May 5th

2004
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<td>04/09/04</td>
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<td>04/09/04</td>
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<td>04/09/04</td>
<td>43,090</td>
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<td>Balance Forward, Administration &amp; Operations</td>
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**Prepared April 9, 2004**

**Prepared for Review:** May 9, 2004

Key Largo Water & Sewer Treatment District
A. Call to Order

B. Pledge of Allegiance

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

D. Minutes – Draft April 21, 2004

E. Public Comment

F. Legal Counsel’s Report
   1. Update on the Haskell Notice of Delay
   2. Update on direct/indirect costs issue
   3. Update on legislation
   4. Update on County funds
   5. Tax Return

G. Action Items
   1. Approval of the Pending Payments List for May 5, 2004
   2. Approval of the rental space short list
   3. Approval of the Government Services Group, Inc. letter of agreement
   4. Acceptance of the Roe-Vac warranty
   5. Approval of Residents Letter
   6. Approval of the May 15, 2004 Workshop Agenda

H. General Manager’s Report
   1. Update on the Design Team Meeting of 5/4/04
   2. Presentation of the Quarterly Financial Reports

I. Engineer’s Report
   1. Report for Period ending April 27, 2004

J. Public Comment

K. Commissioner’s Items
   1. Discussion of Laboratory Testing for Near Shore Water Quality – Comm. Tobin
   2. Discussion of KLWTD Lobbyist in Washington, D.C. – Comm. Tobin

L. Update on past agenda items:
   1. FEMA FONSI Status
   2. Water Quality Testing
   3. Project Design Protocol
   4. Resolution of $100K Loan repayment issue
   5. Site mitigation
   6. KLP vacant lot resolution
   7. Project request for FEMA deadline extension
   8. CDBG Grants and/or funds for private connections
   9. Procedures
   10. Web Site Development

M. Meeting Adjournment
KLWTD Board Meeting
May 5, 2004

Draft April 21, 2004
Meeting Minutes
Key Largo Wastewater Treatment District
Board of Commissioner’s Meeting Minutes
5:00 PM Wednesday, April 21, 2004
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

Board Members Present

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

Staff Present

Charles L. Sweat, Director of Operations, ("GSG")
David R. Miles, Chief Financial Officer, ("GSG")
Thomas Dillon, Board Attorney
Ed Castle, Board Engineer (WEC)
Mike Hatfield, P.E. (WEC)
Faith Doyle, Board Clerk

Guests Present

Will English, P.E., Project Manager, The Haskell Company
Dan Dacquisto, Monroe County Planning Department
Richard Burt, Pres. KLTV Homeowners Association
Vicky Faye, KLTV Resident
Steve Gibbs, Reporter, Free Press

A. Call to Order

Chairman Bauman called the meeting to order at 5:06 p.m.

B. Pledge of Allegiance

The pledge was recited.

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

Commissioner Brooks asked that the Haskell project update ending March 31, 2004 be added as a discussion item. Chairman Bauman added the item as K3.

Commissioner Brooks asked for an open discussion period for discussion of up coming agenda items so that the business will flow more easily. He believes it would help to set the future agendas.
D. Minutes – Draft March 27, 2004 and Draft April 7, 2004

Commissioner Brooks motioned to approve the March 27, 2004 minutes with a correction to the starting time of the meeting and to approve the April 7, 2004 minutes. Commissioner Beaty seconded the motion. Chairman Bauman requested a roll call vote.

<table>
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<tr>
<th>Commissioner Beaty</th>
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<tr>
<td>Commissioner Brooks</td>
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<td>Commissioner Wilkinson</td>
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<tr>
<td>Chairman Bauman</td>
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The motion was approved.

E. Public Comment

Robert Burt reported that letters had been received addressing the concerns voiced at the previous meeting from management and The Haskell Company. Mr. Burt would still like representatives to meet with the community and offered the KLTV Homeowners Association meeting scheduled on July 24 as a potential meeting time. Mr. Sweat suggested a date in June with a 30-day notice to be sent to the KLTV homeowners informing them of the meeting. The letter would be sent in early May for a meeting in early June. This meeting would have participation of the management and engineers to discuss connection points and other concerns and would provide a public forum. The Board requested staff to develop a tentative agenda and form letter and tentative dates to be presented for consideration at the next meeting as a general manager’s item. Ms. Vicky Fay believes the letter should include alternatives if the owners could not attend. Commissioner Brooks suggested the meeting be held at the civic club and that the letter should request the owners bring information about where their septic tanks and property lines are for discussion. Mr. Burt questioned the date of the final connection and turn-on of the sewer system and is concerned about the decommissioning of the septic systems. Ms. Fay would like the letter to include whom the homeowners should contact for a response on their property and the engineer or staff person they should address letters of concern to. Commissioner Wilkinson believes an action plan would be needed to have contractors who know the special needs of connecting the personal property to the system.

Item H4F was moved to the next agenda item for discussion. Mr. David Dacquisto the Director of the Island Planning Team for Monroe County Florida (dacquisto-david@monroecounty-fl.gov) was present to address the Board's concerns with the vacant lot situation. Discussion ensued on the possibility of the County coordinating with the District on what lots are approved for development. The System Manager, Board Engineer and Haskell Company representatives would meet on the issue. Commissioner Wilkinson questioned Mr. English of Haskell as to when they needed to know what lots are considered not buildable. Mr. English stated the sooner the better but no later than the end of May. Discussion ensued on the impact of the information on the final design and construction.

The Board thanked Mr. Dacquisto for his participation.

F. Legal Counsel’s Report
1. Update on the Haskell Notice of Delay

Mr. Dillon stated he is waiting for additional information that includes the Haskell rational for the extra costs and need for additional time. Discussion ensued on the original letter and if the extension of time would negate the need for financial consideration. Mr. Dillon stated that the letter did not include a claim for extended overhead, but may include costs for additional costs for materials. Mr. Dillon wants a better rational than a percentage of the original contract. Commissioner Brooks would like to see it be an addition of time without additional cost. Mr. Dillon needs to see the justification of the claim before providing his recommendation to the Board. Mr. Dillon would hope to see the justification prior to the next meeting. Discussion continued on the issue of a time extension eliminating the cost issues and the claim by Haskell that the increase was due to labor cost and the cost of steel increases. It was noted that Haskell has given verbal confirmation that with the extension of time they would not make an extended overhead claim. Discussion continued on the issue.

2. Update on Roe-Vac warranty

Mr. Dillon reports the warranty as proposed by Roediger is included in the agenda and he would recommend approval. The deviation from what was requested was having the Warranty starting from final acceptance for a period of 2 years but starting no later than September 5, 2005. The Warranty states that it will start 2 years from substantial completion. Mr. Dillon recommends the warranty be accepted as written. Discussion ensued on particular points of the warranty. It was noted that Roevac trained technicians must work on the equipment for the warranty to be in force.

THE CHAIRMAN REQUESTED AN ACTION ITEM FOR THE MAY 5 AGENDA TO ACCEPT THE ROE-VAC WARRANTY.

3. Update on direct/indirect costs issue

Mr. Dillon reports that because this is a design/build contract that certain costs apply. Mr. Dillon would like the issue resolved prior to another change order being initiated. Mr. Dillon informed the Board that Mr. Kinsley had stated that he would provide a response.

4. Update on legislation

There was no new information provided.

5. Update on County funds

Mr. Dillon noted that with this ordinance Mr. Kohlage would release the funds. Mr. Miles noted the Ordinance had been approved at the BOCC meeting but needs to be recorded with the State prior to the County being permitted to releasing funds. Mr. Dillon noted that he met with Mayor Nelson concerning the issue and that for funds to be received it must be by the reimbursement process.

G. Action Items

1. Approval of the Pending Payments List for April 14, 2004

Mr. Miles presented the pending payments and the present financial position of the District.
A motion to approve the list was made by Commissioner Brooks and seconded by Commissioner Wilkinson. All were in favor and the motion was approved unanimously.

2. Approval of the advertisement for the May 15, 2004 workshop

Commissioner Wilkinson question if interviews could be included on the meeting agenda. Discussion ensued that the issue that resumes are to be accepted until May 14, 2004 and may not permit enough time for review and to schedule interviews.

Discussion ensued on the cost of $1500 for a facilitator that and only been for 4 hours at the last workshop.

Commissioner Brooks moved to approve the advertisement for the May 15, 2004 workshop. Commissioner Tobin seconded the motion. All were in favor and the motion was unanimously approved.

The Board requested that staff draft an agenda for the May 15 workshop that would include the Calusa issue and discussion of the resumes received and the update of the master plan.

Mr. Dillon informed the Board that the Upper Keys Times and contacted him concerning placing an ad for employment at a cost of $125 if it is the Board’s pleasure.

Discussion ensued on setting a date for a meeting for the sole purpose of interviewing candidates. The Board requested that the ad for the May 15 workshop include a discussion of the managerial candidate and vacant lot issue.

Discussion ensued on the workshop agenda and the conducting of interviews and the consideration of candidates.

3. Approval of the Strategic Framework for the KLWTD

It was noted by Chairman Bauman that a handout was provided of the power point presentation from the March 27, 2004 agenda.

A motion to approve the Strategic Framework for the KLWTD was made by Commissioner Beaty and seconded by Commissioner Wilkinson for discussion. Commissioner Brooks believes the document should be better prioritized and analyzed prior to the acceptance of the document. He pointed out the reference to Attorney being lead on the temporary office space as an example. Commissioner Tobin stated that he was inclined to revisit the document and update it in the future and suggested 90 days to make this a working document instead of approving it and setting it “in stone”. Chairman Bauman stated that it is a working document and it is impressive that one has been done and that it should be updated every 90 days. The Chairman called the question. Commissioner Beaty amended his motion to accepting the KLWTD Strategic Framework and to update it every 90 days. Commissioner Wilkinson seconded the amended motion. The Chairman requested a roll call vote.

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<thead>
<tr>
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<tbody>
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<td>Commissioner Tobin</td>
<td>Yes</td>
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<tr>
<td>Commissioner Wilkinson</td>
<td>Yes</td>
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</tbody>
</table>
The motion was unanimously approved.

4. Approval of the rental space short list

Commissioner Tobin informed the Board that he had looked at the Bank of America space and that it is a 25' x 45' room and that the Bank stated they would be inclined to have a utility as a tenant.

The present short list was defined as including the:

- Maytag Building
- Pediatrics Building at MM 103
- The Sun Radio 103 Building
- The Damaron Building
- The Banc of America space was added at a cost of $1300/mo including utilities that might be able to be negotiated to fit the District's budget.

Discussion ensued on the Board's requirements for office space and if any of the locations could be subdivided. THE BOARDS REQUESTED THE ITEM BE FORWARDED TO THE NEXT AGENDA. Commissioner Tobin suggested the manger to be hired and then the manager be tasked to look at the locations. It was question if these spaces would remain on the market. The Board agreed that rental costs of $1500 or less be considered. Mr. Dillon suggested the follow up to include sample leases being requested from the facilities. The lease length and terms were discussed and a non-appropriation clause to cancel the lease with a six-month window was suggested.

The refined short list was stated as being the Pediatrics Building, The Damaron Building and the Bank of America space.

5. Approval of the Government Services Group, Inc. letter of agreement

Mr. Sweat requested that the letter be pulled from the agenda and that present a new letter would be presented for consideration at the May 5, 2005 meeting. The Board accepted the request.

H. General Manager’s Report

1. Presentation of the Draft Scope of Work for the Financial Component to Implement the Master Plan, which will include the Calusa Camp Resort Connection

Commissioner Tobin requested this item be postponed until the WEC scope was presented.

The Engineer’s Report was given at 6:45 p.m. (Please see the notes below)

Mr. Sweat gave the General Manager’s Report at 7:30 p.m.

Mr. Sweat presented the scope of work for discussion. Commissioner Tobin believed the scope of work was to focus on the Calusa campground addressing the financing of that segment specifically. Mr. Miles suggested that the document be separated into a Calusa component and
the balance of the work. Chairman Bauman agreed that is what is needed and Mr. Sheets needs to set a meeting with Calusa. Mr. Sweat stated that he would contact the Calusa representatives to set a tentative meeting to be held after the financing facts are determined. Mr. Miles stated that scenarios presented previously should be reviewed before the meeting with Calusa. Mr. Sweat stated that the three feasible options for Calusa campground would be reviewed and the financing options presented to the Board as soon as possible.

Discussion ensued on the Calusa campground financing options. Mr. Miles suggested the issue be presented to the GSG financial consultants for their input.

Commissioner Wilkinson expressed his concern on what is fair for all and that Calusa should not be singled out for discussion.

2. Discussion of the use of a facilitator at the May 15, 2004 workshop

The Chairman brought the item to the floor for discussion. Commissioner Brooks stated that he does not believe one would be needed. Commissioners Tobin and Beaty agreed that one was not necessary. Commissioner Wilkinson made no comments. Chairman Bauman stated that he believed the facilitator was necessary.

3. Update on the Design Team Meeting of 4/21/04

Mr. Sweat stated that he 4/21/04 meeting was rescheduled for 5/4/04 at 3:00 p.m. Mr. Sweat added that all comments on the 60% drawings would be forwarded to Brown and Caldwell prior to the meeting and would not result any loss of time.

4. Update on past agenda items:
   a. FEMA FONSI Status

Mr. Sweat stated that staff is waiting for documents from Miles Anderson of the DCA.

   b. Water Quality Testing

Mr. Sweat stated that this is not a regulatory requirement at this point. Mr. Sweat discussed the issue with the FDEP who stated that if the program implemented (the $8,000 option) is challenged it may not stand up legally. They suggested that water quality programs should be done by professionals and if a program is done it should be done by qualified individuals selected by an RFP process. Discussion ensued. Commissioner Wilkinson stated this program is supported by the Florida Statutes (Lake Watch). The Board requested that the plan be done as requested to work with Lake Watch. Commissioner Brooks stated that near shore water quality is not likely to improve for years after the sewers are implemented and that water testing would accomplish anything for the District. Mr. Sweat stated that he would communicate with Lake Watch concerning the commitment and present an agreement to the Board at the next meeting.

   c. Project Design Protocol

Ed Castle stated that the protocol had been redrafted but the final has not been received.

   d. Resolution of $100K Loan repayment issue
e. Site mitigation

Mr. English contacted Mr. Garrett who was working on the site mitigation plan. Mr. Sweat will contact him and update at the next meeting.

Mr. Dillon stated that he had forwarded Mayor Nelson the biological opinion and the suggested need for an additional 2.6 acres. The Mayor would discuss it with U.S. Representative Ileana Ros-Lehtinen. Commissioner Tobin stated that he has been concerned with this issue and the District needs to leave the door open for negotiation on the balance of the land at the plant site.

Commissioner Brooks is becoming increasingly concerned with the site mitigation plan and the lack of attention by Mr. Garrett and the acceptance of the plan by FEMA in reference to the 2.6 acres. Mr. English believes that he did not see where it was stated that the land had to be purchased. Commissioner Brooks is concerned that the proper agencies have not be coordinated with and may jeopardize the funding.

Commissioner Tobin suggested that Mr. Dillon take the lead on this issue because it is critical and of a legal nature. Discussion ensued on what agency makes the final decision on the issue of accepting the final site mitigation plan. Commissioner Tobin would like to have the administrative file for review by Mr. Dillon to determine the bottom line. Mr. Dillon notes that the letter was part of the draft PSA. Chairman Bauman asked Mr. Dillon if this something that should be addressed and how he would handle the situation. Mr. Dillon would review the file and report back to the Board. The Board gave its consensus that Mr. Dillon should review the file and report to the Board.

f. KLP vacant lot resolution *Ms. Conaway invited for 4-21-04 meeting

Please see the notes above under Public Comment.

g. Project request for FEMA deadline extension

Mr. Sweat stated that the Board consider drafting a letter requesting a one year extension. The Board requested postponing the discussion until Mr. Sheets was present to state his reasoning.

h. CDBG Grants and/or funds for private connections

Mr. Sweat stated that County Resolution 407-2003 would be provided to FEMA as verification that the low-income program is funded.

5. Discussion of Monroe County BOCC letter dated 4-8-04

Mr. Sweat presented the letter and requested direction from the Board as to when the meeting should take place. Mr. Dillon stated that a Board member and appropriate staff should attend. Commissioner Tobin volunteered to attend. The Board gave consensus that once an agenda is set they would agree to the meeting. Chairman Bauman meets with the Mayor and would inform him that the District would wait until the County contacts the District.
I. Engineer’s Report

1. Letter to KLTV Board of Directors addressing concerns expressed by residents

Mr. Castle presented the letter that had been forwarded to the KLTV Board of Directors and noted that the design plans would include notations addressing these issues.

2. Presentation of the Sanitary Sewer Wastewater Master Plan Refinement and Recommendations – Work Authorization WEC 04-01

Mr. Castle presented the draft work authorization. Commissioner Tobin is concerned with the cost of $77,000 to update a document (the County Master Plan) and would like a less formal document until it is necessary for funding projects. Mr. Castle stated the work could be done in segments and that most important is pipe sizing and that component should be considered first, however all future development needs to be included to determine the pipe size. Discussion ensued on the schedule of work. Commissioner Wilkinson agreed that the plan should be done in segments by priority and that Lake Surprise, Ocean Isle Estates and Sexton Cove should be targeted. The cost of the project should be determined should that amount of funds become available. Commissioner Beaty clarified that projects of varying sizes should be ready in the event that funding becomes available. Mr. Castle stated that the draft scope was developed to include varied project for this reason. Discussion ensued on a regional facility, package plants and that the document being considered (WEC 04-01) shows various theories of how future decisions could impact the District. Chairman Bauman stated the County has entertained the notion that they would pay for the master plan. Commissioner Brooks questioned if WEC would be using information from the County’s Master Plan. Mr. Castle stated that he would but it would need to be updated. Commissioner Brooks believes the $77,000 is not in the budget and if the work authorization could be paired down. Mr. Castle states the entire scope of work should be used as a final point but it can be done in phases.

Mr. Miles reported that $120,000 was budgeted for special project. Chairman Bauman asked if the $77,000 scope could be divided into three phases at a comparable cost. Mr. Castle stated that he would work with WEC staff on breaking the work authorization into three phases to present to the Board.

Discussion ensued on the need for RFP documents for the future projects and if the work product would result in RFP’s. Mr. Dillon stated that RFP for future projects should be done. Mr. Castle stated the work product from WEC 04-01 would not result in RFP’s for the projects.

Chairman Bauman is concerned that a project won’t be ready when funding is available. Discussion ensued on the need for a stand-alone project. Mr. Castle stated that he would give thought to the issue and the costs involved.

Mr. Castle stated that breaking the work authorization into phases would not substantially add to overhead costs and suggested 7-15% of the current cost.

J. Public Comment

Robert Burt stated he is concerned with the permitting for the running of the line from the home to the district lines and the cost of demolition of the septic tanks and if there will be funds available to the residents to connect to the system. The residents are having difficulty in
understanding the process of connecting residents and the funding. Mr. Burt is also concerned with the cost of the letters printing English/Spanish and postage to inform the KLTW homeowners.

Discussion ensued. Commissioner Tobin suggests a future action item to request the county waive the permit fee, to discuss with local contractors on assisting with connecting and other ways to inform the community. Commissioner Tobin suggests this should be a future workshop topic.

Commissioner Brooks stated that the FKAA held community workshops with refreshments to explain the process. The County also offered a blanket permit that alleviated that cost.

Mr. Burt hopes that a package could be developed that offers financing for the homeowners.

K. Commissioner's Items

1. Placement of the personnel ads – Chairman Bauman

Chairman Bauman reports the ads were placed in the Free Press at a cost of $389 per ad for two ads. The Reporter, The Keynoter and the Miami Herald, Keys Edition also ran the ads. The Board stated that no additional advertisement would be required.

2. Request for information on the status of the District Procedures and Web Site – Chairman Wilkinson

Commissioner Wilkinson suggested this be kept on the punch list. The Board agreed to have a “roll over” section of the agenda in the future. Chairman Bauman would discuss and implement this change to the agenda format with the Clerk.

3. The Haskell Company report of March, 2004

Commissioner Brooks brought the document to the floor. Mr. English states that the document is not intended to be an agenda item for the Board’s consideration and that he was not prepared to discuss it this evening. Commissioner Brooks took issue to the comment of “design issues” being left as NONE, he believes they should be itemized. Mr. English asked if he was referring to issues with comments on the 30% and 60% design drawings. Commissioner Brooks believes it is important to address this in light of what has happened in Stock Island and that Haskell has given a notice of delay. Mr. English stated that design issues in this section of the report are major problems with the design. Chairman Bauman comments that the project status report was developed at his request to provide an overall schedule.

Mr. Castle suggested that comments are given to Haskell and Haskell provides a response. Mr. Castle has summaries of all the comments and the resolutions that will be provided to the Board. They are not issues for the “design issues” section of the project status report until the comments cannot be resolved. Mr. Castle suggests the comment/resolution document be attached to Haskell’s report. Mr. Dillon comments that the section Commissioner Brooks referred to should be reserved for unresolved issues.

Commissioner Wilkinson commented on the design of the building and the need for the operator’s office accommodations to be sufficient. Mr. Castle commented that the building appears to be operator friendly with an area for an operator to work and as the design continues
these issues will be addressed. Discussion ensued on the need for making considerations for the workers being insulated from sound and the building being operator friendly.

L. Meeting Adjournment

Chairman Bauman adjourned the meeting at 8:45 p.m.
KLWTD Board Meeting
May 5, 2004

Item G - 1

Pending Payments List
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: April 28, 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 April 27, 2004 the District had $180,684.73 in its bank account. We have $3,564.02 in invoices and payroll for April 2004 in-hand for payment by May 18, 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 as of April 27, 2004:

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<td>Total</td>
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Staff is still awaiting receipt of $151,251.15 in MSTU money from Monroe County requested March 3, 2004. A request for $129,607.00 for Monroe County matching funds for use in the Key Largo Park project, submitted March 23, 2004 is also still pending.
Key Largo Wastewater Treatment District  
Payments Pending, May 04, 2004  
Prepared April 27, 2004

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Total Invoices for Administration & Operations 3,564.02
Balance Forward if All Admin & Operations Invoices Paid $45,328.56
Cash Balance Forward for Key Largo Park 2
Cash Balance Forward for Key Largo Park $14,374.66
Total Available $14,374.66
Total Invoices for Key Largo Park $146,166.71
Balance Forward if All Key Largo Park Invoices Paid $(14,374.56)
Cash Balance Forward for Key Largo Trailer Village $146,166.71
Total Invoices for Key Largo Trailer Village
Balance Forward if All Key Largo Trailer Village Invoices Paid $146,166.71
Total All Invoices $3,564.02

Approved for Payment:

Gary Bauman, KLWTD Chair
Cris Beaty, KLWTD Secretary

Payment Category Key:
1- District Administration
2- Key Largo Park Construction
3- Key Largo Trailer Village Construction
KLWTD Board Meeting
May 5, 2004

Item G - 2

Rental Space Short List
Rental Unit Short List as of 4-21-04

The Pediatrics Building

The Damaron Building

The Bank of America Building
KLWTD Board Meeting
May 5, 2004

Item G - 3

GSG Letter of Engagement
April 28, 2004

VIA ELECTRONIC MAIL TRANSMISSION
& HAND DELIVERY

Gary Bauman  
KLVTD Chairman  
855 Ellen Drive  
Key Largo, FL 33037


Dear Gary:

The board has requested and GSG has agreed, to stay on and provide basic administrative and management services beyond our May 9, 2004, deadline. GSG agrees to provide all of the services described in the Management Services Agreement with the District on a time and material basis. We also understand that this time and material basis will be capped at $10,800 per month. Any work provided that falls under the definition “Additional Services” would necessitate a separate work order approved by the Board prior to any work commencing.

I have provided in the table below, the agreed upon hourly rates for all employees involved with providing basic services. They are as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Manager</td>
<td>$160/hr</td>
</tr>
<tr>
<td>Director of Operations</td>
<td>$150/hr</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>$130/hr</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$90/hr</td>
</tr>
<tr>
<td>Accountant</td>
<td>$85/hr</td>
</tr>
<tr>
<td>Secretarial &amp; Administrative Support Staff</td>
<td>$40/hr</td>
</tr>
</tbody>
</table>

This agreement may be modified as the District makes decisions regarding the hiring of local staff. Modification will take the form of a written amendment to the agreement between the District and GSG.
We look forward to working with you and continuing to support the District as they move forward in completing KLTV and KLP. I hope this agreement is responsive to the District and is consistent with your direction.

Sincerely,


Robert E. Sheets
District Manager

RS/ssh

cc: Thomas Dillon
     KLWTD Board Members

These terms are hereby accepted, agreed upon and executed by:

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name: Gary Bauman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KLWTD Chairman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>855 Ellen Drive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key Largo, FL 33037</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
KLWTD Board Meeting
May 5, 2004

Item G - 4

Roe-Vac Warranty
April 14, 2004

The Haskell Company
Haskell Building
Jacksonville, FL 32231-4100

Attention: Peter M. Kinsley

Re: Wastewater Management System for the Key Largo Trailer Village Area

Dear Pete:

Following from our telephone conference calls of yesterday, we confirm the following:

**Limited Warranty**
Roediger Pittsburgh offers a limited warranty, version KL v.6, incorporating the modifications agreed upon yesterday, a copy of which is attached hereto. The new language represents an improvement for the KLWTD. The original version, dated October 29, 2003, fixed the term to two or three years (depending on the type of equipment) from date of delivery to the job site. The new version starts the clock at the date of substantial completion - a date more significant to the KLWTD - with a uniform term of two years thereafter, but a limit at three-and-a-half years from delivery. Another modification clarifies that those service personnel who repair, modify or adjust the equipment need to be Roediger Pittsburgh-trained. See the attached warranty for the prevailing language.

**On-Site Representation During the Project**
We first addressed this vital issue in writing in our letter dated October 29, 2003, and reiterate it at this time. This project represents a major investment in the future for the KLWTD. Its success is the primary concern of the Board, which has selected a design/build team, a project manager, and an operating company to ensure that success, both in the construction phase and in the subsequent operation and management of the system. Roediger Pittsburgh is likewise committed to the success of this project. The reputation of the Roevac® brand name is of utmost importance to us, now and in the future. Consequently, we will provide qualified representation on-site throughout the project to the extent required by the KLWTD. As we have made known to the Board and to the design/build team, it is our judgment and recommendation that 100% coverage is unnecessary and will serve as an encumbrance to the contractor; however, we will defer to the decision and directives of the Board, or the design/build team, if so empowered by the Board. In any event, we will provide training and re-training to assist the contractor.
Roediger Pittsburgh, Inc.
every step of the way during installation. We will cooperate with the project manager to help optimize the project. When it comes time to start the system, we will familiarize the operators with the system and how to best keep it running smoothly. And most importantly, we will aid in the education of the citizens to increase acceptance and understanding of their new system.

Future Prices of Valves and Controllers
The KLWTD Board raised a reasonable concern in October 2003, about future pricing of new and replacement parts, a concern Roediger Pittsburgh addressed in our October 29, 2003 letter. Roediger Pittsburgh confirms the price protection to the KLWTD and extends it, at the specific request of the KLWTD’s legal counsel, to two additional types of Roevac® brand equipment: controllers and chamber vessels.

<table>
<thead>
<tr>
<th>Valve Order Quantity</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 30</td>
<td>$400</td>
<td>$410</td>
<td>$420</td>
<td>$430</td>
<td>$440</td>
</tr>
<tr>
<td>5 – 29</td>
<td>$450</td>
<td>$460</td>
<td>$470</td>
<td>$480</td>
<td>$490</td>
</tr>
<tr>
<td>1 – 4</td>
<td>$630</td>
<td>$645</td>
<td>$660</td>
<td>$675</td>
<td>$690</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Controller Order Quantity</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 30</td>
<td>$739</td>
<td>$749</td>
<td>$759</td>
<td>$769</td>
<td>$779</td>
</tr>
<tr>
<td>5 – 29</td>
<td>$821</td>
<td>$831</td>
<td>$841</td>
<td>$851</td>
<td>$861</td>
</tr>
<tr>
<td>1 – 4</td>
<td>$925</td>
<td>$935</td>
<td>$945</td>
<td>$955</td>
<td>$965</td>
</tr>
</tbody>
</table>

Note: Add $100.00 for low activation controller.

<table>
<thead>
<tr>
<th>Collection Chamber Flood Proof 002.51-PP-SB (Includes lid order Qty.)</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over 30</td>
<td>$1507</td>
<td>$1522</td>
<td>$1537</td>
<td>$1552</td>
<td>$1567</td>
</tr>
<tr>
<td>5 – 29</td>
<td>$1582</td>
<td>$1597</td>
<td>$1612</td>
<td>$1627</td>
<td>$1642</td>
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<tr>
<td>1 – 4</td>
<td>$1650</td>
<td>$1665</td>
<td>$1680</td>
<td>$1695</td>
<td>$1710</td>
</tr>
</tbody>
</table>

Note: Does not include valve, controller or internal fitting package.
Roediger Pittsburgh, Inc.

The applicable year for pricing shall be the year that delivery is taken for the parts ordered. For years beyond 2008 and until 2013, prices within each category shall not increase at a rate exceeding that of the PPI. Delivery charges from Roediger Pittsburgh to K LWTD are additional, as are any sales taxes that may be or become applicable.

Also at the specific request of the K LWTD's legal counsel, Roediger Pittsburgh now adds that future pricing of new and replacement parts as offered to the K LWTD will be favorable pricing compared to that offered to other Roediger Pittsburgh customers whose order quantities of said new and replacement parts are equal to those of the K LWTD, where favorable is intended to mean equal to or less than.

We expect that this will fulfill your requirements and satisfy any remaining concerns. We are very excited about this project and look forward to its getting underway.

Very truly yours,

ROEDIGER PITTSBURGH, INC.

James R. Datesh
Director, Business Development

JRD/jt

cc: Walt Messer/DN Higgins
    Tom Evans/Tom Evans Environmental

attachment
ROEDIGER PITTSBURGH, INC.

STATEMENT OF LIMITED WARRANTY
for the Key Largo Wastewater Treatment District
Wastewater Management System for the Key Largo Trailer Village Area

Equipment supplied by Roediger for these projects is warranted to be free from defects in materials and workmanship under normal use in service for a period of two (2) years from the date of substantial completion, as that term is defined in the Design/Build Agreement for this project, but in any event no later than forty-two (42) months after delivery.

In the event that its equipment fails to perform, Roediger will repair or replace without charge any part reasonably demonstrated to Roediger to be defective; provided, however, that Roediger is notified promptly in writing and that any such part is returned, upon request, to Roediger's factory in Pittsburgh, Pennsylvania, freight prepaid.

This warranty does not cover wear items designed for replacement under normal use, such as valve diaphragms, pump seals and filters. This warranty also does not cover defects caused by damage or loss resulting from misuse, accident, neglect, improper installation, operation or maintenance. Any repair, modification or adjustment of the equipment performed by someone other than a Roediger-trained service technician voids the warranty set forth herein. This warranty does not cover starting equipment, electrical apparatus or other parts or equipment not manufactured by Roediger, since the same are usually covered by warranties of the respective manufacturer thereof.

THE WARRANTIES SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

Roediger shall not be liable for loss of use, income or profit, incidental, special or, consequential or other similar damages arising, directly or indirectly, out of or occasioned by the operation, use, installation, repair or replacement of the equipment whether such damages are based on a claim of a breach of express or implied warranty (including negligence and fitness for a particular purpose), tortious conduct (including negligence and strict liability) or any other cause of action.

Signature

Charles J. Yetsonish 04/13/04
Executive Vice President
Roediger Pittsburgh, Inc.

KL.V.8 (supersedes all prior versions)
KLWTD Board Meeting
May 5, 2004

Item G - 5

Residents Letter
May 5, 2004

Dear Residents of the Key Largo Park and Key Largo Trailer Village:

The Key Largo Wastewater Treatment District (KLWTD) was established in 2002 by Legislation of the State of Florida to provide wastewater collection and treatment service facilities in Key Largo. The KLWTD Board of Directors is comprised of locally elected officials who are tasked to provide guidance and ensure the best interests of the community are considered.

As you may already be aware, the first KLWTD wastewater collection and treatment facilities will be constructed to serve the Key Largo Park and Key Largo Trailer Village. The KLWTD Board would like to take this opportunity to invite you to an informational meeting at the Key Largo Civic Club to ask questions and learn more about the process. In attendance will be: the KLWTD Engineer, Weiler Engineering Corporation, the Design Engineer, Brown & Caldwell Inc. and the Construction Contractor, The Haskell Company and KLWTD Management. Some issues which will be covered include:

- Detailed Explanation of Collection and Treatment System
- Connections to the Collection System
- Abandonment of Existing Septic Systems and Permitting Issues
- Initial and Monthly Costs
- Financing Options
- Low Income Residents Program

Where: Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Florida 33037

When: June 29, 2004
7:00 P.M.

If you are unable to attend please address your questions to the Key Largo Wastewater Treatment District at P.O. Box 491 Key Largo, Florida 33037, (305) 451-5105 or e-mail at edcastle@aol.com.

We look forward to seeing you at this important meeting. Additionally, you are always cordially invited to attend one of our future Board meetings which are held at the same location.

Sincerely,

Gary Bauman
Chairman
Key Largo Wastewater Treatment District
KLWTD Board Meeting
May 5, 2004

Item G - 6

Draft May 15, 2004 Workshop
Agenda
Key Largo Wastewater Treatment District
Board of Commissioner's Meeting Agenda
10:00 AM Saturday, May 15, 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 May 5, 2004
E. Public Comment

F. Workshop Items
   1. Discussion of the KLWTD Master Plan
      a. Presentation of the Sanitary Sewer Wastewater Master Plan Refinement and recommendations in multi-phases
      b. Presentation of the Draft Scope of Work for the Financial Component to implement the Master Plan

   2. Discussion of the Vacant Lot Issue

   3. Discussion of the Commercial Connection Policy
      a. Presentation of the Draft Scope of Work for the Calusa Camp Resort Connection Financing Options

   4. Discussion of the KLWTD Local Staffing Plan
      a. Review of resumes received
      b. Invitations to Interview and Setting of Interview Schedule

G. Public Comment

H. Meeting Adjournment

0 add action section
1 GSS Am Not
2 selection of a Gen Manager
KLWTD Board Meeting
May 5, 2004

Item H - 2

Quarterly Financial Reports
for the period ending 3/31/04
Dear Commissioners:

Attached are five quarterly financial reports from the Key Largo Wastewater Treatment District accounting records as of March 31, 2004. 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 $112,809.68. Total net assets are $862,605.01. This is a substantial improvement over the previous quarter, due to the receipt of the deed from Monroe County for the parcel of land at MM100.5.

The second report shows a balance sheet (Statement of Net Assets in Governmental Accounting). Our assets are cash of $307,571.15 and fixed assets of $826,234.31, with liabilities of $271,200.45. Net assets again equal $862,605.01.

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 six months of FY 2004 were $147,228.20, comprised mostly of the first MSTU draft from Monroe County. Our expenses were $135,894.70, leaving an operating surplus of $11,333.50.

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 $23,476.00 in revenue and $79,905.17 in expenditures. For Key Largo Trailer Village, there was $1,408,342.21 in revenue and $1,114,103.25 in expenditures, for a net surplus of $294,328.96 in the first six months. Please note the expenditure for the land of $826,234.00 was on Monroe County's books, not the KLWTD books, but is shown as a budgetary convenience.
Commissioners have asked the total amount spent by different agencies out of the total budgeted amounts in the FY 2003-2005 capital budget. I have obtained information from FKAA and Monroe County to allow that comparison also to be made. There is a separate page for Key Largo Park and Key Largo Village. In the KL Park FKAA has spent most of the 148 Funds budgeted. This was spent primarily on Boyle Engineering Design work. Monroe County reimbursed the Health Department $137,527 from the 304 Cess Pit Fund which creates a hole in the KLWTD budget.

In the KL Trailer Village, $437,784 of the $1,097,143 budgeted for FEMA Phase I has been spent, with the FKAA spending $182,857 for Boyle Engineering and administrative expenses. In addition, FKAA has spent $107,098 from the Monroe County match for FEMA funds. Finally, Monroe County has spent $826,236 for the land at MM 100.5 and donated it to the KLWTD.
KEY LARGO WASTEWATER TREATMENT DISTRICT

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

For The Six Months Ended March 31, 2004

OPERATING REVENUES:

Grants $605,584.21
MSTU Ad Valorem Taxes $147,126.40
Other operating revenues -
Total operating revenues $752,710.61

OPERATING EXPENSES:

Board meeting expense $17,011.50
Copy/delivery charges 4,912.59
Postage expense 1,305.71
Insurance expense 5,644.00
Miscellaneous expenses 778.34
Legal newspaper ads 1,147.64
Dues & subscriptions 175.00
Travel 15.00
Telephone 529.51
P/R tax-FICA 1,004.40
P/R tax-Medicare 234.90
Management contract 96,084.35
Legal - general counsel 30,469.57
Utility rate consultant -
Engineering services 120,285.01
Audit & accounting services -
Regulatory/permit fees -
Construction Sevices 360,303.41
Total operating expenses $639,900.93

Operating income (loss) $112,809.68

NON OPERATING REVENUES (EXPENSES):

Interest income 101.80
Interest Expense (377.15)
In Kind Transfers- Monroe County 826,234.31
Total non operating revenues (expenses) $825,958.96

Change in net assets 938,768.64
Total net assets beginning of year (76,163.63)

Total net assets end of March 2004 $862,605.01
Key Largo Wastewater Treatment District  
Statement of Net Assets  
As of March 31, 2004

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$ 307,571.15</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>$ 826,234.31</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$ 1,133,805.46</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities:</td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 168,987.95</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>$ 2,212.50</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>$ 171,200.45</strong></td>
</tr>
<tr>
<td>Non current liabilities:</td>
<td></td>
</tr>
<tr>
<td>Due to Monroe County</td>
<td>$ 100,000.00</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$ 271,200.45</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET ASSETS:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted</td>
<td>$ 862,605.01</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$ 862,605.01</strong></td>
</tr>
</tbody>
</table>
### Key Largo Wastewater Treatment District
#### Statement of Revenues and Expenditures
##### From 10/1/2003 Through 3/31/2004

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Total Budget</th>
<th>Six Months Budget</th>
<th>Six Months Actual</th>
<th>Percent Total Budget Remaining</th>
<th>Total Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>MSTU Ad Valorem Taxes 311001</td>
<td>599,562.00</td>
<td>299,781.00</td>
<td>147,126.40</td>
<td>(75.46)</td>
<td>(452,435.60)</td>
</tr>
<tr>
<td>Miscellaneous Service Charges 343608</td>
<td>2,090.00</td>
<td>1,000.00</td>
<td>0.00</td>
<td>(100.00)</td>
<td>(2,000.00)</td>
</tr>
<tr>
<td>Investment Earnings 361001</td>
<td>4,500.00</td>
<td>2,250.00</td>
<td>101.80</td>
<td>(97.74)</td>
<td>(4,398.20)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>666,152.00</strong></td>
<td><strong>303,031.00</strong></td>
<td><strong>147,228.20</strong></td>
<td>(75.71)</td>
<td>(458,833.80)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Total Budget</th>
<th>Six Months Budget</th>
<th>Six Months Actual</th>
<th>Percent Total Budget Remaining</th>
<th>Total Budget Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board Meeting Expense 511001</td>
<td>45,000.00</td>
<td>22,500.00</td>
<td>17,011.50</td>
<td>62.20</td>
<td>27,988.50</td>
</tr>
<tr>
<td>Copy Charges 511002</td>
<td>8,000.00</td>
<td>4,000.00</td>
<td>4,912.59</td>
<td>38.59</td>
<td>3,087.41</td>
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<tr>
<td>Postage Expense 511003</td>
<td>4,300.00</td>
<td>2,150.00</td>
<td>1,305.71</td>
<td>69.63</td>
<td>2,994.29</td>
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<tr>
<td>Insurance Expense 511004</td>
<td>11,500.00</td>
<td>5,750.00</td>
<td>5,644.00</td>
<td>50.92</td>
<td>5,856.00</td>
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<tr>
<td>Miscellaneous Expenses 511006</td>
<td>1,800.00</td>
<td>900.00</td>
<td>778.34</td>
<td>56.76</td>
<td>1,021.66</td>
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<tr>
<td>Legal Newspaper Ads 511007</td>
<td>2,880.00</td>
<td>1,440.00</td>
<td>1,147.68</td>
<td>60.15</td>
<td>1,732.32</td>
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<tr>
<td>Office Supplies 511008</td>
<td>800.00</td>
<td>400.00</td>
<td>0.00</td>
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<td>800.00</td>
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<td>Dues &amp; Subscriptions 511009</td>
<td>300.00</td>
<td>150.00</td>
<td>175.00</td>
<td>61.67</td>
<td>125.00</td>
</tr>
<tr>
<td>Travel 511010</td>
<td>4,500.00</td>
<td>2,250.00</td>
<td>15.00</td>
<td>99.67</td>
<td>4,485.00</td>
</tr>
<tr>
<td>Rents &amp; Leases 511011</td>
<td>7,200.00</td>
<td>3,600.00</td>
<td>0.00</td>
<td>100.00</td>
<td>7,200.00</td>
</tr>
<tr>
<td>Telephone 511012</td>
<td>600.00</td>
<td>300.00</td>
<td>529.51</td>
<td>11.75</td>
<td>70.49</td>
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<tr>
<td>Utilities 511013</td>
<td>2,160.00</td>
<td>1,080.00</td>
<td>0.00</td>
<td>100.00</td>
<td>2,160.00</td>
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<tr>
<td>P/R Tax-FICA 511211</td>
<td>2,837.00</td>
<td>1,418.50</td>
<td>1,004.40</td>
<td>64.60</td>
<td>1,832.60</td>
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<tr>
<td>P/R Tax-Medicare 511212</td>
<td>663.00</td>
<td>331.50</td>
<td>234.90</td>
<td>64.57</td>
<td>428.10</td>
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<tr>
<td>Regulatory/Permit Fees 515002</td>
<td>2,000.00</td>
<td>1,000.00</td>
<td>0.00</td>
<td>100.00</td>
<td>2,000.00</td>
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<tr>
<td>Reserve for Contingencies 515003</td>
<td>3,888.00</td>
<td>1,944.00</td>
<td>0.00</td>
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<td>3,888.00</td>
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<tr>
<td>Grant Specialist 519001</td>
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<td>0.00</td>
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<td>27,000.00</td>
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<td>Special Projects 519002</td>
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<td>0.00</td>
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<td>122,000.00</td>
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<tr>
<td><strong>Total Board Expenses</strong></td>
<td><strong>247,428.00</strong></td>
<td><strong>122,714.00</strong></td>
<td><strong>32,758.65</strong></td>
<td><strong>86.76</strong></td>
<td><strong>214,669.37</strong></td>
</tr>
<tr>
<td>Operating &amp; Management Services</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Management Contract 512005</td>
<td>129,600.00</td>
<td>64,800.00</td>
<td>64,834.35</td>
<td>49.97</td>
<td>64,765.65</td>
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<td>Total Operating &amp; Management</td>
<td>129,600.00</td>
<td>64,800.00</td>
<td>64,834.35</td>
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<td>64,765.65</td>
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<tr>
<td>Professional Services</td>
<td></td>
<td></td>
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<tr>
<td>Legal - General Counsel 514001</td>
<td>60,000.00</td>
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<td>30,469.57</td>
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Date: 4/28/2004 5:34 PM
# Key Largo Wastewater Treatment District
## Statement of Revenues and Expenditures
From 10/1/2003 Through 3/31/2004

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<th></th>
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<th>Six Months Budget</th>
<th>Six Months Actual</th>
<th>Percent Total Budget</th>
<th>Total Budget Variance</th>
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<td></td>
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<tr>
<td>Special Litigation 514009</td>
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<td>24,000.00</td>
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<td>48,000.00</td>
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<td>Web Page Enhancements 515012</td>
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### Key Large Wastewater Treatment District
Statement of Revenues and Expenditures - KL Park
From 10/1/2003 Through 3/31/2004

<table>
<thead>
<tr>
<th></th>
<th>Total Budget</th>
<th>Current Year Actual</th>
<th>Percent Total Budget</th>
<th>Total Budget Variance</th>
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<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FDEP WW Grant</td>
<td>1,660,000.00</td>
<td>23,476.00</td>
<td>(98.59)</td>
<td>(1,660,000.00)</td>
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<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>
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<td>(100.00)</td>
<td>(705,200.00)</td>
</tr>
<tr>
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<td>(356,000.00)</td>
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<tr>
<td><strong>Total Revenues</strong></td>
<td>3,598,957.00</td>
<td>23,476.00</td>
<td>(99.35)</td>
<td>(3,598,957.00)</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Professional Services</strong></td>
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<tr>
<td>Engineering Services</td>
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<td>100.00</td>
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<td>(56,429.17)</td>
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<td>(79,905.17)</td>
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Key Largo Wastewater Treatment District
Statement of Revenues and Expenditures- KL Trailer Village
From 10/1/2003 Through 3/31/2004

<table>
<thead>
<tr>
<th></th>
<th>Total Budget</th>
<th>Current Year Actual</th>
<th>Remaining</th>
<th>Total Budget Variance</th>
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<td><strong>Revenues</strong></td>
<td></td>
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<td></td>
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<tr>
<td>FEMA PH I WW Construction</td>
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<td>DCA- Cess Pit Grant</td>
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<td>(535,155.00)</td>
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<tr>
<td>DCA- Unmet Needs</td>
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<td>(914,286.00)</td>
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<td>MC 304 Fund FEMA PH 1&amp;2</td>
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<td>(914,285.00)</td>
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<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>SFWMU Grant</td>
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<td><strong>Total Revenues</strong></td>
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<td>(7,591,658.79)</td>
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<tr>
<td><strong>Professional Services</strong></td>
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<td></td>
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<tr>
<td>Engineering Services</td>
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<tr>
<td>Proport. Share KL WWTP</td>
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<td>2,058,511.00</td>
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<tr>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>8,983,187.00</td>
<td>1,114,013.25</td>
<td>(87.60)</td>
<td>7,869,173.75</td>
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Increase (Decrease)

16,814.00
294,328.96
277,514.96
### Key Largo Wastewater Treatment District
#### Sources and Uses of Funds
##### As of March 31, 2004
##### Key Largo Park

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<th>Budget</th>
<th>Amounts Spent</th>
<th>Balance</th>
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<td>KLWTD</td>
<td>FKAA</td>
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<td><strong>Federal:</strong></td>
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</tr>
<tr>
<td>FEMA Phase I</td>
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</tr>
<tr>
<td>FEMA Phase II</td>
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<tr>
<td><strong>Subtotal Federal:</strong></td>
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<td><strong>State of Florida</strong></td>
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<td>FDEP</td>
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<td>FDEP II</td>
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<td>SFWMD</td>
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</tr>
<tr>
<td>DCA- Cess Pit Grant</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>DCA- Unmet Needs</td>
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<td>0</td>
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<td><strong>Local:</strong></td>
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<tr>
<td>304 Fund FEMA Match</td>
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<tr>
<td>148 Fund</td>
<td>356,000</td>
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<td>326,393</td>
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<td>304 Cess Pit Fund</td>
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<td>304 Land Purchase</td>
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<tr>
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<td><strong>Totals</strong></td>
<td>3,598,957</td>
<td>78,483</td>
<td>326,393</td>
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</table>
# Key Largo Wastewater Treatment District

## Sources and Uses of Funds

As of March 31, 2004

Key Largo Trailer Village

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<thead>
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<th>Sources:</th>
<th>Budget Amounts Spent</th>
<th>Balance</th>
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</thead>
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<td>KLWTD</td>
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<tr>
<td><strong>Federal:</strong></td>
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</tr>
<tr>
<td>FEMA Phase I</td>
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<td>FEMA Phase II</td>
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<td><strong>Subtotal Federal:</strong></td>
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<td><strong>State of Florida</strong></td>
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<td>FDEP</td>
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<td>0</td>
</tr>
<tr>
<td>FDEP II</td>
<td>0</td>
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</tr>
<tr>
<td>SFWMD</td>
<td>100,000</td>
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</tr>
<tr>
<td>DCA- Cess Pit Grant</td>
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<td>0</td>
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<tr>
<td>DCA- Unmet Needs</td>
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<td><strong>Subtotal State:</strong></td>
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<td><strong>Local:</strong></td>
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<tr>
<td>304 Fund FEMA Match</td>
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<td>0</td>
</tr>
<tr>
<td>148 Fund</td>
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<td>224,327</td>
<td>0</td>
</tr>
<tr>
<td>304 Land Purchase</td>
<td>826,234</td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal Local:</strong></td>
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</tr>
<tr>
<td><strong>Totals</strong></td>
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<td>254,927</td>
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</tbody>
</table>
KLWTD Board Meeting
May 5, 2004

Item I - 1

Engineer’s Report
for the period ending 4/28/04
Key Largo Wastewater Treatment District
Engineering Status Report
Period Ending 04/28/04

Client Issues

Design Submittal Protocol
WEC modified the Design Submittal Protocol to more accurately reflect the steps in the review process. The modified Protocol has been forwarded to The Haskell Company for their review. If the changes meet with their approval, The Haskell Company will submit the Protocol for final acceptance.

Strategic Planning
The Strategic Framework developed at the workshop with Herbert Marlowe was submitted in draft form. The Board accepted the framework and asked that it be put on the agenda to be updated by the Board every 90 days.

The existing framework has specific goals to be achieved and includes participants and projected dates of completion for many items. The next workshop has been scheduled for May 15th.

Key Largo Wastewater Master Plan
It has been recommended by Staff that the Board consider further refining the Monroe County Sanitary Wastewater Master Plan. Although the existing Master Plan identifies hot spots, ranks them in order of importance, and associates estimated construction costs with each area, it does not identify the most cost effective means of providing wastewater treatment for the entire District.

WEC has prepared a scope of work for providing the necessary components to take the Master Plan to the next level. It is envisioned that the refined Master Plan would be used as a planning tool for phased implementation of a central sewer system to serve all of the Key Largo Wastewater Treatment District. The refinement would include laying out and sizing the force main network that will eventually serve the entire area and a plan for transitioning the wastewater treatment facility from a series of package plants to a field erected regional plant with sufficient capacity to meet the needs of the entire District. A crucial component of this planning tool will be an evaluation of the cost impact each project would have on future projects, with the goal being to establish an overall plan, using available incremental funding, that provides the best value.

Prepared for the KLWTD Board by:
Ed Castle, Project Manager
WEC has been asked to break down the refinement task into subtasks that can be performed in increments without sacrificing the intent of developing an overall planning tool. WEC intends to propose alternative scopes of work that will achieve the end goal at the May 15th workshop.

**Treatment Plant**
The 60% Design Development submittal for the WWTP was received on April 16th. The package included the WWTP permit application and supporting Engineering Report. Comments prepared by WEC were submitted to the Design Review Team on April 19th. Initially, a review meeting was scheduled for April 21st, but that meeting was postponed to May 4th.

The preliminary comments by WEC were provided to all Board members earlier, and will not be repeated in this report. One additional comment was submitted to The Haskell Company after further review. This comment pertained to the internal process water recycle stream’s point of discharge into the wastewater treatment plant.

GSG provided written comments regarding the WWTP 60% design documents as well.

**Key Largo Park and Key Largo Trailer Village**
The KLP and KLTV collection system permit application was submitted to the FDEP by The Haskell Company. The FDEP issued a Request for Additional Information on April 26th. The application will remain incomplete until the additional information is provided. The Haskell Company will provide the requested information.

**Haskell Pay Applications**
WEC received Pay Application No. 6 in draft form in early April. Payment Application No. 2 for Change Order No. 1 was also received. Additional information was requested from The Haskell Company to support their requests for payment.

WEC noted that although 100% payment was requested for the 30% Design Submittal, the Preliminary Grading, Drainage, Landscaping and Electrical Site Plan and the Preliminary Landscaping Plan components had not yet been supplied. The missing components were supplied and the progress payment was approved in the amount requested.

Payment on the 60% Design Submittal was requested in an amount equal to 62.4% of the total. To justify this amount, some additional supporting documentation was requested. An electronic version of the 60% Collection System Design was requested and received. The requested summary of work on the 60% WWTP design was not supplied and the billing was reduced accordingly.

With the additional information supplied and with the appropriate adjustments made to the requested pay amounts, WEC was able to approve Application No. 6.

*Prepared for the KLWTD Board by:*
*Ed Castle, Project Manager*
The Haskell Company submitted Pay Application No. 2 on Change Order No. 1 during this period. Change Order No. 1 is the redesign of the Key Largo Park collection system. Application No. 2 requested payment for work done on the KLP redesign beyond the 60% Design Submittal. WEC requested a summary of progress made to date to support the request for progress payments on the 90% Design and Final Design Submittals. Due to the short period of time available to provide the requested information, The Haskell Company withdrew the request. Additional payment on Change Order No. 1 will be requested at a later date.

**Regulatory Compliance Issues**

As discussed earlier, the KLTV and KLP collection system permit application was submitted to FDEP in April. Responses to the Request for Additional Information will be provided by The Haskell Company.

Substantial work has been produced on the WWTP design and the permit application has been filled out. Following the design review meeting scheduled for May 4th, it is anticipated that The Haskell Company will submit this application as well.

The FDOT permit application has also been prepared by The Haskell Company.

**Project Team Meetings and Actions**

WEC participated in the normally scheduled weekly Working Group conference calls each Monday during the period. WEC also attended the April 7th and April 21st Board meetings. WEC met prior to each meeting with GSG, Tom Dillon and representatives from the Design/Build team in preparation for the Board meetings. Ed Castle’s attendance at the Monroe County BOCC meeting was required, so he did not attend the Staff meeting prior to the KLWTD Board meeting, but did attend the bulk of that meeting.

Ed Castle and Mike Hatfield of WEC also met individually with three Board members on April 7th to discuss the scope of work for the refinement of the Master Plan and various other topics. The three Board members were Gary Bauman, Andy Tobin and Charles

*Prepared for the KLWTD Board by:*  
*Ed Castle, Project Manager*
Brooks. Ed Castle also had a detailed telephone conversation with Jerry Wilkinson regarding the scope of the refinement of the Master Plan.
Item K - 1

Commissioner Tobin
Discussion of laboratory Testing
for Near Shore Water Quality
From: Andrew Tobin [Tobinlaw@Terranova.net]
Sent: Tuesday, April 27, 2004 3:53 PM
To: Faith Doyle; Charles S. Brooks (E-mail); Charles Sweat; Chuck Fishburn; Cris Beaty (E-mail); David Miles; Ed Castle; Gary Bauman (E-mail); Jeff Weiler; Jerry Wilkinson (E-mail); Robert Sheets; Thomas Dillon
Subject: Laboratory Testing

All;

I have been speaking to a scientist with statistical and research experience in water quality issues. He suggests that we hire an independent laboratory and pay them. Even if we get fewer samples, labs are used to doing things right. Volunteers may take more samples but the quality of the testing is not nearly as good.

He suggests 3 sample areas: a) in the affected canal; b) at the mouth of the affected canal to see if cleaning up of the canal influences adjacent near shore waters; and 3) outside of the affected area as a control to see if the near shore water and outside areas are similar.

If the budget is $8,000 then I propose seeking formal bids. At least we will get the benefit of a lab bidding on the job.

Faith, please add this to the agenda as a discussion item.

Andrew M. Tobin
P.O. Box 620
Tavernier, FL 33070
305-852-3388
Tobinlaw@Terranova.net
----- Original Message ----- 
From: "Faith Doyle" <FDoyle@govmserv.com>
To: "Andrew M. Tobin Esq. (E-mail)" <Tobinlaw@terranova.net>; "Charles S. Brooks (E-mail)" <cbrooks442@aol.com>; "Charles Sweat" <csweat@govmserv.com>; "Chuck Fishburn" <cffishburn@aol.com>; "Cris Beaty (E-mail)" <cris.beaty@hirco.com>; "David Miles" <DMiles@GovMServ.com>; "Ed Castle" <edcastle@aol.com>; "Gary Bauman (E-mail)" <g.bauman@dolphinpatioandgrill.com>; "Jeff Weiler" <jeff@wellerengineering.org>; "Jerry Wilkinson (E-mail)" <jerry142@terranova.net>; "Robert Sheets" <rsheets@govserv.com>; "Thomas Dillon" <ThomasDillon@Terranova.net>
Sent: Tuesday, April 27, 2004 12:04 PM
Subject: GSG's new Orlando address

> Please note our NEW address:
> Government Services Group, Inc.
> 280 Wekiva Springs Road
> Suite 203
> Longwood, FL 32779
> Please note our NEW phone extensions:
> Charles L. Sweat 102 David R. Miles 103
> Richard G. Foster 104 Emmett Wainwright 105
> Faith Doyle 106 Jay Roma 107
> Vickey Beauleiu 109 Zoila Gorrin 108
> Clara Dozier 112
> Our phone numbers will remain the same! 407-629-6900 fax 407-629-6963
> Faith Doyle
> Clerk to the Board
> c/o Government Services Group, Inc.
I'm wondering if the idea of laboratory testing is really a good use of District resources. I'm not sure that a limited testing program will show any scientifically reliable results.

I'm also concerned that the data may raise issues that the District should not have to address. For example, if the samples do not show a reduction in sewage-type pollutants, arguments could be raised about the efficacy of the program, which could then cause the District to spend more resources to figure out why the pollutants have not been reduced.

In any case, it is unlikely that positive results, i.e., a reduction in pollutants, will be shown by a limited sampling program to be the result of District projects. In short, I see the potential for serious negative conclusions and little potential for positive conclusions from a limited program.

Tom

----- Original Message -----  
From:  "Andrew Tobin" <Tobinlaw@Terranova.net>  
To:  "Faith Doyle" <FD Doyle@govmserv.com>;  "Charles S. Brooks (E-mail)" <cbrooks442@aol.com>;  "Charles Sweat" <csweat@govmserv.com>;  "Chuck Fishburn" <cffishburn@aol.com>;  "Cris Beaty (E-mail)" <cris.beaty@hirco.com>;  "David Miles" <DMiles@GovMServ.com>;  "Ed Castle" <edcastle@aol.com>;  "Gary Bauman (E-mail)" <g.bauman@dolphinpatioandgrill.com>;  "Jeff Weiler" <jeff@weilerengineering.org>;  "Jerry Wilkinson (E-mail)" <jerry142@terranova.net>;  "Robert Sheets" <rsheets@govserv.com>;  "Thomas Dillon" <ThomasDillon@terranova.net> 
Sent: Tuesday, April 27, 2004 3:53 PM 
Subject: Laboratory Testing

> All; 
> 
> I have been speaking to a scientist with statistical and research experience 
> in water quality issues. 
> He suggests that we hire an independent laboratory and pay them. Even if we 
> get fewer samples, labs are used to doing things right. Volunteers may take 
> more samples but the quality of the testing is not nearly as good. 
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> He suggests 3 sample areas: a) in the affected canal; b) at the mouth of the 
> affected canal to see if cleaning up of the canal influences adjacent near 
> shore waters; and 3) outside of the affected area as a control to see if the 
> near shore water and outside areas are similar. 
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> If the budget is $8,000 then I propose seeking formal bids. At least we 
> will 
> get the benefit of a lab bidding on the job. 
> 
> Faith, please add this to the agenda as a discussion items.
Faith Doyle

From: EdRCastle@aol.com
Sent: Wednesday, April 28, 2004 8:29 AM
To: thomasdillon@terranova.net; Tobinlaw@Terranova.net; FDoyle@govmserv.com; CBrooks442@aol.com; csweat@govmserv.com; Cfishburn@aol.com; cris.beaty@ihrco.com; DMiles@GovMServ.com; g.bauman@dolphinpatioandgrill.com; jeff@weilerengineering.org; jerry142@terranova.net; rsheets@govserv.com

Subject: Re: Laboratory Testing

While considering the testing options, please consider FDEP’s position. They have a comprehensive testing program in place for the Little Venice service area, assisted by funding from the EPA. The program costs in excess of $100,000 per year. According to Gus Rios of FDEP, the intent was to document changes in water quality that may result from providing sewage treatment for the area. The changes in water quality realized in the Little Venice area can then be expected to occur in other similar areas as they are sewered. The FDEP sees no need to spend large sums of money testing all areas when similar results can reasonably be expected.

Ed
KLWTD Board Meeting
May 5, 2004

Item K - 2

Commissioner Tobin
Discussion of KLWTD Lobbyist in Washington, D.C.
Faith Doyle

From: Andrew Tobin [Tobinlaw@Terranova.net]
Sent: Wednesday, April 28, 2004 11:28 AM
To: Faith Doyle; Charles S. Brooks (E-mail); Charles Sweat; Chuck Fishburn; Cris Beaty (E-mail); David Miles; Ed Castle; Gary Bauman (E-mail); Jeff Weiler; Jerry Wilkinson (E-mail); Robert Sheets; Thomas Dillon
Subject: Re: Draft KLWTD 5-5-04 Agenda

Faith: Please add the following for discussion:

Jody Thomas from the Nature Conservancy called about the possibility of someone from KLWTD going to Washington to lobby for money for money.

Andrew M. Tobin
P.O. Box 620
Tavernier, FL 33070
305-852-3388
Tobinlaw@Terranova.net
----- Original Message ----- 
From: "Faith Doyle" <FDoyle@govmserv.com>
To: "Andrew M. Tobin Esq. (E-mail)" <Tobinlaw@terranova.net>; "Charles S. Brooks (E-mail)" <cbrooks442@aol.com>; "Charles Sweat" <csweat@govmserv.com>; "Chuck Fishburn" <cffishburn@aol.com>; "Cris Beaty (E-mail)" <cris.beaty@ihro.com>; "David Miles" <DMiles@GovMServ.com>; "Ed Castle" <edcastle@aol.com>; "Gary Bauman (E-mail)" <g.bauman@dolphinpatioandgrill.com>; "Jeff Weiler" <jeff@weillerengineering.org>; "Jerry Wilkinson (E-mail)" <jerry142@terranova.net>; "Robert Sheets" <rsheets@govserv.com>; "Thomas Dillon" <ThomasDillon@terranova.net>

Sent: Tuesday, April 27, 2004 3:08 PM
Subject: Draft KLWTD 5-5-04 Agenda

> Gentlemen,
>
> Please review the attached and let me know if you have anything you want
> added .......
>
> Andy and Charlie, If you gathered any information on the potential rental
> properties please forward it to me ASAP.......
>
> <<Agenda DRAFT KLWTD 5-5-4 .doc>>
>
> Faith Doyle
> Clerk to the Board
> c/o Government Services Group, Inc.
> 280 Wekiva Springs Road, Suite 203
> Longwood, FL 32779
> Phone (407) 629-6900
> Fax (407) 629-6963
> Cell (321) 246-0059
>
>
KLWTD Board Meeting
May 5, 2004

Item L - 2

Memorandum on
Water Quality Testing
As requested by the Board at the April 21, 2004 Meeting, staff has contacted Dr. Dan Canfield, Director of the Florida Lakewatch Program, to initiate a near-shore water quality monitoring program for Key Largo. During a conversation with Dr. Canfield he wanted to thank the KLWTD for offering to support the citizen water quality monitoring program Florida LAKEWATCH/PROJECT-COAST. He reiterated that Lakewatch would be willing to include Key Largo in its program for an approximate $8,000 a year donation, to cover the lab fees and transportation costs associated with delivery of the samples.

Due to time constraints a sampling plan has not been completed at this time. Staff is arranging a meeting, in the month of May, with the Lakewatch staff to discuss the approach and to insure that the monitoring program is designed to address the Board's concerns. The determination of “water quality” must be defined as it relates to nutrients such as phosphorus and nitrogen, algal growth and bacteriological contamination and sample locations must be strategically located. Following this meeting Staff will present to the Board the sampling/monitoring plan.

Florida Lakewatch, as previously reported, is a volunteer citizen lake monitoring program that facilitates citizen participation in the management of Florida lakes through monthly monitoring activities. The saltwater testing done in the Keys is leftover from a similar program called Coastwatch. The state funding for Coastwatch is no longer available, however as previously stated, they still facilitate some water quality monitoring in the Keys. The tests run by Lakewatch include total phosphorus, total nitrogen, chlorophyll and visibility. Volunteers are used to collect the samples and state funding pays for the laboratory fees. The results are then posted on the Lakewatch website for general public dissemination.

If you have any questions please feel free to contact me.
Item L - 3

Revised Project Design Protocol
April 26, 2004

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 listed project participants for review and comment allowing a minimum of seven (7) days working days for review prior to the scheduled meeting. No later than two (2) working days prior to the meeting, the KLIWTD General Manager will collect written review comments from the KLIWTD project participants. The General Manager will submit the written comments to the Design/Build project participants.
Mr. Robert Sheets  
April 26, 2004  
Page 2

The K LWTD project participants are:

- Charlie Brooks of K LWTD (1 Full Size Set)  
- Jerry Wilkinson of K LWTD (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 - (1 Half Size Set) This set to be preserved as the official record of the submittal.

The Design-Build project participants are:

- Ted Hortenstins, Brown & Caldwell  
- Stuart Oppenheim, Brown & Caldwell  
- Joe Paterniti, Brown & Caldwell  
- Peter Kinsley, The Haskell Company  
- Will English, The Haskell Company

District Clerk - (1 Half Size Set) This set to be preserved as the official record of the submittal.

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, the 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
The Haskell Company's designers transmit written replies to design review comments, both written and oral, made by all project participants within three (3) working days of design review meeting to the KLWTD project participants. The KLWTD General Manager will maintain an issue's log in which unresolved issues of importance are tracked. 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.
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>
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<td>6/11/04</td>
<td>6/17/04</td>
<td>6/28/04</td>
<td>7/2/04</td>
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<td>Final - Collection</td>
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<td>Final - Plant</td>
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<td>7/9/04</td>
<td>7/12/04</td>
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Should you have any questions or require further information, please do not hesitate to contact me at (904) 357-4868.

Sincerely,

Peter M. Kinsley
Division Leader - Water

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
### Key Largo Wastewater Treatment District

**Guest Sign In Sheet**

*Wednesday, May 5, 2004*

#### Please Print

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<th>Name &amp; Company</th>
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AMENDMENT TO MANAGEMENT SERVICES AGREEMENT  
By and Between  
Key Largo Wastewater Treatment District  
And  
Government Services Group, Inc.  
Dated April 9, 2003

THIS AMENDMENT to the Management Services Agreement by and between Key Largo Wastewater Treatment District ("District") and Government Services Group, Inc. ("GSG") is effective May 1, 2004.

WHEREAS, on or about April 9, 2003 the District and GSG entered into a written Management Services Agreement; and

WHEREAS, on or about July 30, 2003, the District and GSG agreed to "KLNWTD Work Authorization No. GSG 03-01" covering capital project and grants administration and management; and

WHEREAS, on or about February 24, 2004, the parties amended the Agreement by letter agreement, with regard to capital project and grants administration and management, providing that such services would be provided and invoiced on an hourly basis; and

WHEREAS, the Management Services Agreement, KLNWTD Work Authorization No. GSG 03-01, and the letter agreement of February 18, 2004, and this Amendment together comprise the entire agreement ("Agreement") of the parties with regard to services provided to the District by GSG; and

WHEREAS, the parties desire to amend the Agreement to provide for transition to local management by the District through District Employees and to change the billing procedures;

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

1. This amendment shall apply to service provided to the District by GSG on and after May 1, 2004.

2. Until further written notice from the District to GSG, GSG shall continue to provide the District with Basic Services and Additional Services as those services are described in the Management Services Agreement, and with Capital Project Administration and Grants Management services as described in KLNWTD Work Authorization No. GSG 03-01.

3. GSG will provide services through the following individuals at the following rates.

<table>
<thead>
<tr>
<th>Title</th>
<th>Named Individual</th>
<th>Billing Rate</th>
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<tbody>
<tr>
<td>District Manager</td>
<td>Robert Sheets</td>
<td>$160/hr</td>
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<tr>
<td>Director of Operations</td>
<td>Charles Sweat</td>
<td>$150/hr</td>
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<td>Chief Financial Officer</td>
<td>David Miles</td>
<td>$130/hour</td>
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<tr>
<td>Project Manager</td>
<td>Charles Fishburn</td>
<td>$90/hour</td>
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<tr>
<td>Accountant</td>
<td>various</td>
<td>$85/hour</td>
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<tr>
<td>Clerk</td>
<td>Faith Doyle</td>
<td>$40/hour</td>
</tr>
<tr>
<td>Secretarial and support</td>
<td>various</td>
<td>$40/hour</td>
</tr>
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</table>
Expenses: copies $0.10/page
Travel in accordance with Fla. Stat. 112.061.

Provided that the services provided by GSG in any calendar month for services described in the Management Services Agreement are subject to maximum charge of $10,800 plus expenses, regardless of the number of hours of services provided and regardless of whether the hourly charges for the number of hours of services provided in that month would exceed $10,800, and

Provided further that the services provided by GSG in any calendar month for services described in KLWTD Work Authorization No. GSG 03-01 are subject to a maximum charge of $6,250 plus expenses, regardless of the number of hours of services provided and regardless of whether the hourly charges for the number of hours of services provided in that month would exceed $6,250, and

Provided further that GSG shall not charge the District for the time spent by GSG personnel in traveling between their normal place of work and Key Largo, Florida.

4. GSG will invoice the District once per month for services provided during the preceding month. All invoices will be supported by narrative time sheets listing, with respect to each block of time:
   - The name of the person providing the services,
   - A brief description of the services provided,
   - If the services consist of a meeting or phone call, the names of the other participants,
   - The time spent, rounded up to the nearest 0.1 hour.

5. GSG will provide such services at the direction of the District, acting through an authorized representative, and will perform only such services as directed by the District’s authorized representative after consultation. To that end, GSG will maintain regular telephone and e-mail contact with the District’s authorized representative, not less than twice per week, to discuss the services to be performed in the coming week, and to receive direction as to the level of effort approved. As soon as practicable after any telephonic communication, GSG will send a confirming email to the District’s authorized representative. The District’s initial authorized representative is _________________. By written notice to GSG, the District may change the authorized representative.

6. It is expressly agreed and understood by and between the parties that nothing in this Amendment is intended to modify in any way the compensation of GSG for services provided to the District on or before April 30, 2004, and that GSG shall be entitled to compensation for such services under the Agreement as it existed prior to this Amendment.

7. It is further expressly agreed and understood that the District intends to reduce the level of services provided by GSG, and that GSG waives any and all claims for lost profits, lost income, lost business opportunities, and any other claims, whether similar or dissimilar to those stated, as a result of the reduction in services to be provided to the District. This waiver does not apply to claims for compensation for services provided to the District on or before April 30, 2003.
8. As amended by this Amendment, the written instruments comprising the Agreement, as listed above in the recitals, constitute the entire agreement of the parties with regard to services provided, and to be provided by GSG to the District.

Signature block
Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]
Sent: Monday, May 03, 2004 4:11 PM
To: Robert Sheets; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail);
       Jerry Wilkinson; Faith Doyle

Subject: GSG contract

I have reviewed all of the comments sent to me by Board members and GSG regarding amendment of the GSG contract, as well as the contract documents of which I am aware.

In response to the concerns expressed, I have drafted an amendment to the GSG contract for concurrent review by GSG and the Board. This amendment would cover services provided on or after 5/1/04.

I suggest that this item be added to the agenda for discussion and action on 5/5/04.
Faith Doyle

From: Jerry Wilkinson [jerry142@terranova.net]
Sent: Monday, May 03, 2004 5:33 PM
To: Thomas Dillon; Robert Sheets; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail); Faith Doyle
Subject: RE: GSG contract

Tom:

Should something be included re transfer and physical delivery of all records, documents, library material and checking accounts, etc. The idea of this move is to eventually transition all elements and functions from GSG to direct District control.
Thanks,
Jerry

-----Original Message-----
From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Monday, May 03, 2004 3:11 PM
To: Robert Sheets; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail);
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5/3/04
Faith Doyle

From: Jerry Wilkinson [jerry142@terranova.net]
Sent: Monday, May 03, 2004 11:46 PM
To: Thomas Dillon; Robert Sheets; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail); Faith Doyle

Subject: RE: GSG contract

Tom:

Now that I have had time to study the contract amendment with a fair amount of attention, my only suggestion is the first paragraph should be changed to be effective May, 10, 2004. If not we will be paying twice, once under the original contract and again under this amendment, especially for GSG services on May 4 and May 5. In my opinion, they have already been paid for this period and should work its entire contract period.

Out of the starting gate, the Board should decide on May 5th who under the approved agreement will attend the May 15th workshop. It is my suggestion that the agenda in Item G-4 for the May 15th meeting be one large item - to select the Manager. Board members should have interviewed the candidates beforehand and not create a circus of meaningless vocal 12th hour questions with no time to verify replies. After selection, there are many, many immediate decisions/tasks the least not being the salary and the selection of his staff. The Manager should select his staff.

I believe the other proposed May 15th agenda items of the Master Plan, Commercial Connection Policy, Vacant Lot Issues and Calusa Camp Resort are not apropos as the Manager Select should have a major lead in these items. For us to saddle the Manager select with fixed decisions is tantamount as what happened to us by the County and the FKAA before we were elected.

My justification for this thinking is that the District and GSG are simply "marking time" until local management is established. Additionally, a quick reading of the Monroe County site mitigation letter of 28 April, 2004 will require at least one year to prepare the MM 100.5 site for construction. I personally do not support making any binding decisions of substantial effect until the District has a viable local management. Temporary office space is available should that be a concern. To accomplish the May 15th meeting, only Mr. Sheets, Mr. Dillon and Faith need to be present.

Carry over items can be carried forth to the meeting on May 19th. We must remember that someone must prepare and distribute that agenda which will be those not decided at the May 5th and 15th meeting.

Jerry Wilkinson

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

From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Monday, May 03, 2004 3:11 PM
To: Robert Sheets; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail);
Jerry Wilkinson; Faith Doyle

Subject: GSG contract

I have reviewed all of the comments sent to me by Board members and GSG regarding amendment of the GSG contract, as well as the contract documents of which I am aware.

In response to the concerns expressed, I have drafted an amendment to the GSG contract for concurrent review by GSG and the Board. This amendment would cover services provided on or after 5/1/04.

I suggest that this item be added to the agenda for discussion and action on 5/5/04
Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]
Sent: Thursday, April 29, 2004 12:24 PM
To: Robert Sheets
Subject: Re: Continuation of GSG Contract for Management Services

Robert,

I think we need two additional provisions:

One should say the effective date. I think we discussed 5/1/04.

The other should say that you will provide itemized billing with descriptions of work done. You need to tell me what level of detail you can achieve.

Tom

----- Original Message ----- 
From: Shari Hill 
To: 'thomasdillon@terranova.net'
Sent: Wednesday, April 28, 2004 10:46 AM
Subject: Continuation of GSG Contract for Management Services

Please review the attached agreement for proper form and content and let me know your comments.

Shari S. Hill
shill@govserv.com
Executive Assistant
Government Services Group, Inc.
1500 Mahan Drive, Suite 250
Tallahassee, FL 32308
(850) 681-3717 office
(850) 224-7206 fax
www.govserv.com

4/30/04
April 30, 2004

VIA ELECTRONIC MAIL TRANSMISSION
& HAND DELIVERY

Gary Bauman
KLWTD Chairman
855 Ellen Drive
Key Largo, FL 33037

Re: Continuation of Government Services Group, Inc. Contract
for Management Services.

Dear Gary:

The board has requested and GSG has agreed, to stay on and provide
basic administrative and management services beyond our May 9, 2004,
deadline. GSG agrees to provide all of the services described in the
Management Services Agreement with the District on a time and material
basis. We also understand that this time and material basis will be
capped at $10,800 per month. Any work provided that falls under the
definition “Additional Services” would necessitate a separate work order
approved by the Board prior to any work commencing.

I have provided in the table below, the agreed upon hourly rates for all
employees involved with providing basic services. They are as follows:

<table>
<thead>
<tr>
<th>Position</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Manager</td>
<td>$160/hr</td>
</tr>
<tr>
<td>Director of Operations</td>
<td>$150/hr</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>$130/hr</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$90/hr</td>
</tr>
<tr>
<td>Accountant</td>
<td>$85/hr</td>
</tr>
<tr>
<td>Secretarial &amp; Administrative Support Staff</td>
<td>$40/hr</td>
</tr>
</tbody>
</table>

This agreement may be modified as the District makes decisions
regarding the hiring of local staff. Modification will take the form of a
written amendment to the agreement between the District and GSG.
We look forward to working with you and continuing to support the District as they move forward in completing KLTV and KLP. I hope this agreement is responsive to the District and is consistent with your direction.

Sincerely,

[Signature]

Robert E. Sheets  
District Manager

RS/ssh

cc: Thomas Dillon  
KLWTD Board Members

These terms are hereby accepted, agreed upon and executed by:

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
</table>

Name: Gary Bauman  
KLWTD Chairman  
855 Ellen Drive  
Key Largo, FL 33037
Faith Doyle

From: Jerry Wilkinson [jerry142@terranova.net]
Sent: Friday, April 30, 2004 1:47 PM
To: Robert Sheets
Cc: Tom Dillon; Faith Doyle; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Subject: Transition of responsibility

Robert:

According to our letter of February 10, 2004, Notice of Termination of Contract, GSG is terminated as of May 9, 2004. In this letter you expressed that you will continue under a separate agreement. Upon verifying my memory with the minutes of April 7, 2004 You were "to provide a list of costs for certain tasks for discussion at the April 21, 2004 meeting." Following your verbal comments of more or less you would continue on a month-to-month basis the minutes reflect the following official Board action: "Commissioner Wilkinson moved to continue with Government Services Group on a month to month basis at "Status Quo" as of May 10 and until they are told not to. Commissioner Brooks seconded the motion. All were in favor." I see not reason for anything else than this motion. We are bound by this, the fee is set, so why anything else. I do see after one or two months, stepping down the fee to say $5,000, then later to $2 500, etc. but all this depends on how things go. There has to be some trust involved. GSG has been prepaid many months of fees for which it did little.

A list of costs for certain tasks has not been provided but instead there was a proposed agreement on April 21, 2004, which you directed Charles Sweat to withdraw. That agreement more or less complied with the unanimous direction of the Board.

I do not know where all these flippy-floppy bait and switch proposals are coming from, but I am of the opinion that the Board as a collegial body gave specific direction for the continuation until a local staff has been established. As you said verbally we will have to come to some understanding of reducing the payments during the transition period. To get this started, we need to interview and hire the manager on May 15th.

Since GSG does not have a contract as of May 10, 2004, I am now of the opinion that if the prescribed direction of the Board cannot be followed; the Board should on May 5, 2004 select and hire a general manager with directions to immediately interview applicants for a staff and establish an interim Key Largo office.

Jerry Wilkinson
Faith Doyle

From: Jerry Wilkinson [jerry142@terranova.net]
Sent: Friday, April 30, 2004 1:16 AM
To: Robert Sheets
Cc: Faith Doyle; Tom Dillon; Cris Beaty; Charlie Brooks; Andy Tobin; Gary Bauman
Subject: Continuation of GSG services

Robert:

I am very confused and disappointed that we are going into the 12th hour with such a vague agreement that I have never seen or heard of before. This is not what you agreed to all along, albeit, it could be a choice as anything could. I also thought and do consider that all services from GSG were terminated in May based YOUR volunteering to continue at the established fixed fees with the caveat that they be phased out as local management is on line. When you used the term GSG exercising the 90-day termination, I assumed you meant GSG in its entirety. This includes all of grant and construction management - everything. Please clarify.

Perhaps I am wrong in my first reading. What does "capped" mean? What this could mean is that you will continue with full staff and total efforts after the TOTAL amount reaches $10,800 regardless of the actual amount of work, but something tells me it means to you that GSG will cease work. Exactly and specifically what happens to GSG part/parts of District business when the $10,800 is reached?

Who will determine what tasks, who will perform them, what overlapping, oversight costs, etc to reach the $10,800?

Where is a clear and legal definition of "additional services?" With some of GSG in Tallahassee and some in Orlando, there is not sufficient time to wait on a Board meeting to separate routine and additional services back and forth.

For me to approve this agreement I would have to specific task each position of every job with a fully understood time and outcome expected.

From my understanding, the District would be committing suicide and bankruptcy simultaneously by approving this agreement.

Exactly what are your intended commitments to the K LWTD should this agreement not be approved on May 5th?

Please clarify the thousands of questions that are in my mind as if YOU were about to sign a contract on our behalf such as this.

Jerry Wilkinson
Vice Chairman
KLWB

4/30/04
Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]
Sent: Monday, May 03, 2004 8:58 AM
To: Robert Sheets; EdRCastle@aol.com; David Miles; Charles Sweat; Charles Fishburn; Jeff Weiler; weiler7@comcast.net; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail); Jerry Wilkinson; Faith Doyle

Subject: Kinsley email

Attached is the latest email from Haskell regarding the status of the delay issue.
Tom
Faith Doyle

From: Kinsley, Peter M. [peter.kinsley@thehaskellco.com]
Sent: Friday, April 30, 2004 2:04 PM
To: 'Thomas Dillon'
Subject: RE: draft amendment No. 1

The purpose was to discuss settlement and our response in further detail. I am growing concerned that the delays experienced on the project may become more problematic if Walt is not provided assurance that things will be worked out. As I have stated multiple times, I am trying to resolve things at the project level and the purpose of the meeting with you and GSG was to create/confirm continuity amongst ourselves. Based upon the current position of documents, I owe you a rather heated response that quite frankly should be prepared by our legal folks in lieu of myself. This is precisely what I am trying to avoid. Not because I fear the outcome, but because it is a waste of time and money if resolution can be reached by other means. I will be in Key Largo for the plan review on Tuesday and around on Wednesday awaiting the board meeting. I suspect that Walt will be attending this Board meeting. If you feel a meeting is worthwhile then let me know. If not, I accept your position.

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

-----Original Message-----
From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Friday, April 30, 2004 12:02 PM
To: Kinsley, Peter M.
Subject: Re: draft amendment No. 1

Peter,

I'm not sure what the purpose of the meeting is. I'm still waiting for your assurance regarding the extension of time and your proposed method of calculating increased labor and materials costs.

Please provide a description of the items to be discussed at the meeting.

Tom

----- Original Message -----  
From: Kinsley, Peter M.
To: 'Thomas Dillon'
Sent: Thursday, April 29, 2004 6:22 PM
Subject: RE: draft amendment No. 1

I understand your position and the position of the board, but you did not answer the question regarding meeting with DN Higgins.

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

-----Original Message-----
From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Thursday, April 29, 2004 4:31 PM  
To: Kinsley, Peter M.  
Subject: Re: draft amendment No. 1

Peter,

As I have advised you, I will support a time extension provided you give the District assurance in writing that the time extension will not be the basis for a claim for additional compensation for such items as extended overhead or other direct or indirect costs incurred by Haskell because of the delay, except for increased costs of labor and materials.

With regard to increased costs for labor and materials, the District has not agreed to additional compensation on account of cost increases, and awaits information allowing an analysis of entitlement, causation, and quantum.

Tom

----- Original Message -----  
From: Kinsley, Peter M.  
To: 'Thomas Dillon'  
Sent: Thursday, April 29, 2004 9:52 AM  
Subject: RE: draft amendment No. 1

I have comments back from our attorney that I believe will be acceptable to all. I have meetings for the next few hours, but will forward them thereafter and comment on your points below.

On a different note, are you available to meet with Walt and myself next week on Wednesday. DN Higgins is becoming less tolerant of the confusion regarding our time extension request and the pending Park project. I feel as if all can be worked out, but we must be provided our requested time extension and are willing to make commitments regarding the type of cost we are seeking. Obviously, GSG will also participate in the discussion.

Thanks...

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

-----Original Message-----  
From: Thomas Dillon [mailto:thomasdillon@terranova.net]  
Sent: Thursday, April 29, 2004 9:35 AM  
To: Kinsley, Peter M.  
Subject: Re: draft amendment No. 1

Peter,

I'm looking at the Preliminary Design Report, page 1-2. Paragraph 1.3 shows that FEMA is to complete an environmental assessment. Paragraph 1.4 says that FEMA Grants are among the funding sources.

It seems to me that Haskell must have known that federal funds were among the funding sources.

Addendum No. 2 to the RFP, dated 2/10/03, includes the following:
3. Have all funding applications been completed and all funding questions answered?

No. However the funding process is continuing and no "project stoppers" have been identified as of February 10, 2003."

5. Will the environmental site assessment conducted for the site of the proposed advanced wastewater treatment facility affect the award of a design/build contract?

This issue is not anticipated to affect the award of a design/build contract.

I do not understand your position that "Haskell was not aware at the time the project bid that payment for construction was dependent upon receipt of federal funds." Nor can I understand your (apparent) position that the Florida Prompt Payment Act does not apply. Clearly, at the time of the proposal, the District had not finally secured all funding. The FPPA provides that interest does not accrue on invoices for work where payment or the time of payment is contingent on receipt of federal funds or federal approval. Clearly, the failure to include a clear statement of the federal contingency in the contract was an oversight.

I am willing to consider alternate wording for the federal contingency statement. Please let me know whether Haskell has stated its final position on this issue.

Tom

-----Original Message-----
From: Kinsley, Peter M.
To: 'Thomas Dillon'
Sent: Tuesday, April 27, 2004 10:15 AM
Subject: RE: draft amendment No. 1

Haskell was not aware at the time the project bid that payment for construction was dependent upon receipt of federal funds. This came to light during negotiations and prompted the necessity for a design NTP and a construction NTP. Obviously, we accepted this condition once the contract was signed, but I would not expect the KLD to issue NTP for construction until all funding is in place or they secure a line of credit to bridge any funding gap. As you would expect, we cannot proceed with construction at risk. I will discuss the two NTPs with our attorney and see if that changes his opinion of Revision 2. We may need to expand the Amendment to include discussion regarding NTP for construction and Haskell not proceeding until funds/payment are guaranteed.

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

-----Original Message-----
From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Monday, April 19, 2004 3:00 PM
To: Kinsley, Peter M.
Subject: Re: draft amendment No. 1

Peter,

See Fla. Stat. 218.77. It looks to me like omission of the Prompt Payment Act provision was a scrivener's error.

Does Haskell contend that it was not aware that payment for the construction
work was contingent on the receipt of federal funds?

Tom

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

From: Kinsley, Peter M.  
To: 'Thomas Dillon'  
Cc: Robert Sheets ; Charles Sweat  
Sent: Wednesday, April 14, 2004 3:17 PM  
Subject: RE: draft amendment No. 1

Upon review of the amendment with the appropriate parties, I offer the following:

- Revision 1 - OK
- Revision 2 - I do not understand the need for the change as payment procedures are defined by Article 11 of the DB Agreement. In addition, this project requires a design phase NTP and a construction phase NTP due to funding schedule/limitations. I would not expect the KLWTD to issue the construction phase NTP until funding is received and therefore the addition of the federal funding reference is unnecessary. As I am sure you would assume, The Haskell Company cannot proceed with construction at risk awaiting funding to be received.

Please provide additional explanation of the need for Revision 2 for our review. Thanks...

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

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

From: Thomas Dillon [mailto:thomasdillon@terranova.net]  
Sent: Tuesday, March 16, 2004 11:30 AM  
To: Peter M. Kinsley  
Cc: Robert Sheets; EdRCastle@aol.com; David Miles; Charles Sweat; Charles Fishburn; Jeff Weller; weller7@comcast.net  
Subject: draft amendment No. 1

Peter,

I am attaching proposed Amendment No. 1 to the design-build agreement. Please comment or print and sign two originals.

Tom
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 or such other person as the KLWTD shall designate in writing. 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. The KLWTD will exercise reasonable diligence to ensure that all requests for federal funds and federal approvals are complete and timely submitted. The KLWTD will not issue a Notice

Page 1 of 2
to Proceed to the CONTRACTOR for any work for which the K LWTD intends to pay with federal funds until after the K LWTD has received reasonable assurance that federal funds to cover the cost thereof will be 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: K LWTD

By: ........................................

Its: Chairman
Typed Name: Gary Bauman

By: ........................................

Its: Secretary/Treasurer
Typed Name: Cris Beaty

By: ........................................

Its: Board Clerk
Typed Name: Faith Doyle
A local governmental entity which intends to pay for a purchase with federal funds shall not make such purchase without reasonable assurance that federal funds to cover the cost thereof will be received. Where payment or the time of payment is contingent on receipt of federal funds or federal approval, any contract and any solicitation to bid shall clearly state such contingency.

-----Original Message-----
From: Kinsley, Peter M. [mailto:peter.kinsley@thehaskellco.com]
Sent: Tuesday, April 27, 2004 10:18 AM
To: Edward M. Whelan (E-mail)
Subject: FW: draft amendment No. 1

Just in case you cannot find the Draft Amendment No. 1 previously sent.

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

-----Original Message-----
From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Tuesday, March 16, 2004 11:30 AM
To: Peter M. Kinsley
Cc: Robert Sheets; EdRCastle@aol.com; David Miles; Charles Sweat; Charles Fishburn; Jeff Weiler; weiler7@comcast.net
Subject: draft amendment No. 1

Peter,
I am attaching proposed Amendment No. 1 to the design-build agreement. Please comment or print and sign two originals.

Tom
it to mean both federal approval of a grant and any required federal approval of a particular pay request.

By referring to "federal approval for all federal funds necessary to pay CONTRACTOR in full for all services required ....", Haskell seems to imply that there is one and only one federal approval, and that once it is given, the District will have a pot of money to spend as it wishes.

Although we do not yet have a grant agreement for Phase II, I think it unlikely that the federal agency will relinquish all oversight and stewardship responsibilities with respect to the grant funds, and several federal approvals will be needed.

I understand Haskell's concern to be one of being obligated to proceed with work for which the District has not received funding. I have proposed a new final sentence in Paragraph 7.5 of Amendment No. 1, based on Fla. Stat. 218.77, to address this concern.

If Haskell agrees, I would be willing to recommend acceptance by the District of my revision of this date to Amendment No. 1.

Tom

----- Original Message -----
From: Kinsley, Peter M.
To: 'Thomas Dillon'
Sent: Thursday, April 29, 2004 6:19 PM
Subject: FW: draft amendment No. 1

Revised amendment for your review.

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

-----Original Message-----
From: Whelan, Edward M. [mailto:ewhelan@mcguirewoods.com]
Sent: Thursday, April 29, 2004 7:57 AM
To: 'Kinsley, Peter M.'
Subject: RE: draft amendment No. 1

Attached is a revised version. I made edits to clarify two points:

1. KLWTD needs to properly and timely request the federal funds and not be the cause of any delay in payment of the federal funds
2. Haskell has no duty to start work until we get written confirmation that the funds have been approved.

FYI - the referenced statute is below. KLWTD was suppose to have this language in the solicitation. I don't see any harm that they did not provided they agree to our clarification.

West's F.S.A. § 218.77

4/30/04
Faith Doyle

From: Thomas Dillon [thomasdillon@lerranova.net]
Sent: Friday, April 30, 2004 11:56 AM
To: Kinsley, Peter M.
Subject: Re: draft amendment No. 1

Peter,

I am attaching a document comparison by Word showing the District's proposed Amendment No. 1 as of March 16, as changed by Haskell on April 29. This email will address each of the changes suggested by Haskell.

1. The first change would delete the provision that payment to Haskell requires Board approval. Is Haskell proposing that no Board approval of payments is appropriate or required? If so, please state the basis for that position and the basis for Haskell's belief that the parties intended to enter into a contract under which payment would be made to Haskell without approval by the Board.

The Florida Prompt Payment Act contemplates such approval at Fla. Stat. ch. 218.735(1)(A). Further, the time for payment is shorter when no such approval is required. Note that the deleted provision would not have affected Haskell's right to interest if the District failed to act timely with respect to an invoice.

I cannot recommend acceptance of this change.

2. The second change would delete the provision that payment can be contingent on federal approval. Federal approval is expressly contemplated in Fla. Stat. ch. 218.77.

Please provide Haskell's rationale for this deletion.

I cannot recommend acceptance of this change.

3. The third change would substitute "the federal funds" for "any federal funds". This change would imply that the remainder of the sentence applies to a specific instance of non-receipt of federal funds, as opposed to any non-receipt of federal funds.

I cannot recommend acceptance of this change.

4. The fourth change would again delete the reference to federal approvals. For the reasons set out with regard to the second change, I cannot recommend acceptance of this change.

5. The fifth change would again delete the reference to federal approvals. For the reasons set out with regard to the second change, I cannot recommend acceptance of this change.

6. The sixth change has two parts.

6.1. The first part of the sixth change would impose a duty of diligence on the District regarding requests for federal funds, raising the possibility of a claim for interest by Haskell if the District submits the documents to a federal agency, but the documents are rejected. I would be willing to recommend a change to Amendment No. 1 for District approval as shown in the penultimate sentence Paragraph 7.5 of the attached revision of this date. This change would impose an obligation of due diligence to submit timely and complete requests to the federal agencies.

6.2. The second part of the sixth change would absolve Haskell from doing any work, including design work and work to be funded from non-federal sources, until all federal approvals have been received. Clearly, that is not the basis on which the parties have proceeded to this date.

This part of the sixth change seems to confuse the term "federal approval," which Haskell has proposed for removal from other parts of Amendment No. 1.

The Florida Prompt Payment Act does not qualify the meaning of the term "federal approval", and I understand
For reasons I do not understand, TIB is requesting that the District file a completed IRS Form 8038-G, "Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales."

I have reviewed the form and its instructions. The form is required to be filed with regard to bonds, installment purchase agreements, or financial leases. As far as I know, the District’s line of credit with TIB is not one of those instruments.

In order to move forward, the District can either have me do the research necessary to determine whether the form is required to be filed and to file the form, or it can secure the services of a tax advisor more familiar with this area of tax law.

Despite the lateness of this request, I would appreciate it if the Board could add this to the Agenda for the 5/5/04 meeting so I can get some direction.

Tom
I have talked with her. She needs it because her bank examiners will not allow her to book this as a tax exempt portion of her loan portfolio unless she has a copy on file. A bond attorney will cost additional dollars. If we need to I know one who is good and reasonable and works in Palm Beach County.

D.R. Miles

-----Original Message-----
From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Thursday, April 29, 2004 4:17 PM
To: David Miles
Subject: Re: Request from TIB Bank of the Keys

David,

I don't have experience with this form. Reading the instructions, I don't see why the District would be required to file the form. One of us should have a talk with Kym to find out why TIB thinks we need to file it. If we do, we probably need to have a bond attorney look at it.

Tom

----- Original Message ----- 
From: "David Miles" <DMiles@GovMServ.com> 
To: "Thomas M. Dillon (E-mail)" <thomasdillon@terranova.net>
Sent: Wednesday, April 28, 2004 6:44 PM
Subject: Request from TIB Bank of the Keys

> Yesterday I received a request from Kym Collins of the TIB Bank for a > completed IRS form 8038-G, Information Return for Tax-Exempt Obligations. > Normally, this form is filled out by the Bond Attorneys when you issue a GO > or Revenue Bond. I am familiar with the form, just not all the circumstances > when it is appropriate to complete. I have only seen it in bond issues. In > this case we negotiated a line of credit of $150,000, of which we have > received zero dollars. We did not engage a bond attorney to do this little > line of credit. Do you have experience completing the form? Can we use form > 8038-G which is for small issues under $100,000? I don't believe we can use > the latter form. I am attaching copies of both forms in PDF format. Who > should sign the completed form?
> Evidently, the TIB Bank Examiners are requiring they have a return on file.
>
> <<IRS Form 8038g.pdf>> <<IRS Form 8038g Instructions.pdf>> <<IRS Form 8038g.pdf>>
>
> D.R. Miles
>
Faith Doyle

From: Jerry Wilkinson [jerry142@terranova.net]
Sent: Monday, May 03, 2004 5:33 PM
To: Thomas Dillon; Robert Sheets; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail); Faith Doyle
Subject: RE: GSG contract

Tom:

Should something be included re transfer and physical delivery of all records, documents, library material and checking accounts, etc. The idea of this move is to eventually transition all elements and functions from GSG to direct District control.
Thanks,
Jerry

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

From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Monday, May 03, 2004 3:11 PM
To: Robert Sheets; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail);
Jerry Wilkinson; Faith Doyle
Subject: GSG contract

I have reviewed all of the comments sent to me by Board members and GSG regarding amendment of the GSG contract, as well as the contract documents of which I am aware.

In response to the concerns expressed, I have drafted an amendment to the GSG contract for concurrent review by GSG and the Board. This amendment would cover services provided on or after 5/1/04.

I suggest that this item be added to the agenda for discussion and action on 5/5/04
Faith Doyle

From: Jerry Wilkinson [jerry142@terranova.net]
Sent: Monday, May 03, 2004 11:46 PM
To: Thomas Dillon; Robert Sheets; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail); Faith Doyle
Subject: RE: GSG contract

Tom:

Now that I have had time to study the contract amendment with a fair amount of attention, my only suggestion is the first paragraph should be changed to be effective May, 10, 2004. If not we will be paying twice, once under the original contract and again under this amendment, especially for GSG services on May 4 and May 5. In my opinion, they have already been paid for this period and should work its entire contract period.

Out of the starting gate, the Board should decide on May 5th who under the approved agreement will attend the May 15th workshop. It is my suggestion that the agenda in Item G-4 for the May 15th meeting be one large item - to select the Manager. Board members should have interviewed the candidates beforehand and not create a circus of meaningless vocal 12th hour questions with no time to verify replies. After selection, there are many, many immediate decisions/tasks the least not being the salary and the selection of his staff. The Manager should select his staff.

I believe the other proposed May 15th agenda items of the Master Plan, Commercial Connection Policy, Vacant Lot Issues and Calusa Camp Resort are not apropos as the Manager Select should have a major lead in these items. For us to saddle the Manager select with fixed decisions is tantamount as what happened to us by the County and the FKAA before we were elected.

My justification for this thinking is that the District and GSG are simply "marking time" until local management is established. Additionally, a quick reading of the Monroe County site mitigation letter of 28 April, 2004 will require at least one year to prepare the MM 100.5 site for construction. I personally do not support making any binding decisions of substantial effect until the District has a viable local management. Temporary office space is available should that be a concern. To accomplish the May 15th meeting, only Mr. Sheets, Mr. Dillon and Faith need to be present.

Carry over items can be carried forth to the meeting on May 19th. We must remember that someone must prepare and distribute that agenda which will be those not decided at the May 5th and 15th meeting.

Jerry Wilkinson

-----Original Message-----
From: Thomas Dillon [mailto:thomasdillon@terranova.net]
Sent: Monday, May 03, 2004 3:11 PM
To: Robert Sheets; Andrew Tobin; Charles Brooks (E-mail); Cris Beaty (E-mail); Gary Bauman (E-mail); Jerry Wilkinson; Faith Doyle
Subject: GSG contract

I have reviewed all of the comments sent to me by Board members and GSG regarding amendment of the GSG contract, as well as the contract documents of which I am aware.

In response to the concerns expressed, I have drafted an amendment to the GSG contract for concurrent review by GSG and the Board. This amendment would cover services provided on or after 5/1/04.

I suggest that this item be added to the agenda for discussion and action on 5/5/04

5/4/04
Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]
Sent: Tuesday, May 04, 2004 12:04 PM
To: Allen Webb
Subject: FOIA request

Dear Mr. Webb,

Pursuant to the Freedom of Information Act, I am requesting a copy of documents concerning the Biological opinion in connection with the FEMA funding of a sewage treatment plant located at or about Mile Marker 100.5 on Key Largo in Monroe County, Florida.

I have in my possession a letter, Log No. 4-1-00-F-738, dated June 11, 2001, from James J. Slack of your office to William R. Straw of FEMA. The last sentence of the second paragraph of the latter states "A complete administrative record of this consultation is on file at the Florida Keys Ecological Services Field Office on Big Pine Key, Monroe County, Florida."

The administrative record of the consultation is the specific set of documents that I am requesting.

In a telephone conversation with Mr. Tom Grahl, and a subsequent telephone conversation with you, I am advised that the documents I am seeking are no longer located at Big Pine Key, but are in your possession.

I agree to pay the cost of any and all copying and postage.

Please send the copies to me at the following address:
Thomas M. Dillon
94220 Overseas Highway, Unit 2B
Tavernier, Florida 33070-3005.

Thank you,

Thomas M. Dillon
Board Members Present

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

Staff Present

Charles L. Sweat, Director of Operations, ("GSG")
David R. Miles, Chief Financial Officer, ("GSG")
Thomas Dillon, Board Attorney
Ed Castle, Board Engineer (WEC)
Mike Hatfield, P.E. (WEC)
Faith Doyle, Board Clerk

Guests Present

Will English, P.E., Project Manager, The Haskell Company
Dan Dacquisto, Monroe County Planning Department
Richard Burt, Pres. KLTV Homeowners Association
Vicky Faye, KLTV Resident
Steve Gibbs, Reporter, Free Press

A. Call to Order

Chairman Bauman called the meeting to order at 5:06 p.m.

B. Pledge of Allegiance

The pledge was recited.

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

Commissioner Brooks asked that the Haskell project update ending March 31, 2004 be added as a discussion item. Chairman Bauman added the item as K3.

Commissioner Brooks asked for an open discussion period for discussion of up coming agenda items so that the business will flow more easily. He believes it would help to set the future agendas.
Commissioner Brooks motioned-moving to approve the March 27, 2004 minutes with a correction to the starting time of the meeting and to approve the April 7, 2004 minutes. Commissioner Beaty seconded the motion. Chairman Bauman requested a roll call vote.

Commissioner Beaty  Yes
Commissioner Brooks Yes
Commissioner Tobin  No
Commissioner Wilkinson Yes
Chairman Bauman  Yes

The motion was approved.

E. Public Comment

Robert Burt reported that letters had been received addressing the concerns voiced at the previous meeting from management and The Haskell Company. Mr. Burt would still like representatives to meet with the community and offered the KLTV Homeowners Association meeting scheduled on July 24 as a potential meeting time. Mr. Sweat suggested a date in June with a 30-day notice to be sent to the KLTV homeowners informing them of the meeting. The letter would be sent in early May for a meeting in early June. This meeting would have participation of the management and engineers to discuss connection points and other concerns and would provide a public forum. The Board requested staff to develop a tentative agenda and form letter and tentative dates to be presented for consideration at the next meeting as a general manager's item. Ms. Vicky Fay believes the letter should include alternatives if the owners could not attend. Commissioner Brooks suggested the meeting be held at the civic club and that the letter should request the owners bring information about where their septic tanks and property lines are for discussion. Mr. Burt questioned the date of the final connection and turn-on of the sewer system and is concerned about the decommissioning of the septic systems. Ms. Fay would like the letter to include whom the homeowners should contact for a response on their property and the engineer or staff person they should address letters of concern to. Commissioner Wilkinson believes an action plan would be needed to have contractors who know the special needs of connecting the personal property to the system.

Item H4F was moved to the next agenda item for discussion. Mr. David Dacquisto the Director of the Island Planning Team for Monroe County Florida (dacquisto-david@monroecounty-fl.gov) was present to address the Board's concerns with the vacant lot situation. Discussion ensued on the possibility of the County coordinating with the District on what lots are approved for development. The System Manager, Board Engineer and Haskell Company representatives would meet on the issue. Commissioner Wilkinson questioned Mr. English of Haskell as to when they needed to know what lots are considered not buildable. Mr. English stated the sooner the better but no later than the end of May. Discussion ensued on the impact of the information on the final design and construction.

The Board thanked Mr. Dacquisto for his participation.

F. Legal Counsel's Report
1. Update on the Haskell Notice of Delay

Mr. Dillon stated he is waiting for additional information that includes the Haskell rationale for the extra costs and need for additional time. Discussion ensued on the original letter and if the extension of time would negate the need for financial consideration. Mr. Dillon stated that it was his understanding that Haskell is not now claiming extended overhead costs resulting from the alleged delay, but Haskell will seek additional compensation to cover increased costs of labor and materials. The letter did not include a claim for extended overhead, but may include costs for additional costs for materials. Mr. Dillon wants a better rationale than an estimated percentage of the original contract. Commissioner Brooks would like to see it be an addition of time without additional cost. Mr. Dillon needs to see the justification of the claim before providing his recommendation to the Board. Mr. Dillon would hope to see the justification prior to the next meeting. Discussion continued on the issue of a time extension eliminating the cost issues and the claim by Haskell that the increase was due to labor cost and the cost of steel increases. It was noted that Haskell has given verbal confirmation that with the extension of time they would not make an extended overhead claim. Discussion continued on the issue.

2. Update on Roe-Vac warranty

Mr. Dillon reports the warranty as proposed by Roediger is included in the agenda and he would recommend approval. The deviation from what was requested was having the Warranty starting from final acceptance for a period of 2 years but starting no later than September 5, 2005. The Warranty states that it will start 2 years from substantial completion. Mr. Dillon recommends the warranty be accepted as written. Discussion ensued on particular points of the warranty. It was noted that Roevac trained technicians must work on the equipment for the warranty to be in force.

THE CHAIRMAN REQUESTED AN ACTION ITEM FOR THE MAY 5 AGENDA TO ACCEPT THE ROE-VAC WARRANTY.

3. Update on direct/indirect costs issue

Mr. Dillon reports that because this is a design/build contract that certain costs apply. Mr. Dillon would like the issue resolved prior to another change order being initiated. Mr. Dillon informed the Board that Mr. Kinsley had stated that he would provide a response.

4. Update on legislation

There was no new information provided.

5. Update on County funds

Mr. Dillon noted that with this ordinance Mr. Kohlage would release the funds. Mr. Miles noted the Ordinance had been approved at the BOCC meeting but needs to be recorded with the State prior to the County being permitted to releasing funds. Mr. Dillon noted that he met with Mayor Nelson concerning the issue and that for funds to be received it must be by the reimbursement process.

G. Action Items

1. Approval of the Pending Payments List for April 14, 2004
Mr. Miles presented the pending payments and the present financial position of the District. A motion to approve the list was made by Commissioner Brooks and seconded by Commissioner Wilkinson. All were in favor and the motion was approved unanimously.

2. Approval of the advertisement for the May 15, 2004 workshop

Commissioner Wilkinson questioned if interviews could be included on the meeting agenda. Discussion ensued that the issue that resumes are to be accepted until May 14, 2004 and may not permit enough time for review and to schedule interviews.

Discussion ensued on the cost of $1500 for a facilitator that and only been for 4 hours at the last workshop.

**Commissioner Brooks moved to approve the advertisement for the May 15, 2004 workshop. Commissioner Tobin seconded the motion. All were in favor and the motion was unanimously approved.**

The Board requested that staff draft an agenda for the May 15 workshop that would include the Calusa issue and discussion of the resumes received and the update of the master plan.

Mr. Dillon informed the Board that the Upper Keys Times and contacted him concerning placing an ad for employment at a cost of $125 if it is the Board’s pleasure. The consensus of the Board was that there is no need for additional advertising for these positions.

Discussion ensued on setting a date for a meeting for the sole purpose of interviewing candidates. The Board requested that the ad for the May 15 workshop include a discussion of the managerial candidate and vacant lot issue.

Discussion ensued on the workshop agenda and the conducting of interviews and the consideration of candidates.

3. Approval of the Strategic Framework for the KLWTD

It was noted by Chairman Bauman that a handout was provided of the power point presentation from the March 27, 2004 agenda.

**A motion to approve the Strategic Framework for the KLWTD was made by Commissioner Beaty and seconded by Commissioner Wilkinson for discussion.** Commissioner Brooks believes the document should be better prioritized and analyzed prior to the acceptance of the document. He pointed out the reference to Attorney being lead on the temporary office space as an example. Commissioner Tobin stated that he was inclined to revisit the document and update it in the future and suggested 90 days to make this a working document instead of approving it and setting it “in stone”. Chairman Bauman stated that it is a working document and it is impressive that one has been done and that it should be updated every 90 days. The Chairman called the question. **Commissioner Beaty amended his motion to accepting the KLWTD Strategic Framework and to update it every 90 days. Commissioner Wilkinson seconded the amended motion. The Chairman requested a roll call vote.**

| Commissioner Beaty | Yes |
The motion was unanimously approved.

4. Approval of the rental space short list

Commissioner Tobin informed the Board that he had looked at the Bank of America space and that it is a 25' x 45' room and that the Bank stated they would be inclined to have a utility as a tenant.

The present short list was defined as including the:

- Maytag Building
- Pediatrics Building at MM 103
- The Sun Radio 103 Building
- The Damaron Building
- The Bank of America space was added at a cost of $1300/mo including utilities that might be able to be negotiated to fit the District’s budget.

Discussion ensued on the Board’s requirements for office space and if any of the locations could be subdivided. THE BOARDS REQUESTED THE ITEM BE FORWARDED TO THE NEXT AGENDA. Commissioner Tobin suggested the manager to be hired and then the manager be tasked to look at the locations. It was question if these spaces would remain on the market. The Board agreed that rental costs of $1500 or less be considered. Mr. Dillon suggested the follow up to include sample leases being requested from the facilities. The lease length and terms were discussed and a non-appropriation clause to cancel the lease with a six-month window was suggested.

The refined short list was stated as being the Pediatrics Building, The Damaron Building and the Bank of America space.

5. Approval of the Government Services Group, Inc. letter of agreement

Mr. Sweat requested that the letter be pulled from the agenda and that present a new letter would be presented for consideration at the May 5, 2005 meeting. The Board accepted the request.

H. General Manager’s Report

1. Presentation of the Draft Scope of Work for the Financial Component to Implement the Master Plan, which will include the Calusa Camp Resort Connection

Commissioner Tobin requested this item be postponed until the WEC scope was presented.

The Engineer’s Report was given at 6:45 p.m. (Please see the notes below)

Mr. Sweat gave the General Manager’s Report at 7:30 p.m.

KLWTD Draft April 21, 2004 Minutes
Mr. Sweat presented the scope of work for discussion. Commissioner Tobin believed the scope of work was to focus on the Calusa campground addressing the financing of that segment specifically. Mr. Miles suggested that the document be separated into a Calusa component and the balance of the work. Chairman Bauman agreed that is what is needed and Mr. Sheets needs to set a meeting with Calusa. Mr. Sweat stated that he would contact the Calusa representatives to set a tentative meeting to be held after the financing facts are determined. Mr. Miles stated that scenarios presented previously should be reviewed before the meeting with Calusa. Mr. Sweat stated that the three feasible options for Calusa campground would be reviewed and the financing options presented to the Board as soon as possible.

Discussion ensued on the Calusa campground financing options. Mr. Miles suggested the issue be presented to the GSG financial consultants for their input.

Commissioner Wilkinson expressed his concern on what is fair for all and that Calusa should not be singled out for discussion.

2. Discussion of the use of a facilitator at the May 15, 2004 workshop

The Chairman brought the item to the floor for discussion. Commissioner Brooks stated that he does not believe one would be needed. Commissioners Tobin and Beaty agreed that one was not necessary. Commissioner Wilkinson made no comments. Chairman Bauman stated that he believed the facilitator was necessary.

3. Update on the Design Team Meeting of 4/21/04

Mr. Sweat stated that he 4/21/04 meeting was rescheduled for 5/4/04 at 3:00 p.m. Mr. Sweat added that all comments on the 60% drawings would be forwarded to Brown and Caldwell prior to the meeting and would not result any loss of time.

4. Update on past agenda items:
   a. FEMA FONSI Status

   Mr. Sweat stated that staff is waiting for documents from Miles Anderson of the DCA.

   b. Water Quality Testing

   Mr. Sweat stated that this is not a regulatory requirement at this point. Mr. Sweat discussed the issue with the FDEP who stated that if the program implemented (the $8,000 option) is challenged it may not stand up legally. They suggested that water quality programs should be done by professionals and if a program is done it should be done by qualified individuals selected by an RFP process. Discussion ensued. Commissioner Wilkinson stated this program is supported by the Florida Statutes (Lake Watch). The Board requested that the plan be done as requested to work with Lake Watch. Commissioner Brooks stated that near shore water quality is not likely to improve for years after the sewers are implemented and that water testing would accomplish anything for the District. Mr. Sweat stated that he would communicate with Lake Watch concerning the commitment and present an agreement to the Board at the next meeting.

   c. Project Design Protocol

   Ed Castle stated that the protocol had been redrafted but the final has not been received.
d. Resolution of $100K Loan repayment issue

This item remains at the request of Commissioner Wilkinson.

e. Site mitigation

Mr. English contacted Mr. Garrett who was working on the site mitigation plan. Mr. Sweat will contact him and update at the next meeting.

Mr. Dillon stated that he had forwarded Mayor Nelson the biological opinion and the suggested need for an additional 2.6 acres. The Mayor would discuss it with Ililana Layton. Commissioner Tobin stated that he has been concerned with this issue and the District needs to leave the door open for negotiation on the balance of the land at the plant site.

Commissioner Brooks is becoming increasingly concerned with the site mitigation plan and the lack of attention by Mr. Garrett and the acceptance of the plan by FEMA in reference to the 2.6 acres. Mr. English believes that he did not see where it was stated that the land had to be purchased. Commissioner Brooks is concerned that the proper agencies have not be coordinated with and may jeopardize the funding.

Commissioner Tobin suggested that Mr. Dillon take the lead on this issue because it is critical and of a legal nature. Discussion ensued on what agency makes the final decision on the issue of accepting the final site mitigation plan. Commissioner Tobin would like to have the administrative file for review by Mr. Dillon to determine the bottom line. Mr. Dillon notes that the letter was part of the draft PSA. Chairman Bauman asked Mr. Dillon if this something that should be addressed and how he would handle the situation. Mr. Dillon would review the file and report back to the Board. The Board gave its consensus that Mr. Dillon should review the file and report to the Board.

f. KLP vacant lot resolution *Ms. Conaway invited for 4-21-04 meeting

Please see the notes above under Public Comment.

g. Project request for FEMA deadline extension

Mr. Sweat stated that the Board consider drafting a letter requesting a one year extension. The Board requested postponing the discussion until Mr. Sheets was present to state his reasoning.

h. CDBG Grants and/or funds for private connections

Mr. Sweat stated that County Resolution 407-2003 (?) would be provided to FEMA as verification that the low-income program is funded.

5. Discussion of Monroe County BOCC letter dated 4-8-04

Mr. Sweat presented the letter and requested direction from the Board as to when the meeting should take place. Mr. Dillon stated that a Board member and appropriate staff should attend. Commissioner Tobin volunteered to attend. The Board gave consensus that once an agenda is set they would agree to the meeting. Chairman Bauman meets with the Mayor and would inform him that the District would wait until the County contacts the District.
I. Engineer’s Report

1. Letter to KLTV Board of Directors addressing concerns expressed by residents

Mr. Castle presented the letter that had been forwarded to the KLTV Board of Directors and noted that the design plans would include notations addressing these issues.

2. Presentation of the Sanitary Sewer Wastewater Master Plan Refinement and Recommendations – Work Authorization WEC 04-01

Mr. Castle presented the draft work authorization. Commissioner Tobin is concerned with the cost of $77,000 to update a document (the County Master Plan) and would like a less formal document until it is necessary for funding projects. Mr. Castle stated the work could be done in segments and that most important is pipe sizing and that component should be considered first, however all future development needs to be included to determine the pipe size. Discussion ensued on the schedule of work. Commissioner Wilkinson agreed that the plan should be done in segments by priority and that Sexton Cove should be targeted. The cost of the project should be determined should that amount of funds become available. Commissioner Beaty clarified that projects of varying sizes should be ready in the event that funding becomes available. Mr. Castle stated that the draft scope was developed to include varied project for this reason. Discussion ensued on a regional facility, package plants and that the document being considered (WEC 04-01) shows various theories of how future decisions could impact the District. Chairman Bauman stated the County has entertained the notion that they would pay for the master plan. Commissioner Brooks questioned if WEC would be using information from the County’s Master Plan. Mr. Castle stated that he would but it would need to be updated. Commissioner Brooks believes the $77,000 is not in the budget and if the work authorization could be pared down. Mr. Castle states the entire scope of work should be used as a final point but it can be done in phases.

Mr. Miles reported that $120,000 was budgeted for special project. Chairman Bauman asked if the $77,000 scope could be divided into three phases at a comparable cost. Mr. Castle stated that he would work with WEC staff on breaking the work authorization into three phases to present to the Board.

Discussion ensued on the need for RFP documents for the future projects and if the work product would result in RFP’s. Mr. Dillon stated that RFP for future projects should be done. Mr. Castle stated the work product from WEC 04-01 would not result in RFP’s for the projects.

Chairman Bauman is concerned that a project won’t be ready when funding is available. Discussion ensued on the need for a stand-alone project. Mr. Castle stated that he would give thought to the issue and the costs involved.

Mr. Castle stated that breaking the work authorization into phases would not substantially add to overhead costs and suggested 7-15% of the current cost.

J. Public Comment
Robert Burt stated he is concerned with the permitting for the running of the line from the home to the district lines and the cost of demolition of the septic tanks and if there will be funds available to the residents to connect to the system. The residents are having difficulty in understanding the process of connecting residents and the funding. Mr. Burt is also concerned with the cost of the letters printing English/Spanish and postage to inform the KLTV homeowners.

Discussion ensued. Commissioner Tobin suggests a future action item to request the county waive the permit fee, to discuss with local contractors on assisting with connecting and other ways to inform the community. Commissioner Tobin suggests this should be a future workshop topic.

Commissioner Brooks stated that the FKAA held community workshops with refreshments to explain the process. The County also offered a blanket permit that alleviated that cost.

Mr. Burt hopes that a package could be developed that offers financing for the homeowners.

K. Commissioner's Items

1. Placement of the personnel ads – Chairman Bauman

Chairman Bauman reports the ads were placed in the Free Press 389 per ad for two ads. The reporter the keynoter and the Miami herald keys addition on Saturday 600 prox two times. The board stated that no additional advertisement is required.

2. Request for information on the status of the District Procedures and Web Site – Chairman Wilkinson

Commissioner Wilkinson suggested this be kept on the punch list. The Board agreed to have a "roll over" section of the agenda in the future. Chairman Bauman would discuss and implement this change to the agenda format with the Clerk.

3. The Haskell Company report of March, 2004

Commissioner Brooks brought the document to the floor. Mr. English states that the document is not intended to be an agenda item for the Board's consideration and that he was not prepared to discuss it this evening. Commissioner Brooks took issue to the comment of "design issues" being left as NONE, he believes they should be itemized. Mr. English asked if he was referring to issues with comments on the 30% and 60% design drawings. Commissioner Brooks believes it is important to address this in light of what has happened in Stock Island and that Haskell has given a notice of delay. Mr. English stated that design issues in this section of the report are major problems with the design. Chairman Bauman comments that the project status report was developed at his request to provide an overall schedule.

Mr. Castle suggested that comments are given to Haskell and Haskell provides a response. Mr. Castle has summaries of all the comments and the resolutions that will be provided to the Board. They are not issues for the "design issues" section of the project status report until the comments cannot be resolved. Mr. Castle suggests the comment/resolution document be attached to Haskell's report. Mr. Dillon comments that the section Commissioner Brooks referred to should be reserved for unresolved issues.
Commissioner Wilkinson commented on the design of the building and the need for the operator's office accommodations to be sufficient. Mr. Castle commented that the building appears to be operator friendly with an area for an operator to work and as the design continues these issues will be addressed. Discussion ensued on the need for making considerations for the workers being insulated from sound and the building being operator friendly.

L. Meeting Adjournment

Chairman Bauman adjourned the meeting at 8:45 p.m.
A. Call to Order
B. Pledge of Allegiance
C. Additions, Deletions or Corrections to the Regular Meeting Agenda
D. Minutes – Draft April 21, 2004
E. Public Comment
F. Legal Counsel’s Report
   1. Update on the Haskell Notice of Delay
   2. Update on direct/indirect costs issue
   3. Update on legislation
   4. Update on County funds
G. Action Items
   1. Approval of the Pending Payments List for May 5, 2004
   2. Approval of the rental space short list
   3. Approval of the Government Services Group, Inc. letter of agreement
   4. Acceptance of the Roe-Vac warranty
   5. Approval of Residents Letter
   6. Approval of the May 15, 2004 Workshop Agenda
H. General Manager’s Report
   1. Update on the Design Team Meeting of 5/4/04
   2. Presentation of the Quarterly Financial Reports
I. Engineer’s Report
   1. Report for Period ending April 27, 2004
J. Public Comment
K. Commissioner’s Items
   1. Discussion of Laboratory Testing for Near Shore Water Quality – Comm. Tobin
   2. Discussion of K LWTD Lobbyist in Washington, D.C. – Comm. Tobin
L. Update on past agenda items:
   1. FEMA FONSI Status
   2. Water Quality Testing
   3. Project Design Protocol
   4. Resolution of $100K Loan repayment issue
   5. Site mitigation
   6. KLP vacant lot resolution
   7. Project request for FEMA deadline extension
   8. CDBG Grants and/or funds for private connections
   9. Procedures
   10. Web Site Development
M. Meeting Adjournment
KLWTD Board Meeting
May 5, 2004

Draft April 21, 2004
Meeting Minutes
Key Largo Wastewater Treatment District
Board of Commissioner’s Meeting Minutes
5:00 PM Wednesday, April 21, 2004
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida

Board Members Present

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

Staff Present

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There was no new information provided.

5. Update on County funds

Mr. Dillon noted that with this ordinance Mr. Kohlage would release the funds. Mr. Miles noted the Ordinance had been approved at the BOCC meeting but needs to be recorded with the State prior to the County being permitted to releasing funds. Mr. Dillon noted that he met with Mayor Nelson concerning the issue and that for funds to be received it must be by the reimbursement process.

G. Action Items

1. Approval of the Pending Payments List for April 14, 2004

Mr. Miles presented the pending payments and the present financial position of the District.
A motion to approve the list was made by Commissioner Brooks and seconded by Commissioner Wilkinson. All were in favor and the motion was approved unanimously.

2. Approval of the advertisement for the May 15, 2004 workshop

Commissioner Wilkinson question if interviews could be included on the meeting agenda. Discussion ensued that the issue that resumes are to be accepted until May 14, 2004 and may not permit enough time for review and to schedule interviews.

Discussion ensued on the cost of $1500 for a facilitator that and only been for 4 hours at the last workshop.

Commissioner Brooks moved to approve the advertisement for the May 15, 2004 workshop. Commissioner Tobin seconded the motion. All were in favor and the motion was unanimously approved.

The Board requested that staff draft an agenda for the May 15 workshop that would include the Calusa issue and discussion of the resumes received and the update of the master plan.

Mr. Dillon informed the Board that the Upper Keys Times and contacted him concerning placing an ad for employment at a cost of $125 if it is the Board’s pleasure.

Discussion ensued on setting a date for a meeting for the sole purpose of interviewing candidates. The Board requested that the ad for the May 15 workshop include a discussion of the managerial candidate and vacant lot issue.

Discussion ensued on the workshop agenda and the conducting of interviews and the consideration of candidates.

3. Approval of the Strategic Framework for the KLWTD

It was noted by Chairman Bauman that a handout was provided of the power point presentation from the March 27, 2004 agenda.

A motion to approve the Strategic Framework for the KLWTD was made by Commissioner Beaty and seconded by Commissioner Wilkinson for discussion. Commissioner Brooks believes the document should be better prioritized and analyzed prior to the acceptance of the document. He pointed out the reference to Attorney being lead on the temporary office space as an example. Commissioner Tobin stated that he was inclined to revisit the document and update it in the future and suggested 90 days to make this a working document instead of approving it and setting it “in stone”. Chairman Bauman stated that it is a working document and it is impressive that one has been done and that it should be updated every 90 days. The Chairman called the question. Commissioner Beaty amended his motion to accepting the KLWTD Strategic Framework and to update it every 90 days. Commissioner Wilkinson seconded the amended motion. The Chairman requested a roll call vote.

<table>
<thead>
<tr>
<th>Commissioner</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioner Beaty</td>
<td>Yes</td>
</tr>
<tr>
<td>Commissioner Brooks</td>
<td>Yes</td>
</tr>
<tr>
<td>Commissioner Tobin</td>
<td>Yes</td>
</tr>
<tr>
<td>Commissioner Wilkinson</td>
<td>Yes</td>
</tr>
</tbody>
</table>
The motion was unanimously approved.

4. Approval of the rental space short list

Commissioner Tobin informed the Board that he had looked at the Bank of America space and that it is a 25' x 45' room and that the Bank stated they would be inclined to have a utility as a tenant.

The present short list was defined as including the:

- Maytag Building
- Pediatrics Building at MM 103
- The Sun Radio 103 Building
- The Damaron Building
- The Banc of America space was added at a cost of $1300/mo including utilities that might be able to be negotiated to fit the District's budget.

Discussion ensued on the Board's requirements for office space and if any of the locations could be subdivided. THE BOARDS REQUESTED THE ITEM BE FORWARDED TO THE NEXT AGENDA. Commissioner Tobin suggested the manager to be hired and then the manager be tasked to look at the locations. It was question if these spaces would remain on the market. The Board agreed that rental costs of $1500 or less be considered. Mr. Dillon suggested the follow up to include sample leases being requested from the facilities. The lease length and terms were discussed and a non-appropriation clause to cancel the lease with a six-month window was suggested.

The refined short list was stated as being the Pediatrics Building, The Damaron Building and the Bank of America space.

5. Approval of the Government Services Group, Inc. letter of agreement

Mr. Sweat requested that the letter be pulled from the agenda and that present a new letter would be presented for consideration at the May 5, 2005 meeting. The Board accepted the request.

H. General Manager's Report

1. Presentation of the Draft Scope of Work for the Financial Component to Implement the Master Plan, which will include the Calusa Camp Resort Connection

Commissioner Tobin requested this item be postponed until the WEC scope was presented.

The Engineer’s Report was given at 6:45 p.m. (Please see the notes below)

Mr. Sweat gave the General Manager’s Report at 7:30 p.m.

Mr. Sweat presented the scope of work for discussion. Commissioner Tobin believed the scope of work was to focus on the Calusa campground addressing the financing of that segment specifically. Mr. Miles suggested that the document be separated into a Calusa component and
the balance of the work. Chairman Bauman agreed that what is needed and Mr. Sheets needs to set a meeting with Calusa. Mr. Sweat stated that he would contact the Calusa representatives to set a tentative meeting to be held after the financing facts are determined. Mr. Miles stated that scenarios presented previously should be reviewed before the meeting with Calusa. Mr. Sweat stated that the three feasible options for Calusa campground would be reviewed and the financing options presented to the Board as soon as possible.

Discussion ensued on the Calusa campground financing options. Mr. Miles suggested the issue be presented to the GSG financial consultants for their input.

Commissioner Wilkinson expressed his concern on what is fair for all and that Calusa should not be singled out for discussion.

2. Discussion of the use of a facilitator at the May 15, 2004 workshop

The Chairman brought the item to the floor for discussion. Commissioner Brooks stated that he does not believe one would be needed. Commissioners Tobin and Beaty agreed that one was not necessary. Commissioner Wilkinson made no comments. Chairman Bauman stated that he believed the facilitator was necessary.

3. Update on the Design Team Meeting of 4/21/04

Mr. Sweat stated that he 4/21/04 meeting was rescheduled for 5/4/04 at 3:00 p.m. Mr. Sweat added that all comments on the 60% drawings would be forwarded to Brown and Caldwell prior to the meeting and would not result any loss of time.

4. Update on past agenda items:
   a. FEMA FONSI Status

   Mr. Sweat stated that staff is waiting for documents from Miles Anderson of the DCA.

   b. Water Quality Testing

   Mr. Sweat stated that this is not a regulatory requirement at this point. Mr. Sweat discussed the issue with the FDEP who stated that if the program implemented (the $8,000 option) is challenged it may not stand up legally. They suggested that water quality programs should be done by professionals and if a program is done it should be done by qualified individuals selected by an RFP process. Discussion ensued. Commissioner Wilkinson stated this program is supported by the Florida Statutes (Lake Watch). The Board requested that the plan be done as requested to work with Lake Watch. Commissioner Brooks stated that near shore water quality is not likely to improve for years after the sewers are implemented and that water testing would accomplish anything for the District. Mr. Sweat stated that he would communicate with Lake Watch concerning the commitment and present an agreement to the Board at the next meeting.

   c. Project Design Protocol

   Ed Castle stated that the protocol had been redrafted but the final has not been received.

   d. Resolution of $100K Loan repayment issue
e. Site mitigation

Mr. English contacted Mr. Garrett who was working on the site mitigation plan. Mr. Sweat will contact him and update at the next meeting.

Mr. Dillon stated that he had forwarded Mayor Nelson the biological opinion and the suggested need for an additional 2.6 acres. The Mayor would discuss it with U.S. Representative Ileana Ros-Lehtinen. Commissioner Tobin stated that he has been concerned with this issue and the District needs to leave the door open for negotiation on the balance of the land at the plant site.

Commissioner Brooks is becoming increasingly concerned with the site mitigation plan and the lack of attention by Mr. Garrett and the acceptance of the plan by FEMA in reference to the 2.6 acres. Mr. English believes that he did not see where it was stated that the land had to be purchased. Commissioner Brooks is concerned that the proper agencies have not be coordinated with and may jeopardize the funding.

Commissioner Tobin suggested that Mr. Dillon take the lead on this issue because it is critical and of a legal nature. Discussion ensued on what agency makes the final decision on the issue of accepting the final site mitigation plan. Commissioner Tobin would like to have the administrative file for review by Mr. Dillon to determine the bottom line. Mr. Dillon notes that the letter was part of the draft PSA. Chairman Bauman asked Mr. Dillon if this something that should be addressed and how he would handle the situation. Mr. Dillon would review the file and report back to the Board. The Board gave its consensus that Mr. Dillon should review the file and report to the Board.

f. KLP vacant lot resolution *Ms. Conaway invited for 4-21-04 meeting

Please see the notes above under Public Comment.

g. Project request for FEMA deadline extension

Mr. Sweat stated that the Board consider drafting a letter requesting a one year extension. The Board requested postponing the discussion until Mr. Sheets was present to state his reasoning.

h. CDBG Grants and/or funds for private connections

Mr. Sweat stated that County Resolution 407-2003 would be provided to FEMA as verification that the low-income program is funded.

5. Discussion of Monroe County BOCC letter dated 4-8-04

Mr. Sweat presented the letter and requested direction from the Board as to when the meeting should take place. Mr. Dillon stated that a Board member and appropriate staff should attend. Commissioner Tobin volunteered to attend. The Board gave consensus that once an agenda is set they would agree to the meeting. Chairman Bauman meets with the Mayor and would inform him that the District would wait until the County contacts the District.
I. Engineer's Report

1. Letter to KLTV Board of Directors addressing concerns expressed by residents

Mr. Castle presented the letter that had been forwarded to the KLTV Board of Directors and noted that the design plans would include notations addressing these issues.

2. Presentation of the Sanitary Sewer Wastewater Master Plan Refinement and Recommendations – Work Authorization WEC 04-01

Mr. Castle presented the draft work authorization. Commissioner Tobin is concerned with the cost of $77,000 to update a document (the County Master Plan) and would like a less formal document until it is necessary for funding projects. Mr. Castle stated the work could be done in segments and that most important is pipe sizing and that component should be considered first, however all future development needs to be included to determine the pipe size. Discussion ensued on the schedule of work. Commissioner Wilkinson agreed that the plan should be done in segments by priority and that Lake Surprise, Ocean Isle Estates and Sexton Cove should be targeted. The cost of the project should be determined should that amount of funds become available. Commissioner Beaty clarified that projects of varying sizes should be ready in the event that funding becomes available. Mr. Castle stated that the draft scope was developed to include varied project for this reason. Discussion ensued on a regional facility, package plants and that the document being considered (WEC 04-01) shows various theories of how future decisions could impact the District. Chairman Bauman stated the County has entertained the notion that they would pay for the master plan. Commissioner Brooks questioned if WEC would be using information from the County’s Master Plan. Mr. Castle stated that he would but it would need to be updated. Commissioner Brooks believes the $77,000 is not in the budget and if the work authorization could be pared down. Mr. Castle states the entire scope of work should be used as a final point but it can be done in phases.

Mr. Miles reported that $120,000 was budgeted for special project. Chairman Bauman asked if the $77,000 scope could be divided into three phases at a comparable cost. Mr. Castle stated that he would work with WEC staff on breaking the work authorization into three phases to present to the Board.

Discussion ensued on the need for RFP documents for the future projects and if the work product would result in RFP’s. Mr. Dillon stated that RFP for future projects should be done. Mr. Castle stated the work product from WEC 04-01 would not result in RFP’s for the projects.

Chairman Bauman is concerned that a project won’t be ready when funding is available. Discussion ensued on the need for a stand-alone project. Mr. Castle stated that he would give thought to the issue and the costs involved.

Mr. Castle stated that breaking the work authorization into phases would not substantially add to overhead costs and suggested 7-15% of the current cost.

J. Public Comment

Robert Burt stated he is concerned with the permitting for the running of the line from the home to the district lines and the cost of demolition of the septic tanks and if there will be funds available to the residents to connect to the system. The residents are having difficulty in
understanding the process of connecting residents and the funding. Mr. Burt is also concerned with the cost of the letters printing English/Spanish and postage to inform the KLTV homeowners.

Discussion ensued. Commissioner Tobin suggests a future action item to request the county waive the permit fee, to discuss with local contractors on assisting with connecting and other ways to inform the community. Commissioner Tobin suggests this should be a future workshop topic.

Commissioner Brooks stated that the FKAA held community workshops with refreshments to explain the process. The County also offered a blanket permit that alleviated that cost.

Mr. Burt hopes that a package could be developed that offers financing for the homeowners.

K. Commissioner’s Items

1. Placement of the personnel ads – Chairman Bauman

Chairman Bauman reports the ads were placed in the Free Press at a cost of $389 per ad for two ads. The Reporter, The Keynoter and the Miami Herald, Keys Edition also ran the ads. The Board stated that no additional advertisement would be required.

2. Request for information on the status of the District Procedures and Web Site – Chairman Wilkinson

Commissioner Wilkinson suggested this be kept on the punch list. The Board agreed to have a “roll over” section of the agenda in the future. Chairman Bauman would discuss and implement this change to the agenda format with the Clerk.

3. The Haskell Company report of March, 2004

Commissioner Brooks brought the document to the floor. Mr. English states that the document is not intended to be an agenda item for the Board’s consideration and that he was not prepared to discuss it this evening. Commissioner Brooks took issue to the comment of “design issues” being left as NONE, he believes they should be itemized. Mr. English asked if he was referring to issues with comments on the 30% and 60% design drawings. Commissioner Brooks believes it is important to address this in light of what has happened in Stock Island and that Haskell has given a notice of delay. Mr. English stated that design issues in this section of the report are major problems with the design. Chairman Bauman comments that the project status report was developed at his request to provide an overall schedule.

Mr. Castle suggested that comments are given to Haskell and Haskell provides a response. Mr. Castle has summaries of all the comments and the resolutions that will be provided to the Board. They are not issues for the “design issues” section of the project status report until the comments cannot be resolved. Mr. Castle suggests the comment/resolution document be attached to Haskell’s report. Mr. Dillon comments that the section Commissioner Brooks referred to should be reserved for unresolved issues.

Commissioner Wilkinson commented on the design of the building and the need for the operator’s office accommodations to be sufficient. Mr. Castle commented that the building appears to be operator friendly with an area for an operator to work and as the design continues
these issues will be addressed. Discussion ensued on the need for making considerations for the workers being insulated from sound and the building being operator friendly.

L. Meeting Adjournment

Chairman Bauman adjourned the meeting at 8:45 p.m.
KLWTD Board Meeting
May 5, 2004

Item G - 1

Pending Payments List
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: April 28, 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 April 27, 2004 the District had $180,684.73 in its bank account. We have $3,564.02 in invoices and payroll for April 2004 in-hand for payment by May 18, 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 as of April 27, 2004:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration &amp; Operations</td>
<td>$48,892.58</td>
</tr>
<tr>
<td>Key Largo Park</td>
<td>(14,374.56)</td>
</tr>
<tr>
<td>Key Largo Trailer Village</td>
<td>146,166.71</td>
</tr>
<tr>
<td>Total</td>
<td>$180,684.73</td>
</tr>
</tbody>
</table>

Staff is still awaiting receipt of $151,251.15 in MSTU money from Monroe County requested March 3, 2004. A request for $129,607.00 for Monroe County matching funds for use in the Key Largo Park project, submitted March 23, 2004 is also still pending.

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>Date Due</th>
<th>Date Paid</th>
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</thead>
<tbody>
<tr>
<td>04/10/04</td>
<td>BellSouth</td>
<td>04-0446</td>
<td>Phone Bill for April 10 to May 9, 2004</td>
<td>1</td>
<td>35.29</td>
<td>5/10/04</td>
<td>04/23/04</td>
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<tr>
<td>03/31/04</td>
<td>Citizens Conferencing</td>
<td>20563572</td>
<td>Phone Conferences for March 2004</td>
<td>1</td>
<td>299.23</td>
<td>4/30/04</td>
<td>04/23/04</td>
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<tr>
<td>04/30/04</td>
<td>Andrew Tobin, Chairman</td>
<td>Payroll</td>
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<td>1</td>
<td>600.00</td>
<td>03/10/04</td>
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<tr>
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<td>Payroll</td>
<td>1</td>
<td>600.00</td>
<td>03/10/04</td>
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</tr>
<tr>
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<td>Cris Beaty</td>
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<td>Payroll</td>
<td>1</td>
<td>600.00</td>
<td>03/10/04</td>
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<td>Charles Brooks</td>
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<td>Jerry Wilkinson</td>
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<td>600.00</td>
<td>03/10/04</td>
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<tr>
<td>04/30/04</td>
<td>Internal Revenue Service</td>
<td>FICA &amp; Medicare</td>
<td>Employer Share, Payroll Taxes</td>
<td>1</td>
<td>229.50</td>
<td>03/10/04</td>
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</tbody>
</table>

**Total Invoices for Administration & Operations**

Balance Forward if All Admin & Operations Invoices Paid

Cash Balance Forward for Key Largo Park

Total Available

Total Invoices for Key Largo Park

Balance Forward if All Key Largo Park Invoices Paid

Cash Balance Forward for Key Largo Trailer Village

Total Invoices for Key Largo Trailer Village

Balance Forward if All Key Largo Trailer Village Invoices Paid

**Total All Invoices**

$3,564.02

Approved for Payment:

Gary Bauman, KLWTD Chair

Cris Beaty, KLWTD Secretary

Payment Category Key:

1. District Administration

2. Key Largo Park Construction

3. Key Largo Trailer Village Construction
KLWTD Board Meeting
May 5, 2004

Item G - 2

Rental Space Short List
Rental Unit Short List as of 4-21-04

The Pediatrics Building

The Damaron Building

The Bank of America Building
KLWTD Board Meeting
May 5, 2004

Item G - 3

GSG Letter of Engagement
April 28, 2004

VIA ELECTRONIC MAIL TRANSMISSION
& HAND DELIVERY

Gary Bauman
KLWTD Chairman
855 Ellen Drive
Key Largo, FL 33037


Dear Gary:

The board has requested and GSG has agreed, to stay on and provide basic administrative and management services beyond our May 9, 2004, deadline. GSG agrees to provide all of the services described in the Management Services Agreement with the District on a time and material basis. We also understand that this time and material basis will be capped at $10,800 per month. Any work provided that falls under the definition "Additional Services" would necessitate a separate work order approved by the Board prior to any work commencing.

I have provided in the table below, the agreed upon hourly rates for all employees involved with providing basic services. They are as follows:

District Manager ........................................ $160/hr
Director of Operations .............................. $150/hr
Chief Financial Officer ............................... $130/hr
Project Manager ......................................... $90/hr
Accountant .............................................. $85/hr
Secretarial & Administrative Support Staff .... $40/hr

This agreement may be modified as the District makes decisions regarding the hiring of local staff. Modification will take the form of a written amendment to the agreement between the District and GSG.
We look forward to working with you and continuing to support the District as they move forward in completing KLTV and KLP. I hope this agreement is responsive to the District and is consistent with your direction.

Sincerely,

Robert E. Sheets
District Manager
RS/ssh

cc: Thomas Dillon
    KLWTD Board Members

These terms are hereby accepted, agreed upon and executed by:

<table>
<thead>
<tr>
<th>Signature</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
</table>

Name: Gary Bauman
KLWTD Chairman
855 Ellen Drive
Key Largo, FL 33037
KLWTD Board Meeting
May 5, 2004

Item G - 4

Roe-Vac Warranty
April 14, 2004

The Haskell Company
Haskell Building
Jacksonville, FL 32231-4100

Attention: Peter M. Kinsley

Re: Wastewater Management System for the Key Largo Trailer Village Area

Dear Pete:

Following from our telephone conference calls of yesterday, we confirm the following:

Limited Warranty
Roediger Pittsburgh offers a limited warranty, version KL.v.6, incorporating the modifications agreed upon yesterday, a copy of which is attached hereto. The new language represents an improvement for the KLWTD. The original version, dated October 29, 2003, fixed the term to two or three years (depending on the type of equipment) from date of delivery to the job site. The new version starts the clock at the date of substantial completion — a date more significant to the KLWTD — with a uniform term of two years thereafter, but a limit at three-and-a-half years from delivery. Another modification clarifies that those service personnel who repair, modify or adjust the equipment need to be Roediger Pittsburgh-trained. See the attached warranty for the prevailing language.

On-Site Representation During the Project
We first addressed this vital issue in writing in our letter dated October 29, 2003, and reiterate it at this time. This project represents a major investment in the future for the KLWTD. Its success is the primary concern of the Board, which has selected a design/build team, a project manager, and an operating company to ensure that success, both in the construction phase and in the subsequent operation and management of the system. Roediger Pittsburgh is likewise committed to the success of this project. The reputation of the Roevac® brand name is of utmost importance to us, now and in the future. Consequently, we will provide qualified representation on-site throughout the project to the extent required by the KLWTD. As we have made known to the Board and to the design/build team, it is our judgment and recommendation that 100% coverage is unnecessary and will serve as an encumbrance to the contractor; however, we will defer to the decision and directives of the Board, or the design/build team, if so empowered by the Board. In any event, we will provide training and re-training to assist the contractor.
Roediger Pittsburgh, Inc.
every step of the way during installation. We will cooperate with the project manager to help optimize the project. When it comes time to start the system, we will familiarize the operators with the system and how to best keep it running smoothly. And most importantly, we will aid in the education of the citizens to increase acceptance and understanding of their new system.

Future Prices of Valves and Controllers
The KLWTD Board raised a reasonable concern in October 2003, about future pricing of new and replacement parts, a concern Roediger Pittsburgh addressed in our October 29, 2003 letter. Roediger Pittsburgh confirms the price protection to the KLWTD and extends it, at the specific request of the KLWTD’s legal counsel, to two additional types of Roevac® brand equipment: controllers and chamber vessels.

<table>
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<tr>
<th>Valve Order Quantity</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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<tr>
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<td>$400</td>
<td>$410</td>
<td>$420</td>
<td>$430</td>
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<tr>
<td>5 – 29</td>
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<td>$630</td>
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<td>$660</td>
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<td>$690</td>
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<table>
<thead>
<tr>
<th>Controller Order Quantity</th>
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<tr>
<td>Over 30</td>
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<td>$749</td>
<td>$759</td>
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<td>$779</td>
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<td>$841</td>
<td>$851</td>
<td>$861</td>
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<td>1 – 4</td>
<td>$925</td>
<td>$935</td>
<td>$945</td>
<td>$955</td>
<td>$965</td>
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</table>

Note: Add $100.00 for low activation controller.

<table>
<thead>
<tr>
<th>Collection Chamber Flood Proof 002.51-FP-SB (includes lid order Qty.)</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
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</thead>
<tbody>
<tr>
<td>Over 30</td>
<td>$1507</td>
<td>$1522</td>
<td>$1537</td>
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<tr>
<td>5 – 29</td>
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<tr>
<td>1 – 4</td>
<td>$1650</td>
<td>$1665</td>
<td>$1680</td>
<td>$1695</td>
<td>$1710</td>
</tr>
</tbody>
</table>

Note: Does not include valve, controller or internal fitting package.
Roediger Pittsburgh, Inc.

The applicable year for pricing shall be the year that delivery is taken for the parts ordered. For years beyond 2008 and until 2013, prices within each category shall not increase at a rate exceeding that of the PPI. Delivery charges from Roediger Pittsburgh to K LWTD are additional, as are any sales taxes that may be or become applicable.

Also at the specific request of the K LWTD’s legal counsel, Roediger Pittsburgh now adds that future pricing of new and replacement parts as offered to the K LWTD will be favorable pricing compared to that offered to other Roediger Pittsburgh customers whose order quantities of said new and replacement parts are equal to those of the K LWTD, where favorable is intended to mean equal to or less than.

We expect that this will fulfill your requirements and satisfy any remaining concerns. We are very excited about this project and look forward to its getting underway.

Very truly yours,

ROEDIGER PITTSBURGH, INC.

James R. Dateh
Director, Business Development

JRD/ jt

cc: Walt Messer/DN Higgins
    Tom Evans/Tom Evans Environmental

attachment
ROEDIGER PITTSBURGH, INC.

STATEMENT OF LIMITED WARRANTY
for the Key Largo Wastewater Treatment District
Wastewater Management System for the Key Largo Trailer Village Area

Equipment supplied by Roediger for these projects is warranted to be free from defects in materials and workmanship under normal use in service for a period of two (2) years from the date of substantial completion, as that term is defined in the Design/Build Agreement for this project, but in any event no later than forty-two (42) months after delivery.

In the event that its equipment fails to perform, Roediger will repair or replace without charge any part reasonably demonstrated to Roediger to be defective; provided, however, that Roediger is notified promptly in writing and that any such part is returned, upon request, to Roediger's factory in Pittsburgh, Pennsylvania, freight prepaid.

This warranty does not cover wear items designed for replacement under normal use, such as valve diaphragms, pump seals and filters. This warranty also does not cover defects caused by damage or loss resulting from misuse, accident, neglect, improper installation, operation or maintenance. Any repair, modification or adjustment of the equipment performed by someone other than a Roediger-trained service technician voids the warranty set forth herein. This warranty does not cover starting equipment, electrical apparatus or other parts or equipment not manufactured by Roediger, since the same are usually covered by warranties of the respective manufacturer thereof.

THE WARRANTIES SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Roediger shall not be liable for loss of use, income or profit, incidental, special or, consequential or other similar damages arising, directly or indirectly, out of or occasioned by the operation, use, installation, repair or replacement of the equipment whether such damages are based on a claim of a breach of express or implied warranty (including negligence and fitness for a particular purpose), tortious conduct (including negligence and strict liability) or any other cause of action.

[Signature]
Charles J. Yetcsonish  04/13/04
Executive Vice President
Roediger Pittsburgh, Inc.

KL v 6 (supersedes all prior versions)
Item G - 5

Residents Letter
May 5, 2004

Dear Residents of the Key Largo Park and Key Largo Trailer Village:

The Key Largo Wastewater Treatment District (KLWTD) was established in 2002 by Legislation of the State of Florida to provide wastewater collection and treatment service facilities in Key Largo. The KLWTD Board of Directors is comprised of locally elected officials who are tasked to provide guidance and ensure the best interests of the community are considered.

As you may already be aware, the first KLWTD wastewater collection and treatment facilities will be constructed to serve the Key Largo Park and Key Largo Trailer Village. The KLWTD Board would like to take this opportunity to invite you to an informational meeting at the Key Largo Civic Club to ask questions and learn more about the process. In attendance will be: the KLWTD Engineer, Weiler Engineering Corporation, the Design Engineer, Brown & Caldwell Inc. and the Construction Contractor, The Haskell Company and KLWTD Management. Some issues which will be covered include:

- Detailed Explanation of Collection and Treatment System
- Connections to the Collection System
- Abandonment of Existing Septic Systems and Permitting Issues
- Initial and Monthly Costs
- Financing Options
- Low Income Residents Program

Where:  
Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, Florida 33037

When:  
June 29, 2004
7:00 P.M.

If you are unable to attend please address your questions to the Key Largo Wastewater Treatment District at P.O. Box 491 Key Largo, Florida 33037, (305) 451-5105 or e-mail at edcastle@aol.com.

We look forward to seeing you at this important meeting. Additionally, you are always cordially invited to attend one of our future Board meetings which are held at the same location.

Sincerely,

Gary Bauman
Chairman
Key Largo Wastewater Treatment District
KLWTD Board Meeting
May 5, 2004

Item G - 6

Draft May 15, 2004 Workshop Agenda
KLWTD Board Meeting
May 5, 2004

Item H - 2

Quarterly Financial Reports
for the period ending 3/31/04
KLWTD Board Meeting
May 5, 2004

Item I - 1

Engineer’s Report
for the period ending 4/28/04
Key Largo Wastewater Treatment District
Engineering Status Report
Period Ending 04/28/04

Client Issues

Design Submittal Protocol
WEC modified the Design Submittal Protocol to more accurately reflect the steps in the review process. The modified Protocol has been forwarded to The Haskell Company for their review. If the changes meet with their approval, The Haskell Company will submit the Protocol for final acceptance.

Strategic Planning
The Strategic Framework developed at the workshop with Herbert Marlowe was submitted in draft form. The Board accepted the framework and asked that it be put on the agenda to be updated by the Board every 90 days.

The existing framework has specific goals to be achieved and includes participants and projected dates of completion for many items. The next workshop has been scheduled for May 15th.

Key Largo Wastewater Master Plan
It has been recommended by Staff that the Board consider further refining the Monroe County Sanitary Wastewater Master Plan. Although the existing Master Plan identifies hot spots, ranks them in order of importance, and associates estimated construction costs with each area, it does not identify the most cost effective means of providing wastewater treatment for the entire District.

WEC has prepared a scope of work for providing the necessary components to take the Master Plan to the next level. It is envisioned that the refined Master Plan would be used as a planning tool for phased implementation of a central sewer system to serve all of the Key Largo Wastewater Treatment District. The refinement would include laying out and sizing the force main network that will eventually serve the entire area and a plan for transitioning the wastewater treatment facility from a series of package plants to a field erected regional plant with sufficient capacity to meet the needs of the entire District. A crucial component of this planning tool will be an evaluation of the cost impact each project would have on future projects, with the goal being to establish an overall plan, using available incremental funding, that provides the best value.

Prepared for the KLWTD Board by:
Ed Castle, Project Manager
WEC has been asked to break down the refinement task into subtasks that can be performed in increments without sacrificing the intent of developing an overall planning tool. WEC intends to propose alternative scopes of work that will achieve the end goal at the May 15th workshop.

**Treatment Plant**
The 60% Design Development submittal for the WWTP was received on April 16th. The package included the WWTP permit application and supporting Engineering Report. Comments prepared by WEC were submitted to the Design Review Team on April 19th. Initially, a review meeting was scheduled for April 21st, but that meeting was postponed to May 4th.

The preliminary comments by WEC were provided to all Board members earlier, and will not be repeated in this report. One additional comment was submitted to The Haskell Company after further review. This comment pertained to the internal process water recycle stream’s point of discharge into the wastewater treatment plant.

GSG provided written comments regarding the WWTP 60% design documents as well.

**Key Largo Park and Key Largo Trailer Village**
The KLP and KLTV collection system permit application was submitted to the FDEP by The Haskell Company. The FDEP issued a Request for Additional Information on April 26th. The application will remain incomplete until the additional information is provided. The Haskell Company will provide the requested information.

**Haskell Pay Applications**
WEC received Pay Application No. 6 in draft form in early April. Payment Application No. 2 for Change Order No. 1 was also received. Additional information was requested from The Haskell Company to support their requests for payment.

WEC noted that although 100% payment was requested for the 30% Design Submittal, the Preliminary Grading, Drainage, Landscaping and Electrical Site Plan and the Preliminary Landscaping Plan components had not yet been supplied. The missing components were supplied and the progress payment was approved in the amount requested.

Payment on the 60% Design Submittal was requested in an amount equal to 62.4% of the total. To justify this amount, some additional supporting documentation was requested. An electronic version of the 60 % Collection System Design was requested and received. The requested summary of work on the 60% WWTP design was not supplied and the billing was reduced accordingly.

With the additional information supplied and with the appropriate adjustments made to the requested pay amounts, WEC was able to approve Application No. 6.

*Prepared for the KLIWTB Board by:*
*Ed Castle, Project Manager*
Application No. 6

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The Haskell Company submitted Pay Application No. 2 on Change Order No. 1 during this period. Change Order No. 1 is the redesign of the Key Largo Park collection system. Application No. 2 requested payment for work done on the KLP redesign beyond the 60% Design Submittal. WEC requested a summary of progress made to date to support the request for progress payments on the 90% Design and Final Design Submittals. Due to the short period of time available to provide the requested information, The Haskell Company withdrew the request. Additional payment on Change Order No. 1 will be requested at a later date.

**Regulatory Compliance Issues**

As discussed earlier, the KLTV and KLP collection system permit application was submitted to FDEP in April. Responses to the Request for Additional Information will be provided by The Haskell Company.

Substantial work has bee produced on the WWTP design and the permit application has been filled out. Following the design review meeting scheduled for May 4th, it is anticipated that The Haskell Company will submit this application as well.

The FDOT permit application has also been prepared by The Haskell Company.

**Project Team Meetings and Actions**

WEC participated in the normally scheduled weekly Working Group conference calls each Monday during the period. WEC also attended the April 7th and April 21st Board meetings. WEC met prior to each meeting with GSG, Tom Dillon and representatives from the Design/Build team in preparation for the Board meetings. Ed Castle’s attendance at the Monroe County BOCC meeting was required, so he did not attend the Staff meeting prior to the KLWTD Board meeting, but did attend the bulk of that meeting.

Ed Castle and Mike Hatfield of WEC also met individually with three Board members on April 7th to discuss the scope of work for the refinement of the Master Plan and various other topics. The three Board members were Gary Bauman, Andy Tobin and Charles

*Prepared for the KLWTD Board by:*

*Ed Castle, Project Manager*
Brooks. Ed Castle also had a detailed telephone conversation with Jerry Wilkinson regarding the scope of the refinement of the Master Plan.
Item K - 1

Commissioner Tobin
Discussion of laboratory Testing for Near Shore Water Quality
All;

I have been speaking to a scientist with statistical and research experience in water quality issues.
He suggests that we hire an independent laboratory and pay them. Even if we get fewer samples, labs are used to doing things right. Volunteers may take more samples but the quality of the testing is not nearly as good.

He suggests 3 sample areas: a) in the affected canal; b) at the mouth of the affected canal to see if cleaning up of the canal influences adjacent near shore waters; and 3) outside of the affected area as a control to see if the near shore water and outside areas are similar.

If the budget is $8,000 then I propose seeking formal bids. At least we will get the benefit of a lab bidding on the job.

Faith, please add this to the agenda as a discussion item.

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

----- Original Message ----- 
From: "Faith Doyle" <FDoyule@govmserv.com>
To: "Andrew M. Tobin Esq. (E-mail)" <Tobinlaw@terranova.net>; "Charles S. Brooks (E-mail)" <cbrooks442@aol.com>; "Charles Sweat" <csweat@govmserv.com>; "Chuck Fishburn" <cffishburn@aol.com>; "Cris Beaty (E-mail)" <cris.beaty@ihrc.org.com>; "David Miles" <DMiles@GovMServ.com>; "Ed Castle" <edcastle@aol.com>; "Gary Bauman (E-mail)" <g.bauman@dolphinradioandgrill.com>; "Jeff Weiler" <jeff@weilerengineering.org>; "Jerry Wilkinson (E-mail)" <jerry420@terranova.net>; "Robert Sheets" <rsheets@govserv.com>; "Thomas Dillon" <thomasdillon@terranova.net>
Sent: Tuesday, April 27, 2004 12:04 PM
Subject: GSG's new Orlando address

> 
> Please note our NEW address:
> Government Services Group, Inc.
> 280 Wekiva Springs Road
> Suite 203
> Longwood, FL 32779
> Please note our NEW phone extensions:
> Charles L. Sweat 102 David R. Miles 103
> Richard G. Foster 104 Emmett Wainwright 105
> Faith Doyle 106 Jay Roma 107
> Vickey Beaneleiu 109 Zolla Gorin 108
> Clara Dozier 112
> Our phone numbers will remain the same! 407-629-6900 fax 407-629-6963
> >
> > Faith Doyle
> > Clerk to the Board
> > c/o Government Services Group, Inc.
I'm wondering if the idea of laboratory testing is really a good use of District resources. I'm not sure that a limited testing program will show any scientifically reliable results.

I'm also concerned that the data may raise issues that the District should not have to address. For example, if the samples do not show a reduction in sewage-type pollutants, arguments could be raised about the efficacy of the program, which could then cause the District to spend more resources to figure out why the pollutants have not been reduced.

In any case, it is unlikely that positive results, i.e., a reduction in pollutants, will be shown by a limited sampling program to be the result of District projects. In short, I see the potential for serious negative conclusions and little potential for positive conclusions from a limited program.

Tom

----- Original Message -----
From: "Andrew Tobin" <Tobinlaw@Terranova.net>
To: "Faith Doyle" <FDoyle@govmserv.com>; "Charles S. Brooks (E-mail)"
cbrooks442@aol.com; "Charles Sweat" <csweat@govmserv.com>; "Chuck Fishburn" <offfishburn@aol.com>; "Cris Beaty (E-mail)"
cris.beaty@hrco.com; "David Miles" <DMiles@GovMServ.com>; "Ed Castle"
edcastle@aol.com; "Gary Bauman (E-mail)"
g.bauman@dolphinpatioandgrill.com; "Jeff Weiler"
jeff@weilerengineering.org; "Jerry Wilkinson (E-mail)
jerry142@terranova.net; "Robert Sheets" <rsheets@govserv.com>; "Thomas Dillon" <ThomasDillon@terranova.net>
Sent: Tuesday, April 27, 2004 3:53 PM
Subject: Laboratory Testing

> All;
> I have been speaking to a scientist with statistical and research experience
> in water quality issues.
> He suggests that we hire an independent laboratory and pay them. Even if we
> get fewer samples, labs are used to doing things right. Volunteers may take
> more samples but the quality of the testing is not nearly as good.
> He suggests 3 sample areas: a) in the affected canal; b) at the mouth of the
> affected canal to see if cleaning up of the canal influences adjacent near
> shore waters; and 3) outside of the affected area as a control to see if the
> near shore water and outside areas are similar.
> If the budget is $8,000 then I propose seeking formal bids. At least we will
> get the benefit of a lab bidding on the job.
> Faith, please add this to the agenda as a discussion items.
Faith Doyle

From: EdRCastle@aol.com  
Sent: Wednesday, April 28, 2004 8:29 AM  
To: thomasdillon@terranova.net; Tobinlaw@Terranova.net; FDoyle@govmserv.com; CBrooks442@aol.com; csweat@govmserv.com; Cffishburn@aol.com; cris.beaty@ihrco.com; DMiles@GovMServ.com; g.bauman@dolphinpatioandgrill.com; jeff@weilerengineering.org; jerry142@terranova.net; rsheets@govserv.com  
Subject: Re: Laboratory Testing

While considering the testing options, please consider FDEP's position. They have a comprehensive testing program in place for the Little Venice service area, assisted by funding from the EPA. The program costs in excess of $100,000 per year. According to Gus Rios of FDEP, the intent was to document changes in water quality that may result from providing sewage treatment for the area. The changes in water quality realized in the Little Venice area can then be expected to occur in other similar areas as they are sewered. The FDEP sees no need to spend large sums of money testing all areas when similar results can reasonably be expected.

Ed
KLWTD Board Meeting
May 5, 2004

Item K - 2

Commissioner Tobin
Discussion of KLWTD Lobbyist in Washington, D.C.
Faith: Please add the following for discussion:

Jody Thomas from the Nature Conservancy called about the possibility of someone from KLWTD going to Washington to lobby for money for money.

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

----- Original Message ----- 
From: "Faith Doyle" <FD Doyle@govmserv.com>
To: "Andrew M. Tobin Esq. (E-mail)" <Tobinlaw@terranova.net>; "Charles S. Brooks (E-mail)" <cbrooks442@aol.com>; "Charles Sweat" <csweat@govmserv.com>; "Chuck Fishburn" <cffishburn@aol.com>; "Cris Beaty (E-mail)" <cris.beaty@1hrco.com>; "David Miles" <DMiles@GovMserv.com>; "Ed Castle" <edrcastle@aol.com>; "Gary Bauman (E-mail)" <g.bauman@dolphinpatioandgrill.com>; "Jeff Weller" <jeff@weilerengineering.org>; "Jerry Wilkinson (E-mail)" <jerry142@terranova.net>; "Robert Sheets" <rsheets@govserv.com>; "Thomas Dillon" <ThomasDillon@terranova.net>
Sent: Tuesday, April 27, 2004 3:08 PM
Subject: Draft KLWTD 5-5-04 Agenda

> Gentlemen,
> 
> Please review the attached and let me know if you have anything you want added .......
> 
> Andy and Charlie, If you gathered any information on the potential rental properties please forward it to me ASAP......
> 
> <<Agenda DRAFT KLWTD 5-5-4 .doc>>
> 
> Faith Doyle
> Clerk to the Board
> c/o Government Services Group, Inc.
> 280 Wekiva Springs Road, Suite 203
> Longwood, FL 32779
> Phone (407) 629-6900
> Fax (407) 629-6963
> Cell (321) 246-0059
KLWTD Board Meeting
May 5, 2004

Item L - 2

Memorandum on
Water Quality Testing
TO: Key Largo Wastewater Treatment District Board Members

CC: Charles Sweat, Director of Operations
    Faith Doyle, Clerk to the Board
    David Miles, Chief Financial Officer

FROM: Robert E. Sheets, General Manager

DATE: May 5, 2004

RE: Near Shore Water Quality Monitoring – Memo Update

As requested by the Board at the April 21, 2004 Meeting, staff has contacted Dr. Dan Canfield, Director of the Florida Lakewatch Program, to initiate a near-shore water quality monitoring program for Key Largo. During a conversation with Dr. Canfield he wanted to thank the KLWTD for offering to support the citizen water quality monitoring program Florida LAKEWATCH/PROJECT-COAST. He reiterated that Lakewatch would be willing to include Key Largo in its program for an approximate $8,000 a year donation, to cover the lab fees and transportation costs associated with delivery of the samples.

Due to time constraints a sampling plan has not been completed at this time. Staff is arranging a meeting, in the month of May, with the Lakewatch staff to discuss the approach and to insure that the monitoring program is designed to address the Board’s concerns. The determination of “water quality” must be defined as it is relates to nutrients such as phosphorus and nitrogen, algal growth and bacteriological contamination and sample locations must be strategically located. Following this meeting Staff will present to the Board the sampling/monitoring plan.

Florida Lakewatch, as previously reported, is a volunteer citizen lake monitoring program that facilitates citizen participation in the management of Florida lakes through monthly monitoring activities. The saltwater testing done in the Keys is leftover from a similar program called Coastwatch. The state funding for Coastwatch is no longer available, however as previously stated, they still facilitate some water quality monitoring in the Keys. The tests run by Lakewatch include total phosphorus, total nitrogen, chlorophyll and visibility. Volunteers are used to collect the samples and state funding pays for the laboratory fees. The results are then posted on the Lakewatch website for general public dissemination.

If you have any questions please feel free to contact me.
KLWTD Board Meeting
May 5, 2004

Item L - 3

Revised Project Design Protocol
April 26, 2004

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 listed project participants for review and comment allowing a minimum of seven (7) days working days for review prior to the scheduled meeting. No later than two (2) working days prior to the meeting, the KLWTD General Manager will collect written review comments from the KLWTD project participants. The General Manager will submit the written comments to the Design/Build project participants.
Mr. Robert Sheets  
April 26, 2004  
Page 2

The KLVTD project participants are:

- Charlie Brooks of KLVTD (1 Full Size Set)  
- Jerry Wilkinson of KLVTD (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 – (1 Half Size Set) This set to be preserved as the official record of the submittal.

The Design-Build project participants are:

- Ted Hortenstine, Brown & Caldwell  
- Smart Oppenheim, Brown & Caldwell  
- Joe Paterniti, Brown & Caldwell  
- Peter Kinsley, The Haskell Company  
- Will English, The Haskell Company  

District Clerk – (1 Half Size Set) This set to be preserved as the official record of the submittal.

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, the 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
The Haskell Company's designers transmit written replies to design review comments, both written and oral, made by all project participants within three (3) working days of design review meeting to the KLVTD project participants. The KLVTD General Manager will maintain an issue's log in which unresolved issues of importance are tracked. 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.
Mr. Robert Sheets  
April 26, 2004  
Page 3

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.

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<th>Design Submittal</th>
<th>Activity 1</th>
<th>Activity 2</th>
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Should you have any questions or require further information, please do not hesitate to contact me at (904) 357-4868.

Sincerely,

Peter M. Kinsley  
Division Leader - Water

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