee, Florida
(904) 224-0650

Join us for the opportunity to speak with your Florida Legislators to discuss the role of special districts and the important issues that face our state. The social atmosphere will allow you to have informal discussions with those Florida Legislators whose actions impact you.

Reception Sponsorship

As a sponsor of the Reception honoring the Florida Legislature, you will not only be recognized during the Legislative Focus Meeting, but will also be recognized on a sign outside the Reception room, and featured in the next FASD newsletter. Please show your continued support by sponsoring the Reception so that the FASD is able to bring you more programs such as this one! Contact FASD for details.
SUPPORTING SPONSOR PROGRAM

The Florida Association of Special Districts

Reception Honoring
The Florida Legislature

WEDNESDAY, March 24, 2004
6:00 pm – 8:00 pm

The Governors Club
202 ½ South Adams Street
Tallahassee, Florida
(904) 224-0650

Reception Sponsorship

As a sponsor of the Reception honoring the Florida Legislature, you will not only be recognized during the Legislative Focus Meeting, but will also be recognized on a sign outside the Reception room, and featured in the next FASD newsletter. Please show your continued support by sponsoring the Reception so that the FASD is able to bring you more programs such as this one!

Gold $1,000   Silver $500   Bronze $250
SUPPORTING SPONSOR REGISTRATION

LEGISLATIVE RECEPTION

Organization: ________________________________
Name: ________________________________
Title: ________________________________
Phone #: ________________________________
Fax#: ________________________________
Email Address: ________________________________

Level Circle One  GOLD $1,000  SILVER $500  BRONZE $250

Amount Due: ________________________________

Check Enclosed: Yes No

Credit Card: Type: _______ Card No: ________________________________
Expiration: _______ Name Card: ________________________________

Total Amount Due: $ __________

NOTE: Register and pay online at www.fasd.com

CIRCLE ATTENDANCE AT THE LEGISLATIVE FORUM

YES I am attending the Legislative Forum

NO I am not attending the Legislative Forum

YES Include my organization on signs displayed at the Forum & Reception

NO Do not include my organization on signs.

Respond to:
Florida Association of Special Districts
PO Box 19227
Plantation, FL 33318-0227

Questions:
Telephone: 800-454-1014 Facsimile: 954-473-8866 Email: specialdistricts@fasd.com
Improvements Program (FKWQIP)
The Florida Keys Water Quality
January 29, 2004
Steering Committee Water Quality Protection Program
Florida Keys National Marine Sanctuary
Sanctuary.

nearshore water quality in the

nearshore area. To improve

the planning, design, and construction

assistance to carry out projects for

$100M in technical and financial

Authorized the Corps to provide up to

Public Law 106-554
Draft Program Management Plan (PMP) •
Draft EPIS posted by mid-May 2004
Final EPIS completed by mid April 2004
45 day minimum review
mid February 2004.
Draft EPIS ready for print by end of

Statement (PEIS) Update
Programmatic Environmental Impact

postponed concurrently with PEIS
Update
Project Cooperative Agreement (PCA)
<table>
<thead>
<tr>
<th>Entity</th>
<th>Key Largo Wastewater Treatment District</th>
<th>Board Member</th>
<th>Name</th>
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<tbody>
<tr>
<td></td>
<td>FDEP - South District</td>
<td>Environmental Administrator</td>
<td>Charles Brooks</td>
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<td></td>
<td>US EPA</td>
<td>Program Scientist</td>
<td>Gus Rice</td>
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<td></td>
<td>US ACOE</td>
<td>Project Manager</td>
<td>Bill Kuczynski</td>
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<td>SPFWMD</td>
<td>Keys Service Center Manager</td>
<td>Shelley Trulock</td>
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<td>FI Keys Aqueduct Authority</td>
<td>Keys Executive Director</td>
<td>Cecelia Weaver</td>
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<td>FI Depot Community Affairs</td>
<td>Planning Manager</td>
<td>Jim Reynolds</td>
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<td></td>
<td>Key Colony Beach</td>
<td>Mayor</td>
<td>Rebecca Jacton</td>
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<td>Islamorada</td>
<td>Operations Director</td>
<td>Clyde Dunnell</td>
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<td></td>
<td>Marathon</td>
<td>Councilman</td>
<td>Michael Tevano</td>
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<td>Layton</td>
<td>Councilman</td>
<td>John Bates</td>
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<td>Key West</td>
<td>Councilman</td>
<td>John Cromart</td>
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<td></td>
<td>Monroe County</td>
<td>Utilities Director</td>
<td>David Fernandez</td>
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<td></td>
<td></td>
<td>County Administrator</td>
<td>Jim Roberts</td>
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<td></td>
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<td>Title</td>
<td>Name</td>
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</table>
Team Roles and Responsibilities

Establish goals and objectives

Prioritize proposed projects

Review and approve PMP

Approve Program Implementation

Schedule
Team Accomplishments to Date

- Plan
- Reviewed Program Management
- Prioritized Projects
- Criteria
- Developed Readiness to Proceed
- Objectives
- Adopted team goals and
Scenario One

Distribution of 2004 Federal Funds

Remainder funds used to update project and NEPA documents for replacement (cost $200K).

Receivce only $500K (Energy and Water Appropriations Bill)

Proceed with City of Key Colony Beach Sanitary Sewer Line
management support (Cost $1M)
priority projects, update PMP, project
NCEA documentation for all top

Sewer Line Replacement (Cost
City of Key Colony Beach Sanitary

Bills)
Energy and Water Appropriations
Receive $2,500,000 (Omnibus and

Scenario Two
Distribution of 2004 Federal Funds
Distribution of 2004 Federal Funds (Cont’d)

**Scenario Two**

- Remaining $1.3M split via formula previously agreed upon by team.
- Largo, Marathon, and Key West receive 28.33% ($368,290), and Key West receives 15.01% ($195,130).
Appendix E

PMF: Ready to proceed (per
deeded) entity is not
an incorporated entity. An
alternative funding distribution
proceeds thus receives no funds
Town of Layton is not yet "ready to

Situations
Force and adopted by the Team
County Inter-governmental Task
developed by the Monroe
previous agreements
Distribution of funding based

Dividing the entire $100M
Key Colony Beach ($220K)
Layton ($800K)
Key West ($10.32M)
Islamorada ($29.56M)
Marathon ($29.56M)
Key Largo ($29.56M)

Distribution formula for $1,000M
$75,806,476
184 stormwater projects

$614,202,718
78 wastewater projects

Master Project List Totals ~ $690M
Thanks for listening!

Questions?
Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Minutes
1:00 PM Friday, October 17, 2003
Key Largo Public Library, 101485 Overseas Highway
Key Largo, Monroe County, Florida

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

Staff Members Present
Robert Sheets, General Manager
Charles L. Sweat, Director of Operations
Jeff Weiler, Weiler Engineering Corporation
Ed Castle, Weiler Engineering Corporation
Faith Doyle, Board Clerk

Guest Present
Nos Esplat, Randazza Corp.
Terry Zaudtke, CPH Engineering
John Verscharen, TSC Jacobs
Glen Calltharp, Fluidyne
Robert E. Burt, Key Largo Resident
Gaile Jelinek, Key Largo Resident
Bill Brookman, MCHD
Walt Messer, D.N. Higgins
Tom Evans, Evans Environmental
Thomas M. Dillon, Keys Resident
Joe Paterniti, Brown and Caldwell
Stuart Oppenheim, Brown and Caldwell
John Bratby, Brown & Caldwell
Pete Kinsley, The Haskell Company
Ted Hortenstine, Brown & Caldwell

A. Call to Order

Chairman Tobin called the meeting to order at 1:07 p.m.

Chairman Tobin outlined the agenda for the meeting and introduced the newly appointed Board Attorney Mr. Thomas Dillon. Chairman Tobin turned the floor over to
Mr. Robert Sheets the KLWTD General Manager. Mr. Sheets stated that the afternoon would focus on assisting the Board in its decision to use technologies.

Mr. Charles Sweat introduced himself to those assembled and gave a brief biography of his experience.

Mr. Jeff Weller, KLWTD Engine introduced himself and gave a brief biography of his experience.

Mr. Ed Castle, Project Manager introduced himself and gave brief biography of his experience.

Mr. Pete Kinsley, Haskell Company, introduced himself and gave a brief biography of his experience.

Mr. Ted Hortenstine, Brown and Caldwell introduced himself and gave a brief biography of his experience.

Mr. John Bratby, PhD, Brown and Caldwell regional process manager for Brown and Caldwell gave a brief biography of his experience.

Mr. Joe Paterniti, Brown and Caldwell introduced himself and gave a brief biography of his experience.

Mr. Stu Oppenheim, Brown and Caldwell introduced himself and gave a brief biography of his experience.

Mr. Terry Zaudtke, CPH engineers introduced himself and gave a brief biography of his experience.

Mr. Glen Calltharp, Fluidyne, introduced himself and gave a brief biography of his experience.

Mr. Walt Messer, DN Higgins, introduced himself and gave a brief biography of his experience.

Mr. Nos Espat, Randazza, (Purestream) introduced himself and gave a brief biography of his experience. Commissioner Bauman asked Mr. Espat if he was a certified engineer. Mr. Espat stated that he was not.

Mr. John Verscharen, TSC Jacobs introduced himself and gave a brief biography of his experience.

Mr. Robert Sheets, Government Services Group, Inc. introduced himself and gave a brief biography of his experience.

Chairman Tobin recognized and thanked County Commissioner Murray Nelson and Bill Brookman for their attendance.
B. Pledge of Alliance

The because of the lack of a flag the pledge was not recited.

C. Public Comment

Please see below.

D. Additions, Deletions or Corrections to the Agenda

There were no additions, deletions or corrections to the agenda.

E. Presentations on Vacuum Collection Systems and Advanced Wastewater Treatment Processes

Mr. Peter Kinsley of the Haskell Company began the presentation at 1:30 p.m. he then introduced Mr. Ted Hortenstine how showed the first slide on operating requirements.

The presentation outline is incorporated and made part of the minutes as Attachment A.

Dr. Bratby reviewed the available processes slide stating that the challenge is total nitrogen. He then described the modified process for small facilities and described the removal of nitrogen from wastewater.

Mr. Hortenstine then gave some history of the RFP and the need to review two processes the SBR and USBF, which they have done. Consideration of NBR process was not part of the RFP due to the cost consideration and other reasons.

Mr. Hortenstine then gave an SBR overview he stated he believes it could do the job with additional modifications to the process.

Mr. Hortenstine described the ISAM process, which assists aerobic process adding that the SBR process is where the ammonia is oxidized. He described the four-part sequence that is accomplished in one tank. Dr. John Bratby provided further details. Mr. Hortenstine described the USBF process along with Dr. Bratby.

Mr. Hortenstine described the evaluation process stating they asked both vendors for information and confirmed references for process and visited treatment facilities. Operational cost were given by the manufactures, however they used their own expertise on sludge cost. Dr. Bratby reviewed each of the processes in reference to sludge generation. There are non-biodegradable by products (sludge), which are estimated at about 20% of influent solids or approximately 41 lbs a day needs to be processed in some way. Dr. Bratby stated that sludge can be reduced by various means but it will not be eliminated. Dr. Bratby stated that a digester could assist in the process.

Commissioner Wilkinson stated that there was a typo on the inert sludge generation slide.

Mr. Hortenstine and Dr. Bratby reviewed the USBF numbers showing how it approaches the nitrate requirements. It was noted that only four weeks of data was used for the
review and on Marco Shores the temperature stays warm and with this process temperature has an impact.

Chairman Tobin asked if Marco Shores was the only USBF looked at. Mr. Hortenstine stated that the ones used on the chart; Ocean Side, Marathon Marina, Tiki shores, etc. were also reviewed. Chairman Tobin asked if these were comparable comparisons. Discussion ensued on the levels of nitrogen and the relationship to the data given and if it may have adversely impacted the results of the graph. Chairman Tobin requested he give the sizes of the plants for the comparison stated. Mr. Hortenstine reviewed the information provided on the slide in greater detail.

Mr. Jeff Weiler asked if any of the comparison USBF plants were at capacity. Mr. Hortenstine stated that Marco Shores uses two of four trains mostly and are operating the others due to seasonal peaks. Mr. Weiler asked if any are required by permit to have 10.10.10.1 by permit for a secondary process. Mr. Hortenstine stated yes. Commissioner Brooks asked if not required by permit to be 5.5.3.1 could they operate that way. Mr. Hortenstine stated that plants are designed give proper results of the effluent levels. Discussion ensued on the expectation of a process.

Mr. Hortenstine stated that USBF is easy to operate with not a lot of mechanics to fail; it has continuous operation with no cycling on and off. The disadvantages come from the constant cycling and difficulties handling peak flows. He added that KLWTD would have seasonal variations and weekend peaks that would affect flows.

The ISAM process (Fluidyne) has multiple SBR facilities stated Mr. Hortenstine. He noted that with both processes, Florida is one of the only states that have a 5.5.3.1 requirement because of the temperature of the receiving streams. Mr. Weiler asked if the plants are operating at capacity. Mr. Hortenstine noted that Blacks Fort is going to expand because it is going past capacity.

The ISAM advantages and disadvantages were reviewed. It was noted that the process handles peak flows well and there are plants working at 5.5.3.1. The process is more complex and more operator attention is required along with process instrumentation. Operational costs are difficult to determine.

Commissioner Wilkinson asked about storage facility cost on chemical storage. Mr. Hortenstine stated that it wouldn’t be unduly burdensome to abide by. Comm. Wilkinson question electrical costs comparison. Mr. Hortenstine stated that the power to oxidize the nitrate is used to degrade B.O.D.’s.

Chairman Tobin asked where the data was received concerning the sludge costs. Mr. Hortenstine stated that he had recently take a masters class concerning the subject and that although no real data was available a statistical theory of estimating them was used for computing them. Mr. Hortenstine stated that he did not except zero sludge as stated by the vendor.

Discussion ensued on the USBF and SBR systems, the capital costs of both and the possibility of expansion of both systems. Mr. Hortenstine noted that USBF is not established and he is uncomfortable with the treatment Process.
Mr. Jeff Weiler and Mr. Ed Castle presented their recommendation on the treatment systems. WEC recommended SBR with modifications adding that there is not enough data to support using the USBF system.

Discussion ensued concerning the modifications needed for both processes and if the size of the plant would make it difficult to achieve the standard.

Mr. Charles Sweat presented GSG's recommendation. GSG recommended SBR for use in Key Largo.

Chairman Tobin recessed at 3:30 p.m.

Chairman Tobin reconvened at 3:40 p.m.

Ms. Nancy Brooks of the DEP's Marathon office was introduced.

Chairman Tobin requested that the USBF vendor and engineers to address the concerns of the Board. Mr. Terry Tsaudkey of CPH spoke concerning the Purestream USBF systems. He stated that the systems shown were not designed to be AWT and that is why the nitrogen's are not at 3. Discussion ensued concerning the USBF process and about the sludge blanket and sludge wasting. Mr. Nos Espat of Randazza, Inc. spoke concerning sludge costs and nitrogen levels.

Discussion ensued on the lack of information provided to the Haskell team by Purestream and Randazza during their evaluation of the systems.

Chairman Tobin stated that information must be provided so that the Board could make an informed decision.

Dr. Bratby asked Mr. Espat about the capacity and type of facility used for the evaluation. Discussion ensued. Mr. Ed Castle stated that he had received information from Mr. Espat but was not satisfied that the data indicated USBF would work.

Mr. Glen Calltharp addressed the Board concerning the SBR technology. Discussion ensued on plant size, permit requirements and nitrogen levels.

**Commissioner Wilkinson made a motion to accept modified SBR technology and Chairman Bauman seconded.** Commissioner Bauman stated that a warranty on the process should be in writing. Commissioner Beaty comments that he is not convinced on sludge removal costs and power costs and he did not find the presentation of the ISAM process compelling enough to reverse his thought process. Commissioner Brooks commented that he is not comfortable with the modification required for either system. It was stated that with a motion on the floor a vote must be taken. Chairman Tobin would prefer not to vote until warranties are available in writing. Commissioner Wilkinson motioned to call the question. Chairman Tobin urged the Board to vote no so that warranties could be secured. Discussion ensued on the warranties. Commissioner Wilkinson stated that Haskell is the warrantor and there should be no further discussion. Commissioner Brooks asked legal counsel if the motion could be tabled so that voting could take place at a future meeting. Commissioner Beaty stated that as the swing vote he would prefer to wait. Discussion continued concerning warranties and the need to
have one prior to the selection of a technology. Mr. Weiler stated that warranties are in
place and that the particulars could be confirmed during the design process. The Board
asked staff if the warranty concerns impact their recommendations. Staff stated that
their recommendations are not related to the warranty concerns and would stand as is.
Commissioner Wilkinson stated that if the Board does not have trust in the staff's
recommendation Haskell has the warranties and if the vendors default Haskell is
holding bonds that would cover the KLWTD. Chairman Tobin asked if the prior motion
could be trumped by another motion.

Commissioner Brooks made a motion to defer and table action on the item.
Chairman Tobin seconded the motion. Commissioners Tobin, Beaty and Brooks
were in favor of the motion. Commissioners Bauman and Wilkinson were not in
favor. The motion carried.

Commissioner Wilkinson asked for a point of order and if the motion required a specific
date for action. Discussion ensued on the costs involved in postponing the decisions
and if it opens the KLWTD to possible litigation from Haskell. Discussion ensued
concerning the impact on the project schedule. Commissioner Wilkinson noted that the
lack of a decision might be of concern to FEMA.

1. Government Services Group, Inc. recommendation
See above.
2. Weiler Engineering Corporation recommendation
See above.
3. The Haskell Company's recommendation
See above.

F. Action Items

1. Approval of a Vacuum Collection System

Chairman Tobin recessed the meeting at 7:00 p.m.
Chairman Tobin reconvened the meeting at 7:13 p.m.

Mr. Joe Paterniti of Brown and Caldwell presented information on the function of the
vacuum collection system.

Mr. Jeff Weiler questioned the possibility of corroded valve pits noting that has it been a
problem in the Airvac systems to date and that in the salt ground water conditions here
cause concern. Mr. Sweat stated that 3/16” stainless steel vaults would help them to
last.

WEC recommends Airvac because of the whole tank system. Discussion ensued
concerning the number of houses per pit, installation concerns and settling problems.

Mr. Tom Evans explained that the sump tests ordered by Boyle Engineering were not
conducted under proper conditions and that they had not been installed per the
manufacturers recommendations. Discussion ensued on installation and testing
methodology.
Commissioner Wilkinson commented that he preferred Roevac for many reasons and that Higgins as the installer prefers Roevac. **Commissioner Wilkinson made a motion to approve Roevac. Commissioner Brooks seconded the motion.** Discussion ensued concerning well depth and gravity system requirements. Commissioner Bauman stated concern over going against the recommendation of staff. Discussion ensued on the cost differences between Roevac and Airvac. Chairman Tobin requested a roll call vote, which was as follows:

<table>
<thead>
<tr>
<th>Commissioner</th>
<th>Vote</th>
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<tbody>
<tr>
<td>Commissioner Bauman</td>
<td>No</td>
</tr>
<tr>
<td>Commissioner Beaty</td>
<td>Yes</td>
</tr>
<tr>
<td>Commissioner Brooks</td>
<td>Yes</td>
</tr>
<tr>
<td>Commissioner Wilkinson</td>
<td>Yes</td>
</tr>
<tr>
<td>Chairman Tobin</td>
<td>Yes</td>
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</tbody>
</table>

The motion was approved.

2. Approval of a Wastewater Treatment Process

See above.

3. Approval of the Haskell Company Change Order

The item was deferred to the next meeting.

G. General Manager’s Report

1. Other Items

H. Legal Counsel’s Report

I. Engineer’s Report

1. Other Items

J. Commissioner’s Items

1. Other Items

K. Meeting Adjournment

A MOTION TO ADJOURN WAS MADE BY THE CHAIR AT 8:37 P.M.
Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda
4:00 PM Wednesday, January 14, 2004
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

Board Members Present
Gary Bauman, Chairman
Cris Beaty
Jerry Wilkinson
Charlie Brooks
Andrew Tobin

Staff Members Present
Robert Sheets, General Manager
Tom Dillon, Board Attorney
David Miles, Chief Financial Officer
Ed Castle, Board Engineer
Jeff Weiler, Board Engineer
Faith Doyle, Board Clerk

Guests Present
Peter Kinsley, The Haskell Company
Hortonstine, Brown and Caldwell
Stu Oppenheim, Brown and Caldwell
Marguerite McCauley, Government Services Group, Inc.
Gaile Jafenleik, Key Largo Resident
Robert Burt, Key Largo Resident
Steve Gibbs, Reporter
Ann Henson, Reporter
Dick Morton, Key Largo Resident
Richard Lancaster, Key Largo Resident
Nos Espat, Randazza

A. Call to Order

Chairman Bauman called the meeting to order at 4:11 pm

B. Pledge of Allegiance

All stood and recited the Pledge.

C. WORKSHOP – ADMINISTRATIVE PROCEEDURES

Please see below.

D. Additions, Deletions or Corrections to the Regular Meeting Agenda

KLWTD Draft 1-14-04 minutes
It was the consensus of the Board to move the workshop to the end of the meeting to accommodate the members of the Key Largo Federation of Homeowners who wish to attend their meeting that was scheduled to begin at 7:00 P.M. Commissioner Brooks noted that he was concerned that several items on the agenda that were of interest to the public who had not arrived at the meeting because a workshop was advertised to be held at 4:00 P.M. Chairman Bauman noted the concern and suggested that age items not pertaining to the secondary treatment process be considered first.

Chairman Bauman requested that an additional public comment period be added to the agenda prior to the workshop. There were no objections to the change.

Commissioner Brooks stated that after the concerns stated by Commissioner Tobin at the last meeting that there are issues in related to the contract that should be considered prior to the action items. He believes an executive session is necessary. Mr. Dillon stated that with no complaint pending the Board is prohibited from calling an executive session. He noted that an executive session can only be called to discuss a pending claim and it would require a special notice to be advertised and a court reporter present to provide an official transcript.

E. Public Comment

Chairman Bauman asked for public comment. Mr. Dick Morton of Riviera Village addressed the Board. Mr. Morton inquired if the projects were a negotiated contract or if they had been part of a competitive bid. Mr. Sheets stated that the Haskell contract was an awarded as a result of a response to a request for proposals. The process of after the award was to finalize the terms of the contract. Mr. Morton believes that all of these dispute should have been taken up before this time. Mr. Sheets stated that the issue being discussed at present was the secondary treatment process. Mr. Morton asked if the secondary treatment process decision was the Board’s responsibility. Mr. Sheets stated that it is a provision of the contract to permit the Board to issue a purchase order for equipment if they desire and to participate in the treatment process selection. Mr. Morton stated that he is concerned with the controversy over this issue and that the Board continues to question the recommendations.

Mr. Dick Lancaster, President of the Hammer Point Board of Director’s addressed the Board. Mr. Lancaster commended the Board for their progress in the tight time frame they have been up against. Mr. Lancaster stated concern with the Board’s continuing debates over the treatment system issues. Mr. Lancaster believes that the USBF treatment system has a greater potential for problems and because the contractor (Haskell), the engineering company (Brown and Caldwell), board engineer (WEC), the manager and the Monroe County coordinator of wastewater opposes it and with the lack of a guarantee that the process will work he urged the Board to rethink and proceed carefully.

The clerk was requested to reflect for the record that Mr. Nos Espan arrived at 5:10 P.M.

F. Legal Counsel’s Report

1. Response to Commissioner Tobin’s concerns raised at the 1/7/04 meeting

Mr. Dillon reviewed his memorandum in detail. The memorandum is made part of this record as Attachment A.

Mr. Kinsley of the Haskell company commented that the TSC Jacobs Company has worked with Haskell prior and he is confident that they will sign the purchase order and payment terms and would provide payment and performance bonds.
Commissioner Brooks asked about KLWTD purchasing the equipment. Mr. Dillon states that per the contract they could purchase it.

Discussion ensued on the issue of ‘good faith’ in honoring the contract. Mr. Dillon cautioned that the WTD must act reasonably and Haskell needs to demonstrate that they are acting reasonably and their action of requesting further information from Fluidyne was done to demonstrate this. Direct purchases were also discussed.

Commissioner Brooks believes that the contract terms are negating the Board’s desires. Commissioner Brooks questioned if Board members could attend the design phase meetings. Discussion ensued on the possible sunshine law implications of members attending the design meetings. Commissioner Wilkinson stated that from past practice the Board had given comments during design discussions, which the engineers have addressed but not always to the Board member’s liking.

Mr. Sheets is confident that the contract has a provision that beyond the monthly status report there is a meeting to be held monthly and these could be held in conjunction with a board meeting, however this may preclude the staff from reviewing information prior to the Board.

Chairman Bauman suggested that staff recommend a procedure to the Board. Mr. Castle stated that the contract requires Haskell to provide submittal protocol and once the 30% design is received a recommendation to approve them would be provided. Mr. Kinsley of Haskell stated that he welcomes the participation of the Board. Commissioner Wilkinson asked what the deadline for 30% design approval was. Mr. Kinsley stated that presently there is a two-week time frame in the present schedule.

Commissioner Bauman asked WEC to have a recommended submittal protocol available for the February 4, 2004 meeting.

2. Warranty Form to Nos Espat
   a. Randazza suggested form
   b. Dillon suggested form

3. Fluidyne Warranty

Mr. Dillon presented a revision to items F2a and F2b he addressed items F2 and F3 in his memorandum all of which are made part of the record as Attachment B. The attached warranties were the final versions that were signed by the vendors. Discussion ensued concerning the various warranties.

Discussion ensued on the characteristics of the sewage. Assumptions were made during the RFP process per Dillon and he stated that if they are not realistic they should not be adhered to.

Commissioner Brooks questioned influent characteristics and its possible negation of the warranties. Mr. Dillon had suggested different verbiage to protect the district. Further discussion ensued.

Chairman Bauman objected to the attempts to re-negotiate the warranties during the meeting. He believes that with three signed warranties there should be a decision made immediately. Commissioner Brooks stated that he had a problem with that. Mr. Dillon suggested making a motion on approving the signed documents as presented. Commissioner Brooks stated that he hasn’t had time to review what was sent on the 1-12-04.

Commissioner Tobin asked if the Fluidyne warranty was substantially the same as what had been provided in the agenda book. Mr. Dillon stated all except the two items that he detailed.
Commissioner Brooks stated there is confusion by placing three warranties together. Mr. Dillon stated that Randazza and Purestream had split out the responsibilities listed in the original warranty. Commissioner Tobin stated that he would prefer one warranty with the manufacture and vendor with only one document.

Discussion ensued on the bonding requirements. Mr. Dillon stated that bonds during the initial year are not as important because Haskell holds a bond. He noted that two bonds are not necessary, but that if Haskell is not willing to take responsibility on a process they could not support, there would be no bonding to secure the performance of the person providing the secondary treatment system. Discussion ensued concerning the function of a performance bond and payment bond and the fact that legal counsel reiterated that has never heard of a “process bond”. It was noted that the performance bond requirement was struck from the Purestream/Randazza warranty.

5. Haskell Company Purchase Order

Mr. Kinsley answered questions concerning the purchase order and added that vendors he has worked with do provide support and if it is not stated in the warranty it is either stated in the contract or the purchase order.

6. Haskell Design Calculations Request

7. Informational copy of the December 29, 2003 Haskell Company Correspondence

Items F6 and F7 were discussed. Mr. Dillon reviewed the issue of delay. Mr. Dillon had requested Haskell to get information to prove or disprove that USBF would not work. The calculation requested had not provided by Randazza. Commissioner Brooks stated the design calculation had been available since last February. Mr. Dillon countered that a statement made in a Randazza's letter says that the district staff could not verify the cost increase because they don’t have the information. Please see Item G-2 below for further discussion.

The Chairman recessed the meeting at 6:55 p.m.

The Chairman reconvened the meeting at 7:10 p.m.

G. Action Items

1. Pending Payments List

Mr. Sheets stated that the payment list was modified to show what funds the payments come out of as directed by the Board. The GSG time sheets and hourly activity sheets were supplied for informational purposes as per the Board’s request.

Mr. David Miles reported the funds on hand at present were $62,585.66 and that a deposit from FKAA of FEMA Phase 1 money in the amount of $232,108.21. The MSTU money has not been disbursed as previously reported. The amount is approximately $140,000.00. It was noted that the County’s policy is to not pay by wire transfer. Commissioner Wilkinson requested the current cash balance. Mr. Miles stated that it was $294,693.87 the bills payable today will be deducted from the stated balance.
Chairman Bauman asked if there should be a separate capital and administrative funds. Mr. Miles stated that it would be more difficult and is not necessary because it creates an administrative burden to track the accounts.

Commissioner Tobin stated the routine for approval of the bills should be to let the Board review the legal invoices, that GSG invoices should include accounting of the time spent on KLWTD activities and that he would not approve the Haskell pay applications until he understands the process. Mr. Sheets stated that he had provided pages of breakdown at item H2. Mr. Tobin stated that the Mull & Associates invoice could be paid if Mr. Miles could explain it. Mr. Miles stated that it was for the hours spent for the annual audit less 10 percent retainage.

Commissioner Brooks question the Board’s payroll checks being process prior to the payments pending list being approved. Mr. Miles stated that by resolution of the Board he has the authority to disburse up to $2,500.00 and that the payroll is being paid under that authority. Also the payroll and federal taxes have been paid.

Commissioner Brooks stated that legal fees for two months in the amount of approximately $16,000 concerns him and that if the cost of on issue is over $5,000 there should be an accounting. Mr. Dillon stated that the contract states that his invoice is to be submitted in detail and forwarded to the manager. Mr. Sheets stated that his had been done in the past, however at the transition of Mr. Dillon to legal counsel it was assumed that it was no longer necessary this can be changed. Mr. Sheets asked the Board if it were requesting copies of all the invoices listed on the pending payments list. Discussion ensued. Mr. Sheets requested direction to provide backup on all pending payments. Commissioner Brooks and Commissioner Tobin would like to see a dollar threshold. Discussion ensued. Commissioner Beaty would like Commissioner Tobin to review all legal bills. Chairman Bauman asked the other service providers if they had difficulty providing detailed invoices. It was noted that consideration must be given to the prompt pay act because when the Board has money the prompt pay act comes into play so a specific procedure should be enacted.

**MOTION TO APPROVE ALL BUT ITEMS NO. 3, 4, 5, 6, (DILLON’S, GSG’S AND HASKELL’S) AND TO PAY THE BALANCE OF THE PAYMENT PENDING LIST WAS MADE BY COMMISSION TOBIN.**

Discussion ensued. Commissioner Tobin stated that Haskell might be approved at the end of the meeting after the pay application process was reviewed. Commissioner Beaty seconded the motion. Chairman Bauman requested a roll call vote as follows:

- Commissioner Beaty: Yes
- Commissioner Brooks: Yes
- Commissioner Tobin: Yes
- Commissioner Wilkinson: Yes
- Chairman Bauman: Yes

All were in favor and the motion was unanimously approved.

Commissioner Tobin requested an item be added to the agenda. The item was to reconvene the meeting after the workshop to approve payment of the Haskell pay application if it were in order. The Board gave its consensus.

2. Resolution of Haskell Contract Concerns
   RE: Secondary Treatment Selection
   a. Resolve to Mediate with the Haskell Company
   b. Resolve to Relieve Haskell from AWT Warranty
c. Select Modified SBR Technology

Mr. Dillon concluded his presentation on the letter from Haskell and stated that staff had examined the other information provided by Randazza and Purestream and continues to conclude that the USBF process would not work. Mr. Kinsley and Mr. Hortenstine summarized that from the design calculations that were evaluated and after consulting with Purestream's engineers that none of the information received had changed their position. Mr. Hortenstine gave specific details of the process used in analyzing the addition information, which included speaking with Dr. John Smith with Smith Environmental of Cincinnati Ohio. A modeling scenario was run with the information but it didn't address the bio kinetics. Dr. Bratby of Brown and Caldwell also spoke with Mr. Smith and are in agreement with Mr. Hortenstine's deductions. Dr. Bratby used Biowind to module and couldn't achieve 3.0. Mr. John Smith provided information from a plant in Long Island, NY and on from Italy to demonstrate that 3.0 could be achieved however, out of 3-5 months of data provided only several days reached 3.0 the consistent numbers were from 5 to 8. Mr. Kinsley and Mr. Hortenstine Concluded that they did not find out anything that changed their opinion.

Chairman Bauman asked Mr. Dillon for his opinion on the issue. Mr. Dillon stated that the short answer is that neither Haskell or Brown & Caldwell, nor Weiler believes that USBF can meet the standards and Haskell cannot go forward without resolution to the problem. Mr. Castle has received the same information and he stated that it did not include the kinetic values to achieve the levels required. Mr. Castle purchased a different process model program from the EECS Group and he couldn't achieve the required nitrate level. Discussion ensued. It was noted that a program was not sent just the input information. Mr. Castle of WEC concluded that no significant information to change his mind was provided and the fact that he used an independent model and obtaining the same results aided his conclusion.

Commissioner Tobin asked if the process calculations were first received on the 10th January. Mr. Castle stated that the first useable information was received on January 10, 2004.

Chairman Bauman asked for comments from Mr. Espat of Randazza. Mr. Espat noted that he was not on the call with Brown and Caldwell and the Purestream representatives so he could not dispute what was said. Mr. Espat believes there are two issues, one why the process name had changed, because four major competitors had claimed rights to their patent. Mr. Espat noted that there was no change to the process. Mr. Espat noted that John Smith was not only the consultant, but is the co-owner of the patent. Mr. Espat addressed Mr. Dillon on the warranty and clarified that when design is discussed the only reason we say 'actual' is because we must have some parameter of where you are starting. It is Mr. Espat's opinion that no one will guarantee from a specific starting point. Mr. Espat stated that it was clear when Boyle sent out the RFP criteria that there would not be 250 B.O.D. you would have a food distribution supplement to provide the nitrogen results. Mr. Espat stated that as far as consequential damages, the warranty is signed by both owners of the Purestream Company and Randazza provided an additional warranty. Mr. Espat stated that in the disclaimer where Mr. Dillon addressed the issue was contradictory.

Mr. Espat stated that concerning bonding that if Haskell is providing the opportunity for Fluidyne to bond through them so he should be given the same opportunity. Mr. Espat believes that Fluidyne can't get one on their own either, he is not sure of this but he should be given the same opportunity. If he needs to have one he would like to add it to his proposal. The cost of the bond should be included in the original bid he would buy it if it were made available to him. Mr. Espat stated that concerning process or performance bonds it is important that the District clarify what performance means and he believes as far as performance bonding it should be clearly stated as what it includes if it is a process warranty it has to be defined so that you are protected for 5531. Mr. Espat thanked the Board.
Chairman Bauman asked for further Board comment. Commissioner Brooks requested to read information into the record. Commissioner Tobin requested to question Mr. Espat. The Chair granted the request.

Commissioner Tobin asked Mr. Espat to please tell the Board why the information that was asked for months ago had only been provided last week and why according to both engineers it was not sufficient data. Mr. Espat stated that he had arranged the discussion with Mr. Smith and that the calculations and all the required information had been on record in the District and was issued by CPH Engineering and he had spent 5 hours going over the information with Mr. Stu Oppenheim in February. Mr. Espat stated that he had difficulty defining whom he should be in contact with and that he had answered Mr. Kinsley’s requests but Mr. Oppenheim requests were extensive and costly. Commissioner Tobin stated that the information received from Randazza hasn’t established 3.0. Mr. Espat stated that the USBF BESST technology is patented and they cannot divulge the essence of their process with the calculations that others could copy their process. Discussion ensued on the patent process and the information divulged and if it is public record. Commissioner Brooks stated that on patents some are never divulged Polaroid had hundreds on film process and Coca Cola’s ingredients. Mr. Espat stated that there are portions of the information, which were not disclosed to WEC and Brown and Caldwell. Commissioner Tobin stated that without this information the Board cannot prudently spend 8 million dollars on something they cannot see or have proven them. Mr. Espat stated that there is no engineering that can present SBR has produced 5531.

Commissioner Brooks contacted John Smith of Smith Environmental Engineering. He responded with a letter dated January 13, 2004, which is made part of this record as Attachment C. Commissioner Brooks noted a point made in the letter that as the consultant for Purestream’s USBF BESST system that the KLVWT D project had been reviewed in detail by him and the current design will meet the requirements of 3 per liter of total nitrogen. It further explains that Mr. Smith had discussed with Ted Hortenstine and attempted to describe that the process is unique and combines the internal recycle and doesn’t fit the mold and doesn’t fit standards. It also notes that during Mr. Smith’s tenure at the EPA he was part of a pilot program that operated many plants in various places. Commissioner Brooks also noted that he had talked with David Reffing of Boyle Engineering who claims USBF BESST could meet the requirements and so stated in the PDR that a chemical feed and possibly a denitrifying filter on the end would be required for the other process. Mr. Reffing provided an email verifying his opinion, which is made part of this record as Attachment D. Commissioner Brooks also referred to a letter from Osvaldo Ojito who worked with Gartek (Attachment E) and a letter from Gartek (Attachment F) stating that both processes have been used and they believe both systems could meet 5531. In total Commissioner Brooks had four engineers that claim it would reach 5531.

Chairman Bauman stated the issue is not whether he believes it or could find engineers to certify the process the issue is Brown and Caldwell doesn’t believe it and the Board needs to decide if we need to get new engineer, or begin dispute resolution or consider a new vendor. It is a legal issue at this point; Haskell has a contract with Brown and Caldwell.

COMMISSIONER WILKINSON MADE A MOTION TO APPROVE THE ISAM FLUIDYNE PROCESS. CHAIRMAN BAUMAN RULED THE MOTION OUT OF ORDER UNTIL DISCUSSION IS CONCLUDED. Commissioner Tobin interjected with several more questions. Commissioner Brooks stated that concerning parliamentary procedure if the Board wants to take this up the Board may need to motion to reconsider the previous motion and for it to come forth it must come from one of the yes votes for the USBF system.
Commissioner Tobin inquired if Boyle is comfortable with USBF and with three board members vacillating he thought that with cooperation with Nos they might come to some determination. Commissioner Tobin asked for Haskell’s opinion of Dave Reffing’s email stated that both technologies have the potential and his recommendation for the KLWTD to hold a performance bond. Commissioner Brooks added the Mr. Reffing had spent about 30 minutes on the phone with him and stated that both could achieve 5531 and for this size plant the USBF would be best for this application and would produce a saving. Mr. Kinsley stated that he knows, likes and respects Mr. Reffing along with Mr. Betancourt of Gartek, however, they have not been privileged to all the information and exchange of information nor had the benefit of the study and at the end of the project neither Gartek nor Boyle will stamp the drawings Brown & Caldwell is going to stamp them. The Haskell Company is not swayed by the comments versus the study. Mr. Kinsley concluded that the Board’s engineer Ed Castle of WEC is also getting the same numbers with all the same information.

Chairman Bauman closed the legal report and asked the Board members for any final comments. Commissioner Tobin asked Mr. Dillon that in light of the recent memos what his opinion was of the legal issues the Board might face. Mr. Dillon stated the main question is who will take the risk for performance. If we demand that Haskell take USBF and install it, Haskell would be justified in invoking the dispute resolution process, and that it is not reasonable to ask someone to build a plant after so much detailed study showing that the technology won't work. We would be unreasonable if we demand that they do so. Commissioner Tobin asked if they had signed a contract saying we can choose a process and could they find remedy by getting out of the contract. Mr. Dillon stated that not only could they seek a remedy they can declare KLWTD in breach and demand payment for the time they spent and without a clause in the contract covering termination the District could be liable. This is not the type of contract where the Board can demand performance that is not objectively reasonable. If the Board does so, the District will lose time and money.

CHAIRMAN BAUMAN BROUGHT ITEM G-2 RESOLUTION OF THE HASKELL CONTRACT CONCERNS TO THE FLOOR FOR CONSIDERATION. THE THREE OPTIONS PROVIDED WERE: A. RESOLVE TO MEDIATE; B. RESOLVE TO RELIEVE HASKELL FROM AWT WARRANTY; OR C. SELECT MODIFIED SBR TECHNOLOGY. COMMISSIONER WILKINSON MOTION TO SELECT 2C TO SELECT MODIFIED SBR TECHNOLOGY. Brooks states he is out of order. Mr. Dillon noted that a motion to reconsider applies on the day of the vote only. Mr. Dillon’s professional opinion is that Commissioner Wilkinson is in order. CHAIRMAN BAUMAN ASKED TO WAIVE THE RULES TO MAKE A SECOND AND SECONDED. Chairman Bauman asked for further discussion. Commissioner Beaty asked what the exposure would be if we relieve them of the warranty. Mr. Dillon stated that the exposure would be to give up the 8 million dollar performance bond the benefit of the engineer selected to design and seal the project and to give up the performance warranty that Haskell provides and substitute it with an engineer that KLWTD did not choose. Also Purestream would be without a performance bond and there would be a conflict from the obligations of Haskell to complete the work and we would lose the meat of the contract. Mr. Dillon concluded that the team was selected by the Board and the District would lose the benefit of the team and that replacing it with an engineer to be named later and an unbonded technology would not be prudent. Commissioner Brooks stated that he has low confidence with fluidyne due to the information distributed and the form of reports from various plants, for example the Bartow plant being identified as an AWT plant. He questioned who generated the reports and the internet claims that Bartow is an AWT plant. Commissioner Brooks stated that he could not support the motion. Commissioner Tobin stated that he is glad the board takes the time to hammer out the issues and glad the public is interested. He feels trapped because the lawyer advises voting a certain way, which is a lesson that the legal counsel is the sixth Commissioner. He continued that the KLWTD is lucky they have an experienced, ethical attorney, but Commissioner Tobin is not happy to be in the present position. Commissioner Tobin stated that the Board has done all it can to support the original decision but he is disappointed that Mr. Espat continues to be the loner trying to make the point for the company that the
USBF system has a lower cost but with the little amount of information given late in the game there is not much else that can be done and we may regret Mr. Espat not being there and there may be problems in the future but we are trapped with no choice. Commissioner Wilkinson stated the public should have been permitted to speak prior to the vote and the solicited letters presented this evening were no proof.

The public needs some proven system and the Haskell Warranty system is best and he supports SBR and the technology committee has recommended SBR. Commissioner Wilkinson stated that he was sorry it is this way but a selection must be made and the board was elected to make the tough decisions. He thanked all involved for their exceptionally hard work after we continue to slap them and say they don’t know what they are talking about. **WITH NO FURTHER DISCUSSION CHAIRMAN BAUMAN REQUESTED A ROLL CALL VOTE AS FOLLOWS:**

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THE MOTION WAS APPROVED BY A VOTE OF THREE IN FAVOR AND TWO NOT IN FAVOR.

H. General Manager’s Report

1. Transition Committee Status Report No. 2

Mr. Sheets stated that this item would be covered during the workshop or postponed to a later date.

2. Presentation of GSG Time Sheets and Hourly Activity Descriptions

3. Sheets stated that this information was provided at the direction of the Board and would be provided with each invoice. Commissioner Wilkinson commented on the time sheets and breakdowns submitted by GSG and asked if it is necessary to have this information with every invoice. He believes it is not necessary for a fixed fee contract.

4. Discussion with FEMA concerning the EA

Mr. Sheets reviewed the information provided which included an email log forwarded from Science Kilner. Mr. Sheets stated that he would be meeting with Miles Anderson on Monday the 19th.

I. Engineer’s Report

1. Conceptual Review of the Impacts of Connection of the Calusa Camp Resort to the KLWTD (Please see the enclosed report)

Mr. Castle offered to postpone the presentation due to the late hour. Commissioner Tobin requested a summary of the Calusa report that had been provided. Mr. Castle stated that several synopses were provided. The first deals with quality of influent and the system that is in place. The wastewater will be strong and greasy but with no toxic effects however, there is a great deal of infiltration but once the system is rehabilitated it could be accepted. Discussion ensued on the age of the system and financing the connection from the Calusa Campground to the KLWTD system. Mr. Castle notes that the positive aspects are that the KLWTD system picks up flow and adds 350 customers and pointed out that on page of the report was a summary of how much income could potentially be generated.
J. Commissioner's Items

1. Discussion of Strategic Planning and Consulting Strategic Planning Firm
   -- Chairman Bauman
2. Discussion of near shore water testing – Chairman Bauman

It was the consensus of the Board to table the Commissioner’s Items until the February 4, 2004 meeting.

K. Meeting Adjournment

Mr. Sheets introduced Ms. Marguerite McCauley who was present to conduct the Administrative Procedures Workshop. Mr. Sheets stated that the Administrative Procedure should be scheduled as a separate meeting if it is to get undivided attention. He added that the document would take many meetings to become a working document on how to address issues facing the KLWTD. The Board gave its consensus to hold the Administrative Procedure Workshop at a future meeting. Ms. McCauley offered to provide a brief overview of the information provided. Chairman Bauman declined but thanked Ms. McCauley for her attendance and invited her back to present the manual at a future meeting. Ms. McCauley would advise the Board of her availability.

Mr. Sheets stated that the Transition Plan was to be discussed as part of the workshop but could be postponed to discuss the Haskell pay application. It was the consensus of the Board to postpone the discussion of the Transition Plan until a future agenda.

The chairman adjourned the regular meeting at 8:50 pm to begin the workshop.

The chairman reconvened the regular meeting at 9:17 p.m. Commissioner Brooks made a motion to approve the Haskell Company’s pay application NO. 1. Commissioner Tobin seconded the motion. All were in favor and the motion was unanimously approved.

All were in favor of a motion to adjourn at 9:18 p.m.
Memo

To: Key Largo Wastewater Treatment District
From: Thomas M. Dillon
CC: Robert Sheets, Charles Sweat, David Miles, Faith Doyle
Date: 1/11/04
Re: Various issues raised by Board members

Note: This memorandum constitutes attorney work product and attorney communications.

At the Board meeting of January 7, 2004 and in emails thereafter, members of the Board have raised the following issues:

1. Comment on the advisability of assuming certain obligations in connection with the choice of the USBF secondary treatment system
2. Comment on the Haskell delay issue
3. Comment on the Haskell Purchase Order form and design calculation requests
4. Comment on the Purestream/Randazza warranty and the Fluidyne warranty (Attachment RS-10 memo of 1-12-04)
5. Does the Board have a responsibility to review or approve the 30% design drawings?
6. May Board members attend a progress meeting under the Haskell contract?

1. I recommend against the District assuming obligations not already assumed in the Design-Build Agreement in connection with the choice of the USBF secondary treatment system.

I addressed this issue in my memorandum to the Board dated December 16, 2004. Briefly summarized, it is my opinion that the Design-Build Agreement places certain responsibilities on Haskell as the design-builder in connection with the secondary treatment system.

These responsibilities include the obligation to design the Project, including the secondary treatment system, to assure that the Project is constructed to a standard of quality, integrity,
durability and reliability that is equal to or better than the standard established by the Scope of Work; and to warrant equipment and materials purchased by Haskell. The District can rely on Haskell to perform these obligations based on the same factors that led the District to select Haskell as its design-builder, i.e., the experience and reputation of Haskell and its design engineer to do so competently. In addition, Haskell's performance of these obligations is secured by a performance bond in a penal sum equal to 100% of the contract price.

The evidence presented to the District to date does not include any evidence that the USBF system or the ISAM/SBR system has ever met the standard established by the scope of work, i.e., 5,5,3,1. The engineering analysis of Brown & Caldwell and Weiler Engineering, and the expert opinion of GSG suggest that the USBF system, as that system is understood by those experts, cannot meet the standard, but that the ISAM/SBR system can meet the standard. The only expert who has provided an opinion that USBF can meet the standard is the engineer proffered by Randazza at the October 17, 2003 meeting.

In correspondence and at the January 7, 2004 Board meeting, Haskell has proposed a solution under which the District would purchase the USBF system directly and would relieve Haskell of any obligation to provide engineering services or a performance warranty for the USBF system. Haskell made that proposal because of its belief, based on Brown & Caldwell's previous analysis, that the USBF system will not achieve the contract standard of 5,5,3,1. However, as of January 7, 2004, Haskell apparently had not yet been provided with design calculations for the USBF system that Randazza actually intends to provide. I am in receipt of a January 10, 2004 email from Randazza that purports to provide the requested calculations. I understand that Haskell and its design engineer, Brown & Caldwell, will review these calculations in order to determine whether the proposed USBF system is likely to achieve the standards.

If, after reviewing and evaluating the USBF system, Haskell in good faith determines that it cannot accept responsibility to design and warrant the USBF system and if Haskell on that basis insists that it will not accept that responsibility, there will be a serious issue whether the District can declare that Haskell has breached its obligations under the Design-Build Agreement.

It is my opinion that, if, based on an engineering analysis of the engineering information provided by Randazza, Haskell takes the position that the USBF system will not perform and the District takes the position that Haskell must design and construct the USBF system anyway, and Haskell invokes the dispute resolution provisions of the Design-Build Agreement, the District will not prevail unless it first retains additional expert assistance. The dispute resolution process, even using the streamlined procedures in the Design-Build Agreement, will be costly and time-consuming.

I do not recommend that the District resolve this issue by assuming Haskell's present responsibility to design and warrant performance of the secondary treatment system. Doing so would give up important District contract rights and leave the District without the services of its chosen design-build contractor to design and warrant system performance. Instead, the District would have to rely on an unknown design engineer that the District did not select,
and the District would have to rely on the promises of Randazza and Purestream to ensure system performance. These promises would be secured only by a $75,000 cash deposit, which, in the opinion of District staff, would be insufficient to effect any significant redesign or alteration of the secondary treatment system.

2. Further delay in the Project could cause it to extend beyond its contractual completion date, but Haskell has not demonstrated that fact through schedules submitted to date.

If the Project is delayed beyond its contractual completion date, there will be a possibility that the District will be entitled to liquidated damages. The District is entitled to liquidated damages to the extent that the project is actually delayed beyond its contractually established completion date as a result of events that are beyond the control of Haskell, and for which the District has assumed responsibility. Haskell contends that the Project is at risk of being delayed beyond its completion date as a result of events beyond its control and for which the District is responsible.

In support of Haskell’s contention that the delays to date could delay the Project beyond its planned completion date, Haskell has provided a series of schedules depicting its planned work activities. The schedules accompanied a letter dated December 29, 2003.

These schedules are not Critical Path Method ("CPM") schedules. A CPM schedule is one that shows the shortest time in which a project can be completed by depicting major work items in a logical sequence. CPM scheduling is generally considered to be the only satisfactory method of showing project delays.

The schedules submitted by Haskell are bar charts showing the amount of time within which Haskell intends to complete various aspects of the work. However, since the schedules do not show the logical time relationship between all work items, it is not possible, based on these schedules, to infer the actual impact of each event of delay on the total time necessary to complete the work.

Haskell has cited three events that it believes have delayed the Project, including (a) alleged delays in final resolution of the FEMA Environmental Assessment ("EA"); (b) alleged delays in the District’s selection of a secondary treatment process; and (c) alleged delays resulting from the District’s selection of the USBF process, which Haskell believes cannot work. All of these events could contribute to a delay in Project completion. Without commenting on the merits of Haskell’s contention that the District has assumed responsibility for these events, the following discussion illustrates the point that Haskell’s bar chart schedules do not demonstrate that the Project will actually be delayed.

(a) Delays in final resolution of the EA

Haskell first advised the District of this alleged cause for delay by letter of October 13, 2003. The letter was sent in response to an October 13, 2003 email from Robert Sheets to Science Kilmer, in which Mr. Sheets expressed the District’s concern with the progress of the EA. On the basis of that email, I believe that there is no question that the EA has been delayed beyond the date on which it was expected. However, the Preliminary Project Schedule (Design-Build Agreement Exhibit B), which is not a CPM schedule, does not show
a date by which the EA was anticipated. (I am not aware of any other schedule provided by Haskell prior to the “Sept ’03 Update” submitted with Haskell’s letter of December 29, 2003.

In order to determine the effect of a delay in the EA, it would be necessary to start with a CPM schedule and to determine the planned date of the first event that could not occur in the absence of EA completion. Haskell has not done so.

(b) and (c) Delays in the secondary treatment selection process

Haskell first advised the District of this alleged cause for delay by letter of October 31, 2003, in which Haskell alleged that the District improperly postponed selection of a secondary treatment system at the District’s special meeting of October 17, 2003. By letter of December 12, 2003, Haskell asserted that the District’s selection of USBF was continuing the delay.

Again, the Preliminary Project Schedule does not show a date by which this decision was anticipated. Although Haskell’s letter of October 31 states that the decision should have been made at the October 17 meeting, the letter of December 29 states that the decision should have been made on September 17. In the absence of a CPM schedule, it is simply not possible to ascertain the effect of any delay in selecting a secondary treatment system.

Despite the fact that the exact amounts of delay cannot be determined, it is clear that major portions of the Project cannot be commenced until the EA is completed and the secondary treatment issue is resolved. Any time lost as a result of these events will be likely to consume available contract time and will put timely completion of the project at risk.

At the District meeting of January 7, 2003, Mr. Kinsley stated that there were 40 days of float on the Project and that the District had used most of them. He questioned the fairness of the District using most of the float. Float is a quantity that can be determined only through CPM Scheduling. Float is the difference between the time allowed to complete the work and the time necessary to complete the work. At the present time and in the absence of a CPM schedule, it is not possible for the District to determine the amount of float available or to know how much has been used. In any case, the questions of who owns the float, who has used it, and whether such use was fair remain to be determined.

3. A contractor’s purchase order form is primarily the contractor’s choice and the District should not become engaged in judging the propriety of a form unless substantial District interests are involved. The District and Haskell have agreed on the calculations required from Randazza.

At the District’s January 7, 2004 meeting and in a letter to Robert Sheets dated January 6, 2004, Haskell has advised the District that the purchase order form sent to Randazza is Haskell’s standard purchase order form for complex equipment for which Haskell has assumed performance obligations. Haskell has advised that it invariably requires its vendors of complex equipment to sign this form.

By email of January 9, 2004, I asked Haskell to “certify that the standard purchase order and subcontract is the form that The Haskell Company typically uses for purchase of equipment similar in nature and complexity to the secondary treatment equipment and is the form that Fluidyne has agreed to.” I have not received a response to this email.
In construction contract, the contractor is an independent contractor. The owner normally specifies only the desired result, and the contractor has the right and responsibility to select such means and methods as the contractor deems appropriate. Improper interference with contractor means and methods is a fertile source of construction contract litigation, in which owners can be held liable not only to the contractor for interference, but also to third parties if the interference destroys the independent contractor relationship. Therefore, unless there is a significant owner interest involved, an owner should normally not become involved in the selection of a contractor's means and methods.

In this case, I recommend that the District not attempt to interfere with Haskell's subcontracting or purchase ordering methods unless the District perceives that the subcontracting or purchase ordering methods are unreasonable and are being used improperly to subvert the District's decision regarding secondary treatment.

Assuming Haskell's representations as to the purchase order are correct and are confirmed in writing, I believe that the District cannot make a credible case that Haskell's purchase order is unreasonable or is being used improperly to subvert District interests.

As to the requests for calculations made by Brown & Caldwell through Haskell to Randazza, I requested staff review of the calculation requests upon receipt. After discussion between staff and Brown & Caldwell, the requests were revised somewhat, and I understand that staff believes the requests to be reasonably necessary for Brown & Caldwell to review the USBF design. I have no basis on which to disagree with staff.

4. Comment on the Purestream/Randazza warranty and the Fluidyne warranty

By email dated January 9, 2004, I reviewed the warranty form that I had earlier submitted to Randazza, with Randazza's suggested modifications. Randazza had suggested that the part of the warranty requiring it and Purestream to provide a bond or other reasonable security to Haskell should be deleted. I believe that the requirement for security to protect Haskell is a reasonable requirement in view of Haskell's significant risks if the USBF system does not achieve 5,5,3,1 and in light of the fact that the record does not include evidence that the USBF is capable of doing so. Also, since the warranty form is substantially the same as the form already signed by Fluidyne, there is little reason to believe that the warranty form is unreasonable burdensome.

Note that Fluidyne is not able to provide security for the second year of the Fluidyne warranty. Purestream/Randazza should not be required to provide greater security than Fluidyne.

Except for the second year bonding requirement, the Fluidyne warranty is as requested by the District.

5. The District has a responsibility to review and approve the 30% design drawings, but the contract does not require the Board to do so.

The question whether the Board must act on the design drawings or other approvals is not specified in the contract. I don't know the Board's desire reaction on the design drawings.
6. Board members may attend a progress meeting under the Haskell contract

The Board asked whether it might attend a progress meeting with Haskell if the meeting is not publicly noticed. The Government in the Sunshine Act does not prohibit public officers from attending a non-public meeting and receiving information, as long as the discussion at the meeting is not a substitute for debate on an issue that will come before the agency. Board members may ask questions at such a meeting, but may not engage in discussion of future action items.
Memo

To: Key Largo Wastewater Treatment District

From: Thomas M. Dillon

CC: N/A

Date: 1/12/04

Re: Comparisons of warranties signed by Fluidyne, Randazza, and Purestream with forms provided to them

Note: This memorandum constitutes attorney work product and attorney communications.

The purpose of this memorandum is to compare the warranties signed by Fluidyne, Randazza, and Purestream with the warranty forms provided to them by me on behalf of the District. None of the entities has signed the warranty exactly as provided. The comparison is in outline format with comments on the material changes made by each entity. I am providing along with this memorandum markups of the warranties provided and showing additions and deletions by each party.

Fluidyne has signed a warranty form that is very similar to that provided by me. Purestream and Randazza have made several changes.

- Purestream and Randazza propose a secondary treatment system called “BESST” in place of “USBF”.

- Purestream and Randazza divide the warranty obligations among them, with Purestream warranting equipment and Randazza promising support and training. Where one of the two entities promises to fulfill a warranty obligation, I have not noted it as a material change.

MATERIAL CHANGES FROM THE FORMS PROVIDED.

Recitals

- Randazza and Purestream have modified the recitals, and the remainder of the document by removing the references to a “secondary treatment system” called
"USBF", and replacing them with references to an "advanced biological treatment process" called "BESST." I do not know the significance of this change.

Warranty duration of two years from Acceptance Date in Design-Build Agreement.

- Fluidyne limits duration to no later than 9/1/2007.

Conditions of warranty; sewage influent substantially as characterized for the purpose of the secondary treatment facility.

- Purestream requires the actual sewage influent characteristics to be "the same as the sewage influent design criteria as stated in the Design-Build Agreement and used in the design of the BESST plant."

- **NOTE:** I DO NOT BELIEVE THAT THE DESIGN-BUILD AGREEMENT STATES THE CHARACTERISTICS OF THE SEWAGE. TMD

- **NOTE:** THE PURESTREAM WARRANTY WOULD BE VOID IF THE ACTUAL SEWAGE VARIES IN ANY WAY FROM THE SEWAGE CHARACTERISTICS USED AS THE DESIGN BASIS FOR THE PLANT. TMD

Disclaimer of responsibility for certain consequential damages suffered by the district.

- Randazza form does not include the disclaimer

Security for warranty obligations.

- Fluidyne provides security for first year, only.

- Purestream provides no security.

- Randazza offers to pay "pay Haskell for a Process Bond if Haskell is able to obtain such a Bond in the Wastewater Treatment Industry" with the cost of the bond added to Randazza's proposal.

- Randazza to deposit $75,000 as security for its promises.

- **NOTE:** THE TERM "PROCESS BOND" IS NOT A TERM WITH WHICH I AM FAMILIAR. THE FORM SOUGHT A PERFORMANCE BOND OR OTHER SECURITY FOR THE PROMISES MADE. TMD.

- **NOTE:** RANDAZZA'S PROMISES DO NOT INCLUDE ANY WARRANTY ON THE PLANT EQUIPMENT OR MATERIALS. TMD

Compliance with all applicable laws and regulatory requirements, including FDEP redundancy requirements.

- Purestream and Randazza have deleted this requirement.

- **NOTE:** THE DELETION IS SOMewhat SURPRISING, SINCE THE PROVISION REQUIRING COMPLIANCE WITH REDUNDANCY REQUIREMENTS WAS INSERTED UPON THE REQUEST OF RANDAZZA'S REPRESENTATIVE. TMD
Other

- Fluidyne form required it to provide advice, counsel, and technical support by telephone at no charge for not less than five years after expiration of the warranty. Fluidyne deleted this requirement but made the same promise in a cover letter.

- Randazza makes additional promises, as follows:
  - Provide construction assistance
  - Provide startup assistance and training
  - Provide on-the-job assistance and training for five years after startup
FLUIDYNE WARRANTY COMPARISON

Variances from District proposed form shown in red

WHEREAS, effective June 25, 2003, The Haskell Company ("Haskell") and the Key Largo Wastewater Treatment District ("District") entered into a written Design-Build Agreement for construction of certain wastewater treatment facilities ("Project") located at Key Largo, Florida, and

WHEREAS, the District entered into that agreement in reliance upon, among other things, the representation by Haskell that it was offering an additional 12 months of warranty on the Fluidyne Corporation ("Fluidyne") SBR secondary treatment process equipment at no additional cost to the District, and

WHEREAS, the parties intend by this writing to memorialize that additional warranty on the part of Fluidyne,

NOW, THEREFORE, in consideration of the premises and in further consideration of the promises below, Fluidyne hereby warrants to the District as follows:

1. Fluidyne warrants that all materials and equipment provided by Fluidyne ("Fluidyne materials and equipment") to Haskell and the District in connection with the Design-Build Agreement will be new unless otherwise specified, of good quality, in conformance with the Design-Build Agreement, and free from defective workmanship and materials.

2. Fluidyne warrants that it will, at its option, commence and diligently prosecute activities to repair or replace, within a reasonable time period, but not to exceed ten calendar days after written notice from the District, and at Fluidyne's expense, any and all Fluidyne materials or equipment that fail due to faulty materials or manufacture.

3. Fluidyne warrants further that if Fluidyne equipment fails to perform in accordance with the requirements of the performance criteria defined in Exhibit D of the Design-Build Agreement as a result of defective Fluidyne materials or equipment or because of the design of the Fluidyne SBR secondary treatment process equipment, Fluidyne will, within a reasonable time period, but not to exceed ten calendar days after written notice from the District, and at Fluidyne's expense, commence and diligently prosecute all actions necessary, including redesign and reconstruction of the secondary treatment process equipment, and modification of operating procedures, to cause the Fluidyne equipment to perform in accordance with the requirements of the performance criteria defined in Exhibit D of the Design-Build Agreement, a copy of which is attached hereto and incorporated herein by this reference.

4. If Fluidyne fails to respond in accordance with Item 2 or Item 3 above after ten calendar days prior written notice from the District and If the District is reasonably required to undertake repair or replacement of the warranted materials or equipment due to exigent conditions, or to prevent harm to the Project or the public, Fluidyne will reimburse the District for the reasonable costs of such efforts within 30 days of the District providing notice to Fluidyne.
5. This warranty shall extend from and after the "Acceptance Date" as that term is defined in the Design-Build Agreement for a period of two years, but will not extend beyond September 1, 2007.

6. For purposes of this warranty, "failure" of the materials or equipment means that, due to a defect in the Fluidyne materials or equipment or due to a defect in their design or specified operating procedures, the Fluidyne equipment is, or becomes, incapable of meeting the Performance Standards set forth in Exhibit D to the Design-Build Agreement, which is incorporated herein by this reference.

7. The following are express conditions of this warranty:
   a. That the sewage influent is substantially as characterized for the purpose of design of the SBR facility under the Design-Build Agreement and free of significant concentrations of material that can inhibit or adversely impact biological treatment processes; and
   b. That the District has substantially complied with all of the operating instructions and maintenance requirements required for normal and proper operation and instructions communicated to the District by Haskell or Fluidyne under the Design-Build Agreement.

8. If the materials or equipment fail as a result of noncompliance with any of the express conditions of this warranty, as set out in the preceding paragraph, Fluidyne will, if the District so requests, promptly cause the failed materials or equipment to be repaired or replaced, but Fluidyne shall be entitled to compensation for the reasonable cost of repair or replacement.

9. Except for damage to the equipment caused by a condition described in Paragraphs 1 through 4, above, Fluidyne expressly disclaims responsibility for any damages caused by failure of the Fluidyne secondary treatment process equipment, including lost income to the District.

10. If the District or Fluidyne is required to retain an attorney to enforce any terms, conditions, or covenants of this warranty, or to remedy any breach, the prevailing party shall be entitled to recover the verifiable costs and fees of any enforcement proceedings, including, but not limited to, reasonable attorneys’ fees (including charges for paralegals and others working under the direction or supervision of the party’s attorney.)

11. The failure of the District or Fluidyne to enforce, at any time, any of the provisions of this warranty shall not be construed to be a waiver of any such provisions or of the right of either party thereafter to enforce them. No waiver shall be valid unless in writing and signed by the party against whom enforcement of a waiver is sought.

12. It is the intention of the parties that any and all actions or proceedings at law or in equity related to this warranty or to the Project or to any rights or any relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in State or Federal courts located in Monroe County, Florida. All other dispute resolution activities shall be held in Monroe County Florida. Dispute resolution under this warranty shall be conducted in accordance with Article 14 of the
Design Build Agreement and in accordance with the following procedures:
negotiations, mediation, and judicial resolution.

13. In addition to the foregoing warranty obligations, Fluidyne represents and warrants
that it will provide advice, counsel, and technical support by telephone for a period of
not less than five years after the expiration of this warranty at no expense to the
District.[NOTE: FLUIDYNE COVER LETTER PROMISES TO PROVIDE TELEPHONE
SUPPORT TO END USERS "LONG AFTER THE EXPIRATION OF THE WARRANTY PERIOD"
AND "ADVICE, COUNSEL, AND TECHNICAL SUPPORT BY TELEPHONE AT NO CHARGE TO
THE DISTRICT.” FLUIDYNE COVER LETTER ALSO OFFERS TO PROVIDE A SERVICE
CONTRACT AT EXTRA COST. TMD.]

14. In addition to the foregoing warranty obligations, Fluidyne represents and warrants
that the Fluidyne materials and equipment shall meet all of the applicable
requirements of all federal, state, and local agencies having jurisdiction over the
Project, including without limitation, the Florida Department of Environmental
Protection redundancy requirements for 183,000 gallons per day.

15. Fluidyne will provide, through Haskell, bonding to secure performance of its
obligations under this warranty and payment for labor and materials to be supplied
under this warranty on the project including the initial 12-month warranty but not
any extended warranty.
PES WARRANTY COMPARISON

Variances from District proposed form shown in red

WHEREAS, effective June 25, 2003, The Haskell Company ("Haskell") and the Key Largo Wastewater Treatment District ("District") entered into a written Design-Build Agreement for construction of certain wastewater treatment facilities ("Project") located at Key Largo, Florida, and

WHEREAS, PURESTREAM ES, L.L.C. ("PES") is a potential supplier of secondary treatment equipment an advanced biological treatment process, referred to herein as the USBF BESST plant, and

WHEREAS Randazza Enterprises, Inc ("Randazza") is an the sole authorized State of Florida manufacturers Representative representative of PES, and

WHEREAS, PES and Randazza, for the purpose of inducing the District to select the USBF-plant BESST process for the Project, desires to make additional transferable warranty and service commitments for the benefit of the District to Randazza, and

WHEREAS, the parties intend by this writing to memorialize the additional transferable warranty and service-commitments,

NOW, THEREFORE, in consideration of the premises and in further consideration of the promises below, PES and Randazza agrees as follows:

1. PES and Randazza warrants that all materials and equipment provided by PES as part of the USBF BESST plant to Randazza, Haskell, and the District in connection with the Design-Build Agreement will be new unless otherwise specified, of good quality, in conformance with the Design-Build Agreement, and free from defective workmanship and materials.

2. PES and Randazza warrants that they will repair or replace, without delay and at their expense, any and all USBF BESST plant components that fail due to faulty materials or manufacture.

3. PES and Randazza warrants further that if the Project fails to perform in accordance with the requirements of the Design-Build Agreement as a result of defective PES materials or equipment, or because of the design of the USBF BESST plant, PES and Randazza will, without delay, and at their expense, undertake all actions necessary, including redesign and reconstruction of the USBF BESST plant, including additional process equipment, if necessary, and modification of operating procedures, to cause the Project project to perform in accordance with the requirements of the Design-Build Agreement as outlined in Exhibit D of the Design-Build Agreement, a copy of which is attached hereto and incorporated herein by this reference.

4. If the District is reasonably required to undertake repair or replacement of the warranted materials or equipment due to exigent conditions, or to prevent harm to the Project or the public, PES and Randazza will reimburse the District for the reasonable costs of such efforts within thirty (30) days of the District providing notice to PES or Randazza.
5. This warranty shall extend from and after the “Acceptance Date” as that term is
defined in the Design-Build Agreement for a period of two (2) years.

6. For purposes of this warranty, “failure” of the materials or equipment means that,
due to a defect in the PES materials or equipment or due to a defect in their design
or specified operating procedures, the Project is, or becomes, incapable of meeting
the Performance Standards set forth in Exhibit D to the Design-Build Agreement,
which is incorporated herein by this reference.

7. The following are express conditions of this warranty:
   a. That the actual sewage influent characteristics are the same as the sewage
      influent design criteria as stated in is—substantially—as characterized for—the
      purpose—of—design—of—the—USBF—plant—under—the—Design-Build—Agreement
      and
      used in the design of the BESST plant; and
   b. That the District has substantially complied with all of the operating
      instructions and maintenance requirements communicated to the District by
      PES or Randazza or Haskell under the Design-Build Agreement.

8. If the materials or equipment fail as a result of noncompliance with any of the
   express conditions of this warranty, as set out in the preceding paragraph, PES and
   Randazza—will., if the District so requests, promptly cause the failed materials or
   equipment to be repaired or replaced, but shall be entitled to compensation for the
   reasonable cost of repair or replacement.

9. Except for damage to the Project caused by a condition described in Paragraphs 1
   through 4, above, PES and Randazza expressly disclaims responsibility for any
   damages caused by failure of the USBF BESST plant, including lost income to the
   District.

10. Randazza—will—provide—Haskell—with—all—the—assistance—needed—during—the
    construction phase of the USBF plant at no cost to Haskell.

11. Randazza will assume the full responsibility, at no cost to Haskell or the District,
    for the startup and training of District operators once the USBF plants #1, #2 and #3
    have been completely installed and electrical power has been provided to the
    equipment.

12. Randazza—will—continue—to—provide—on—the—job—supervision—and—technical
    training/assistance to the District operators at no cost to the District for a period of
    five years after the startup of USBF plants #1, #2 and #3 during which period, the
    USBF Plants will have been demonstrated to perform in accordance with the
    requirements of the Design-Build Agreement. It is understood that plants #1, #2
    and #3 will be tested to meet the Design-Build Agreement by simply alternating the
    influent flows to either of the plants at any time after startup of all three plants in
    order to demonstrate their performance.

13. If the District or PES or Randazza is required to retain an attorney to enforce any
    terms, conditions, or covenants of this warranty, or to remedy any breach, the
    prevailing party shall be entitled to recover the verifiable costs and fees of any
    enforcement proceedings, including, but not limited to, reasonable attorneys’ fees
(including charges for paralegals and others working under the direction or supervision of the party's attorney.)

14. The failure of the District or PES or Randazza to enforce, at any time, any of the provisions of this warranty shall not be construed to be a waiver of any such provisions or of the right of either party thereafter to enforce them. No waiver shall be valid unless in writing and signed by the party against whom enforcement of a waiver is sought all parties involved with this Agreement and the Design-Build Agreement.

15. It is the intention of the parties that any and all actions or proceedings at law or in equity related to this warranty or to the Project or to any rights or any relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in State or Federal courts located in Monroe County, Florida. All other dispute resolution activities shall be held in Monroe County Florida.

16. In addition to the foregoing warranty obligations, PES and Randazza represent and warrant that the PES materials and equipment shall meet all of the applicable requirements of all federal, state, and local agencies having jurisdiction over the Project, including, without limitation, the Florida Department of Environmental Protection redundancy requirements for 183,000 gallons per day.

17. PES and Randazza will provide to Haskell bonding or other reasonable security to secure performance of their obligations under this warranty and payment for labor and materials to be supplied under this warranty.

18. In addition to the foregoing, Randazza agrees that Haskell shall deduct from the first amounts due Randazza for the PES materials and equipment the sum of $75,000, which shall be transmitted to the District and deposited in an interest-bearing account to secure performance by Randazza of all of the Randazza and Purestream obligations hereunder. If Randazza and Purestream satisfactorily perform all of their obligations under this warranty agreement, the District shall transmit the principal and all accrued interest to Randazza upon the passing of two years from and after the Acceptance Date of the Purestream materials and equipment under the Haskell contract. If at any time the District reasonably believes that Randazza and/or Purestream are in default under this warranty agreement, then the District shall so notify Randazza of that fact and shall thereafter be entitled to withdraw immediately all or any part of the principal and accrued interest for the purpose of remedying such default. The District may place the principal in a demand deposit account at any federally-insured bank, and the District shall have no obligation to Randazza to manage the deposit for the purpose of increasing or maximizing the return on the deposit.
RANDAZZA WARRANTY COMPARISON

Variances from District proposed form shown in red

WHEREAS, effective June 25, 2003, The Haskell Company ("Haskell") and the Key Largo Wastewater Treatment District ("District") entered into a written Design-Build Agreement for construction of certain wastewater treatment facilities ("Project") located at Key Largo, Florida, and

WHEREAS, PURESTREAM ES, L.L.C. ("PES") is a potential supplier of secondary treatment equipment an advanced biological treatment process, referred to herein as the USBF BESST plant, and

WHEREAS Randazza Enterprises, Inc ("Randazza") is the sole authorized State of Florida Manufacturer's Representative representative of PES, and

WHEREAS, PES and Randazza, for the purpose of inducing the District to select the USBF BESST plant for the Project, desire to make additional warranty and service commitments for the benefit of the District, and

WHEREAS, the parties intend by this writing to memorialize the additional warranty and service commitments,

NOW, THEREFORE, in consideration of the premises and in further consideration of the promises below, PES and Randazza agree as follows:

1. PES and Randazza warrant that all materials and equipment provided by PES as part of the USBF plant to Haskell and the District in connection with the Design-Build Agreement will be new, unless otherwise specified, of good quality, in conformance with the Design-Build Agreement, and free from defective workmanship and materials. Randazza will provide Haskell with all the assistance needed during the construction phase of the BESST (USBF) plant at no cost to Haskell.

2. PES and Randazza warrant that they will repair or replace, without delay and at their expense, any and all USBF plant components that fail due to faulty materials or manufacture.

3. PES and Randazza warrant further that if the Project fails to perform in accordance with the requirements of the Design-Build Agreement as a result of defective PES materials or equipment or because of the design of the USBF plant, PES and Randazza will, without delay and at their expense, undertake all actions necessary, including redesign and reconstruction of the USBF plant, and modification of operating procedures, to cause the Project to perform in accordance with the requirements of the Design-Build Agreement as outlined in Exhibit D of the Design-Build Agreement, a copy of which is attached hereeto and incorporated herein by this reference.

4. If the District is reasonably required to undertake repair or replacement of the warranted materials or equipment due to exigent conditions, or to prevent harm to the Project or the public, PES and Randazza will reimburse the District for the reasonable costs of such efforts within 30 days of the District providing notice to PES or Randazza.
5. This warranty shall extend from and after the "Acceptance Date" as that term is defined in the Design-Build Agreement for a period of two years.

6. For purposes of this warranty, "failure" of the materials or equipment means that, due to a defect in the PES materials or equipment or due to a defect in their design or specified operating procedures, the Project is, or becomes, incapable of meeting the Performance Standards set forth in Exhibit D to the Design-Build Agreement, which is incorporated herein by this reference.

7. The following are express conditions of this warranty:
   a. That the actual sewage influent is substantially as characterized for the purpose of design of the USBF plant under the Design-Build Agreement, and
   b. That the District has substantially complied with all of the operating instructions and maintenance requirements communicated to the District by PES or Randazza or Haskell under the Design-Build Agreement.

8. If the materials or equipment fail as a result of noncompliance with any of the express conditions of this warranty, as set out in the preceding paragraph, PES and Randazza will, if the District so requests, promptly cause the failed materials or equipment to be repaired or replaced, but shall be entitled to compensation for the reasonable cost of repair or replacement.

9. Except for damage to the Project caused by a condition described in Paragraphs 1 through 4 above, PES and Randazza expressly disclaim responsibility for any damages caused by failure of the USBF plant, including lost income to the District.

10. Randazza will provide Haskell with all the assistance needed during the construction phase of the USBF plant at no cost to Haskell.

11. Randazza will assume the full responsibility, at no cost to Haskell or the District, for the startup and training of District operators once the BESST (USBF) plants #1, #2 and #3 have been completely installed and electrical power has been provided to the equipment.

12. Randazza will continue to provide on the job supervision and technical training/assistance to the District operators at no cost to the District for a period of five years after the startup of BESST (USBF) plants #1, #2 and #3 during which period, the BESST (USBF) Plants will have been demonstrated to perform in accordance with the requirements of the Design-Build Agreement. It is understood that plants #1, #2 and #3 will be tested to meet the Design Build Agreement by simply alternating the influent flows to either of the plants at any time after startup of all three plants in order to demonstrate their performance.

13. If the District or PES or Randazza is required to retain an attorney to enforce any terms, conditions, or covenants of this warranty, or to remedy any breach, the prevailing party shall be entitled to recover the verifiable costs and fees of any enforcement proceedings, including, but not limited to, reasonable attorneys' fees (including charges for paralegals and others working under the direction or supervision of the party's attorney.)
14. The failure of the District or PES or Randazza to enforce, at any time, any of the provisions of this warranty shall not be construed to be a waiver of any such provisions or of the right of either party thereafter to enforce them. No waiver shall be valid unless in writing and signed by the party against whom enforcement of a waiver is sought.

15. It is the intention of the parties that any and all actions or proceedings at law or in equity related to this warranty or to the Project or to any rights or any relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in State or Federal courts located in Monroe County, Florida. All other dispute resolution activities shall be held in Monroe County Florida.

16. In addition to the foregoing warranty obligations, PES and Randazza represent and warrant that the PES materials and equipment shall meet all of the applicable requirements of all federal, state, and local agencies having jurisdiction over the Project, including without limitation, the Florida Department of Environmental Protection redundancy requirements for 183,000 gallons per day.

17. PES and Randazza will provide a Haskell bonding or other reasonable security to secure performance of their obligations under this warranty and payment for labor and materials to be supplied under this warranty. Randazza is willing to pay Haskell for a Process Bond if Haskell is able to obtain such a Bond in the Wastewater Treatment Industry. The added cost of said Process Bond will be added to the Randazza Contract/Proposal.

18. In addition to the foregoing, Randazza agrees that Haskell shall deduct from the first amounts due Randazza for the PES materials and equipment the sum of $75,000, which shall be transmitted to the District and deposited in an interest-bearing account to secure performance by Randazza of all of the Randazza and Purestream obligations hereunder. If Randazza and Purestream satisfactorily perform all of their obligations under this warranty agreement, the District shall transmit the principal and all accrued interest to Randazza upon the passing of Two years from and after the Acceptance Date of the Purestream materials and equipment under the Haskell contract. If at any time the District reasonably believes that Randazza and/or Purestream are in default under this warranty agreement, then the District shall so notify Randazza of that fact and shall thereafter be entitled to withdraw immediately all or any part of the principal and accrued interest for the purpose of remedying such default. The District may place the principal in a demand deposit account at any federally insured bank, and the District shall have no obligation to Randazza to manage the deposit for the purpose of increasing or maximizing the return on the deposit.
January 13, 2004

TO: Commissioners of Key Largo Wastewater Treatment District (KLWTD)
   - Mr. Gary Bauman
   - Mr. Cris Beatty
   - Mr. Charles Brooks
   - Mr. Andy Tobin
   - Mr. Jerry Wilkinson

Gentlemen:

This letter has been prepared at the request of Mr. Nos Espat, President of Randazza Enterprises, Inc. in response to questions raised by the Engineering Firm of Brown and Caldwell regarding the design of BESST Process for the subject project.

My company Smith Environmental Engineering, Inc. (SEEI) has been a process consultant for Purestream ES LLC and their predecessor companies since 1989. We have provided process design services for the Purestream Sequencing Batch Reactor Process (SBR), the USBF process and most recently the BESST process. I am coauthor of the BESST process patent, US Patent 6,620,322, B1, September 16, 2003.

Regarding the above project, I have reviewed the Purestream process design in detail and it is my opinion that the current Purestream design will meet the project design requirements of 3 mg/d of total nitrogen.

I have discussed the technical aspects of the design in some detail with Mr. Ted Hontenstine, P.E., Orlando Office Leader. I have attempted to describe to B&C that the BESST process is unique in that the process combines the Internal Recycle with the RAS recycle and therefore does not fit the MLE and similar biological single sludge Nitrification Denitrification models.

I have provided B&C with all requested project process design documentation and further requested that Purestream ES, LLC provide B&C with operating data that documents the BESST process capability of meeting all project design requirements. I am also aware that Purestream has provided full process warranty to KLWTD.

I have also attached for your information and file SEEI qualifications and experience.

Sincerely yours,

[Signature]

John M. Smith, P.E.
President

Attachments: - JMS Q & E
HIGHLIGHTS OF QUALIFICATIONS AND EXPERIENCE OF SMITH ENVIRONMENITAL ENGINEERING, INC. IN THE POLLUTION CONTROL FIELD (2001)

431 Ohio Pike, Suite 223 South, CINCINNATI, OHIO 45255 Phone: (513) 688-1650 Fax: (513) 688-1657

Twenty-One (21) years in business. Offices and testing laboratories in Cincinnati, Ohio.

$ Completed over 400 municipal and industrial projects ranging in size from $5,000 feasibility studies to $600,000 per year full-scale design contracts. Includes the design of 2 and 22 mgd advanced treatment plants in Malaysia.

$ Completed over 50 Turn-Key industrial and/or pretreatment facilities. Clients include food processing, metal finishing, chemical manufacturing, dairy products, groundwater treatment and superfund site remediation. Provided process performance and equipment warranties on our systems.

$ Selected by U.S. Environmental Protection Agency (USEPA) as expert consultants to prepare USEPA design manuals, handbooks and field guides on:

- Odor and Corrosion design manual completed (1985)
- Phosphorous Removal (with emphasis on biological nutrient removal technology) completed 1987)
- Sewer System Infrastructure Analysis and Rehabilitation (1992)
- Sulfide Report to Congress (1992)
- Sequencing Batch Reactors for Nutrient Removal (1991)
- Septage handling and treatment field guides (1992)

$ Completed over 90 odor and corrosion projects including 12 special odor and corrosion studies for the USEPA.

$ All senior staff members and associate consultants have degrees in civil, sanitary or chemical engineering.

$ Senior staff members have strong USEPA applied engineering and R&D backgrounds. Senior engineers have over 110 years combined experience.

$ Ninety-five percent of all jobs have been completed within budget and on schedule.

$ Senior project managers are intimately familiar with all State and Federal EPA programs.

Because of the strong research, process engineering and detailed design experience of our senior staff, we offer exceptional qualifications in the following areas:

$ Odor and VOC corrosion Control
$ Odor Sampling and Odor Control Chemical Testing
$ Industrial/ Municipal Wastewater and Solids Treatment/ Disposal Treatment with Primary Focus on Combination of Conventional and Innovative Physical/Chemical and Biological Processes.
$ Nutrient Removal Technologies
$ Biological Secondary and Tertiary Treatment Alternatives
$ Physical and Chemical Treatment
$ Sanitary Process Design, Cost Analysis and Value Engineering
$ Facility Planning and Analysis of Municipal Treatment Alternatives
$ Industrial Treatment Systems to meet USEPA Industrial Pretreatment Standards
$ Storm Water Permitting and treatment Alternatives
$ Alternative treatment Systems, Bench-Scale and Pilot Plant Testing
$ Solid Waste Management Odor and VOC Control
$ Expert Testimony on Odor Control, Conventional and AWT Plants, Construction Claims, Health and Safety
$ SBR, USBF and Hybrid Anaerobic Technology
NOTICE

Smith Environmental Engineering, Inc. (SEEI) was formerly operated from October 1982 to July 1, 2003 as J. M. Smith & Associates, PSC Consulting Engineers (JMS). All intellectual property of JMS is now owned by SEEI.

SECTION 5

RESUMES

JOHN M. SMITH, P.E.
PRESIDENT
J.M. SMITH & ASSOCIATES, PSC, CONSULTING ENGINEERS

EDUCATION:
B.S. Civil Engineering, University of Kentucky, 1964
M.S. Sanitary Engineering, University of Cincinnati, 1971

PROFESSIONAL REGISTRATION:
P.E. Civil Engineering - Kentucky (PE8205), Ohio (PE47482), Indiana (PE021215),
Louisiana (PE21840), Florida (PE47329)
P.E. Sanitary Engineering - Kentucky, Ohio, Indiana, Louisiana, Florida

ORGANIZATIONS:
Water Environmental Federation
American Society of Civil Engineers
Ohio Association of Consulting Engineers
Cincinnati Association of Consulting Engineers
Clermont County Chamber of Commerce
Life Member of Who’s Who

EXPERIENCE:
10/82 to Present
President and CEO of J.M. Smith & Associates, PSC, Consulting Engineers

7/82 to 10/82
Chief, Systems Engineering and Evaluation Branch, USEPA Wastewater Research Division, Office of Research and Development, Cincinnati, Ohio

9/73 to 10/82
Chief, Urban Systems Management Section, Systems Engineering and Evaluation Branch, USEPA Wastewater Research Division, Office of Research and Development, Cincinnati, Ohio

1/72 to 9/73
Acting Chief, Municipal Treatment Research Program, USEPA Office of Research and Development, Cincinnati, Ohio

6/68 to 1/72
Sanitary Engineer, USEPA National Environmental Research Center, Cincinnati, Ohio

12/67 to 6/68
Civil Engineer, U.S. Army Corps of Engineers, Cincinnati, Ohio

5/64 to 9/67
Project Engineer, Barbeau Construction Management, Consulting Engineers, Batavia, Ohio
John M. Smith has over 31 years of experience in civil and sanitary engineering, including a broad background in process design of conventional and innovative wastewater treatment technologies. This experience is derived from an initial four years of sewer and wastewater treatment plant design and construction experience with the engineering firm of Barbeau Construction Management in Batavia, Ohio, followed by over 16 years of research and engineering experience with the USEPA Office of Research and Development, and over 13 years as president and CEO of J.M. Smith and Associates.

During his tenure at EPA, Mr. Smith directed the Agency's Pilot Plant Research Program that included an engineering and technical staff of approximately 60 persons who operated multi-line pilot plants in Washington, D.C., Pomona, California and Lebanon, Ohio. Basic and applied research was conducted under the direction of Mr. Smith on over 50 advanced waste treatment processes over a period of six years.

Mr. Smith later directed the three million dollar per year engineering and evaluation activities of EPA's Wastewater Research Program, including the development and management of a plant operations and design program, a small community research program, an innovative and alternative technology research program, and an engineering and technical assistance program.

Highlights of Mr. Smith's EPA experience at USEPA's Office of Research and Development include the analysis of research data from over 140 wastewater treatment processes, the development of six new treatment processes and the development and dissemination of rational design information for the full scale implementation of these technologies.

Mr. Smith is recognized internationally as a process design expert in Wastewater and Sludge Treatment Technology, and in Sewer System Evaluation and Odor and Corrosion Control.

Mr. Smith was a lecturer in over 120 USEPA sponsored United States and International Design Seminars and was the co-author of seven USEPA Design Manuals covering the technical areas of nitrogen control, upgrading wastewater treatment plants, phosphorus removal, sulfide control, infiltration and inflow reduction, carbon adsorption, and small community wastewater treatment systems.

Mr. Smith holds patents on "Fixed Film Denitrification," "Expanded Bed Biological Treatment," and "A Rotating Disk Mechanical Evaporation Device."

Mr. Smith was selected to direct the USEPA National Innovative and Alternative (I/A) Technology Program in Cincinnati. This group provided extensive technical support and direction for the Agency's I/A program for over five years. Activities included development of agency regulations, policy guidance, and project selection criteria; preparation of an I/A Technology Assessment Manual; formation and management of a national I/A clearinghouse; and management of a I/A Technical Support Group that had responsibility for review of I/A facility plans for all ten EPA Regional Offices.

Mr. Smith reviewed over 300 separate facility plans and made recommendations to USEPA Regional Administrators regarding their acceptance of I/A technology under the applicable criteria previously established.

Mr. Smith was selected as USEPA Engineer of the Year out of 10,000 engineers for these efforts.

Mr. Smith has testified before the United States Congress "Investigation and Oversight Committee" on the impact of Innovative Technology on improving water quality and reducing the national cost of municipal wastewater treatment in the United States.
Mr. Smith also acted as senior advisor to other segments of USEPA, national organizations and congressional committees. He has presented expert testimony on design criteria and deficiencies that settled USEPA's litigation issues for three major AWT facilities.

Because of Mr. Smith's strong philosophy on the need to use research-based rational design criteria in municipal treatment works, he initiated and managed EPA's first program on "Identification and Correction of Design Deficiencies" and initiated the EPA/WPCF - sponsored Design Information Series Reports.

Mr. Smith's areas of technical expertise include process and detailed design of municipal and industrial waste treatment technologies including mechanical plant biological processes, land-based biological processes, physical-chemical treatment technologies, anaerobic suspended and fixed-film biological systems, and hazardous waste treatment and disposal technologies.

As founder and president of J.M. Smith and Associates, PSC, Consulting Engineers (JMS), Mr. Smith has directed and actively participated in the conduct of over 300 projects in the municipal and industrial treatment fields ranging from design and construction management of advanced secondary treatment plants to design of hazardous waste control facilities.

Under Mr. Smith's personal direction, JMS was retained by USEPA to prepare Design Manuals on Odor and Corrosion Control, Phosphorus Removal, Sewer System Infrastructure Analysis and Rehabilitation, a Sulfide Report to Congress, Corrosion Handbook, Sequencing Batch Reactor for Nutrient Removal and Septage Handling and Treatment Guide.

Under the direction of Mr. Smith, JMS has pioneered the development and designed the first United States full-scale application of the following technologies:

a) deep well chemical oxidation for treatment of sludge and high strength organic wastes

b) multiple U-Tube aeration for force main sulfide control

c) largest vapor phase odor control system in the United States

d) the use of high resolution sonar for inspection of sewer lines and force mains

PUBLICATIONS

Author


Smith, J.M., Evans, F.L. III, "Innovative Municipal Energy Alternatives," presented at the 50th annual meeting of the Rocky Mountain Section of AWWA and 44th annual meeting of the Rocky Mountain Water Pollution Control Association November 5-7, 1980.


**Author/CoAuthor**

USEPA Process Design Manual for Upgrading Existing Wastewater Treatment Plants - first and second editions.


USEPA Design Manual for Infrastructure Analysis and Rehabilitation

USEPA Sulfide Report to Congress

USEPA Corrosion Handbook

USEPA Manual for Sequencing Batch Reactor’s for Nutrient Removal

USEPA Septage Handling Field Guide

**Author Unpublished Reports**

John M. Smith, Robert P.G. Bowker - Investigation of Ground Water Contamination at U.S. Refugee Camp

John M. Smith - Wastewater Treatment Plant Non-Compliance Investigation, and Energy Audit

John M. Smith - Design Review and New Design of 20 mgd AWT Plant

John M. Smith - Design Review and Process Design for a 7.5 mgd AWT Plant

John M. Smith - Capacity and Performance Evaluation of a 117 mgd Secondary Treatment Plant
John M. Smith - Feasibility Study and Analysis of Alternative Odor Control Methods for Wastewater Collection System

John M. Smith - Design Review and Re-Design of a 0.6 mgd AWT Plant

John M. Smith - Facility Plan and Design Review for a 22.5 mgd AWT Plant

John M. Smith, Robert P.G. Bowker - Design of New Generation Intra-Channel Clarifier

John M. Smith - Sewer Construction Inspection and Infiltration Analysis

John M. Smith - Project Engineer for Sewer System and Treatment Plant Inspection

John M. Smith - Design Review and Analysis of Municipal Treatment Systems

John M. Smith - Design Review and Engineering Evaluation of Non-Compliance of a 143 mgd AWT Plant
Subj: Re: Phone call
Date: 1/14/2004 10:40:58 AM Eastern Standard Time
From: DRejling@BoyleEngineering.com
To: CBrooks442@aol.com

Charlie,

I will try to briefly describe the phone conversation we had yesterday per your request.

In my opinion both the Fluidyne SBR and the Purestream USBF have the potential to achieve "AWT" standards assuming that effluent filtration is provided and chemical addition is also provided for supplemental phosphorus and nitrogen removal. We recommended that both chemical feed systems should be provided.

For either system for a facility of this size, the most difficult effluent concentration to achieve will be the total nitrogen concentration of 3 mg/L. I recommend a performance guarantee with an associated bond would be the best way to protect the KLWTD even if there is a small additional cost for the bond.

The processes each have their advantages and disadvantages, which I would be happy to discuss in greater detail.

Please let me know if you have any questions,

Dave

—Unmodified Original Message——
Dave got your email heres reply to verify my email address

Thanks for the interest and info you provided
Greetings Comm. Brooks:
Mr. Robert Betancourt, PE, of GARTEK related to us your interest in learning our preference in treatment process for the KLP and KLTV projects. It is our opinion that the USBF would be the better choice based on a combination of economics and the particulars of your projects. Both processes can meet the effluent requirements, but again, based on front end as well as operational considerations our recommendation is the USBF process.
Please call me if you care to discuss this further,
Sincerely,
OJITO & Associates, Inc.
Osvaldo A. Ojito, PE
January 12th, 2004

Commissioner Charlie S. Brooks
35 Pigeon Drive
Key Largo, FL 33037

***Via E-Mail***
cbrooks442@aol.com

Re: USBF vs. SBR Waste Water Treatment Systems

Dear Mr. Brooks:

As per our previous conversations regarding the above referenced Waste Water Treatment processes, we have used both processes in the past and they both meet AWT effluent criteria standards of 5-5-3-1 BOD, TSS, TKN, P with filtration.

Gartek Engineering Corp. recommended from the beginning selection of the USBF process over the SBR process for KLP and KLTV projects due to the following reasons:

1) Wasting Sludge is done approximately 16 to 18 months.
2) Hauling Sludge is approximately 5 to 6 years.
3) Maintenance and Operational cost is less.

For current projects in our office of similar capacity and location (i.e. Islands remote from main lands) due to the obvious economical sludge removal advantages, we are only specifying at the present time the USBF process.

Sludge removal is very costly, if it must be removed on a monthly basis. This is a cost that is typically overlooked during the design and construction phase of the project but is a real cost that the Tax Payers will need to face during the operational phase of the project for the life of the system.

As a local Monroe County Taxpayer I would not like to be financially penalized for life, for the selection of the wrong Waste Water System for this application. I urge the Waste Water Board to consider the selection of the USBF process for these projects as well as any future Waste Water Treatment projects in the Florida Keys.

If you have any questions, please call me at your earliest convenience.

Sincerely,
Gartek Engineering Corp.

Robert L. Betancourt, P.E.
President

RLB:pcy

GARTEK ENGINEERING CORPORATION
7210 S.W. 39th Terrace / Miami, Florida 33155 / Fax (305) 264-9496 / (305) 266-8997
KLWTD Board Meeting
February 18, 2004

Item G – 1 & 2

Approval of Legislative Change
to House Bill 471 to 2002-37
Laws of Florida
A bill to be entitled

An act relating to Monroe County; amending chapter 2002-337, Laws of Florida, as amended; providing conditions for use of certain funds by the Key Largo Wastewater Treatment District; revising provisions relating to vacancies on the governing board; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (2) of section 4 and subsection (6) of section 5 of section 1 of chapter 2002-337, Laws of Florida, as amended by chapters 2003-303 and 2003-306, Laws of Florida, are amended to read:

Section 4. District powers, functions, and duties.--
(2) The district is hereby authorized and empowered:
(a) To adopt bylaws for the regulation of its affairs and the conduct of its business.
(b) To adopt resolutions and policies necessary for implementation, regulation, and enforcement, consistent with the purposes of the district.
(c) To adopt an official seal for the district and to alter the same at its pleasure.
(d) To plan, develop, purchase or otherwise acquire, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain, and operate any wastewater management system and facilities within the territorial limits of the district.
(e) To acquire by grant, loan, purchase, gift, or devise or by the exercise of the right of eminent domain all property, real or personal, or any estate or interest therein necessary, desirable, or convenient for the purposes of this act, and to sell, convey, lease, rent, or assign all or any part thereof and
to exercise all of its powers and authority with respect thereto. The exercise of eminent domain shall be as provided for by applicable general law.

(f) To assess and impose ad valorem taxes, and non-ad valorem assessments, upon the lands in the district, as provided by this act and chapter 197, Florida Statutes.

(g) To issue revenue bonds, pursuant to section 189.4085, Florida Statutes, and otherwise by general law, to pay the cost of purchasing or otherwise acquiring, constructing, reconstructing, improving, extending, enlarging, or equipping a wastewater management system.

(h) To issue refunding bonds, pursuant to section 189.4085, Florida Statutes, and otherwise by general law, to refund any bonds then outstanding which shall have been issued under the provisions of this act.

(i) To lease, rent, or contract for the operation of all or any part of any wastewater management system facilities.

(j) To fix and collect rates, rentals, fees, and charges for the use of any wastewater management system facilities. The district may provide for reasonable penalties against any user for any such rates, fees, rentals, or other charges that are delinquent. In the event that such delinquency occurs and such fees, rentals, or other charges are not paid and remain delinquent for 30 days or more, the district may discontinue and shut off services until such fees, rentals, or other charges, including interest, penalties, and charges for shutting off, discontinuing, and restoring such services, are fully paid. The district may enter on lands, waters, and premises of any person, firm, corporation, or other body for the purpose of discontinuing and shutting off services under such circumstances. Further, such delinquent fees, rentals, or other charges, together with
interest, penalties, and charges for shutting off, discontinuing, and restoring such services, and reasonable attorneys' fees and other expenses may be recovered by the district by suit in any court of competent jurisdiction. The district may also enforce payment by any other lawful method of enforcement.

(k) To make and enter into contracts and agreements necessary or incidental to the performance of the duties imposed and the execution of the powers granted under this act, and to employ such consulting and other engineers, superintendents, managers, construction and financial experts, and attorneys, and such employees and agents as may, in the judgment of the district, be necessary, and to fix their compensation, provided that all such expenses shall be payable solely from funds made available under the provisions of this act.

(l) To establish, or otherwise make available, a plan for retirement, disability, death, hospitalization, and other appropriate benefits for officers and employees of the district.

(m) To enter into contracts with the government of the United States or the State of Florida or any agency or instrumentality of either thereof, or with any county, municipality, district, corporation, public or private, or individual providing for or relating to wastewater management system facilities.

(n) To borrow money for any district purpose and may execute notes, mortgages, or deeds, to secure debt, trust deeds, trust agreements, and such other instruments as may be necessary or convenient to evidence and secure such borrowing.

(o) To invest surplus funds of the district consistent with the "Investment of Local Government Surplus Funds Act," part IV, chapter 218, Florida Statutes.
(p) To do all acts or things necessary or convenient to carry out the powers expressly granted in this act.

(q) To use any and all funds provided to it from any source to pay for the general, administrative, and overhead expenses of the district, including compensation of the members of the governing board, provided that the district shall not use funds in a manner contrary to any express lawful restriction on the use of funds imposed by the authority granting the funds.

Section 5. Governing board.—

(6) If any vacancy occurs in a seat occupied by a governing board member elected by the qualified electors, the remaining members of the governing board shall, within 45 days after the vacancy occurs, appoint a person who would be eligible to hold the office for the remainder of the unexpired term. Any vacancy in the membership of the governing board resulting from the death, resignation, change of residence, or removal of any such board member or from any other cause shall be filled, for the remainder of the term, by election within 30 days after the occurrence of such vacancy. However, in the event that the remaining term is 60 days or less, the vacancy shall be filled by election at the next general election pursuant to section 199.405(2)(a), Florida Statutes, as the same may be amended from time to time.

Section 2. This act shall take effect upon becoming a law.
KLWTD Board Meeting
February 18, 2004

Item G – 3

Approval of KLWTD Annual Financial Report to the Department of Banking and Finance
TO: Key Largo Wastewater Treatment District Commissioners

CC: Robert E. Sheets, General Manager
    Faith Doyle, Clerk to the Board
    Charles Sweat, Director of Operations
    Thomas Dillon, Board Attorney

FROM: David R. Miles, Director of Finance

DATE: February 6, 2004

RE: Key Largo Wastewater Treatment District Annual Financial Report

Dear Commissioners:

Please find attached the Annual Financial Report for the Key Largo Wastewater Treatment District for your information. This report is submitted yearly to the State of Florida Department of Financial Services. David Andrews of Mull & Associates has reviewed this report and finds it in agreement with the 2003 Comprehensive Annual Financial Report submitted to you on February 4, 2004. The Annual Financial Report will be submitted to the State upon Signatures by the Board Chairman and the Director of Finance. Please let me know if you have any questions or concerns regarding this report.

Board of Commissioners: Chairman Gary Bauman, Andrew Tobin, Cris Beaty, Charles Brooks, Jerry Wilkinson
Unit ID and Name: 501315 Key Largo Wastewater Treatment District
Financial Officer Name: Andrew M. Tobi - David R. Miles
Financial Officer Title: ODGSO Director of Finance
Mailing Address: 1200 Mahan Drive, Suite 220
City Address: Tallahassee
State: FL
Zip Code: 32308
Email Address: dmiles@govmserv.com
Phone Number: (850) 681-5717
Contact Person's Name: David R. Miles
Contact's Phone Number: (407) 629-6900
Contact's Extension: 
FAX Number: (850) 524-3726 (407) 629-6963

Certification
We the undersigned certify, to the best of our knowledge, that the information reported herein or submitted electronically is accurate and complete.

Gary Bauman
Name
Chairman, Board of Commissioners
Title

X Signature of Chairman of Government Board (required)

David R. Miles
Name
Director of Finance
Title

X Signature of Chief Financial Officer (required)

State of Florida
Annual Local Government Financial Report
Fiscal Year 2002-2003

Counties and Municipalities Only
Enter the utility service tax rates for the following:
Electricity
Telecommunications
Water
Natural Gas
Cable Vision
Fuel Oil
Propane
Other
Item G – 4

Approval of Amendment No. 1 to the Haskell Contract
AMENDMENT NUMBER ONE
TO
DESIGN-BUILD AGREEMENT
BETWEEN
KEY LARGO WASTEWATER TREATMENT DISTRICT
AND
THE HASKELL COMPANY

WHEREAS, under date of June 25, 2003, the Key Largo Wastewater Treatment District ("KLWTD") and The Haskell Company ("Haskell") entered into a written Design-Build Agreement; and

WHEREAS, the parties desire to amend the Design-Build Agreement;

NOW, THEREFORE in consideration of the premises, and in further consideration of the premises below, the parties agree that the Design-Build Agreement shall be, and hereby is, amended as follows:

1. On Page 1, revise the underlined paragraph to read as follows:

   Notice to CONTRACTOR of a default or termination in connection with this Agreement, shall be sent to the attention of Peter M. Kinsley or such other representative as the CONTRACTOR shall designate in writing. Notice to the KLWTD of a default or termination in connection with this Agreement shall be sent to Robert E. Sheets or such other person as the KLWTD shall designate in writing, with an additional copy to be sent to Thomas M. Dillon, 94220 Overseas Highway, Unit 2B, Tavernier, Florida 33070-3005. All other notices to the parties shall be given to the Representatives of the parties, as designated, at their respective addresses.

2. On Page 43, add a new Paragraph 7.5, to read as follows:

   7.5 Prompt Pay Act Clause

   Notwithstanding any other provision of this Agreement concerning payment to the CONTRACTOR, for purposes of determining when payment is due, the parties acknowledge and agree that no payment will be made to the CONTRACTOR until such payment is approved by the Board of the KLWTD. Further, the CONTRACTOR acknowledges and agrees that a significant portion of the funds with which the KLWTD will pay the CONTRACTOR are federal funds, and payment may be contingent on receipt of federal funds or federal approval. To the extent that the KLWTD has not received any required federal funds or required federal approval, the time within which the KLWTD is required to pay the CONTRACTOR for services under this Agreement shall be extended until such federal funds or federal approval has been received.
IN WITNESS WHEREOF, the parties have executed this Amendment Number One to the Design-Build Agreement on the dates opposite their names in two counterparts, each of which shall, without proof or accounting for the other counterpart, be deemed an original Agreement.

WITNESSES:

________________________________________

______________________________

CONTRACTOR:

By: _______________________

Its: _______________________

Typed Name:

KLWTD

By: _______________________

Its: Chairman

Typed Name: Gary Bauman

By: _______________________

Its: Secretary/Treasurer

Typed Name: Cris Beaty

By: _______________________

Its: Board Clerk

Typed Name: Faith Doyle
Item G – 5

Approval of Amendment No. 2 to the Standard Engineering Consulting Contracts
AMENDMENT NUMBER TWO

To
Contract for Consulting/Professional Service

By and between

Key Largo Wastewater Treatment District

And

THIS AMENDMENT Number Two to the Contract for Consulting/Professional Service ("Contract") by and between the Key Largo Wastewater Treatment District ("District") and ______________________ is entered into and effective this ___ day of ____________, 2004.

WHEREAS, the parties desire to amend the Contract to reflect that the District Board is required to approve all payments under the contract;

NOW, THEREFORE, the parties agree to, and do hereby amend the Contract by revising Paragraph 4.3 to read as follows:

4.3. 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 District Board for review and approval prior to payment. All invoices shall contain a detailed breakdown of the services provided for which payment is being requested. Invoices shall be reviewed and paid within the times required under the Florida Prompt Pay Act, Fla. Stat. § 218.70, et seq. (2003), as the same may be amended.

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

District
Key Largo Wastewater Treatment District

By: ______________________          By: ______________________
Its: Chairman                      Name: ______________________

Attest:

By: ______________________          By: ______________________
Its: Clerk                        Its: Secretary
Approved as to Form:

By: ___________________________
    KLWTD Attorney
Item G – 6

Acceptance of the Government Services Group, Inc. Letter of Resignation and the GSG Time and Materials Exhibit A
February 10, 2004

Gary Bauman
Chairman of the Board of Commissioners
Key Largo Waste water Treatment District
P.O. Box 491
Key Largo, FL 33037

Re: Notice of Termination of Contract

Dear Gary:

In accordance with Section 4.02, of the agreement between the District and GSG, Inc., this letter will serve as notification of our intent to terminate our contract with the District, effective May 9, 2004. We believe we have been instrumental in helping the District move forward and accomplish numerous goals and objectives since it's creation in November 2002. We understand however, that we serve at the pleasure of the Board and the Board has expressed its desire to transition to local administration and management of the District. In that regard GSG, Inc. stands ready to support the District in its move to local management.

During the next 90 days, GSG, Inc. will continue to bill the Base Service Agreement as described in the contract, on a fixed fee basis. We will bill on an Administrations' Grants Management and Inspection Services on KLP and KLT. We have attached the scope of services titled Exhibit A Scope of Service Capital Projects and Grants Administration Management. This is the original agreement submitted to the Board. It reflects all functions and tasks that GSG, Inc. may be asked to carry out under this arrangement. In addition, it outlines the agreed upon hourly rates for conducting these services.
Upon acceptance of this letter of resignation the Board is accepting the attached Exhibit A as the agreed upon Scope of Service and payment for all tasks described. As agreed we will only bill for those services conducted under the Scope of Service based upon the agreed hourly rate.

If at the end of this 90-day period the District is not yet ready to make the transition to local management, GSG, Inc. will be happy to continue to work with the District under a separate agreement negotiated prior to that date.

In closing, we have thoroughly enjoyed our experience with the District, and hope that we can continue to be of assistance in other various ways.

Sincerely,

[Signature]

Robert E. Sheets  
CEO, GSG, Inc.

RES/ssh

Enclosure:

cc: KLWT District Board  
    Thomas M. Dillon
EXHIBIT A

SCOPE OF SERVICE
CAPITAL PROJECT AND GRANTS ADMINISTRATION AND MANAGEMENT
Time and Materials Basis

This Scope of Service will set forth the intentions and agreements between the Key Largo Wastewater Treatment District (the "District") and Government Services Group, Inc. ("GSG") acting as a District Manager ("Manager") in regard to the provisions by GSG of Capital Project and Grants Administration Management and other "Additional Services" contemplated in Article III of the Management Services Agreement entered between the parties in March 2003.

The Parties agree as follows:

GSG shall perform the Capital Project Administration Services described in this Memorandum for Key Largo Park ("KLP") and Key Largo Trailer Village ("KLTV") authorized by the District. Fees for services provided by the Manager on behalf of the District pursuant to this agreement shall be on a time and materials basis consistent with the standard hourly rates described in this agreement.

Services Provided: As part of the project and construction administration fee, GSG shall perform the following tasks:

- **Financial Management:** As part of the grant administration and financial management functions to be performed by the Manager, GSG will perform the following financial administration and reporting tasks:
  
  a. Review payment requests and change orders from contractors, engineers, and consultants as the "owners" representative and approve correct invoices for payment that are within the delegated approval authority of the District Manager, or recommend approval/disapproval to the Board of Directors for those items in excess of the delegated approval authority. *(Task FM 1)*

  b. Disburse funds on behalf of the District in payment of correct invoices after securing appropriate disbursement authorization from the Board of Directors or District Manager. All disbursements will be conducted in accordance with District policy. This includes preparation of all documentation to place approval authorizations on Board of Director's agendas. *(Task FM 2)*
c. Prepare grant reimbursement requests and reports, to include assembling back-up documentation and obtaining necessary signatures of contractors, engineers, District Manager and operating officials, and District elected officials. Submit grant reimbursement documentation, respond to inquiries, prepare supplemental data and reports, and meet with grant representatives of Federal, State of Florida, Monroe County, South Florida Water Management District and other government entities as required. (Task FM 3)

d. Post grant receipts to accounting records and deposit receipts in District bank account(s). (Task FM 4)

e. Prepare monthly, quarterly, and annual programmatic and financial reports for grantor governments (including, but not limited to FEMA, FDEP, FDCA, SFWMD) and the Board of Directors, as stated in grant documents. (Task FM 5)

f. Prepare accounting records and reports for District external auditors, and to meet the federal and State of Florida single audit act requirements. Insure grant documentation is maintained consistent with statute and governing grant agreements. Meet with and provide documentation to auditors from grantor governments, as required. (Task FM 6)

g. Maintain cash liquidity of the Key Largo Wastewater Treatment District construction projects, and recommend interim financial funding sources to the Board of Directors for approval, to insure construction completion is not inhibited by funding shortfalls. (Task FM 7)

h. Prepare financial closeout of all grant funds and prepare final grant reports to all grantors and Board of Directors, enter fixed assets in accounting records, set up depreciation schedules, and complete all financial activity to close projects. (Task FM 8)

- **Construction Management**: As part of the construction management functions, GSG will manage activities of the consulting engineers, contractors and other professionals to facilitate timely completion and permitting of Key Largo Park and Key Largo Trailer Village. In addition, any issues regarding easements and right of ways will be reviewed and dealt with by GSG under direction of the Board of Directors. These following tasks will be conducted as necessary and reasonably required with regard to construction of capital projects.

  a. Issue interpretations and clarifications of contract documents during construction. (Task CM 1)
b. Evaluate a request for substitutions or deviations there from. *(Task CM 2)*

c. Prepare any additional work orders. *(Task CM 3)*

d. Monitor any required project records. *(Task CM 4)*

e. Conduct comprehensive inspections of projects. *(Task CM 5)*

*(Note)* These efforts will be coordinated with the District’s Engineer of Record to insure that there is no overlap or redundancy of efforts.

f. Develop list of items needing completion or correction. *(Task CM 6)*

g. Negotiate all contact with engineers and other consultants regarding scope and costs of necessary change orders. *(Task CM 7)*

h. Provide proof of compliance to State and Federal grant funding entities. *(Task CM 8)*

i. Meet with, on an ongoing basis, the professional selected by the District to insure that design concepts, construction standards, timeframes and budgets are adhered to according to contract commitments. *(Task CM 9)*

j. Assist in the resolution of conflicts, problems or other activities relative to projects authorized by the District. The disputes may include, contract issues, change orders, service interruption issues, coordination with other utilities for government entities and customer relations. *(Task CM 10)*

k. Coordinate and maintain involvement with a community information program regarding the KLP and KLTV. This will include meetings and discussions with the residents to insure that they are continually informed as to the progress of the projects. *(Task CM 11)*

l. Conduct close out procedures at the conclusion of each capital project. Including, a report to the District outlining the logical costs of these facilities, impact on operations and maintenance, customer service, wastewater capacity, storage facilities, distribution facilities, buildings and other infrastructure. This report will be prepared in concert with the District’s Engineer and the Contractor. *(CM 12)*
• **Presentations:** The District Manager will attend and participate in all presentations required to ensure that the District's projects are on schedule and that appropriate information is being maintained to track and monitor such compliance. Periodic meetings within the neighborhood groups with the engineers and contract managers to explain the purpose of the project, interruptions that may occur and a point of contact for customer complaints or anticipated concerns. In addition, the District Manager anticipates presentations and meetings with local governmental entities and other interested parties to provide necessary information regarding the progress of these projects.

• **Reimbursement to Government Services Group, Inc.:** Payment for services rendered consistent with this agreement shall be based on time and materials. The reimbursement rates for labor shall be consistent with the hourly rates below. All travel expenses will be in accordance with Section 112.061, Florida Statutes. Copy expenses are $0.15 per page. Other expenses will be based on actual cost.

The following hourly rates shall apply to work completed by Government Services Group, Inc. employees in the performance of this agreement:

1. Director of Operations $150.00/hr
2. Chief Financial Officer $130.00/hr
3. Project Manager $90.00/hr
4. Accountant $85.00/hr
5. Secretarial & Administrative Support Staff $40.00/hr

• Estimated costs by functions described above are as follows, not to exceed $150,000.00 without prior written approval by the Board of Directors. The functions performed under this scope of effort apply jointly to the Key Largo Park and the Key Largo Trailer Village projects. For purposes of accounting each ERC of benefiting property will share equally in these costs. Key Largo Park with 283 out of 850 total ERC's would be assigned 33.3 percent of costs. Key Largo Trailer Village with 567 out of 850 total ERC's would be assigned 66.7 percent of costs.
Government Service Group Estimated Fees

Key Largo Park

Based on 13 month construction period with both projects running concurrently

<table>
<thead>
<tr>
<th>Task No.</th>
<th>Task Description</th>
<th>Dir. Ops.</th>
<th>CFO</th>
<th>Prior Mgr</th>
<th>Accountant</th>
<th>Admin Staff</th>
<th>Total Hrs</th>
<th>Total Fee</th>
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5
Government Service Group Estimated Fees

Key Largo Village

Based on 13 month construction period with both projects running concurrently

<table>
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<th>Task No.</th>
<th>Task Description</th>
<th>Dir. Oprs.</th>
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</table>

Reimbursable expenses for travel and materials will be in addition to the labor expenses in the above table and are estimated to be $13,315.00. $4,470.00 would be allocated to Key Largo Park and $8,845.00 would be allocated to Key Largo Village.
Item G – 7

Approval of the Pending Payments List for February 11, 2004
TO: Key Largo Wastewater Treatment District Board Members

CC: Robert E. Sheets, General Manager
    Faith Doyle, Clerk to the Board
    Charles Sweat, Director of Operations
    Thomas Dillon, Board Attorney

FROM: David R. Miles, Director of Finance

DATE: February 11, 2004

RE: Pending Payments Key Largo Wastewater Treatment District

Dear Commissioners:

This agenda item is designed to provide an update on the financial status of the Key Largo Wastewater Treatment District. As of February 11, 2004 the District had $174,340.14 in its bank account. We have $44,844.48 in invoices and payroll amounts in-hand for payment by March 10, 2004. Exhibit A is the list of currently outstanding invoices pending payment. As requested by the Board at the January 14, 2004 meeting, separate accounting of cash balances are shown as follows on February 11, 2004:

Administration & Operations: $112,153.85
Key Largo Park: (17,072.63)
Key Largo Trailer Village: 79,258.92
Total: $174,340.14

The first draw check from FDEP for KL Park was received February 11, 2004 in the amount of $8,873.00.

Staff is now working with Monroe County and DCA to see if an advance from their funds can be obtained to help fund KL Park projects.

Board of Commissioners: Chairman Gary Bauman, Andrew Tobin, Cris Beaty, Charles Brooks, Jerry Wilkinson
<table>
<thead>
<tr>
<th>Date of Invoice</th>
<th>Vendor</th>
<th>Invoice #</th>
<th>Description</th>
<th>Payment Category</th>
<th>Invoice Amount</th>
<th>Due Date</th>
<th>Date Paid</th>
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<tbody>
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<td>01-10449</td>
<td>Telephone 2/4 to 3/03/04</td>
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<td>Employer Share, Payroll Taxes</td>
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**Total Invoices for Administration & Operations**

Balance Forward if All Admin & Operations Invoices Paid

Cash Balance Forward for Key Largo Park

FDEP Grant Pmt #1 received 02/11/04

Balance Available for February 18, 2004

<table>
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<th>Date of Invoice</th>
<th>Vendor</th>
<th>Invoice #</th>
<th>Description</th>
<th>Payment Category</th>
<th>Invoice Amount</th>
<th>Due Date</th>
<th>Date Paid</th>
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Total Invoices for Key Largo Park

Balance Forward if All Key Largo Park Invoices Paid

Cash Balance Forward for Key Largo Trailer Village

Balance Available for February 18, 2004

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<thead>
<tr>
<th>Date of Invoice</th>
<th>Vendor</th>
<th>Invoice #</th>
<th>Description</th>
<th>Payment Category</th>
<th>Invoice Amount</th>
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<th>Date Paid</th>
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Total Invoices for Key Largo Trailer Village

Balance Forward if All Key Largo Trailer Village Invoices Paid

Total All Invoices

Approved for Payment:

Gary Bauman, KWLTD Chair

Cris Beaty, KWLTD Secretary

Payment Category Key:
1- District Administration
2- Key Largo Park Construction
3- Key Largo Trailer Village Construction

Exhibit A
KLWTD Board Meeting
February 18, 2004

Item H – 1

Quarterly Financial Reports
Dear Commissioners:

Attached are four quarterly financial reports from the Key Largo Wastewater Treatment District accounting records as of December 31, 2003. The first is a Statement of Revenues and Expenses and Changes in Fund Net Assets for the Key Largo. Year to date it shows operating revenue has exceeded expenses by $29,936.42 due to receipt of the SFWMD grant. Total net assets are $(46,205.28).

The second report shows a balance sheet (Statement of Net Assets in Governmental Accounting). Our assets are cash of $62,257.72, with liabilities of $108,462.50. Net assets again equal $(46,205.28).

The third report is a Statement of Revenues and Expenditures, with a budget to actual comparison. It shows for the operating account our total revenues in the first quarter of FY 2004 were $21.93, comprised entirely of interest income. Our expenses were $40,082.46, leaving an operating deficit of $40,060.53. This was expected by management, pending receipt of the Monroe County MSTU taxes (received on January 16, 2004).

The fourth report is a pair of charts showing budget to actual revenues and expenses for the two capital projects. For Key Largo Park, there was no revenue and $7,791.76 in expenditures. For Key Largo Trailer Village, there was $100,000.00 in revenue and $13,726.86 in expenditures, for a net surplus of $86,273.14 in the quarter.

Board of Commissioners: Chairman Gary Bauman, Andrew Tobin, Cris Beaty, Charles Brooks, Jerry Wilkinson
KEY LARGO WASTEWATER TREATMENT DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

For The Quarter Ended December 31, 2003

OPERATING REVENUES:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>$100,000.00</td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating revenues</strong></td>
<td><strong>$100,000.00</strong></td>
</tr>
</tbody>
</table>

OPERATING EXPENSES:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board meeting expense</td>
<td>$7,200.00</td>
</tr>
<tr>
<td>Copy/delivery charges</td>
<td>2,711.40</td>
</tr>
<tr>
<td>Postage expense</td>
<td>(656.79)</td>
</tr>
<tr>
<td>Insurance expense</td>
<td>3,750.00</td>
</tr>
<tr>
<td>Miscellaneous expenses</td>
<td></td>
</tr>
<tr>
<td>Legal newspaper ads</td>
<td>826.77</td>
</tr>
<tr>
<td>Dues &amp; subscriptions</td>
<td>175.00</td>
</tr>
<tr>
<td>Travel</td>
<td>-</td>
</tr>
<tr>
<td>Telephone</td>
<td>168.73</td>
</tr>
<tr>
<td>P/R tax-FICA</td>
<td>446.40</td>
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<td>P/R tax-Medicare</td>
<td>104.40</td>
</tr>
<tr>
<td>Management contract</td>
<td>38,650.00</td>
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<tr>
<td>Legal - general counsel</td>
<td>1,419.05</td>
</tr>
<tr>
<td>Utility rate consultant</td>
<td>-</td>
</tr>
<tr>
<td>Engineering services</td>
<td>15,268.62</td>
</tr>
<tr>
<td>Audit &amp; accounting services</td>
<td>-</td>
</tr>
<tr>
<td>Regulatory/permit fees</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>$70,063.58</strong></td>
</tr>
</tbody>
</table>

Operating income (loss)     $29,936.42

NON OPERATING REVENUES (EXPENSES):

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>21.93</td>
</tr>
<tr>
<td><strong>Total non operating revenues (expenses)</strong></td>
<td><strong>$21.93</strong></td>
</tr>
</tbody>
</table>

Change in net assets        29,958.35
Total net assets beginning of year (76,163.63)

Total net assets end of December 2003 $ (46,205.28)
Key Largo Wastewater Treatment District
Statement of Net Assets
As of December 31, 2003

ASSETS:

Cash and cash equivalents $ 62,257.72
Total assets $ 62,257.22

LIABILITIES:

Current liabilities:
Accounts payable $ -
Accrued interest payable $ 2,212.50
Accrued expenses $ 6,250.00
Total current liabilities $ 8,462.50

Non current liabilities:
Due to Monroe County $ 100,000.00

Total liabilities $ 108,462.50

NET ASSETS:

Unrestricted (46,205.28)
Total net assets $ (46,205.28)
# Key Largo Wastewater Treatment District
## Statement of Revenues and Expenditures
### From 10/1/2003 Through 12/31/2003

### Administration/Operations

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Total Budget</th>
<th>First Quarter Budget</th>
<th>First Quarter Actual</th>
<th>Quarterly Budget Variance</th>
<th>Percent Quarterly Budget Variance</th>
<th>Total Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSTU Ad Valorem Taxes 311001</td>
<td>599,562.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>(599,562.00)</td>
</tr>
<tr>
<td>Miscellaneous Service Charges 343608</td>
<td>2,000.00</td>
<td>500.00</td>
<td>0.00</td>
<td>(500.00)</td>
<td>0.00</td>
<td>(2,000.00)</td>
</tr>
<tr>
<td>Other Revenues 343614</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Investment Earnings 361001</td>
<td>4,500.00</td>
<td>1,125.00</td>
<td>21.93</td>
<td>(1,103.07)</td>
<td>1.95</td>
<td>4,478.07</td>
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<tr>
<td>Contributions from Citizens 389401</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>606,062.00</strong></td>
<td><strong>1,625.00</strong></td>
<td><strong>21.93</strong></td>
<td><strong>(1,603.07)</strong></td>
<td><strong>1.35</strong></td>
<td><strong>(597,083.93)</strong></td>
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</table>

### Expenses

#### Board Expenses

<table>
<thead>
<tr>
<th>Expense</th>
<th>Total Budget</th>
<th>First Quarter Budget</th>
<th>First Quarter Actual</th>
<th>Quarterly Budget Variance</th>
<th>Percent Quarterly Budget Variance</th>
<th>Total Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Meeting Expense 511001</td>
<td>45,000.00</td>
<td>11,250.00</td>
<td>7,200.00</td>
<td>4,050.00</td>
<td>64.00</td>
<td>37,800.00</td>
</tr>
<tr>
<td>Copy/Delivery Charges 511002</td>
<td>8,000.00</td>
<td>2,000.00</td>
<td>2,711.40</td>
<td>(711.40)</td>
<td>135.57</td>
<td>5,288.60</td>
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<tr>
<td>Postage Expense 511003</td>
<td>4,300.00</td>
<td>1,075.00</td>
<td>(655.79)</td>
<td>1,731.79</td>
<td>(61.10)</td>
<td>4,956.79</td>
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<tr>
<td>Insurance Expense 511004</td>
<td>11,500.00</td>
<td>2,875.00</td>
<td>3,750.00</td>
<td>(875.00)</td>
<td>130.43</td>
<td>7,750.00</td>
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<tr>
<td>Miscellaneous Expenses 511006</td>
<td>1,800.00</td>
<td>450.00</td>
<td>0.00</td>
<td>450.00</td>
<td>0.00</td>
<td>1,800.00</td>
</tr>
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<td>Legal Newspaper Ads 511007</td>
<td>2,880.00</td>
<td>720.00</td>
<td>826.77</td>
<td>(106.77)</td>
<td>114.83</td>
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<td>Office Supplies 511008</td>
<td>800.00</td>
<td>200.00</td>
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<td>200.00</td>
<td>0.00</td>
<td>800.00</td>
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<td>Dues &amp; Subscriptions 511009</td>
<td>300.00</td>
<td>75.00</td>
<td>175.00</td>
<td>(100.00)</td>
<td>233.33</td>
<td>125.00</td>
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<tr>
<td>Travel 511010</td>
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<td>1,125.00</td>
<td>0.00</td>
<td>1,125.00</td>
<td>0.00</td>
<td>4,500.00</td>
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<tr>
<td>Rents &amp; Leases 511011</td>
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<td>1,800.00</td>
<td>0.00</td>
<td>1,800.00</td>
<td>0.00</td>
<td>7,200.00</td>
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<tr>
<td>Telephone 511012</td>
<td>600.00</td>
<td>150.00</td>
<td>168.73</td>
<td>(18.73)</td>
<td>112.49</td>
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<td>Utilities 511013</td>
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<td>Reserve for Contingencies 515003</td>
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<td>6,750.00</td>
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<td>27,000.00</td>
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<td>Service Description</td>
<td>Code</td>
<td>Total Budget</td>
<td>First Quarter Budget</td>
<td>First Quarter Actual</td>
<td>Quarterly Budget Variance</td>
<td>Percent Quarterly Budget Variance</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>------</td>
<td>--------------</td>
<td>----------------------</td>
<td>----------------------</td>
<td>--------------------------</td>
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<tr>
<td>Special Projects</td>
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<td>Total Board Expenses</td>
<td></td>
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<td>61,857.00</td>
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<td>32,400.00</td>
<td>0.00</td>
<td>100.00</td>
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<tr>
<td>Total Operating &amp; Management Contract</td>
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<td>32,400.00</td>
<td>32,400.00</td>
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<td>100.00</td>
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<tr>
<td>Professional Services</td>
<td></td>
<td>70,300.00</td>
<td>17,575.00</td>
<td>1,419.05</td>
<td>16,155.95</td>
<td>8.07</td>
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<td>Legal - General Counsel</td>
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<td>60,000.00</td>
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<td>9.46</td>
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<td>2,575.00</td>
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<td>Construction Services</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>Total Professional Services</td>
<td></td>
<td>70,300.00</td>
<td>17,575.00</td>
<td>1,419.05</td>
<td>16,155.95</td>
<td>8.07</td>
</tr>
<tr>
<td>Other Costs</td>
<td></td>
<td>53,000.00</td>
<td>13,250.00</td>
<td>0.00</td>
<td>13,250.00</td>
<td>0.00</td>
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<td>Special Litigation</td>
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<td>12,000.00</td>
<td>0.00</td>
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<td>Web Page Enhancements</td>
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<td>1,250.00</td>
<td>0.00</td>
<td>1,250.00</td>
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<td>Interest Paid</td>
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<td>0.00</td>
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<td>0.00</td>
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<tr>
<td>Total Other Costs</td>
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<td>13,250.00</td>
<td>0.00</td>
<td>13,250.00</td>
<td>0.00</td>
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<tr>
<td>Transfers Out</td>
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<td>28,525.00</td>
<td>7,131.25</td>
<td>0.00</td>
<td>7,131.25</td>
<td>0.00</td>
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<tr>
<td>Transfer to Debt Service Fund</td>
<td>591001</td>
<td>21,525.00</td>
<td>5,381.25</td>
<td>0.00</td>
<td>5,381.25</td>
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<td>Capital Program Transfer</td>
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<td>7,000.00</td>
<td>1,750.00</td>
<td>0.00</td>
<td>1,750.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Transfers Out</td>
<td></td>
<td>28,525.00</td>
<td>7,131.25</td>
<td>0.00</td>
<td>7,131.25</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Expenses</td>
<td></td>
<td>528,853.00</td>
<td>132,213.25</td>
<td>40,082.46</td>
<td>92,130.79</td>
<td>30.32</td>
</tr>
<tr>
<td>Increase (Decrease)</td>
<td></td>
<td>77,209.00</td>
<td>19,302.25</td>
<td>(40,060.53)</td>
<td>(59,362.78)</td>
<td>(207.54)</td>
</tr>
</tbody>
</table>
### Key Largo Wastewater Treatment District

**Statement of Revenues and Expenditures**

From 10/1/2003 Through 12/31/2003

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Total Budget</th>
<th>Current Year Actual</th>
<th>Remaining</th>
<th>Total Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDEP WW Grant</td>
<td>1,660,000.00</td>
<td>0.00</td>
<td>(100.00)</td>
<td>(1,660,000.00)</td>
</tr>
<tr>
<td>FDEP PH II WW Construction</td>
<td>187,312.00</td>
<td>0.00</td>
<td>(100.00)</td>
<td>(187,312.00)</td>
</tr>
<tr>
<td>DCA- Cess Pit Grant</td>
<td>690,445.00</td>
<td>0.00</td>
<td>(100.00)</td>
<td>(690,445.00)</td>
</tr>
<tr>
<td>304 Cess Pit Fund MC</td>
<td>705,200.00</td>
<td>0.00</td>
<td>(100.00)</td>
<td>(705,200.00)</td>
</tr>
<tr>
<td>MC 148 Fund</td>
<td>356,000.00</td>
<td>0.00</td>
<td>(100.00)</td>
<td>(356,000.00)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>3,598,957.00</td>
<td>0.00</td>
<td>(100.00)</td>
<td>(3,598,957.00)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacuum Collection System Const</td>
<td>1,097,000.00</td>
<td>0.00</td>
<td>100.00</td>
<td>1,097,000.00</td>
</tr>
<tr>
<td>Tie-in To Trailer Vill Vacuum</td>
<td>60,000.00</td>
<td>0.00</td>
<td>100.00</td>
<td>60,000.00</td>
</tr>
<tr>
<td>Proport. Share KL WWTP</td>
<td>600,000.00</td>
<td>0.00</td>
<td>100.00</td>
<td>600,000.00</td>
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<tr>
<td>Future Construction</td>
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<td>100.00</td>
<td>1,336,957.00</td>
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<tr>
<td>Plan, Design, Permit, Bidding</td>
<td>355,000.00</td>
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<td>100.00</td>
<td>355,000.00</td>
</tr>
<tr>
<td>Const. Mgmt. &amp; Admin.</td>
<td>150,000.00</td>
<td>7,791.76</td>
<td>94.81</td>
<td>142,208.24</td>
</tr>
<tr>
<td><strong>Total Professional Services</strong></td>
<td>3,598,957.00</td>
<td>7,791.76</td>
<td>99.78</td>
<td>3,591,165.24</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>3,598,957.00</td>
<td>7,791.76</td>
<td>99.78</td>
<td>3,591,165.24</td>
</tr>
</tbody>
</table>

| Increase (Decrease)                           | 0.00         | (7,791.76)          | (7,791.76)|                      |
### Key Largo Wastewater Treatment District
### Statement of Revenues and Expenditures
From 10/1/2003 Through 12/31/2003

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Total Budget</th>
<th>Current Year Actual</th>
<th>Remaining</th>
<th>Percent Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>FEMA PH I WW Construction</td>
<td>1,097,143.00</td>
<td>0.00</td>
<td>(100.00)</td>
<td>(1,097,143.00)</td>
</tr>
<tr>
<td>FEMA Phase II Construction</td>
<td>4,388,571.00</td>
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<td>(100.00)</td>
<td>(4,388,571.00)</td>
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<tr>
<td>DCA- Cess Pit Grant</td>
<td>535,155.00</td>
<td>0.00</td>
<td>(100.00)</td>
<td>(535,155.00)</td>
</tr>
<tr>
<td>DCA- Unmet Needs</td>
<td>914,286.00</td>
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<td>(100.00)</td>
<td>(914,286.00)</td>
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<td>MC 304 Fund FEMA PH 1&amp;2</td>
<td>914,285.00</td>
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<td>(100.00)</td>
<td>(914,285.00)</td>
</tr>
<tr>
<td>304 Cess Pit Fund MC</td>
<td>224,327.00</td>
<td>0.00</td>
<td>(100.00)</td>
<td>(224,327.00)</td>
</tr>
<tr>
<td>304 Land Purchase MC</td>
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<td>(826,234.00)</td>
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<td>SFWMD Grant</td>
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<td>100,000.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>9,000,001.00</strong></td>
<td><strong>100,000.00</strong></td>
<td><strong>(98.89)</strong></td>
<td><strong>(8,900,001.00)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Total Budget</th>
<th>Current Year Actual</th>
<th>Remaining</th>
<th>Percent Total Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vacuum Collection System Const</td>
<td>5,311,489.00</td>
<td>0.00</td>
<td>100.00</td>
<td>5,311,489.00</td>
</tr>
<tr>
<td>Proport. Share KL WWTP</td>
<td>2,058,511.00</td>
<td>0.00</td>
<td>100.00</td>
<td>2,058,511.00</td>
</tr>
<tr>
<td>Plan, Design, Permit, Bidding</td>
<td>386,953.00</td>
<td>0.00</td>
<td>100.00</td>
<td>386,953.00</td>
</tr>
<tr>
<td>Const. Mgmt. &amp; Admin.</td>
<td>400,000.00</td>
<td>13,726.86</td>
<td>96.57</td>
<td>386,273.14</td>
</tr>
<tr>
<td>Land Purchase</td>
<td>826,234.00</td>
<td>0.00</td>
<td>100.00</td>
<td>826,234.00</td>
</tr>
<tr>
<td><strong>Total Professional Services</strong></td>
<td><strong>8,983,187.00</strong></td>
<td><strong>13,726.86</strong></td>
<td><strong>99.85</strong></td>
<td><strong>8,969,460.14</strong></td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>8,983,187.00</strong></td>
<td><strong>13,726.86</strong></td>
<td><strong>99.85</strong></td>
<td><strong>8,969,460.14</strong></td>
</tr>
</tbody>
</table>

Increase (Decrease)

<table>
<thead>
<tr>
<th></th>
<th>Total Budget</th>
<th>Current Year Actual</th>
<th>Remaining</th>
<th>Percent Total Budget</th>
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<tr>
<td></td>
<td>16,814.00</td>
<td>86,273.14</td>
<td></td>
<td>69,459.14</td>
</tr>
</tbody>
</table>
Item H – 2

Update on the Tax Exempt Status
TO: Key Largo Wastewater Treatment District Commissioners

CC: Robert E. Sheets, General Manager
    Faith Doyle, Clerk to the Board
    Charles Sweat, Director of Operations
    Thomas Dillon, Board Attorney

FROM: David R. Miles, Director of Finance

DATE: January 27, 2004

RE: Key Largo Wastewater Treatment District Tax Exempt Certificate

Dear Commissioners:

Please find attached a Consumer’s Certificate of Exemption form for the Key Largo Wastewater Treatment District for your information. This certificate is necessary to obtain a tax exemption for State of Florida sales taxes on all purchases made by the District and paid from the District’s bank account.

Board of Commissioners: Chairman Gary Bauman, Andrew Tobin, Cris Beaty, Charles Brooks, Jerry Wilkinson
This certifies that

KEY LARGO WASTEWATER TREATMENT DISTRICT
614 N WYMORE RD
WINTER PARK FL 32789-2882

is exempt from the payment of Florida sales and use tax on real property rented, transient rental property rented, tangible personal property purchased or rented, or services purchased.

Important Information for Exempt Organizations

1. You must provide all vendors and suppliers with an exemption certificate before making tax-exempt purchases. See Rule 12A-1.039, Florida Administrative Code (FAC).

2. Your Consumer's Certificate of Exemption is to be used solely by your organization for your organization's customary nonprofit activities.

3. Purchases made by an individual on behalf of the organization are taxable, even if the individual will be reimbursed by the organization.

4. This exemption applies only to purchases your organization makes. The sale or lease to others by your organization of tangible personal property, sleeping accommodations or other real property is taxable. Your organization must register, and collect and remit sales and use tax on such taxable transactions. Note: Churches are exempt from this requirement except when they are the lessor of real property (Rule 12A-1.070, FAC).

5. It is a criminal offense to fraudulently present this certificate to evade the payment of sales tax. Under no circumstances should this certificate be used for the personal benefit of any individual. Violators will be liable for payment of the sales tax plus a penalty of 200% of the tax, and may be subject to conviction of a third degree felony. Any violation will necessitate the revocation of this certificate.

6. If you have questions regarding your exemption certificate, please contact the Exemption Unit of Central Registration at 850-487-4130. The mailing address is 5050 West Tennessee Street, Tallahassee, FL 32399-0100.
KLWTD Board Meeting
February 18, 2004

Item H – 3

February 4, 2003 Thirty Percent Design Meeting Minutes
February 11, 2004

Key Largo Trailer Village Area Wastewater Management System for the Key Largo Wastewater Treatment District

Meeting Minutes of February 4, 2004:

This meeting convened at 1:30 p.m. Suite A of the Westin Resort Key Largo, Florida

Attendees at the meeting:
Charles Brooks - KLWWTD
Charles Sweat - GSG
Tom Dillon - KLWWTD
Ed Castle - Weiler Engineering
Chuck Fishburn - GSG
William English – THC
Stu Openheim – B&C
Ted Hortenstein – B&C
Joe Paterniti – B&C
Walt Messer – DN Higgins
Andrew Tobin - KWWTD

Andy Tobin requested that the Haskell Co. draft a submittal letter for the Final Concept Report.

Tom Dillon suggested that we create an issue log to document request resolution etc.

Andy Tobin suggested that the Haskell Team contact Monroe County Planning – Marlene Conaway 305-289-2500 to investigate what percent of Key Largo Park vacant lots can be developed. Currently there are 200 + lots that would cause the total EDU count to increase from 850 to 932.

There was also discussion regarding the strength of the wastewater weather 250mg/l BOD was appropriate or 350 mg/l BOD was more representative.

Ted Hortenstein mentioned the potential for increase cost if influent characteristics change.

Tom Dillon stated that the contract didn’t include the influent characteristics.

Charles Brooks stated that any increased cost should be absorbed by the difference in price between USBF price and SBR price.

Ted Hortenstein stated that the price packages from the vendors differed in scope hence the different prices.
Ted Hortenstein submitted the 30% Treatment Plant Document.

Charles Brooks asked Ted Hortenstein why he had selected cheapest bar screen. He stated the he had not selected a bar screen at this point.

Charles Brooks requested documentation on how major equipment (other than the secondary process) was selected. Ted Hortenstein stated that after review he would make recommendation to Haskell and that the decision would be made by Haskell at that point.

Ed Castle discussed items related to his review of the collection system:

- Collection lateral configuration
- Double Valve chamber reverse wye configuration
- Service to commercial property along US1
- Provide a key map and master pipe layout plan

Walt Messner stated that property owners would have different cost to absorb due to the placement of the vacuum sumps.

Ed Castle will e-mail his list of comments to Joe Paterniti. Joe Paterniti will work with Ed Castle to resolve issue prior to 60% submittal.

Andy Tobin stated the relocation of the treatment plant within the entire property might be accomplished by checking with Monroe County Planning (M. Conaway) if it is based on a valid engineering reason.

Discussion about moving from 60% design documents to 99% design documents to make up for lost time.

The meeting was adjourned at 3:30 p.m.
KLWTD Board Meeting
February 18, 2004

Item I – 1

The Haskell Company’s Design Development Protocol Review
February 11, 2004

Peter M. Kinsley
Division Leader - Water

Re: Wastewater Management System For
The Key Largo Trailer Village Area
Key Largo, Florida
Issue No. 01-021 - Design
Development Protocol

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

Dear Mr. Sheets:

As required by Exhibit G of the Design-Build Agreement, provided below is the Design Submittal Protocol defining the procedures and anticipated schedule associated with design development for the Key Largo Wastewater Treatment System project.

**Design Submittal Protocol**

**Activity 1**
Brown and Caldwell prepares the design development submittal in accordance with the requirements of the Design-Build Agreement and forwards the document to The Haskell Company for review, comment and approval.

**Activity 2**
The Haskell Company conducts a detailed review of the design development submittal to ensure all requirements of the Design-Build Agreement have been satisfied and provides design review comments to Brown and Caldwell as required. Brown and Caldwell addresses design review comments provided and if required, amends and reissues the design development submittal to The Haskell Company.

**Activity 3**
The Haskell Company reviews and approves the design development submittal provided by Brown and Caldwell and formally transmits copies to the following project participants. Design development submittals will be transmitted, at minimum, seven days in advance of the design development submittal review workshop described in Activity 4 below:
- Charlie Brooks of KLWTD (1 Full Size Set)
- Jerry Wilkinson of KLWTD (1 Full Size Set)
- Robert Sheets of GSG (1 Full Size Set and 1 Half Size Set)
- Charles Sweat of GSG (1 Full Size Set)
- Ed Castle of Weiler Engineering (1 Full Size Set)
- Jeff Weiler of Weiler Engineering (1 Full Size Set)
- Tom Dillon – District Council (1 Half Size Set)
- District Clerk for Official Record Preservation – (1 Half Size Set)
Activity 4
The Haskell Company and Brown and Caldwell conduct an informal, nonpublic design development submittal review workshop in Key Largo, Florida in which the design approach is presented to the Key Largo Wastewater Treatment District, General Manager and Weiler Engineering. The workshop is intended to be an interactive meeting between all project participants in which the comments of the Owner and their representatives are discussed and resolved.

Activity 5
District General Manager, serving as the sole contact person, transmits the written comments made by all project participants within three days of the design development submittal review workshop to The Haskell Company. The Haskell Company will formally address comments in the subsequent design development submittal unless a more immediate response is required to avoid delays to the project schedule. Design development submittals rejected by the District General Manager or requiring significant changes will be revised and resubmitted in lieu of addressing said concerns/comments in the subsequent design development submittal.

The Activities identified above will be performed for all design development submittals required by the Design-Build Agreement and conducted in accordance with the following schedule.

<table>
<thead>
<tr>
<th>Design Submittal</th>
<th>Activity 1</th>
<th>Activity 2</th>
<th>Activity 3</th>
<th>Activity 4</th>
<th>Activity 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept</td>
<td>Complete</td>
<td>Complete</td>
<td>Complete</td>
<td>Complete</td>
<td>Complete</td>
</tr>
<tr>
<td>30% - Collection</td>
<td>Complete</td>
<td>Complete</td>
<td>Complete</td>
<td>Complete</td>
<td>Complete</td>
</tr>
<tr>
<td>30% - Plant</td>
<td>Complete</td>
<td>Complete</td>
<td>Complete</td>
<td>Complete</td>
<td>Complete</td>
</tr>
<tr>
<td>60% - Collection</td>
<td>2/19/04</td>
<td>2/19/04</td>
<td>2/25/04</td>
<td>3/3/04</td>
<td>3/8/04</td>
</tr>
<tr>
<td>99% - Collection</td>
<td>3/24/04</td>
<td>3/26/04</td>
<td>3/31/04</td>
<td>4/7/04</td>
<td>4/14/04</td>
</tr>
<tr>
<td>99% - Plant</td>
<td>4/12/04</td>
<td>4/14/04</td>
<td>4/19/04</td>
<td>4/28/04</td>
<td>5/3/04</td>
</tr>
<tr>
<td>Final - Collection</td>
<td>4/21/04</td>
<td>4/23/04</td>
<td>4/28/04</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Final - Plant</td>
<td>5/10/04</td>
<td>5/12/04</td>
<td>5/17/04</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Should you have any questions or require further information, please do not hesitate to contact me at (904) 357-4868.

Sincerely,

Peter M. Kinsley

cc: Mr. Charles Sweat, Government Services Group
    Mr. Ed Castle, Weiler Engineering
    Mr. Jeff Weiler, Weiler Engineering
    Mr. Stuart Oppenheim, Brown and Caldwell
    Issue No. 01-021
Item K – 1

Discussion of Strategic Planning
Chairman Bauman
**Mission**

The mission of the FGUA is to assist other government entities with creative tools for utility resource management, planning and development.

**Vision**

The FGUA will be a widely recognized and utilized long-term partner with other government entities to innovatively acquire utility systems, provide highly effective and efficient utility services through ownership or contract and assist other local governments to manage their growth patterns and directions.

**Values**

In pursuit of its visions, the FGUA will adhere to the following values:

- High quality and cost effective customer service;
- Conservation and wise management of natural resources; and
- Promotion of the public good and individual member interests through collaboration.

**The Board’s Role**

As the FGUA begins to consider expansion of its services beyond its initial membership and purpose, Board members will assume the following responsibilities:
Strategies (cont'd)

To achieve these strategies, the Board has adopted goals in three overlapping categories:

- Policy Goals
- Operational Goals
- Financial Goals

FGUA Goals

Policy Goals

1) Enhance the stability and growth of the FGUA.
2) Enhance communications with member Boards and Customers.
3) Enhance resource management and environmental practices.

Policy Goals (cont'd)

- Develop increased internal water and sewer service provision
- Study of OAS area purchase or other alternatives
- Negotiations on-going Tampa Bay Water, Hillsborough County and SWFWMD
- Develop a financial system, such as a general fund, that would facilitate FGUA expansion
- Develop a process for member acquisition of facilities and/or withdrawal from FGUA

Introduction
Policy Goals (cont.)

1) Enhance the stability and growth of the FGUA:

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>COMPLETE BY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop clearer process and procedure for transaction &quot;into&quot; and &quot;out of&quot; FGUA</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Establish FGUA presence</td>
<td>Ongoing</td>
</tr>
<tr>
<td>in appropriate forums</td>
<td></td>
</tr>
<tr>
<td>Time Board membership</td>
<td>FY 2003-2004</td>
</tr>
</tbody>
</table>

Policy Goals (cont.)

2) Enhance communications with member Boards and Customers:

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>COMPLETE BY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop increased internal capacity for water and sewer service provision</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Develop increased capacity for providing contracted services</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Address and develop a model for transition into other utility areas such as sewer or solid waste</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

Policy Goals (cont.)

3) Enhance resource management and environmental practices:

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>COMPLETE BY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure current operational procedures are followed</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Regularly update operational procedures to ensure regulatory consistency with policies</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Effective communication to local regulatory and public</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
### Operational Goals

1. Complete RFP process for contract operator, customer service, and billing.
2. Complete Vulnerability Assessment and develop implementation plan.
3. Complete all capital projects as scheduled.
4. Complete transition of the Carrollwood System to Hillsborough County and Tampa Bay Water.

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>COMPLETE BY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct annual compliance assessment</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Implement an integrated water resource management plan</td>
<td>July 2003</td>
</tr>
</tbody>
</table>

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### Operational Goals

5. Continue to implement operational protocols. Develop additional protocols as needed.
8. Initialize and plan for EPA Capacity Management, Operations and Maintenance (cMOM) program.
9. Complete draft of Poinciana Water and Wastewater Master Plan.
10. Develop Regional Water and Wastewater Treatment Plants for Poinciana areas number 1 and 4.
11. Prepare and plan for additional growth in Poinciana Area 4 to meet the predicted demand for water and wastewater service.
12. Continue planning and engineering for the construction of Poinciana WWTP #2 from 3mgd to 6mgd.
13. Continue to develop a marketing plan for continued growth within the existing FGUA systems.
14. Expand the FGUA presence in local settings, i.e., Chambers of Commerce, Home Builders' Associations, etc.
15. Become more active with local boards and customers via routine meetings.
16. Continue to enhance relationships with regulatory agencies.
17. Community outreach program via bill stuffers, 800 number, and continuation of quarterly community meetings.
19. Continue monitoring of operational procedures to ensure compliance.
Financial Goals

1) Improve Financial Management and Reporting.
2) Complete Financing of Additional Capital Programs.
3) Improve Contract Management.

Financial Goals (cont.)

1) Improve Financial Management and Reporting:

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>COMPLETE BY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a purchasing policy</td>
<td>January 2004</td>
</tr>
<tr>
<td>Continue improvement of quarterly financial/ operating report to the Board</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Continue improvement of budgeting</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Board Policy for Budgeting</td>
<td>September 2003</td>
</tr>
</tbody>
</table>

Financial Goals (cont.)

2) Complete Financing of Additional Capital Programs:

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>COMPLETE BY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obtain funding for Carrollwood capital improvements: Tampa Bay interconnect and infiltration repairs</td>
<td>December 2003</td>
</tr>
<tr>
<td>Obtain funding as required in Capital Improvement Plan</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

Financial Goals (cont.)

3) Improve Contract Management:

<table>
<thead>
<tr>
<th>OBJECTIVES</th>
<th>COMPLETE BY</th>
</tr>
</thead>
<tbody>
<tr>
<td>As part of the RFP process, develop improved and enhanced contract management and compliance procedures</td>
<td>January 2004</td>
</tr>
</tbody>
</table>
KLWTD Board Meeting
February 18, 2004

Item K – 3

Discussion of
"Decision Time" Email
Commissioner Wilkinson
Faith Doyle

From: Jerry Wilkinson [jerry142@terranova.net]
Sent: Thursday, January 22, 2004 5:57 PM
To: Charles Sweat; Charles Fishburn; Faith Doyle; Robert Sheets
Cc: Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Subject: FW: Decision time

Robert:
Gary requested that I put this on the agenda for the next meeting.
Jerry

-----Original Message-----
From: Jerry Wilkinson [mailto:jerry142@terranova.net]
Sent: Thursday, January 22, 2004 4:59 AM
To: Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Subject: Decision time

Gentlemen:

This is a privileged email!
I light of Tom’s recent design/build comments and my suspicions for some time, I suggest we have an emergency workshop, or what ever one wants to call it, to establish methodology for assuring the citizens of Key Largo, especially those of Key Largo Trailer Village, that we can guarantee an AWT system at very reasonable costs.

If we cannot give them that assurance, we morally owe them to cancel this process now. It is not the end of the world. I will do in a heartbeat what I feel morally correct.

Having followed the Stock Island debacle and that being the only track record that I have, I have absolutely no confidence of Weller Engineering Company (WEC) doing other basic inspection service and invoice verification quantitative analysis for the collection system.

I feel absolutely certain that the Haskell Company will deliver a system that will work for 30 days with limited input. From then on, it will be a total gamble and there is actually little we can do/afford.

I see no substantive progress being made on the transition process.

We and WEC made specific trade offs to GSG for the District to have Charles Fishburn as the District Engineer for these two projects. In quite a few meetings, we have not had any GSG engineer present. I believe GSG is and has been receiving in the neighborhood of $5400 a month of which some is for engineering oversight.

I will not bury my head in the sand that the citizens will have to live with what this misguided train is delivering them. Judging from our present status, I definitely do not want additional funds provided until a viable management infrastructure is a proven fact.

I for one will resign regardless of what you choose to do. I am afraid if I feel this impotent, I will make the recommendation to the governor to disband the KLWTD. This will depend whether I believe it is my personal incompetence, or the inability of the group to correct the figurative “buck of worms” that we were handed. I have total confidence that we could have had we had total control and decision making from the beginning, but we do not. That being said, the citizens are in imminent financial and social danger.

I need to make this decision soon to allow the replacement on the forthcoming ballot in November.
Jerry
Item K - 4

Discussion of emails and communications
Commissioner Brooks
Subj: B&C 30% drawings
Date: 1/16/2004 12:29:48 PM Eastern Standard Time
From: jerry142@terranoval.net
To: peters.kinsley@thehaskellco.com, soppenheim@bwncaid.com, jpaterniti@bwncaid.com
CC: largosunsel@hotmail.com, edrcastia@aol.com, jeff@wellieengineering.org,
csweat@govmserv.com, hallemma@aol.com, Cris.Beaty@ihrco.com, cbrooks442@aol.com,
Tobinlaw@terranoval.net, gbauerman@mail.dolphinpatioandgrill.com

Gentlemen:

Please excuse the way I make these comments but not the comments. In my opinion, these are not even 10% drawings unless the carbon content is the gauge. The following are my comments, not necessary in order of importance, considering these are 10% and I withhold comments for the 30%:

General Comments -
1) Drawings must be made considering the lowest intelligent worker on the project, the worker in the field. Details insets are preferable to verbal descriptions and both should be shown. A non-English speaking construction worker can follow a detail if properly rendered.
2) Where are the spec's?
3) Where are the complete to date standard details? Standard details should be referenced on all drawings.
4) Where are the survey elevation profiles (not to be confused with plan profiles)? I do not understand how the gravity lines can be shown if uphill and down hill is not determinable. I assume that a survey was nearly the first step performed.
5) Where are the general views (Key or Overall maps)? The overall project which I call the "Key map/page/chart") is comparable to a house plan and breaks down and referenced to bedroom, bathroom number one, etc. Key Largo Park, Key Largo Trailer Village and Sunset Waterways will be confusing to all who do not live there for work scheduling, inspection, invoice, delivery, work completion and worker assignment purposes. I personally believe one key flow direction map is desirable.
6) Where are the trees, utility poles, overhead obstructions, mail boxes, fences, water meters, drafting legends, etc. I still maintain that aerial views should be shown, if for no other reason to document the conditions present and which exist for the basis for the engineering. For example, it is tre is tree in the ROW and the drawings depict a service lateral to that point, that is where the subcontractor will place the pipe unless an approved change order is made. All this info should be on the survey. Yes, I read Buried Utility Note 6 and General Civil Note 7, but question the wisdom of hiding behind this fine print. Perhaps my magnifying glass don't reveal them.
7) Drawings should be rendered so in case of contractor defaults, future contractors can bid the job. Any competent construction worker should be able to at least find in these drawings what, where, how and how much he/she should be doing and this includes the specifications of materials, etc.

Specific comments, I am not an engineer and the drawing are so incomplete and the General Notes so broad that I may be way off base:
A) I question the correctness or completeness of Buried Utility Notes 4. I believe the 6-inch vertical clearance only applies where they cross.
B) I hope that General Civil Note 4. is correct. It is about time, but I believe it only applies to VSAN and not to SAN lines.
C) I cannot help myself - I question the wisdom and cost effectiveness of design such as indicated on sheet number C-121. On the other hand, perhaps the Buried Utilities Notes pass on to the contractor all the wisdom to place the service lateral and vacuum pits at the correct location for the homeowner.

Jerry Wilkinson
Chairman,
Technical Committee
KLWTD
Jerry Wilkinson has expressed a concern about the completeness of the plans provided by Haskell. Here are my thoughts:

The short answer is that in a design-build agreement, there cannot be a contractor or subcontractor claim based on deficiencies in the plans. Since the contractor is the designer, it's his problem if they're deficient. That is the major advantage of design-build. Most institutional owners that I know about don't think that design-build is any cheaper over all than design-bid-build, because the owner pays for what is built. The major benefit is the impossibility of contractor claims based on plan deficiencies.

That said, we know that the design-builder has a financial incentive to build as cheaply as possible, and the design-builder is in a joint venture or similar relationship with the designer. Thus extra vigilance is needed to make sure that the owner gets all of the program that the owner is entitled to. In this case, Weiler's job is to make sure that happens, but the Board must also be vigilant.

Tom
FYI

<<Haskell Sept 2003 progress report.pdf>> <<Haskell August 03 progress report.pdf>>

Faith Doyle
Clerk to the Board
c/o Government Services Group, Inc.
614 N. Wymore Road
Winter Park, FL 32789
Phone (407) 629-6900
Fax (407) 629-6963
Cell (321) 246-0059
Jerry, we have not been ignoring you. I have prepared a schedule for design development that includes design review workshops and will gladly discuss your review comments in detail at that time. That being said, I would like to point out that most everything you have requested will be provided as the design progresses, but is a greater level of detail than what is traditionally provided at 30%. Thanks for your detailed review, your comments will certainly benefit the process and ultimately the project.

Peter M. Kinsley
The Haskell Company
Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

-----Original Message-----
From: Jerry Wilkinson [mailto:jerry142@terranova.net]
Sent: Friday, January 16, 2004 1:31 PM
To: Peter Kinsley; Stuart Oppenheim; Joë Paterniti
Cc: Thomas M. Dillon; Ed Castle; Jeff Weller; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Subject: B&C 30% drawings

Gentlemen:

Please excuse the way I make these comments but not the comments. In my opinion, these are not even 10% drawings unless the carbon content is the gauge. The following are my comments, not necessary in order of importance, considering these are 10% and I withhold comments for the 30%:

General Comments -
1) Drawings must be made considering the lowest intelligent worker on the project, the worker in the field. Details in sets are preferable to verbal descriptions and both should be shown. A non-English speaking construction worker can follow a detail if properly rendered.
2) Where are the spec's?
3) Where are the complete to date standard details? Standard details should be referenced on all drawings.
4) Where are the survey elevation profiles (not to be confused with plan profiles)? I do not understand how the gravity lines can be shown if uphill and down hill is not determinable. I assume that a survey was nearly the first step performed.
5) Where are the general views (Key or Overall maps)? The overall project which I call the "Key map/page/chart" is comparable to a house plan and breaks down and referenced to bedroom, bathroom number one, etc. Key Largo Park, Key Largo Trailer Village and Sunset Waterways will be confusing to all who do not live there for work scheduling, inspection, invoice, delivery, work completion and worker assignment purposes. I personally believe one key flow direction map is desirable.
6) Where are the trees, utility poles, overhead obstructions, mail boxes, fences, water meters, drafting legends, etc. I still maintain that aerial views should be shown, if for no other reason to document the conditions present and which exist for the basis for the engineering. For example, it there is tree in the ROW and the drawings depicts a service lateral to that point, that is where the subcontractor will place the pipe unless an approved change order is made. All this info should be on the survey. Yes, I read Buried Utility Note 6 and General Civil Note 7, but question the wisdom of hiding behind this fire print. Perhaps my
magnifying glass don't reveal them.
7) Drawings should be rendered so in case of contractor defaults, future contractors can bid the job. Any competent construction worker should be able to at least find in these drawings what, where, how and how much he/she should be doing and this includes the specifications of materials, etc.
Specific comments, I am not an engineer and the drawing are so incomplete and the General Notes so broad that I may be way off base:

A) I question the correctness or completeness of Buried Utility Notes 4. I believe the 6-inch vertical clearance only applies where they cross.
B) I hope that General Civil Note 4. is correct. It is about time, but I believe it only applies to VSAN and not to SAN lines.
C) I cannot help myself - I question the wisdom and cost effectiveness of design such as indicated on sheet number C-121. On the other hand, perhaps the Buried Utilities Notes pass on to the contractor all the wisdom to place the service lateral and vacuum pits at the correct location for the homeowner.

Jerry Wilkinson
Chairman,
Technical Committee
KLWTD

Monday, January 26, 2004 America Online: CBrooks442
I am attaching a memorandum regarding design issues under the Design-Build Agreement. This effort started as an attempt to explain the requirements of the 30% design document. However, my analysis indicates substantial noncompliance with the process as described in the agreement, so I have provided further information.

It is essential to review Exhibit G to the agreement to understand the process contemplated for the design process. I have the Exhibit as part of a large pdf file and will provide the pdf file to anyone who needs it.

Tom
Ed

Gary asked me to put my doubts on the agenda for the next meeting.

Some how I must know that all of you are aware of what the interests of the citizens of Key Largo are and are dedicated to serve them. I believe they are the similar to those of Stock Island, other than it appears that SI citizens are begging to connect at even greater costs that KL citizens, and the capability or something is not there judging from what I hear and the little that I have seen. I can only judge from what I have personally seen and that has not been encouraging. With a real set of plans and your comments, I will guarantee that I will have a good idea of where your interests are. Please allow me to qualify that. From being a former sub, I found that engineer’s interests are somewhat different than mine were.

From all my conversations with local citizens, they expect the same as for water and electricity - it works constantly and reliable at a reasonable cost, and repairs occur infrequently at no apparent additional cost to them. Kind of like a hammer, get the correct of two choices pointed down and it is simple for most. There are engineers, billing people, repairmen behind the scenes and they do not care what they are doing as long as it works for $35 a month, for example. The financing for capital recovery and connection is an unknown to most of them, but that will come.

I just grabbed my so called drawings and it opened on page C-101. If you are interested in the commercial citizens, they are the ones with the $$ to protest, why put the VPs in front and across their parking lots up hill when Rock Harbor Drive passes behind them downhill across grass and a mile shorter distance? Can you really serve the Waffle house and the Hardware Store (now closed) up hill and with a one single VP? This is from memory and I will go there tomorrow for the umpteenth time to verify this impromptu statement.

Most of the non-commercial citizens are unaware that a builder ran a 3/4” pipe from the meter to their house and the homeowner paid for it, or as for FKEC the utility paid for the service line to the weather head. They are a tad confused why this will cost upwards to $7000, but if explained and a financing program provided they will gripe and move on one way or the other. Some are concerned what to do if catastrophic outages occur, or to use an analogy if the FKAA pressure run away and the high pressure burst the pipes inside the house and floods it. The same if FKEC looses the neutral and every 110 vac appliance turned on goes up in smoke.

The track record in MC is not good. Hopefully, Little Venice will improve the average.

What makes it bad is that I do not trust what we are doing - Oh Ye of little faith! Seeing is believing and I even trust Jim Reynolds report that it worked in Europe, but I got to see it myself. I guarantee if it was coming to my house, I, by now, would have a second emergency septic system, a shorten candy cane ready and a shutoff valve (I have a ground floor bathroom). For me that would be simple as I have use of a backhoe and Keys Supply is a friend of mine. A backflow preventer is still not my choice unless it is cleanout type - now about $450 off the shelf.

Jerry

-----Original Message-----

From: EdRCastle@aol.com [mailto:EdRCastle@aol.com]
Sent: Thursday, January 22, 2004 10:32 AM
To: jerry142@terrano.net
Cc: thomasdillon@terrano.net; rsheets@govserv.com; csweat@govmserv.com; jeff@weilerengineering.org; weller7@comcast.net
Subject: Re: B&C 30% drawings

Jerry,

I would like to assure you that District Staff is reviewing the drawings. I have requested scaled full-size sheets and am told they will be here today. WEC has three engineers working on this review (Jeff, Mike Hatfield and me). We have preliminary comments drafted, but will be able to comment more effectively after receipt of the scaled full size set. GSG staff is also reviewing the plans and drafting comments. Please rest assured that we intend to fully protect the interests of the citizens of Key Largo and the District.

Monday, January 26, 2004 America Online: CBrooks442
Ed Castle
Project Manager
Subj: Re: Design Issues
Date: 1/22/2004 7:59:49 AM Eastern Standard Time
From: Ed R Castle
To: ibomasdillon@terranova.net, csweat@govmserv.com, DMiles@govserv.com, jeff@wellerengineering.org, rsheets@govserv.com, tobinlaw@terranova.net, CBrooks442, cris.beaty@lrco.com, g.bauman@dolphinpatioandgrill.com, FDoyle@govserv.com, JERRY142@TERRANOVA.NET

Tom,

I am in agreement with you on the requirements and have been addressing them. I referred Peter Kinsley to the requirements of Exhibit G in an email sent on January 16th. Peter has assured me that he intends to deliver all required materials. Until such time, WEC will approve progress payment requests related to the 30% design submittal only in amounts proportional to the degree of completeness of the submittal.
On Friday, 1/16/04, I met with County Attorney Richard Collins and Assistant County Attorney Rob Wolfe in Key West. I was told that Danny Kolhage was going to attend but he did not.

After some discussion and review of relevant statutes, Mr. Collins said that he was inclined to reverse the previous County Attorney’s position regarding payment of the Board for meetings, as well as any other District administrative costs. He asked Mr. Wolfe to draft an opinion. Given Mr. Wolfe’s evident hostility, it may take a while to actually get it.

Mr. Collins said that the County would like to develop a uniform policy for dealing with all wastewater districts. To that end, he asked me to look at the enabling legislation for FKAA so that legislation could be introduced to make the legislative authorization for KLWTD as consistent as possible with that of FKAA. I plan to do so next week.

Tom
RE: B&C 30% drawings

Date: 1/22/2004 10:57:29 AM Eastern Standard Time

From: jerry.412@terranova.net
To: peter.kinsley@thehaskellco.com, jpaterniti@brcnclsd.com
CC: largosunsel@hotmail.com, edcastler@aol.com, jeff@weilerengineering.org,
csweat@govmserv.com, hallemma@aol.com, cris.beaty@ihrco.com, cbrooks442@aol.com,
tobinlaw@terranova.net, g.bauman@mail.dolphinscatandgrill.com, jpaterniti@brcnclsd.com,
scppenheimer@brcnclsd.com, rsheets@govserv.com, thortenstine@brcnclsd.com,
william.english@thehaskellco.com

Peter:

Tom said something to the effect that d/b is to get a cheap price, avoid legal challenges between builder and designer and that I was expecting too much from D/b drawings. All that I will receive is a short-hand type plans as the there is the relationship between the designer and builder who understand each other. My reply is that I do not intend to learn shorthand or touch typing, so why send anything?

Based on this, I do see a mistake on my part. The Boyle's drawing were for KLP which was d/b/b; therefore not in short-hand. However, I do know that relationships do not last forever and the same "field workers" could care less whether it is d/b or d/b/b. If something happens to Higgins, I assume the surety company would have to pay for a doable set of drawings. I disclaim any knowledge of d/b. I simply maintain if there are repeated notes to "Construct 6" Service Lateral capped at property line (TYP)," there should be a referenced complete detail of construction, depth, placement, backfill, marking, material, etc. The citizen's plumber will charge a ton if he/she cannot locate the capped service lateral.

If Tom is correct using my interpretation, someone has a lot of education for me to understand how I am to exercise vigilance to provide the citizens with a functional and affordable wastewater system, or I will ask Governor Bush to explain it. In general, my immediate suggestion at about 0400 was to cancel this project, pay everybody off and start with a d/b/b system after we are properly financed and a viable management infrastructure system is in place.

I do not get paid to design wastewater, but I can tell you I have an ability to look at a set of drawing and detect something is wrong. I probably cannot tell you what is wrong. For example, for simple things I can take 15 minutes to lay a set of standard drawing out on the floor, count the number of points that I believe needs to be inspected that do not have a detail symbolic references and those are incorrect. If there are abbreviations that are not on the abbreviations sheet, then they mean whatever I want them to mean. In reality, it does not work that way. The sub and the GC trade boo-boos or make deals and the customer gets whatever it is. We use to trade initials on the drawing copy of whom ever felt disfavored just in case. I never heard of a court accepting the "initial" practice.

I no longer care whether you gravity uphill or down hill, but I do care if the Hot is on the right and the Cold is on the left. Both are basics, but one effects cost and the other effects the user. I will use the "capped service lateral" as an example for the user. The Board is going to have to give instructions as I have none. For example, should the service lateral be located for the convenience of the septic tank (I personally think not), where the lateral leaves the foundation (I personally think it should) or to forget it all together and screw the customer. I will suggest to the customer to take the easy way if it is not where it is marked - pay the plumber and take us to small claims court for damages. The hard way is for injunctive relief, but he/she will eventually have to connect. We have two engineers, OSG and WEC, making big bucks to do this, and they are going to have to attend to the details even if it is daily. All I need is their comments and with a set of drawings, I can comment.

The District needs a qualified Director and staff now or we should cut our losses and run. Every one gets paid, no lawsuits and the public not harmed. I am not going to take the hit for misfeasance and/or malfeasance for future problems.

Jerry

**********

-----Original Message-----

From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]
Sent: Thursday, January 22, 2004 5:24 AM
To: 'Jerry Wilkinson'; Joe Paterniti (E-mail)
Cc: Thomas M. Dillon; Ed Castle; Jeff Weller; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.
Subject: RE: B&C 30% drawings

Monday, January 26, 2004 America Online: CBrooks442
Jerry, I did not see Tom Dillon's comments, but the design-build process is greatly benefited by the Owner's involvement. You are our client and meeting/exceeding your expectations is one of the primary goals of any project. I would guess that Tom stated that we as the design-builder are obligated to make the system work and that the K'LWTD has no obligation in that regard. All that is true, but having the Owner involved in the design development process ensures that you as an Owner are not surprised by the final product produced. In addition, it gives voice to concerns of the community that we as the design-builder may not be aware of or simply may not appreciate the significance of. As stated, I value your input and the process/project will benefit from your involvement. With regard to your technical comments, I will table a response until we have our first design review workshop which is tentatively scheduled for February 4, 2004. This will bring structure to the process as well as give Brown and Caldwell an opportunity to review and prepare. One final comment, please do not get discouraged with design-build before we have even gotten started. Design development is just underway and we have not had our first review meeting. This is an interactive process with contribution from all project participants that adds value, shortens delivery and improves quality. It is far too early to compare the two delivery processes. Thanks...

Joe, please send Jerry a set of full size drawings to the address listed below.

Peter M. Kinsley
The Haskell Company
Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

-----Original Message-----
From: Jerry Wilkinson [mailto:jerry142@terranova.net]
Sent: Wednesday, January 21, 2004 10:45 PM
To: Kinsley, Peter M.
Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beatty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.
Subject: RE: B&C 30% drawings

Peter:

I can see one difference. All that are mentioned are paid to looking at these drawings. I am not. I can only offer my opinions. A comment from me is most likely worth almost what I am charging - zero. I am not licensed, registered or certified and until I hear back from GSG, I am not even certain if I am insured. Does it make any difference whether the waterline in the U.S. median is 30" or 36" it would to me if for no other reason than to not to appear incorrect.

After reading Tom Dillon's comments, who knows a thousand times more than I, why am I saying anything? I have no idea where the "owner" fits into this process, which continues to reinforce my preference for d/b/b. I am more concerned that there are people out there relying on me to deliver a process that function at the price the District has told them. What is more the county, state and federal governments do not either.

I can tell you that most think it is a 36" waterline and that there are gravity lines appearing to run up hill. I do not know how the plans call for a 2% vacuum line when the profile from Roevac is not available. I do not know why some Vacuum Valve Chambers are (TYP) and others are not. I assume TYP is typical so are there some non-typical. The abbreviations do not help me. I do know why some vacuum mains are open cut and others are not. The best that I can say is that there are 30% corrections on the 30% drawings.

My address is:
Jerry Wilkinson
38 East Beach Road
Tavernier, FL 33070.

-----Original Message-----
From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]

Monday, January 26, 2004 America Online: CBrooks442
Sent: Wednesday, January 21, 2004 5:32 AM
To: 'Jerry Wilkinson'
Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.
Subject: RE: B&C 30% drawings

In response to your comments below:

Exhibit G of the Design-Build Agreement defines the submittal requirement for 30% to include "preliminary wastewater collection system layout". This is precisely what was provided for the Village as well as the Park. As stated earlier, the majority of information you believe should have been included will be provided as the design advances. I cannot speak to what Boyle believes is 30% or what their contract required, but we have and will continue to adhere to what is required by our contract with Key Largo. In addition, I can assure you that I was not holding back because of the WWTP issue. Resolution of that issue took time, but I would never hold this or any other client hostage in that manner. With regard to providing half size drawings, I did that for your convenience. I prefer working with half size drawings, because I can carry them around and study them in areas where full size drawings simply will not work (airplanes primarily). In error, I assumed my preference would be everyone else's preference. Ed and Jeff are also unhappy with half size drawings so we are forwarding full size today. If you provide a mailing address, I will gladly forward you full size drawings as well. Please be advised that all subsequent design development submittals will be provided in full size to avoid any future hardship. Finally, I agree with your statement regarding organization and the need for a Key Map page. That is the one comment I made to Joe that could not be incorporated into the 30% design submittal prior to submission. The Key Map along with profiles, additional standard details, notes and specs will be included in the 60% set. As discussed, we intend on permitting the project off of the approved 80% design submittal, so I am sure that set of drawings will look a lot closer to what you are accustomed to. Once again, thanks for your scrutiny, it will only benefit the project and if you want to discuss further, do not hesitate to call.

Peter M. Kinsley
The Haskell Company
Division Leader - Water
904/357-4868 (phone)
904/357-4282 (fax)

-----Original Message-----
From: Jerry Wilkinson [mailto:Jerry142@terranova.net]
Sent: Tuesday, January 20, 2004 9:31 PM
To: Kinsley, Peter M.
Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim
Subject: RE: B&C 30% drawings

Peter:

I have seen a lot of drawings but other that Boyles and B&C's, all have been 100%. I can tell you that Boyle slaughtered you at 30%; however, that was their downfall as they gave enough for substantive comments. For me it is a waste of time not to see 24" X 36" if I am truly interested. They kept promising aerials but they never came. I did see that they had for UEC at Little Venice and they were easy to read, but still not enough details shown. That is one way to keep the guys in the field confused.

I assumed you were holding back because of the WWTP issue; however, I would have done the opposite. I would have had all the fluff key pages, indexes,
general notes, detail legends, etc ready to mediate big time if it had gone that far. This fluff is almost the same in all drawings and usually does not change much from 30 to 100%. Your RFP response had more organization than these. There will not be much real design until Roevac gives the profiles, but organization and presentation we can work on. Let have on Key page solely for flow direction. You did it well in the RFP proposal for the Village. The Park has a tad more varying topography with more options.
I assume these cannot be done for computers where one can zoom in and follow using the slider bars.
Jerry

-----Original Message-----
From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]
Sent: Tuesday, January 20, 2004 5:01 PM
To: 'Jerry Wilkinson'
Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim
Subject: RE: B&C 30% drawings

Jerry, we have not been ignoring you. I have prepared a schedule for design development that includes design review workshops and will gladly discuss your review comments in detail at that time. That being said, I would like to point out that most everything you have requested will be provided as the design progresses, but is a greater level of detail than what is traditionally provided at 30%. Thanks for your detailed review, your comments will certainly benefit the process and ultimately the project.

Peter M. Kinsley
The Haskell Company
Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

-----Original Message-----
From: Jerry Wilkinson [mailto:jerry142@terranova.net]
Sent: Friday, January 16, 2004 1:31 PM
To: Peter Kinsley; Stuart Oppenheim; Joe Paterniti
Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Subject: B&C 30% drawings

Gentlemen:
Please excuse the way I make these comments but not the comments. In my opinion, these are not even 10% drawings unless the carbon content is the gauge. The following are my comments, not necessary in order of importance, considering these are 10% and I withhold comments for the 30%:
General Comments -
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worker on the project, the worker in the field. Details insets are preferable to verbal descriptions and both should be shown. A non-English speaking construction worker can follow a detail if properly rendered.

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3) Where are the complete to date standard details? Standard details should be referenced on all drawings.

4) Where are the survey elevation profiles (not to be confused with plan profiles)? I do not understand how the gravity lines can be shown if uphill and downhill is not determinable. I assume that a survey was nearly the first step performed.

5) Where are the general views (Key or Overall maps)? The overall project which I call the "Key map/page/chart) is comparable to a house plan and breaks down and referenced to bedroom, bathroom number one, etc. Key Largo Park, Key Largo Trailer Village and Sunset Waterways will be confusing to all who do not live there for work scheduling, inspection, invoice, delivery, work completion and worker assignment purposes. I personally believe one key flow direction map is desirable.

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7) Drawings should be rendered so in case of contractor defaults, future contractors can bid the job. Any competent construction worker should be able to at least find in these drawings what, where, how and how much he/she should be doing and this includes the specifications of materials, etc. Specific comments, I am not an engineer and the drawing are so incomplete and the General Notes so broad that I may be way off base:

A) I question the correctness or completeness of Buried Utility Notes 4. I believe the 6-inch vertical clearance only applies where they cross.

B) I hope that General Civil Note 4. is correct. It is about time, but I believe it only applies to VSAN and not to SAN lines.

C) I cannot help myself - I question the wisdom and cost effectiveness of design such as indicated on sheet number C-121. On the other hand, perhaps the Buried Utilities Notes pass on to the contractor all the wisdom to place the service lateral and vacuum pits at the correct location for the homeowner.

Jerry Wilkinson
Chairman,
Technical Committee
KLWTD

Monday, January 26, 2004 America Online: CBrooks442
Subj: Decision time
Date: 1/22/2004 4:57:03 AM Eastern Standard Time
From: jerry142@terranova.net
To: Cris.Beaty@ihrc.com, cbrooks442@aol.com, Tobinlaw@terranova.net, g.bauman@mail.dolphinpatioandgrill.com

Gentlemen:

This is a privileged email!

I light of Tom's recent design/build comments and my suspicions for some time, I suggest we have a emergency workshop, or what ever one wants to call it, to establish methodology for assuring the citizens of Key Largo, especially those of Key Largo Trailer Village, that we can guarantee an AWT system at very reasonable costs.

If we cannot give them that assurance, we morally owe them to cancel this process now. It is not the end of the world. I will do in a heartbeat what I feel morally correct.

Having followed the Stock Island debacle and that being the only track record that I have, I have absolutely no confidence of Weller Engineering Company (WEC) doing other basic inspection service and invoice verification quantitative analysis for the collection system.

I feel absolutely certain that the Haskell Company will deliver a system that will work for 30 days with limited input. From then on, it will be a total gamble and there is actually little we can do/afford.

I see no substantive progress being made on the transition process.

We and WEC made specific trade offs to GSG for the District to have Charles Fishburn as the District Engineer for these two projects. In quite a few meetings, we have not had any GSG engineer present. I believe GSG is and has been receiving in the neighborhood of $5400 a month of which some is for engineering oversight.

I will not bury my head in the sand that the citizens will have to live with what this misguided train is delivering them. Judging from our present status, I definitely do not want additional funds provided until a viable management infrastructure is a proven fact.

I for one will resign regardless of what you choose to do. I am afraid if I feel this impotent, I will make the recommendation to the governor to disband the KLWTD. This will depend whether I believe it is my personal incompetence, or the inability of the group to correct the figurative "buck of worms" that we were handed. I have total confidence that we could have had we had total control and decision making from the beginning, but we do not. That being said, the citizens are in imminent financial and social danger.

I need to make this decision soon to allow the replacement on the forthcoming ballot in November.

Jerry
Subj: FW: Decision time
From: jerry142@terranova.net
To: csweat@govmserv.com, hallemma@aol.com, FDoyle@govmserv.com, rsheets@govserv.com
CC: Cris.Beaty@hrrco.com, cbrooks442@aol.com, Tobinlaw@terranova.net, g.bauman@mail.dolphinparkandgrill.com

Robert:

    Gary requested that I put this on the agenda for the next meeting.

Jerry

-----Original Message-----
From: Jerry Wilkinson [mailto:jerry142@terranova.net]
Sent: Thursday, January 22, 2004 4:59 AM
To: Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Subject: Decision time

Gentlemen:

    This is a privileged email!

    I think of Tom's recent design/build comments and my suspicions for some time, I suggest we have a emergency workshop, or whatever one wants to call it, to establish methodology for assuring the citizens of Key Largo, especially those of Key Largo Trailer Village, that we can guarantee an AWT system at very reasonable costs.

    If we cannot give them assurance, we morally owe them to cancel this process now. It is not the end of the world. I will do in a heartbeat what I feel is morally correct.

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    We and WEC made specific trade offs to GSG for the District to have Charles Fishburn as the District Engineer for these two projects. In quite a few meetings, we have not had any GSG engineer present. I believe that is and has been receiving in the neighborhood of $5400 a month of which some is for engineering oversight.

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    I need to make this decision soon to allow the replacement on the forthcoming ballot in November.

Jerry
Jerry

It seems to me that you are comparing what you believe should included in a set of drawings that is completely designed (100%) in lieu of what is typically included in a set of drawings that are at the 30% complete stage. If keep saying this, but trust me, you will be satisfied with the product we produce at the end of the design development process. If you were to see a set of drawings from a d/b/b project at this early stage of design, the drawings would look very similar to what has been provided. If you want and it is acceptable with sunshine, etc., please call me to discuss (904/759-5287). Thanks...

Peter M. Kinsley
The Haskell Company
Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

-----Original Message-----
From: Jerry Wilkinson [mailto:jerry142@terranoa.net]
Sent: Thursday, January 22, 2004 11:59 AM
To: Kinsley, Peter M.; Joe Paterniti (E-mail)
Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortenstine (E-mail); English, William T.
Subject: RE: B&C 30% drawings

Peter:

Tom said something to the effect that d/b is to get a cheap price, avoid legal challenges between builder and designer and that I was expecting too much from D/b drawings. All that I will receive is a shorthand type plans as the there is the relationship between the designer and builder who understand each other. My reply is that I do not intend to learn shorthand or touch typing, so why send anything?

Based on this, I do see a mistake on my part. The Boyle’s drawing were for KLP which was d/b/b; therefore not in shorthand. However, I do know that relationships do not last forever and the same “field workers” could care less whether it is d/b or d/b/b. If something happens to Higgins, I assume the surety company would have to pay for a doable set of drawings. I disclaim any knowledge of d/b. I simply maintain it there are repeated notes to “Construct 6” Service Lateral capped at property line (TYP),” there should be a referenced complete detail of construction, depth, placement, backfill, marking, material, etc. The citizen’s plumber will charge a ton if he/she cannot locate the capped service lateral.

If Tom is correct using my interpretation, someone has a lot of education for me to understand how I am to exercise vigilance to provide the citizens with a functional and affordable wastewater system, or I will ask Governor Bush to explain it. In general, my immediate suggestion at about 0400 was to cancel this project, pay everybody off and start with a d/b/b system after we are properly financed and a viable management infrastructure system is in place.

I do not get paid to design wastewater, but I can tell you I have an ability to look at a set of drawing and detect something is wrong. I probably cannot tell you what is wrong. For example, for simple things I can take 15 minutes to lay a set of standard drawing out on the floor, count the number of points that I believe needs to be inspected that do not have a detail symbolic references and those are incorrect. If there are abbreviations that are not on the abbreviations sheet, then they mean whatever I want them to
mean. In reality, it does not work that way. The sub and the GC trade boo-boos or make deals and the customer gets whatever it is. We use to trade initials on the drawing copy of whom ever felt disfavored just in case. I never heard of a court accepting the "initial" practice.

I no longer care whether you gravity uphill or down hill, but I do care if the Hot is on the right and the Cold is on the left. Both are basics, but one effects cost and the other effects the user. I will use the "capped service lateral" as an example for the user. The Board is going to have to give instructions as I have none. For example, should the service lateral be located for the convenience of the septic tank (I personally think not), where the lateral leaves the foundation (I personally think it should) or to forget it all together and screw the customer. I will suggest to the customer to take the easy way if it is not where it is marked - pay the plumber and take us to small claims court for damages. The hard way is for injunctive relief, but he/she will eventually have to connect. We have two engineers, GSG and WEC, making big bucks to do this, and they are going to have to attend to the details even if it is daily. All I need is their comments and with a set of drawings, I can comment.

The District needs a qualified Director and staff now or we should cut our losses and run. Every one gets paid, no lawsuits and the public not harmed. I am not gong to take the hit for misfeasance and/or malfeasance for future problems.

Jerry

----------

-----Original Message-----
From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]
Sent: Thursday, January 22, 2004 5:24 AM
To: 'Jerry Wilkinson'; Joe Paterniti (E-mail)
Cc: Thomas M. Dillon; Ed Castle; Jeff Weiler; Charles Sweat; Charles Fishburn; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortonstine (E-mail); English, William T.
Subject: RE: BBC 30% drawings

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The Haskell Company
Division Leader - Water
904/ 357-4868 (phone)
904/ 357-4282 (fax)

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Charlie Brooks; Andy Tobin; Gary Bauman; Joe Paterniti; Stuart Oppenheim; Robert E. Sheets (E-mail); Ted Hortonstine (E-mail); English, William T.
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details, notes and specs will be included in the 60% set. As discussed, we intend on permitting the project off of the approved 60% design submittal, so I am sure that set of drawings will look a lot closer to what you are accustomed to. Once again, thanks for your scrutiny, it will only benefit the project and if you want to discuss further, do not hesitate to call.

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MONTHLY PROGRESS REPORT
FOR
DESIGN/BUILD WASTEWATER MANAGEMENT SYSTEM FOR THE
KEY LARGO TRAILER VILLAGE AREA
KEY LARGO, FLORIDA

MONTH OF AUGUST, 2003
REPORT NO. 01

Submitted By:

William T. English
PROJECT MANAGER

Distribution:  Mr. Robert Sheets/ Government Services Group
Mr. Charles Sweat/ Government Services Group
Mr. Ed Castle, P.E./The Weiler Engineering Corp.
Mr. Stu Oppenheim/ Brown & Caldwell
Mr. Peter M. Kinsley/ The Haskell Company
Mr. John Weir/ The Haskell Company
<table>
<thead>
<tr>
<th>SECTION ONE</th>
<th>Project Summary</th>
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<td>• General Progress of the Work</td>
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<td>• Design and Permitting</td>
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<td>• Procurement</td>
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<td>• Information Required To/From Owner</td>
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<th>SECTION TWO</th>
<th>Project Schedule Narrative</th>
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<th>SECTION THREE</th>
<th>Accounting Narrative</th>
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<td></td>
<td>• Contract Status</td>
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<td></td>
<td>• Payment Status</td>
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</table>

| SECTION FOUR | Photographs |
General Progress of the Work

The Notice to Proceed was issued on July 8, 2003. A Kick-off Meeting was conducted on August 18, 2003 at Brown & Caldwell's Orlando office. Development of the Concept Review Submittal has been initiated. Project document, cost and schedule control systems have been developed.

Design and Permitting

Brown & Caldwell began preparing the Concept Review Submittal.

Design Issues:

- None to date.

Permitting: The status is as follows

<table>
<thead>
<tr>
<th>Permit</th>
<th>Date Submitted</th>
<th>Date Received</th>
</tr>
</thead>
</table>

Procurement

The following scopes of work were procured during the month of August:

- None to date

Construction

No construction has begun at this time. First activities are expected to begin in early January of 2004.

Information Required To/From Owner

To Owner:

- None at this time.

From Owner:

- None at this time.
<table>
<thead>
<tr>
<th>PROJECT SCHEDULE NARRATIVE</th>
<th>Work to be accomplished in the month of September:</th>
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<tbody>
<tr>
<td></td>
<td>• Issue Concept Review Submittal</td>
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<tr>
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<td>• Begin 30% Design Development Submittal</td>
</tr>
<tr>
<td>EVENT</td>
<td>SCHEDULED DATE</td>
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<tr>
<td>-------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Notice to Proceed</td>
<td>June 6, 2003</td>
</tr>
<tr>
<td>Kick-off Meeting</td>
<td>June 23, 2003</td>
</tr>
<tr>
<td>Issue Concept Review Submittal</td>
<td>July 21, 2003</td>
</tr>
<tr>
<td>Issue 30% Design Develop. Submittal</td>
<td>September 1, 2003</td>
</tr>
<tr>
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<tr>
<td>Issue 90% Design Develop. Submittal</td>
<td>November 24, 2003</td>
</tr>
<tr>
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<td>December 22, 2003</td>
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<tr>
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</tr>
<tr>
<td>Begin Constr. of WWTP</td>
<td>January 5, 2004</td>
</tr>
<tr>
<td>Start-up/Operational Testing</td>
<td>October 25, 2004</td>
</tr>
<tr>
<td>Substantial Completion</td>
<td>February 7, 2005</td>
</tr>
<tr>
<td>Project Complete</td>
<td>March 7, 2005</td>
</tr>
</tbody>
</table>
The Contract Status is as follows:

a. The current contract amount including no Change Orders is $7,970,000.00

Original Contract Amount $7,970,000
Approved Changes 0
Revised Contract Amount $7,970,000

b. The following proposals for changes have been forwarded for approval:

<table>
<thead>
<tr>
<th>PCO</th>
<th>Description</th>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
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<td>N/A</td>
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</table>

The Payment Status is as follows:

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<tr>
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<th>Invoice Amount</th>
<th>Date Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
No Photograph Available
MONTHLY PROGRESS REPORT
FOR
DESIGN/BUILD WASTEWATER MANAGEMENT SYSTEM FOR THE
KEY LARGO TRAILER VILLAGE AREA
KEY LARGO, FLORIDA

MONTH OF SEPTEMBER, 2003
REPORT NO. 02

Submitted By:

William T. English
PROJECT MANAGER

Distribution:  Mr. Robert Sheets/ Government Services Group
               Mr. Charles Sweat/ Government Services Group
               Mr. Ed Castle, P.E./The Weiler Engineering Corp.
               Mr. Stu Oppenheim/ Brown & Caldwell
               Mr. Peter M. Kinsley/ The Haskell Company
               Mr. John Weir/ The Haskell Company
SECTION ONE  Project Summary
- General Progress of the Work
- Design and Permitting
- Procurement
- Construction
- Information Required To/From Owner

SECTION TWO  Project Schedule Narrative
- Project Schedule
- Key Dates

SECTION THREE  Accounting Narrative
- Contract Status
- Payment Status

SECTION FOUR  Photographs
### General Progress of the Work

Subsequent to the August Kick-off Meeting, The Haskell Company’s designer, Brown & Caldwell initiated project design. During the month of September, The Concept Review Submittal was prepared and forwarded. In addition, significant work was performed with regard to the selection of the secondary treatment process and vacuum collection system.

### Design and Permitting

The Haskell Company submitted the Concept Review Submittal on September 8, 2003. It should be noted that the submittal was delivered one week ahead of schedule. Subsequent to that time, The Haskell Company and Brown & Caldwell conducted additional studies and presentations in support of the KLWTD’s decision making process. The following summarizes the additional work performed by The Haskell Company and Brown & Caldwell in the month of September:

- On September 15, 2003, The Haskell Company and Brown & Caldwell conducted vendor presentations with the KLWTD, GSG and Weiler Engineering. Representatives from the two secondary treatment processes and two vacuum collection systems being considered for the project presented.

- During the September 17, 2003 Board Meeting, The Haskell Company and Brown & Caldwell presented their evaluation of the two secondary treatment processes and the two vacuum collection systems under consideration. The SBR secondary treatment process and Roevac vacuum collection system were both recommended.

- On September 24, 2003, The Haskell Company and Brown and Caldwell prepared and submitted a written evaluation and recommendation of AWT processes to the KLWTD. This report included process comparisons and economic and non-economic comparisons. Considerable research was conducted and performance data collected and analyzed. The recommendation was as presented during the September 17, 2003 Board Meeting and included the SBR secondary treatment process manufactured by Fluidyne Corporation.

- On September 24, 2003, The Haskell Company and Brown and Caldwell prepared and submitted a written evaluation
and recommendation of the vacuum collection systems to the KLWTD. This report included performance comparisons and economic and non-economic comparisons. Considerable research was conducted and strengths and weaknesses of each system was determined and analyzed. The recommendation was as presented during the September 17, 2003 Board Meeting and included the vacuum collection system manufactured by Roediger.

- On September 30, 2003, The Haskell Company and Brown and Caldwell prepared and submitted a second written evaluation and recommendation of the vacuum collection systems to the KLWTD. This report expanded upon the September 24, 2003 document in response to GSG's request for additional information.

Design Issues:

- None to date.

Permitting: The status is as follows

<table>
<thead>
<tr>
<th>Permit</th>
<th>Date Submitted</th>
<th>Date Received</th>
</tr>
</thead>
</table>
The following scopes of work were procured during the month of September:

- Nutting Engineers have been contracted to conduct the geotechnical investigation for this project.

Construction

No construction has begun at this time. First activities are expected to begin in early January of 2004.

To Owner:
- None at this time.

From Owner:
- Selection of the secondary treatment process.
- Selection of the vacuum collection system.
<table>
<thead>
<tr>
<th><strong>PROJECT SCHEDULE NARRATIVE</strong></th>
<th>Work to be accomplished in the month of October:</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>• Prepare 30% Design Development Submittal.</td>
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<tr>
<td></td>
<td>• Conduct Geotechnical Investigation.</td>
</tr>
<tr>
<td>EVENT</td>
<td>SCHEDULED DATE</td>
</tr>
<tr>
<td>--------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Notice to Proceed</td>
<td>June 6, 2003</td>
</tr>
<tr>
<td>Kick-off Meeting</td>
<td>June 23, 2003</td>
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<tr>
<td>Issue 30% Design Develop. Submittal</td>
<td>September 1, 2003</td>
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<tr>
<td>Issue 60% Design Develop. Submittal</td>
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</table>
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a. The current contract amount including no Change Orders is $7,970,000.00

<table>
<thead>
<tr>
<th>Original Contract Amount</th>
<th>$7,970,000</th>
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<tbody>
<tr>
<td>Approved Changes</td>
<td>0</td>
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<tr>
<td>Revised Contract Amount</td>
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</tr>
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</table>

b. The following proposals for changes have been forwarded for approval:

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<th>Description</th>
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</tr>
<tr>
<td>01R1A</td>
<td>Trailer Park Village</td>
<td>9/9/03</td>
<td>$2,528,423</td>
</tr>
<tr>
<td>01R1B</td>
<td>Trailer Park Village</td>
<td>9/9/03</td>
<td>$2,933,694</td>
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<tr>
<td>01R1C</td>
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<td>9/9/03</td>
<td>$3,331,328</td>
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The Current Payment Status is as follows:

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<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
No Photograph Available
Discussion of enacting a resolution to begin a search for an administrative secretary/clerk
Commissioner Tobin
Faith Doyle

From: Andrew Tobin [Tobinlaw@Terranova.net]
Sent: Friday, February 06, 2004 3:34 PM
To: Faith Doyle; Dillon, Thomas
Cc: Jerry Wilkinson; Gary Bauman; Chris Bealy; Charles Brooks (E-mail); Andy Tobin
Subject: Job Search

Faith;

Please add to the agenda the following as an emergency add on:

Resolution authorizing District Attorney Tom Dillon to begin search for administrative secretary/clerk.

Thank you,

Andrew M. Tobin
P.O. Box 620
Tavernier, FL 33070
305-852-3388
Tobinlaw@Terranova.net

2/11/04
Item K – 6

Discussion of the Legislative Forum Membership Meeting and Legislative Reception
Commissioner Brooks
LEGISLATIVE FORUM
MEMBERSHIP MEETING
AND
LEGISLATIVE RECEPTION

MARCH 24, 2004

GOVERNORS CLUB
TALLAHASSEE, FL

HOTEL RESERVATIONS: Rooms have been blocked for March 23 and 24 at the Comfort Suites located at 1026 Apalachee Parkway, Tallahassee. Phone number is 850-224-3200. The rate is $95.00 per night. Request “Florida Association of Special Districts” when making your reservations. The deadline for receiving the special rate is March 9, 2004.
MEMBERSHIP LUNCH MEETING AND LEGISLATIVE RECEPTION SCHEDULE

11:30 am-12:00 pm  Registration-Governor's Club
12:00 pm-12:10 pm  Opening Remarks
                   Virginia Cebula
12:10-1:10 pm     Buffet Lunch
1:00 pm-2:00 pm  Legislative Update
                   Terry Lewis
                   David Ramba
                   Jim Linn
2:00 pm-4:00 pm  Legislative Rounds
6:00 pm          Registration Opens-Reception.
6:00 pm-8:00 pm  Reception

Note: Valet parking available at the Governor's Club. Parking is included in registration.

HOTEL RESERVATIONS: Rooms have been blocked for March 23 and 24 at the Comfort Suites located at 1026 Apalachee Parkway, Tallahassee. Phone number is 850-224-3200. The rate is $95.00 per night. Request "Florida Association of Special Districts" when making your reservations.

The deadline for receiving the special rate is March 9, 2004.
SUPPORTING SPONSOR PROGRAM

The Florida Association of Special Districts

Reception Honoring
The Florida Legislature

WEDNESDAY, March 24, 2004
6:00 pm – 8:00 pm

The Governors Club
202 ½ South Adams Street
Tallahassee, Florida
(904) 224-0650

Reception Sponsorship

As a sponsor of the Reception honoring the Florida Legislature, you will not only be recognized during the Legislative Focus Meeting, but will also be recognized on a sign outside the Reception room, and featured in the next F ASD newsletter. Please show your continued support by sponsoring the Reception so that the F ASD is able to bring you more programs such as this one!

Gold $1,000   Silver $500   Bronze $250
<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
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<tr>
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<td>1996-97</td>
<td>$9,684,104</td>
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<td>1997-98</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>0%</td>
</tr>
</tbody>
</table>

Total Expenditures:
- Land Purchase: $3,510,413
- Operating Personnel: $3,510,201
- Vacuum Collection System: $3,500,000
- Other:

Total Revenues:
- SWMWG Grant: $3,305,000
- Other:

Summary of Revenues and Expenditures:

From 1/1/2000 through 12/31/2002


Key Issues:
- Key Lara Water Treatment Facilities
- Key Lara Water Treatment District
<table>
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<th>Year</th>
<th>Total Budget</th>
<th>Actual</th>
<th>Percentage of Total Budget</th>
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</thead>
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<td>93/84</td>
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<tr>
<td>92/83</td>
<td>100.00</td>
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<tr>
<td>91/82</td>
<td>100.00</td>
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**Note:** The table reflects financial data from years 1981 through 1992.
<table>
<thead>
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<th>Account</th>
<th>Description</th>
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<th>Budgeted</th>
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</thead>
<tbody>
<tr>
<td>6946</td>
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<td>2023</td>
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<td>0.00</td>
<td>0.00</td>
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<tr>
<td>6956</td>
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<td>0.00</td>
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<tr>
<td>16828</td>
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<tr>
<td>16829</td>
<td>Operating Expense</td>
<td>2023</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Note:**
- Operating Revenue and Expense are balanced to show a net zero variance.
- Financial data is as of 10/1/2023 through 12/31/2023.
TO: Key Largo Wastewater Treatment District Commissioners

CC: Robert E. Sheets, General Manager
    Faith Doyle, Clerk to the Board
    Charles Sweat, Director of Operations
    Thomas Dillon, Board Attorney

FROM: David R. Miles, Director of Finance

DATE: February 6, 2004

RE: Key Largo Wastewater Treatment District Annual Financial Report

Dear Commissioners:

Please find attached the Annual Financial Report for the Key Largo Wastewater Treatment District for your information. This report is submitted yearly to the State of Florida Department of Financial Services. David Andrews of Mull & Associates has reviewed this report and finds it in agreement with the 2003 Comprehensive Annual Financial Report submitted to you on February 4, 2004. The Annual Financial Report will be submitted to the State upon Signatures by the Board Chairman and the Director of Finance. Please let me know if you have any questions or concerns regarding this report.

Board of Commissioners: Chairman Gary Bauman, Andrew Tobin, Cris Beaty, Charles Brooks, Jerry Wilkinson
From: Jerry Wilkinson [jerry142@tecranova.net]
Sent: Sunday, February 15, 2004 12:08 AM
To: Faith Doyle; Robert Sheets; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Cc: Tom Dillon
Subject: Requested Agenda Addition

Robert, Gary and fellow Board Members:

Please add this as an special action item to the February 18, 2004 agenda.

Extension of FEMA Grant. Request FEMA to extend the grant deadline to March, 2006.

Backup material:
- I continue to hear the Haskell Company mention the alleged delay that the District caused in the selection of the ISAM/SBR treatment process. I believe to an extent we did, but FEMA has delayed all elements. Regardless of any other delay, the Haskell Co. can use this delay for any potential cause and effect. This is partly true as time delays are additive.
- At the December meeting with FEMA, they mentioned, I believe volunteered the suggestion, the possibility of an extension into year 2006 caused by the lateness of their preparing and processing the FONSI. I believe FEMA will be amenable to an extension since breaking of ground has been delayed and we are in the delay period.
- As I recall Haskell was expecting to be completed in May 2005; however, now is being pressed against the September 2005 grant deadline. This extension will provide all with more wiggle room regardless of the cause.
- By asking for the grant extension, we are positively responding to Haskell's concerns.
- Recommend we initiate the process while GSG who is well familiar with the process is still with us.
- As we are transitioning to a local managed District, this will allow us more time to prepare a treatment plant operations contract and preparing for either in-house or out-sourcing for outside plant maintenance for the three subdivisions.

Jerry Wilkinson
# Key Largo Wastewater Treatment District
## Guest Sign In Sheet
Wednesday, February 18, 2004

<table>
<thead>
<tr>
<th><em>Please Print</em>**</th>
<th>Name &amp; Company</th>
<th>E-mail</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>William English</td>
<td><a href="mailto:William.English@Aol.com">William.English@Aol.com</a></td>
<td>305-759-8110</td>
</tr>
<tr>
<td>2.</td>
<td>Kirk Hanson</td>
<td><a href="mailto:Kc.league@carbon.com">Kc.league@carbon.com</a></td>
<td>407-295-0725</td>
</tr>
<tr>
<td>3.</td>
<td>Amy Osborne</td>
<td><a href="mailto:Keysannico@aol.com">Keysannico@aol.com</a></td>
<td>350-453-5250</td>
</tr>
<tr>
<td>4.</td>
<td>Tom Evans</td>
<td><a href="mailto:te@homeinst.com">te@homeinst.com</a></td>
<td>305-481-2031</td>
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<tr>
<td>5.</td>
<td>Jill Patterson</td>
<td></td>
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<td>6.</td>
<td>Burke Cannon</td>
<td></td>
<td>852-6129</td>
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<tr>
<td>7.</td>
<td>Steve Cotton</td>
<td>Face Press</td>
<td>664-2266</td>
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<tr>
<td>8.</td>
<td>Fred &amp; Ann Nefferson</td>
<td></td>
<td>451-2604</td>
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<tr>
<td>9.</td>
<td>Kim Wingat</td>
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<td>396-4009</td>
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<td>10.</td>
<td>Robert E. Burt</td>
<td>KLTV</td>
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<td>11.</td>
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</table>
Key Largo Wastewater Treatment District
Board of Commissioner’s Meeting Agenda
5:00 PM Wednesday, February 18, 2004
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

A. Call to Order
B. Pledge of Allegiance
C. Additions, Deletions or Corrections to the Regular Meeting Agenda
D. Minutes – Draft  Draft October 17th 2003 and January 14, 2004
E. Public Comment
   1. Presentation by the Florida League of Cities on the K LWTD Insurance coverage
F. Legal Counsel’s Report
G. Action Items
   1. Approval of Legislative Change to House Bill 471 to 2002-337 Laws of Florida concerning vacancies to the Board
   2. Approval of Legislative Change to House Bill 471 to 2002-337 Laws of Florida concerning payments of Board salaries
   3. Approval of the KLWTD Annual Financial Report to the Department of Banking and Finance
   4. Approval of Amendment No. 1 to the Haskell Contract
   5. Approval of Amendment No. 2 to the Standard Engineering Consulting Contracts
   6. Acceptance of the Government Services Group, Inc. Letter of Resignation and the GSG Time and Materials Exhibit A
   7. Approval of the Pending Payments List for February 11, 2004
H. General Manager’s Report
   1. Quarterly Financial Reports
   2. Update on the Tax Exempt Status
   3. February 4, 2003 Thirty Percent Design Meeting Minutes
   4. Update on the rescheduling of the Transition Plan, Administrative Procedures and Strategic Planning Workshops
I. Engineer’s Report
   1. The Haskell Company’s Design Development Protocol Review
J. Public Comment
K. Commissioner’s Items

1. Discussion of Strategic Planning – Chairman Bauman
2. Update/Discussion of Near Shore Water Testing – Chairman Bauman
3. Discussion of “Decision Time” Email – Commissioner Wilkinson
4. Discussion of e-mails and communications – Commissioner Brooks
5. Discussion of enacting a resolution to begin a search for an administrative secretary/clerk – Commissioner Tobin
6. Discussion of the Legislative Forum Membership Meeting and Legislative Reception – Commissioner Brooks
7. Update/Discussion on the Ileana Ros-Lehitten meeting – Chairman Bauman

L. Meeting Adjournment
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The Florida Keys Water Quality Improvement Program (FKWQIP)

January 29, 2004

Steering Committee Water Quality Protection Program

Florida Keys National Marine Sanctuary
Sanctuary.

nearshore water quality in the
neartreatment works to improve
the planning, design and construction
assistance to carry out projects for
$100M in technical and financial
Authorized the Corps to provide up to

Public Law 106-554
DRAFT PROGRAM MANAGEMENT PLAN (PMP)

Final EPIIS completed by mid May 2004
DRAFT reviewed completed by mid April 2004
45 day minimum review
Mid February 2004
DRAFT EPIIS posted for public review by
January 2004
DRAFT EPIIS ready for print by end of

Statement (EPIIS) Update
Programmatic Environmental Impact
Update
Project Cooperative Agreement (PCA)
<table>
<thead>
<tr>
<th>Entity</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key Largo Wastewater Treatment District</td>
<td>Charles Brooks</td>
</tr>
<tr>
<td>FDGP - South District</td>
<td>Gus Rios</td>
</tr>
<tr>
<td>US EPA</td>
<td>Bill Kuczynski</td>
</tr>
<tr>
<td>US ACOE</td>
<td>Shelley Truickle</td>
</tr>
<tr>
<td>SFWMD</td>
<td>Cecilia Weaver</td>
</tr>
<tr>
<td>Keys Service Center Manager</td>
<td>Jim Reynolds</td>
</tr>
<tr>
<td>Executive Director</td>
<td>Rebecca Jatton</td>
</tr>
<tr>
<td>Planning Manager</td>
<td>Clyde Bumett</td>
</tr>
<tr>
<td>Mayor</td>
<td>Michael Tavano</td>
</tr>
<tr>
<td>Operations Director</td>
<td>John Barteus</td>
</tr>
<tr>
<td>Councilman</td>
<td>John Crommall</td>
</tr>
<tr>
<td>Utilities Director</td>
<td>David Fernandez</td>
</tr>
<tr>
<td>County Administrator</td>
<td>Jim Roberts</td>
</tr>
</tbody>
</table>

Interagency Program Delivery Team Approach
Team Roles and Responsibilities

Establish goals and objectives

Prioritize proposed projects

Review and approve PMP

Approve program implementation

Schedule
Plan

Reviewed Program Management

Prioritized Projects

Criteria

Developed Readiness to Proceed

Objectives

Adopted Team Goals and

Team Accomplishments to Date
Priority Projects

Remainding Funds used to update

Replacement (Cost $200K)

Beach Sanitary Sewer Line
Proceed with City of Key Colony

Water Appropriations Bill
Receive only $500K (Energy and

Scenario One

Distribution of 2004 Federal Funds
Scenario Two

Distribution of 2004 Federal Funds

Receive $2,500,000 (Omnibus and Energy and Water Appropriations)

City of Key Colony Beach Sanitary Bill(s)

$200K (Sewer Line Replacement (Cost Management Support (Cost $1M))

NEPA documentation for all top priority projects, update RMP, project
- Islamorada, Marathon and Key Largo each receive 28.33% ($368,290) and Key West receives 15.01% ($195,130).

- Remaining $1.3M split via formula previously agreed upon by team when appropriation ≤ $30M.
Appendix F

PMF, deemed "ready to proceed" (per aforementioned entity is not an alternate funding distribution. Thus, receives no funds. Town of Layton is not yet "ready to

Situations
Force and adopted by the Team
County Intergovernmental Task
Developed by the Monroe
on previous agreements
Distribution of funding based

Dividing the Entire $100M
Key Colony Beach ($200K)
Layton ($800K)
Key West ($10.32M)
Islamorada ($29.56M)
Marathon ($29.56M)
Key Largo ($29.56M)

Distribution formula: $100M
- **184 stormwater projects**
  - $75,806,476
  - ~71% of total cost

- **78 wastewater projects**
  - $614,202,718
  - ~89% of total cost

**Master Project List Totals**: ~$690M
Questions

Thanks for listening!
Faith Doyle

From: Jerry Wilkinson [jerry142@terranova.net]
Sent: Sunday, February 15, 2004 12:08 AM
To: Faith Doyle; Robert Sheets; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Cc: Tom Dillon

Subject: Requested Agenda Addition

Robert, Gary and fellow Board Members:

Please add this as an special action item to the February 18, 2004 agenda. Extension of FEMA Grant. Request FEMA to extend the grant deadline to March, 2006.

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  - As we are transitioning to a local managed District, this will allow us more time to prepare a treatment plant operations contract and preparing for either in-house or out-sourcing for outside plant maintenance for the three subdivisions.

Jerry Wilkinson
### Key Largo Wastewater Treatment District
#### Statement of Revenues and Expenditures
From 10/1/2003 Through 12/31/2003

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Total Budget</th>
<th>Current Year Actual</th>
<th>Remaining</th>
<th>Total Budget Variance</th>
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<tbody>
<tr>
<td>FEMA PH I WW Construction 331351</td>
<td>1,097,143.00</td>
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<td>(100.00)</td>
<td>(1,097,143.00)</td>
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<td>FEMA Phase II Construction 331352</td>
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<td>(100.00)</td>
<td>(4,388,571.00)</td>
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<td>DCA- Cess Pit Grant 334353</td>
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<td>(535,155.00)</td>
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<td>DCA- Unmet Needs 334354</td>
<td>914,286.00</td>
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<td>(100.00)</td>
<td>(914,286.00)</td>
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<td>MC 304 Fund FEMA PH 1 &amp; 2 337302</td>
<td>914,285.00</td>
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<td>(100.00)</td>
<td>(914,285.00)</td>
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<tr>
<td>304 Cess Pit Fund MC 337303</td>
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<td>(224,327.00)</td>
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<td>304 Land Purchase MC 337304</td>
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<td>(100.00)</td>
<td>(826,234.00)</td>
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<td><strong>Total Revenues</strong></td>
<td><strong>9,000,001.00</strong></td>
<td><strong>100,000.00</strong></td>
<td><strong>(98.85)</strong></td>
<td><strong>(8,900,001.00)</strong></td>
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<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>Professional Services</td>
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<tr>
<td>Vacuum Collection System Const 535001</td>
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<td>5,311,489.00</td>
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<tr>
<td>Proport. Share KL WWTP 535003</td>
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<td>100.00</td>
<td>2,058,511.00</td>
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<tr>
<td>Plan, Design, Permit, Bidding 535101</td>
<td>386,953.00</td>
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<td>100.00</td>
<td>386,953.00</td>
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<td>Const. Mgmt. &amp; Admin. 535102</td>
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<td>96.57</td>
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<td>Land Purchase 535104</td>
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<td><strong>Total Professional Services</strong></td>
<td><strong>8,983,187.00</strong></td>
<td><strong>13,726.86</strong></td>
<td><strong>99.85</strong></td>
<td><strong>8,969,460.14</strong></td>
</tr>
<tr>
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<td><strong>8,983,187.00</strong></td>
<td><strong>13,726.86</strong></td>
<td><strong>99.85</strong></td>
<td><strong>8,969,460.14</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase (Decrease)</th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>16,814.00</td>
<td>86,273.14</td>
<td>69,459.14</td>
<td></td>
</tr>
</tbody>
</table>
Chapter 99-395, L.O.F.
FDEP Requirements
Wastewater Treatment and Disposal

Wastewater Nutrients Contribute to Pollution of Near-shore Waters

- Monroe County Comp Plan Hearing (1995): near-shore waters have exceeded the carrying capacity for additional nutrient loads.
- Water Quality Protection Program Document (1996): developed to address sources of water pollution in the FNMS and to recommend corrective actions.

FDEP Jurisdiction
Chapter 62-620, F.A.C.

- Wastewater treatment plants (WWTP) treating “domestic” wastewater with permitted capacities exceeding 10,000 gallons per day (GPD).
- WWTP treating “commercial” wastewater with permitted capacities exceeding 5,000 GPD.
Wastewater Treatment Criteria in
The Keys Before June 1999

- Secondary: 90% removal and an annual average effluent limit of 20 mg/L for
  1. Biochemical Oxygen Demand (CBOD)
  2. Total Suspended Solids (TSS)
- Basic disinfection: for groundwater and surface water discharges.
- High level disinfection: for wastewater reuse in public access areas.

Section 6 of Chapter 99-395, LOF
(Effective June 1999)

- The Governor directed FDEP and DOH to work with the WQPP Steering Committee to develop wastewater treatment and disposal standards for the Keys.
- Section 6 of Chapter 99-395, LOF, was passed by the Florida legislature in June 1999.
- This legislation requires new wastewater disposal systems (as well as expansions of existing systems) constructed after June 1999 to meet new treatment and disposal standards. In addition, all existing wastewater facilities must meet the new standards by year 2010. The law also requires the elimination of sewage outfalls to surface waters by year 2006.

Chapter 99-395, L.O.F.
Advanced Waste Treatment

- Larger wastewater treatment plants (WWTP), with capacities equal to, or greater than, 100,000 GPD shall meet the following effluent limitations:
  - 5 mg/L CBOD5 (annual avg.)
  - 5 mg/L TSS (annual avg.)
  - 3 mg/L Total Nitrogen (annual avg.)
  - 1 mg/L Total Phosphorus (annual avg.)
  - Basic Disinfection
Chapter 99-395, L.O.F.
Best Available Technology

- Smaller WWTP with less than 100,000 GPD shall meet the following effluent limitations:
  - 10 mg/L CBOD₅ (annual average)
  - 10 mg/L TSS (annual average)
  - 10 mg/L Total Nitrogen (annual average)
  - 1 mg/L Total Phosphorus (annual average)
  - Basic Disinfection

Note - Reference for BAT standard (10:10:10:1) is the 1998 CH2M Hill report.

Chapter 99-395, L.O.F.
Injection Well Requirements

- For WWTP with permitted capacities less than 1 MGD, the injection wells shall be at least 90 feet deep and cased to 60 feet.

- For permitted capacities equal to or greater than 1 MGD, the injection well shall be cased to a minimum depth of 2,000 feet.

Pollutant Concentrations (mg/L) in Wastewater

<table>
<thead>
<tr>
<th>Treatment Level</th>
<th>CBOD</th>
<th>TSS</th>
<th>TN</th>
<th>TP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Influent</td>
<td>200</td>
<td>200</td>
<td>35-50</td>
<td>10</td>
</tr>
<tr>
<td>Secondary</td>
<td>20</td>
<td>20</td>
<td>20</td>
<td>6</td>
</tr>
<tr>
<td>BAT requirement</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>AWT requirement</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>
FDEP permitted WWTP in the Florida Keys

<table>
<thead>
<tr>
<th>Type</th>
<th>Type II</th>
<th>Type III</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.6 mgd and greater</td>
<td>0.1 up to 0.5 mgd</td>
<td>less than 0.1 mgd</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>5</td>
<td>249</td>
<td>256</td>
</tr>
</tbody>
</table>

(1 AWT) (9 BAT)

---

TN Annual Avg. Concentrations FDEP permitted WWTP

---

TP Annual Avg. Concentrations FDEP permitted WWTP

---
Current Status of BAT and AWT facilities in the Keys

- The City of Key West WWTP is consistently meeting the AWT (5:5:3:1) standards.
- Some smaller WWTP have experienced difficulty meeting the BAT (10 mg/L) TN standard on a consistent basis.
- For the most part, the smaller BAT treatment plants are functioning to remove TN and TP as designed (and to a greater extent than secondary treatment systems).
- Database for these BAT systems is very limited at the present time.

Report to the Florida Legislation (Dec. 2002)

"Based on available evidence, the Department of Environmental Protection recommends maintaining and enforcing the existing wastewater treatment and disposal requirements in Chapter 99-395, LOF".

For Additional Information
www.dep.state.fl.us

- Nancy Brooking and Gus Rios
  » FDEP Marathon Branch Office
  » 2796 Overseas Highway, Suite 221
  » Marathon, FL 33050
  » Phone: (305) 289-2310
  » E-mail: gus.rios@dep.state.fl.us
  » nancy.brooking@dep.state.fl.us
Resolution  -------

Resolution to send a letter to the Florida Cabinet and Governor expressing K.L.WTD's unanimous support for:

The Landmark Monroe County Conservation Proposal (LMCP) that sets goals for protecting nearshore waters and native forests.

Whereas The Key Largo Wastewater Treatment District has been established to provide the people of Key Largo with a local mechanism (Key Largo Wastewater District) to develop and manage a wastewater infrastructure system that will improve the degraded nearshore water quality.

Whereas The Landmark Monroe County Conservation Proposal is a compromise worked out with the DCA and Monroe County that establishes a written floor plan that establishes criteria that is a livable and doable for both the state and the citizens of Monroe County.

Whereas The LMCP establishes a funding mechanism for wastewater projects.

Whereas Monroe County has had a 30 year long history of struggling with wastewater issues involving nearshore quality degradation.

Whereas Monroe County has had a fiscal limitation in the county's ability to finance wastewater projects with the required magnitude.

Whereas the rejection of the Monroe County/DCA agreed-upon proposal will only exasperate the continued nutrients dumping in our nearshore waters.

Whereas the acceptance of the Monroe County/DCA agreed-upon proposal will provide the K.L.WTD with the financing mechanism that will: achieve the Governor's goals of actually putting shovels shovels (projects) in the ground for wastewater infrastructure, provide more and better coverage of sewer infrastructure within the district boundaries, provide a better economy of scale to the ratepayers, and ultimately reducing the nutrition loading within our canals.

Be it resolve on February 18, 2004 The Key Largo Wastewater Treatment District Board unanimously supports and ask the Governor and the Cabinet to accept the agreed upon proposal between the DCA and Monroe County Board of County Commissioners titled as the Landmark Monroe County Conservation Proposal that sets goals for protecting nearshore waters and native forests.
Robert Doyle

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To: Robert Sheets; Jeff Weiler; David Miles; Charles Sweat; Ed Castle; Andrew M. Tobin; Charles Brooks; Cris Beaty; Gary Bauman; Faith Doyle; Jerry Wilkinson

Subject: Meeting with Mayor Nelson

I met with the Mayor today regarding three issues.

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Re: zoning, it appears that there are conflicts between the land depictions prepared by Mark Rosch showing the MM 100.5 parcel, and the land depiction in the possession of Monroe County planning. I will attempt to get to the bottom of this issue, as the Mayor says that all of the land purchased by the County at MM 100.5 was supposed to be conveyed to the District. Also, it appears that almost all of the land at MM 100.5 is zoned SR residential and that construction of the sewage treatment facility would require a minor conditional use permit. This is a problem because the permit could be appealed. I will take appropriate steps to get a permit application prepared.

Re: mitigation, the Mayor advises that it has always been the intention of the County to do the mitigation, i.e., relocation of native species, and that the County will do it.

I gave the Mayor copies of the letters from Will English to Charles Sweat raising the two latter issues.

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I gave the Mayor copies of the letters from Will English to Charles Sweat raising the two latter issues.

Tom
Faith Doyle

From: Thomas M. Dillon [thomasdillon@terranova.net]
Sent: Friday, February 13, 2004 8:44 PM
To: Robert Sheets; Jeff Weiler; David Miles; Charles Sweat; Ed Castle; Andrew M. Tobin; Charles Brooks; Cris Beaty; Gary Bauman; Faith Doyle; Jerry Wilkinson

Subject: Meeting with Mayor Nelson

I met with the Mayor today regarding three issues.

Re: use of county funds for administrative expenses, I explained to him that County Attorney Collins was of the opinion that the Board compensation needed to be a line item in the County Budget. The Mayor said he would take care of amending the budget.

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2/17/04
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February 11, 2004

Re: Wastewater Management System For
The Key Largo Trailer Village Area
Key Largo, Florida
Issue No. 02-002 – Site
Environmental Mitigation

Mr. Charles Sweat
Government Services Group, Inc.
1500 Mahan Drive
Suite 250
Tallahassee, Florida 32308

Dear Mr. Sweat:

A meeting was held on February 5, 2004 with George Garrett and Ralph Gouldy of Monroe County to discuss the coordination of site environmental mitigation for the wastewater treatment plant site. While this meeting was very informative in understanding the procedures that will be required to perform the aforementioned work, I was informed by Mr. Garrett that Monroe County would not be responsible for replacement and or transplantation of any native or endangered plants or trees on the site. As defined by Section S of Volume III of the Request for Proposals, these activities as well as others are identified as the responsibility of Monroe County. Please provide direction as to how The Haskell Company should address this issue in an effort coordinate these activities, as they are very critical to maintain the integrity of the construction schedule and could introduce cost to the project.

Should you have any questions or require further information, please do not hesitate to contact me at (904) 357-4225.

Sincerely,

[Signature]

William T. English

cc: Issue No. 02-002
February 11, 2004

Re: Wastewater Management System For
The Key Largo Trailer Village Area
Key Largo, Florida
Issue No. 01-022 – Monroe County
Planning, Development and Zoning

Mr. Charles Sweat
Government Services Group, Inc.
1500 Mahan Drive
Suite 250
Tallahassee, Florida 32308

Dear Mr. Sweat:

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Please advise as to how we can be of assistance to the Key Largo Wastewater Treatment District in resolving this critical issue. We would recommend an immediate meeting be held between all related parties and will make ourselves available as required.

Should you have any questions or require further information, please do not hesitate to contact me at (904) 357-4225.

Sincerely,

William T. English

cc: Issue No. 01-022
February 11, 2004

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1500 Mahan Drive
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Tallahassee, Florida 32308

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1500 Mahan Drive
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Tallahassee, Florida 32308

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Sincerely,

William T. English

cc: Issue No. 01-022
Faith Doyle

From: Thomas M. Dillon [thomasdillon@terranova.net]
Sent: Monday, February 16, 2004 4:00 PM
To: Robert Sheets; Jeff Weiler; David Miles; Charles Sweat; Ed Castle; Andrew M. Tobin; Charles Brooks; Cris Beaty; Gary Bauman; Faith Doyle; Jerry Wilkinson

Subject: Draft FONSI

I have reviewed the draft FONSI, especially with regard to the development restrictions. The draft is more restrictive than the Monroe County Code, in that the draft FONSI would:

1. Allow the District to develop only a total of 2.6 acres, as opposed to the 4.2 acres allowed under the Monroe County Code;

2. Require the District to provide compensatory habitat restoration in another part of Key Largo equal to the amount of land disturbed, in addition to the transplantation requirements of Monroe County Code sections 9.5-345 and 9.5-346.

I have suggested revisions to the draft FONSI to scale the level of mitigation effort back to the actions required under the Monroe County Code.

It is certainly possible that the District agreed to the additional obligations before my time. If so, then my comments are probably not warranted.

Tom
SUPPLEMENTAL FINDING OF NO SIGNIFICANT IMPACT
1249-FL UNMET NEEDS
Proposed Wastewater Treatment System for Key Largo Trailer Village and Key Largo Park, Key Largo Wastewater Treatment District and Monroe County, Florida

In response to Hurricane Georges damages and losses, Congress enacted Public Law 106-31, Emergency Supplemental Appropriations Act for Fiscal Year 1999, to fund long-term disaster recovery projects in Florida counties whose needs were unmet through primary disaster relief funds. The Florida Keys Aqueduct Authority and Monroe County requested “Unmet Needs” Federal assistance, through the Florida Division of Emergency Management to directly improve the Key’s wastewater treatment systems, and thereby indirectly improve associated groundwater and nearshore water quality, by reducing wastewater nutrient loading and pathogen releases, which are worsened by flooding. The Key Largo Wastewater Treatment District (KLTWD) is responsible for project implementation.

Pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations implementing NEPA (40 Code of Federal Regulations [CFR] Parts 1500 to 1508), and FEMA regulations for NEPA compliance (44 CFR Part 10); FEMA prepared a Programmatic Environmental Assessment (PEA) (finalized on December 23, 2002) to address the likely effects of common physical and technological factors of implementing several wastewater collection, treatment, and disposal alternatives proposed by multiple project applicants. Based upon the PEA findings, a Programmatic Finding of No Significant Impact (PFONSI) was signed on January 8, 2003. These documents are incorporated by reference.

Because proposed projects (actions) and their effects vary depending on project location, design alternatives, and other site-specific criteria; a Supplemental Environmental Assessment (SEA) tiering from the PEA has been prepared for the KLTWD’s proposed project. The SEA was prepared in coordination with KLTWD and others, in consultation with State and Federal regulatory agencies, and is incorporated by reference. The proposed action’s (Alternative 2) likely effects are within the scope of the PFONSI, and this Supplemental Finding of No Significant Impact (SFONSI) tiers from that, and addresses site- and project-specific findings and adverse effect mitigation measures.

The KLTWD proposes to build a community wastewater treatment plant (WWTP) on 2.6 acres of an approximately 22.21.1 acre parcel at Mile Marker 100.5 (oceanside) and install a wastewater collection system in the Key Largo Trailer Village (KLTV) service area, replacing its currently inadequate on-site wastewater treatment systems. The WWTP will be designed to meet the Advanced Wastewater Treatment (AWT) effluent discharge standard, thereby complying with the Florida Statutory Treatment Standards by 2010, and have a treatment capacity of about 122,000 gallons per day (Average Daily Flow). The WWTP will discharge tertiary-treated effluent into shallow injection wells. Removal of existing on-site systems, along with
connection to the wastewater collection system, would be the property owner\'s responsibility, unless otherwise noted. Of the approximately 21.1 acres comprising the parcel at MM 100.5 (Oceanside) the KLWT is required under the Monroe County Code to preserve 80 percent as open space through the use of a conservation easement or a similar legal instrument, leaving a total buildable area of approximately 4.2 acres. The KLWT will permanently preserve the unrequited portion of the WWTP project parcel (about 19.69 acres) for conservation purposes. Further, the KLWT will site the wastewater treatment facility and associated underground pipelines, driveways, and parking areas as to minimize disturbance of native tropical hardwood hammock, and take such additional steps as are required under the Monroe County Code regarding transplantation or replacement of listed threatened, endangered, commercially exploited, and regionally important native plant species and all native trees with a diameter at breast height of greater than four inches, where avoidance of those species is unavoidsable; and restore 2.6 acres of tropical hardwood hammock to replace the project site\'s protected species lost habitat functions. The grant applicant chose the proposed project site because it is located near the service areas; has sufficient space to accommodate future capacity expansion (not beyond the 2.64.2 ac); is compatible with surrounding light industrial land uses; and provides good air quality, noise, and visual buffering relative to other site alternatives.

With State funding, the KLWT also plans to concurrently install a collection system in the Key Largo Park (KLP) service area, which will also be served by the proposed WWTP. The KLP service area is incorporated in the proposed action.

Findings

FEMA has made the following project- and site-specific determinations for the eleven major resource categories based upon the PEA and SEA.

Geology, Topography, and Soils:
Effects on geology, topography, and soils are expected to be minimal. A geotechnical study found area bedrock and soils suitable for proposed construction. Sinkhole development near shallow injection wells is possible because of increased limestone dissolution from injecting relatively fresh water into brackish to saline water. This risk is minimal because groundwater near the Key Largo WWTP site is usually within about five feet of the ground surface. Topographic effects would be isolated, limited to surface disturbances from construction site grading and wastewater collection system installation. Soils would be temporarily disturbed and suitable fill used at the WWTP site. Implementation of Best Management Practices during construction would reduce temporary adverse affects from soil erosion. Per the Farmland Protection Policy Act, there are no prime, unique, or other special farmlands on Key Largo.

Water Resources and Water Quality:
KLTV and KLP are Monroe County designated water quality \"hot spots.\" The proposed action would incrementally benefit service area water resources if implemented and operated in accordance with the AWT effluent discharge standard (see SEA). Improved wastewater treatment would substantially reduce; from current levels; discharge of suspended solids,
nutrients, and pathogens to shallow groundwater. Because the Key’s groundwater is hydraulically connected with nearshore waters, these and inland canals would benefit incrementally in the project area. To better quantify water quality improvements, FEMA recommends that the KLWTD or County implement a pre- and post-construction nearshore water quality monitoring program in the service area vicinity. The proposed action would not adversely affect stormwater flow quantity and quality if the KLWTD complies with applicable construction permits, including implementing soil erosion control measures (see SEA).

Per Presidential Executive Orders (EOs) 11988 (Floodplain Management) and 11990 (Wetlands Protection) and FEMA’s implementing regulations at 44 CFR Part 9, FEMA evaluated the proposed action’s floodplain and wetland effects. No freshwater wetlands are at the WWTP site or along service area roads. Marine wetlands are next to the service area and would have long-term benefits from improved nearshore water quality. Potential temporary, minor, adverse construction effects on marine wetlands would be mitigated with soil erosion control measures. The proposed action is in the 100-year floodplain, as are much of the Keys; and is considered a “critical facility” (action). There are no practicable alternatives to siting WWTPs in the 100-year floodplain. The proposed action would not increase floodplain development since the County’s Rate of Growth Ordinance controls this. The 500-year floodplain is the floodplain of concern for “critical actions”. Floodplain effects will be minimal and the federal investment protected to the 500-year flood, as long as the KLWTD complies with the County’s floodplain ordinance and critical action provisions at 44 CFR 9.11 (Mitigation).

**Biological Resources:**
The proposed action would indirectly benefit Key Largo’s nearshore marine ecosystems (e.g., seagrass meadows and coral reefs) by reducing nutrient loading and pathogen releases. A Biological Assessment for the proposed WWTP site identified likely special status species occurrence and suitable habitat. Per the Endangered Species Act (ESA) Section 7, the U.S. Fish and Wildlife Service issued a Biological Opinion on the findings. The proposed action includes permanently preserving the unused portion of the WWTP site parcel (about 49.416.9 acres), through deed restrictions and fee simple title transfer to a conservation entity. The KLWTD will also site the wastewater treatment facility and associated underground pipelines, driveways, and parking areas as to minimize disturbance of native tropical hardwood hammock, and take such additional steps as are required under the Monroe County Code regarding transplantation or replacement of listed threatened, endangered, commercially exploited, and regionally important native plant species and all native trees with a diameter at breast height of greater than four inches, where avoidance of those species is unavoidable. replace the habitat functions lost from construction, by restoring an approximately 2.6 acre site on Key Largo, to the objective of providing suitable habitat for the affected species. Both of these provisions are subject to prior FEMA and USFWS approval and subsequent monitoring. These measures, along with Monroe County’s Land Development Regulations compliance, would avoid jeopardizing the continued existence of federal threatened or endangered species, minimize potential adverse affects on other special status species (State and County), and minimize tropical hardwood hammock loss.
Also under the ESA, National Marine Fisheries Service (NMFS) concurred with FEMA’s “no effect” determination for threatened or endangered species and their critical habitat. Per the Magnuson-Stevens Fishery Conservation and Management Act, NMFS concurred with FEMA’s finding that proposed action would benefit Essential Fish Habitat in the Key Largo area.

Air Quality:
Building the proposed action would have temporary, minor, adverse air quality effects from dust and vehicle exhausts. Fugitive dust can be reduced by watering down sites, and emissions lessened by limiting construction vehicle idle times. Objectionable odors may occur during WWTP operation, these would be mitigated with odor control equipment at the plant, and the KLWTD would have to comply with Florida Administrative Codes 62-604.400 and 62-296.320.

Cultural Resources:
A cultural resources assessment of the “area of potential affect” found no historic properties at the proposed WWTP site or along the service areas’ collection systems. A National Register of Historic Places listed site is documented in the Calusa Campground, in between the KLP and KLTV service areas. If the KLWTD proposes future work in that area, then it could affect historic properties, and the KLWTD should consult with the Florida State Historic Preservation Officer (SHPO) before starting any project site work. Per the National Historic Preservation Act Section 106, the SHPO concurred with FEMA’s determination of “no effect” on historic properties. Consultation with the SHPO may also be required for the 2.6 ac rehabilitation site, once identified; although because the site is likely to have been previously disturbed adverse cultural resource effects are unlikely. If any unanticipated cultural resources are found during construction, work must immediately stop in the affected area to allow further coordination with FEMA and the SHPO.

Socioeconomics:
Socioeconomic impacts are considered in terms of public health, tourism and fishing industries, and local fees and taxes. The proposed action’s improved wastewater treatment is expected to reduce KLTV and KLP’s inland and nearshore waters’ public health risks from potential viral and bacterial infections. Because the service areas are not tourism focal areas, other effects on tourism are expected to be minimal and temporary. The proposed action may indirectly and slightly benefit commercial and recreational fishing near the service areas by improving nearshore water quality. Fisheries dependent on that area and good water quality would benefit most.

The proposed action would increase most service recipients’ wastewater management costs, particularly for cesspit or septic system owners. With FEMA and other funding applied to the proposed action’s system capital costs, expenses to service recipients are expected to be affordable and reasonable, as determined in the PEA. The KLWTD’s estimated service recipient costs, per Resolution 203-6, include a system capital cost of $2,700 and monthly operation and maintenance (O&M) fee of $35 per Equivalent Dwelling Unit. To mitigate immediate expenses, the system capital cost may be amortized over 20 years (at a current estimated rate of 5%) into an
annual payment incorporated into property taxes. So long as the KLWTD’s system capital costs and O&M costs remain within the PFONSI’s reasonable and affordable ranges ($3,000 to $4,500 and $30 to $60, respectively) no substantial adverse economic effect is expected. Service recipients will be responsible for the entire cost of legally abandoning their existing on-site wastewater system and installing a service lateral to the proposed action’s collection system. These costs are expected to range between $1,500 and $5,000 per EDU (Equivalent Dwelling Unit).

Hazardous Materials:
A Phase I Environmental Site Assessment found no evidence of recognized environmental conditions at the proposed WWTP site. Hazardous materials are not permitted in the sewage stream. However common household grease and cleaning products may enter the system. Chemicals are used during the wastewater treatment process, but would be dissolved or consumed during disinfecting reactions with organic materials. The residual sludge would be transported and disposed at existing, appropriately licensed facilities in Miami-Dade County. Once identified, a Phase I ESA may be required for the 2.6 ac rehabilitation site.

Demographics and Environmental Justice:
Per EO 12898 (Environmental Justice), implementation of the proposed action would equally benefit (via aforementioned indirect water quality and public health improvements) all KLTV and KLP demographic groups. WWTP siting would not highly disproportionately and adversely affect any minority or low-income populations because none exist near the WWTP site.

Per the PFONSI, Keys low-income service recipients cannot afford increased wastewater management costs and raising these would have a highly disproportionate and adverse economic effect. According to U.S. Census data, there are low-income residents in the KLTV and KLP service areas. Applying the PEA developed low-income assistance guidelines to the proposed action’s system capital costs (as estimated above) and existing system abandonment and lateral connection costs would avoid any highly disproportionate and adverse economic effects on qualified low-income service recipients. Per Resolution 471-2003, the Monroe County Housing Authority Special Programs Office, in coordination with the KLWTD, has adopted an implementation plan for the proposed action consistent with FEMA’s guidance to financially help low-income service recipients. Although this assistance is eligible from the FEMA grant, low-income service recipients may be assisted through a Community Development Block Grant. The KLWTD and County’s implementation of the above financial mitigation measures would result in compliance with EO 12898. No FEMA or other known funding assistance is available to reduce monthly O&M fees.

Infrastructure:
Building the proposed action would temporarily increase traffic and disrupt normal traffic patterns in the service area. The KLWTD’s implementation of a traffic control plan during construction would reduce these adverse effects. Brief, minor disruption of wastewater service and other utilities would occur during construction. Uniform wastewater management in KLTV
and KLP is expected to be a long-term benefit to utilities overall.

**Land Use and Planning:**
The proposed action is not expected to change existing County land uses or growth rate and patterns. The KLTV and KLP residential area is mostly developed. The proposed WWTP site is zoned Suburban Commercial, which allows WWTP siting. Growth rates are controlled by the County’s Rate of Growth Ordinance. Per the Coastal Zone Management Act, the proposed action is consistent with the State’s coastal zone management plan. Per the Coastal Barrier Resources Act, the proposed action would not be in or affect a Coastal Barrier Resource System “Unit” (also known as “CoBRA Zone”).

**Noise and Visual Resources:**
Proposed action effects on current noise levels and visual resources are expected to be minimal. Building the proposed action would temporarily increase local noise levels, but the overall decibel level is not expected to pose any public health risks and there are no sensitive noise receptors next to the WWTP site. Construction activities would have to be in compliance with Monroe County’s noise ordinance. Noise effects on construction workers could be more substantial than on residents and tourists. However these may be mitigated through compliance with applicable occupational health and safety regulations. Because the WWTP site is surrounded by forest and an existing FKAA facility, its visual resource effects will be minimal. However, FEMA recommends that the site design incorporate landscaping and plantings to reasonably obscure view of the WWTP from U.S. Route 1, thereby reducing any adverse viewshed effects.

**Conclusions**
Based upon the PEA and SEA for the action alternatives, and upon other supporting evidence, and in accordance with NEPA, CEQ guidelines for NEPA implementation, FEMA 44 CFR Part 10 (Environmental Considerations), and EOs 11988, 11990, and 12898; FEMA has determined that the proposed action, as long as it is implemented with the PEA and SEA prescribed adverse effect minimization/mitigation measures and the KLWTD obtains and adheres to all applicable permits for WWTP and wastewater collection system construction and operation (outlined in SEA), would have no significant adverse impacts on the human environment. Therefore, FEMA has determined that an Environmental Impact Statement will not be prepared. FEMA funding reimbursement is conditioned upon the KLWTD fully complying with all applicable permit requirements and adverse effect mitigation measures, and providing FEMA with supporting compliance documentation.

Recommended:

| A. Todd Davison, Director | Date |
| Mitigation Division | |

| Science Kilner | Date |
| Lead Environmental Specialist | |
SFONSI
Key Largo Trailer Village and Park Wastewater Treatment System
1249-FL Unmet Needs
Page 7 of 7

Approved:

William R. Straw, Ph.D.     Date
Regional Environmental Officer
KL FONSI

2-12-04.toKLWTD.docAttached for your information is the draft FONSI from FEMA. Please read it carefully since the district will be bound by this document and will be part of the Phase 11 Grant Agreement with FEMA for the construction phase of the KLTV project. Also, we must address the site mitigation and our plan for conserving the unused portion of 100.5 before we can turn the first shovel of dirt.

Andy has taken the lead in discussions with the county in the past regarding the issue of mitigation and acceptance. I would like to suggest to the Board that Andy, Tom and I confer and decide what exactly remains to be done so we do not find ourselves in a situation where we are waiting on issues we can possibly resolve now.

We need to discuss this matter at our February 18th meeting. I would suggest this be placed on the agenda under discussion items if the Chairman is in concurrence.

-----Original Message-----
From: Kilner, Science [mailto:Science.Kilner@dhs.gov]
Sent: Friday, February 13, 2004 10:13 AM
To: 'rsheets@govserv.com'
Cc: 'miles.anderson@dca.state.fl.us'
Subject: FEMA Update

Robert - The attached FONSI is currently under review with our General Council. I'm providing you (the Board) an advance draft to look at in case you have comment. This document will ultimately be attached to the grant contract the District signs with the State, and therefore be grant funding reimbursement conditions. I'd also like an update on the Board's plans for conserving the unused MM100.5 acreage (19+) and identification of a 2.6 ac hardwood hammock habitat rehabilitation site. I caution you that getting closure on these issues may take some time as they are both subject to FEMA and USFWS approval before any site work is done at MM100.5. Depending on the 2.6 ac site that is selected, we may also need to consult with the State Historic Preservation Office regarding cultural resources, as well as make sure there are no site hazardous material contamination issues. Thanks and feel free to call me if you have any questions.

Science Kilner
Lead Environmental/Historic Preservation Specialist
FEMA Region IV
(770) 220-5357
Science Kilner
Lead Environmental/Historic Preservation Specialist
FEMA Region IV
(770) 220-5357
Faith Doyle

From: Jerry Wilkinson [jerry142@terranova.net]
Sent: Friday, February 13, 2004 5:58 PM
To: Robert Sheets; Andy Tobin (E-mail); Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail)  
Cc: Charles Sweat; Chuck Fishburn; David Miles; Faith Doyle; Ed Castle (E-mail); George S. Garrett (E-mail 2); Jeff Weiler (E-mail); Mark Bell (E-mail); Miles Anderson (E-mail); Peter M. Kinslev (E-mail); Thomas M. Dillon (E-mail); Tim Banks (E-mail)
Subject: RE: FEMA Update

Robert:

I see the 2 something odd acres is still in there. I assume if as long as we do not use more than that for this phase, and we will certainly will not, it is OK that in the future we will duke it out with the County for the 4 or 10 acres. There simply is not enough space for the multiple Vacuum Stations, multiple Interim WWTPs and a final Regional 3 MGD WWTP on the present small footprint. This will be great for a starter.

Thanks for the info,
Jerry

-----Original Message-----
From: Robert Sheets [mailto:rsheets@govserv.com]
Sent: Friday, February 13, 2004 3:00 PM
To: Andy Tobin (E-mail); Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail); Jerry Wilkinson (E-mail)  
Cc: Charles Sweat; Chuck Fishburn; David Miles; Faith Doyle; Ed Castle (E-mail); George S. Garrett (E-mail 2); Jeff Weiler (E-mail); Mark Bell (E-mail); Miles Anderson (E-mail); Peter M. Kinslev (E-mail); Thomas M. Dillon (E-mail); Tim Banks (E-mail)
Subject: FW: FEMA Update

Attached for your information is the draft FONSI from FEMA. Please read it carefully since the district will be bound by this document and will be part of the Phase 11 Grant Agreement with FEMA for the construction phase of the KLTV project. Also, we must address the site mitigation and our plan for conserving the unused portion of 100.5 before we can turn the first shovel of dirt..

Andy has taken the lead in discussions with the county in the past regarding the issue of mitigation and acceptance. I would like to suggest to the Board that Andy, Tom and I confer and decide what exactly remains to be done so we do not find ourselves in a situation where we are waiting on issues we can possibly resolve now.

We need to discuss this matter at our February 18th meeting. I would suggest this be placed on the agenda under discussion items if the Chairman is in concurrence.

-----Original Message-----
From: Kliner, Science [mailto:Science.Kliner@dhs.gov]
Sent: Friday, February 13, 2004 10:13 AM
To: 'rsheets@govserv.com'
Cc: 'miles.anderson@dca.state.fl.us'
Subject: FEMA Update

Robert - The attached FONSI is currently under review with our General Council. I'm providing you (the Board) an advance draft to look at in case you have comment. This document will ultimately be attached to the grant contract the District signs with the State, and therefore be grant funding reimbursement conditions. I'd also like an update on the Board's plans for conserving the unused MM100.5 acreage (19+) and identification of a 2.6 ac hardwood hammock habitat rehabilitation site. I caution you that getting closure on these issues may take some time as they are both subject to FEMA and USFWS approval before any site work is done at MM100.5. Depending on the 2.6 ac site that is selected, we may also need to consult with the State Historic Preservation Office regarding cultural resources, as well as make sure there are no site hazardous material contamination issues. Thanks and feel free to call me if you have any questions.
SUPPLEMENTAL FINDING OF NO SIGNIFICANT IMPACT

1249-FL UNMET NEEDS

Proposed Wastewater Treatment System for Key Largo Trailer Village and Key Largo Park, Key Largo Wastewater Treatment District and Monroe County, Florida

In response to Hurricane Georges damages and losses, Congress enacted Public Law 106-31, Emergency Supplemental Appropriations Act for Fiscal Year 1999, to fund long-term disaster recovery projects in Florida counties whose needs were unmet through primary disaster relief funds. The Florida Keys Aqueduct Authority and Monroe County requested “Unmet Needs” Federal assistance, through the Florida Division of Emergency Management to directly improve the Key’s wastewater treatment systems, and thereby indirectly improve associated groundwater and nearshore water quality, by reducing wastewater nutrient loading and pathogen releases, which are worsened by flooding. The Key Largo Wastewater Treatment District (KLTWD) is responsible for project implementation.

Pursuant to the National Environmental Policy Act (NEPA), Council on Environmental Quality (CEQ) regulations implementing NEPA (40 Code of Federal Regulations [CFR] Parts 1500 to 1508), and FEMA regulations for NEPA compliance (44 CFR Part 10), FEMA prepared a Programmatic Environmental Assessment (PEA) (finalized on December 23, 2002) to address the likely effects of common physical and technological factors of implementing several wastewater collection, treatment, and disposal alternatives proposed by multiple project applicants. Based upon the PEA findings, a Programmatic Finding of No Significant Impact (PFONSI) was signed on January 8, 2003. These documents are incorporated by reference.

Because proposed projects (actions) and their effects vary depending on project location, design alternatives, and other site-specific criteria; a Supplemental Environmental Assessment (SEA) tiering from the PEA has been prepared for the KLTWD’s proposed project. The SEA was prepared in coordination with KLTWD and others, in consultation with State and Federal regulatory agencies, and is incorporated by reference. The proposed action’s (Alternative 2) likely effects are within the scope of the PFONSI, and this Supplemental Finding of No Significant Impact (SFONSI) tiers from that, and addresses site- and project-specific findings and adverse effect mitigation measures.

The KLTWD proposes to build a community wastewater treatment plant (WWTP) on 2.6 acres of an approximately 22 acre parcel at Mile Marker 100.5 (oceanside) and install a wastewater collection system in the Key Largo Trailer Village (KLT V) service area, replacing its currently inadequate on-site wastewater treatment systems. The WWTP will be designed to meet the Advanced Wastewater Treatment (AWT) effluent discharge standard, thereby complying with the Florida Statutory Treatment Standards by 2010, and have a treatment capacity of about 122,000 gallons per day (Average Daily Flow). The WWTP will discharge tertiary-treated effluent into shallow injection wells. Removal of existing on-site systems, along with
connection to the wastewater collection system, would be the property owner’s responsibility, unless otherwise noted. The KLWTD will permanently preserve the unused portion of the WWTP project parcel (about 19 acres) for conservation purposes, and restore 2.6 acres of tropical hardwood hammock to replace the project site’s protected species lost habitat functions. The grant applicant chose the proposed project site because it is located near the service areas; has sufficient space to accommodate future capacity expansion (not beyond the 2.6 ac); is compatible with surrounding light industrial land uses; and provides good air quality, noise, and visual buffering relative to other site alternatives.

With State funding, the KLWTD also plans to concurrently install a collection system in the Key Largo Park (KLP) service area, which will also be served by the proposed WWTP. The KLP service area is incorporated in the proposed action.

**Findings**

FEMA has made the following project- and site-specific determinations for the eleven major resource categories based upon the PEA and SEA.

**Geology, Topography, and Soils:**
Effects on geology, topography, and soils are expected to be minimal. A geotechnical study found area bedrock and soils suitable for proposed construction. Sinkhole development near shallow injection wells is possible because of increased limestone dissolution from injecting relatively fresh water into brackish to saline water. This risk is minimal because groundwater near the Key Largo WWTP site is usually within about five feet of the ground surface. Topographic effects would be isolated, limited to surface disturbances from construction site grading and wastewater collection system installation. Soils would be temporarily disturbed and suitable fill used at the WWTP site. Implementation of Best Management Practices during construction would reduce temporary adverse affects from soil erosion. Per the Farmland Protection Policy Act, there are no prime, unique, or other special farmlands on Key Largo.

**Water Resources and Water Quality:**
KLTV and KLP are Monroe County designated water quality “hot spots.” The proposed action would incrementally benefit service area water resources if implemented and operated in accordance with the AWT effluent discharge standard (see SEA). Improved wastewater treatment would substantially reduce; from current levels; discharge of suspended solids, nutrients, and pathogens to shallow groundwater. Because the Key’s groundwater is hydraulically connected with nearshore waters, these and inland canals would benefit incrementally in the project area. To better quantify water quality improvements, FEMA recommends that the KLWTD or County implement a pre- and post-construction nearshore water quality monitoring program in the service area vicinity. The proposed action would not adversely affect stormwater flow quantity and quality if the KLWTD complies with applicable construction permits, including implementing soil erosion control measures (see SEA).
Per Presidential Executive Orders (EOs) 11988 (Floodplain Management) and 11990 (Wetlands Protection) and FEMA’s implementing regulations at 44 CFR Part 9, FEMA evaluated the proposed action’s floodplain and wetland effects. No freshwater wetlands are at the WWTP site or along service area roads. Marine wetlands are next to the service area and would have long-term benefits from improved nearshore water quality. Potential temporary, minor, adverse construction effects on marine wetlands would be mitigated with soil erosion control measures. The proposed action is in the 100-year floodplain, as are much of the Keys; and is considered a "critical facility" (action). There are no practicable alternatives to siting WWTPs in the 100-year floodplain. The proposed action would not increase floodplain development since the County’s Rate of Growth Ordinance controls this. The 500-year floodplain is the floodplain of concern for "critical actions". Floodplain effects will be minimal and the federal investment protected to the 500-year flood, as long as the KLTWD complies with the County’s floodplain ordinance and critical action provisions at 44 CFR 9.11 (Mitigation).

**Biological Resources:**
The proposed action would indirectly benefit Key Largo’s nearshore marine ecosystems (e.g., seagrass meadows and coral reefs) by reducing nutrient loading and pathogen releases. A Biological Assessment for the proposed WWTP site identified likely special status species occurrence and suitable habitat. Per the Endangered Species Act (ESA) Section 7, the U.S. Fish and Wildlife Service issued a Biological Opinion on the findings. The proposed action includes permanently preserving the unused portion of the WWTP site parcel (about 19.4 acres), through deed restrictions and fee simple title transfer to a conservation entity. The KLWTD will also replace the habitat functions lost from construction; by restoring an approximately 2.6 acre site on Key Largo, to the objective of providing suitable habitat for the affected species. Both of these provisions are subject to prior FEMA and USFWS approval and subsequent monitoring. These measures, along with Monroe County’s Land Development Regulations compliance, would avoid jeopardizing the continued existence of federal threatened or endangered species, minimize potential adverse affects on other special status species (State and County), and minimize tropical hardwood hammock loss.

Also under the ESA, National Marine Fisheries Service (NMFS) concurred with FEMA’s “no effect” determination for threatened or endangered species and their critical habitat. Per the Magnuson-Stevens Fishery Conservation and Management Act, NMFS concurred with FEMA’s finding that proposed action would benefit Essential Fish Habitat in the Key Largo area.

**Air Quality:**
Building the proposed action would have temporary, minor, adverse air quality effects from dust and vehicle exhausts. Fugitive dust can be reduced by watering down sites, and emissions lessened by limiting construction vehicle idle times. Objectionable odors may occur during WWTP operation, these would be mitigated with odor control equipment at the plant, and the KLWTD would have to comply with Florida Administrative Codes 62-604.400 and 62-296.320.

**Cultural Resources:**
A cultural resources assessment of the “area of potential affect” found no historic properties at the proposed WWTP site or along the service areas’ collection systems. A National Register of Historic Places listed site is documented in the Calusa Campground, in between the KLP and KLV service areas. If the KLWTD proposes future work in that area, then it could affect historic properties, and the KLWTD should consult with the Florida State Historic Preservation Officer (SHPO) before starting any project site work. Per the National Historic Preservation Act Section 106, the SHPO concurred with FEMA’s determination of “no effect” on historic properties. Consultation with the SHPO may also be required for the 2.6 ac rehabilitation site, once identified; although because the site is likely to have been previously disturbed adverse cultural resource effects are unlikely. If any unanticipated cultural resources are found during construction, work must immediately stop in the affected area to allow further coordination with FEMA and the SHPO.

Socioeconomics:
Socioeconomic impacts are considered in terms of public health, tourism and fishing industries, and local fees and taxes. The proposed action’s improved wastewater treatment is expected to reduce KLV and KLP’s inland and nearshore waters’ public health risks from potential viral and bacterial infections. Because the service areas are not tourism focal areas, other effects on tourism are expected to be minimal and temporary. The proposed action may indirectly and slightly benefit commercial and recreational fishing near the service areas by improving nearshore water quality. Fisheries dependent on that area and good water quality would benefit most.

The proposed action would increase most service recipients’ wastewater management costs, particularly for cesspit or septic system owners. With FEMA and other funding applied to the proposed action’s system capital costs, expenses to service recipients are expected to be affordable and reasonable, as determined in the PEA. The KLWTD’s estimated service recipient costs, per Resolution 203-6, include a system capital cost of $2,700 and monthly operation and maintenance (O&M) fee of $35 per Equivalent Dwelling Unit. To mitigate immediate expenses, the system capital cost may be amortized over 20 years (at a current estimated rate of 5%) into an annual payment incorporated into property taxes. So long as the KLWTD’s system capital costs and O&M costs remain within the PFONSI’s reasonable and affordable ranges ($3,000 to $4,500 and $30 to $60, respectively) no substantial adverse economic effect is expected. Service recipients will be responsible for the entire cost of legally abandoning their existing on-site wastewater system and installing a service lateral to the proposed action’s collection system. These costs are expected to range between $1,500 and $5,000 per EDU (Equivalent Dwelling Unit).

Hazardous Materials:
A Phase I Environmental Site Assessment found no evidence of recognized environmental conditions at the proposed WWTP site. Hazardous materials are not permitted in the sewage stream. However common household grease and cleaning products may enter the system. Chemicals are used during the wastewater treatment process, but would be dissolved or
consumed during disinfecting reactions with organic materials. The residual sludge would be transported and disposed at existing, appropriately licensed facilities in Miami-Dade County. Once identified, a Phase I ESA may be required for the 2.6 ac rehabilitation site.

Demographics and Environmental Justice:
Per EO 12898 (Environmental Justice), implementation of the proposed action would equally benefit (via aforementioned indirect water quality and public health improvements) all KLTV and KLP demographic groups. WWTP siting would not highly disproportionately and adversely affect any minority or low-income populations because none exist near the WWTP site.

Per the PFONSI, Keys low-income service recipients cannot afford increased wastewater management costs and raising these would have a highly disproportionate and adverse economic effect. According to U.S. Census data, there are low-income residents in the KLTV and KLP service areas. Applying the PEA developed low-income assistance guidelines to the proposed action’s system capital costs (as estimated above) and existing system abandonment and lateral connection costs would avoid any highly disproportionate and adverse economic effects on qualified low-income service recipients. Per Resolution 471-2003, the Monroe County Housing Authority Special Programs Office, in coordination with the KLWTD, has adopted an implementation plan for the proposed action consistent with FEMA’s guidance to financially help low-income service recipients. Although this assistance is eligible from the FEMA grant, low-income service recipients may be assisted through a Community Development Block Grant. The KLWTD and County’s implementation of the above financial mitigation measures would result in compliance with EO 12898. No FEMA or other known funding assistance is available to reduce monthly O&M fees.

Infrastructure:
Building the proposed action would temporarily increase traffic and disrupt normal traffic patterns in the service area. The KLWTD’s implementation of a traffic control plan during construction would reduce these adverse effects. Brief, minor disruption of wastewater service and other utilities would occur during construction. Uniform wastewater management in KLTV and KLP is expected to be a long-term benefit to utilities overall.

Land Use and Planning:
The proposed action is not expected to change existing County land uses or growth rate and patterns. The KLTV and KLP residential area is mostly developed. The proposed WWTP site is zoned Suburban Commercial, which allows WWTP siting. Growth rates are controlled by the County’s Rate of Growth Ordinance. Per the Coastal Zone Management Act, the proposed action is consistent with the State’s coastal zone management plan. Per the Coastal Barrier Resources Act, the proposed action would not be in or affect a Coastal Barrier Resource System “Unit” (also known as “CoBRA Zone”).

Noise and Visual Resources:
Proposed action effects on current noise levels and visual resources are expected to be minimal.
Building the proposed action would temporarily increase local noise levels, but the overall decibel level is not expected to pose any public health risks and there are no sensitive noise receptors next to the WWTP site. Construction activities would have to be in compliance with Monroe County’s noise ordinance. Noise effects on construction workers could be more substantial than on residents and tourists. However, these may be mitigated through compliance with applicable occupational health and safety regulations. Because the WWTP is surrounded by forest and an existing FKAA facility, its visual resource effects will be minimal. However, FEMA recommends that the site design incorporate landscaping and plantings to reasonably obscure view of the WWTP from U.S. Route 1, thereby reducing any adverse viewshed effects.

**Conclusions**

Based upon the PEA and SEA for the action alternatives, and upon other supporting evidence, and in accordance with NEPA, CEQ guidelines for NEPA implementation, FEMA 44 CFR Part 10 (Environmental Considerations), and EOs 11988, 11990, and 12898; FEMA has determined that the proposed action, as long as it is implemented with the PEA and SEA prescribed adverse effect minimization/mitigation measures and the K.I.WTD obtains and adheres to all applicable permits for WWTP and wastewater collection system construction and operation (outlined in SEA), would have no significant adverse impacts on the human environment. Therefore, FEMA has determined that an Environmental Impact Statement will not be prepared. FEMA funding reimbursement is conditioned upon the K.I.WTD fully complying with all applicable permit requirements and adverse effect mitigation measures, and providing FEMA with supporting compliance documentation.

Recommended:

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A. Todd Davison, Director  Date  Science Kilner  Date  
Mitigation Division  Lead Environmental Specialist

Approved:

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William R. Straw, Ph.D.  Date  
Regional Environmental Officer