June 2nd

2004
A. Call to Order

B. Pledge of Allegiance

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


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 Haskell bonding and insurance
   4. Update on the lease of potential rental space

G. Action Items
   1. Approval of the manager-select contract
   2. Approval of the Pending Payments List for June 2, 2004
   3. Approval of the KLWTD making Direct Equipment Purchases
   4. Approval of the Public Notices for the meetings scheduled from July through September 2004
   5. Approval to reduce the number of Mylar copies required for submittal

H. General Manager’s Report
   1. Discussion of DCA Grant Agreement for FEMA Project 1249-25

I. Engineer’s Report
   1. Status Report for the period ending May 25, 2004
   2. Update on Influent Characteristics

J. Public Comment

K. Commissioner’s Items
   1. Discussion of the CFO and Clerk Positions – Chairman Bauman
   2. Discussion for possible action of the manager/manager-select and attorney to contract for temporary office space on a month-to-month tenancy not to exceed $1.25 per square foot and a total cost of $1,000 including utilities monthly – Commissioner Wilkinson
   3. Discussion for possible action of the manager/manager-select and attorney to contract for communications (telephone/DSL) capability transferable within the island of Key Largo – Commissioner Wilkinson
4. Discussion for possible action of the authority of the manager/manager-select to spend not-to-exceed $5,000.00 for office startup equipment, fixtures, furniture, supplies and other office needed materials – Commissioner Wilkinson
5. Discussion for possible action of directing the outgoing manager and staff to prepare a comprehensive list of accounts payable and receivable, insurances, mandated reports with submission dates, etc. accompanied with a contact person, email and mailing address, telephone number and other necessary items necessary for the transition to local management. The intent is that all expected services, tasks, accounts, contacts, etc. necessary for the proper management of the KLWTD whether major or minor be disclosed promptly to the incoming manager and the District – Commissioner Wilkinson

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

M. Meeting Adjournment
Board Members Present

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

Staff Members Present

Charles Sweat, Director of Operations (GSG)
David Miles, Chief Financial Officer (GSG)
Thomas Dillon, Board Attorney
Ed Castle, Board Engineer (WEC)
Faith Doyle, Board Clerk (GSG)

Guests Present

Pete Kinsley, The Haskell Company
Charles Kupper, Keys Resident
Will English, The Haskell Company
Robert Burt, KLTV Homeowners Association
Steve Gibbs, Reporter for the Reporter

A. Call to Order

Chairman Bauman called the meeting to order at 5:01 p.m.

B. Pledge of Allegiance

The pledge was recited.

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

Commissioner Tobin requested to add a letter from George Garrett as item K3 concerning site mitigation.

Mr. Dillon requested that Item F5 concerning a tax form request from TIB be added to the legal report.

D. Minutes – Draft April 21, 2004
E. Public Comment

Commissioner Brooks introduced Mr. Charles Kupper as one of the manager applicants.

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

Mr. Dillon noted that the design has taken priority, but there would be an item on the May 19th agenda as a result of continued discussion.

   2. Update on direct/indirect costs issue

Mr. Dillon advised the Board that an update would be provided on this item at the May 19th meeting.

   3. Update on legislation

Mr. Dillon informed the Board that the legislation has passed both houses and it went to the governor for execution. Ms. Pat Cichon had been contacted and will recommend that the governor sign the legislation.

   4. Update on County funds

Mr. Dillon stated that the BOCC legislation was passed and it has gone to the DCA for its approval and then funds would be released.

   5. Tax Form requested by TIB Bank

Mr. Dillon stated that TIB requested that the CFO submit a completed IRS form. Mr. Dillon doesn’t believe it applies to the KLWTD and requested that research be done by him, or a bond attorney consulted. Mr. Miles stated that he has been requested to fill out these forms for bond issues when they are made for general obligation or revenue bonds. Mr. Miles believes that for a line of credit with zero having been drawn on the debt it should be researched prior to filing the document. Mr. Dillon stated that lines of credit are not listed in the code but it should be researched. It was suggested that Bill Anderson be consulted. Commissioner Tobin believes it should be submitted with out research. Mr. Dillon doesn’t believe it should be sent because the District has not issued bonds. Commissioner Tobin suggested that the bonds crossed out and line of credit be written in and the form submitted. Mr. Miles stated he would only sign it the Board’s authorization.

COMMISSIONER WILKINSON MOVED TO APPROVE MR. MILES TO COMPLETE, SIGN AND FORWARD THE DOCUMENT. COMMISSIONER TOBIN SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION CARRIED.
G. Action Items

1. Approval of the Pending Payments List for May 5, 2004

COMMISSIONER BEATY MOVED TO APPROVE ITEM G1. COMMISSIONER WILKINSON SECONDED THE MOTION FOR DISCUSSION. Commissioner Wilkinson asked when the line of credit might need to be used. Mr. Miles believes that with the MSTU funds flowing the line of credit won't be needed in the near future. THE CHAIRMAN CALLED FOR A VOTE, ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

2. Approval of the rental space short list

The consensus of the Board was to hold on the pursuit of the rental space until a manager has been hired. Commissioner Brooks entertained a motion to amend the list to only include the pediatrics building and the Bank of America space. Discussion ensued on the need to renovate the Damaron Building location. Commissioner Brooks suggested ranking the list as the Bank of America being first, the pediatrics building as second and the Damaron as third. Commissioner Wilkinson believes the manager should do the research on an office location. Commissioner Tobin believes Mr. Dillon should start looking at the leases and terms. Discussion continued on parking and other arrangements.

IT WAS THE CONSENSUS OF THE BOARD TO HAVE MR. DILLON BEGIN RESEARCHING LEASES AND TERMS. Mr. Dillon stated that he would contact the Bank of America for a sample lease for review.

Chairman Bauman then tabled the item.

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

Mr. Dillon presented the additional information concerning item G3 entitled Amendment No.1 to the GSG Management Services Agreement. Commissioner Tobin moved to approve the item. Commissioner Beaty seconded for discussion. Commissioner Tobin asked Mr. Miles how much time he dedicates to KLWTD business on a weekly basis. Discussion ensued. Mr. Dillon suggested that Chairman Bauman be named the initial contact in the amendment and noted that the amendment is capped at $10,800 per month. Commissioner Tobin had been concerned that if projects go to 5-hours or more the Board should approve them. Discussion ensued on the overlapping of duties during the transition, coordination of the upcoming budget and transport and disposition of the KLWTD official records. It was noted that Gary Bauman would be listed as the director of the contract.

Mr. Dillon suggested that the item be placed on the May 15 agenda for action.

Chairman Bauman called the question and asked for a vote. There were no votes in favor of the motion. The motion failed.

4. Acceptance of the Roe-Vac warranty

Commissioner Brooks moved to accept the Roe-Vac Warranty. Commissioner Beaty seconded the motion. Chairman Bauman requested a roll call vote.

Commissioner Beaty Yes
The motion was unanimously approved.

5. Approval of Resident's Letter

Mr. Sweat presented the letter. Commissioner Brooks moved to approve the resident's letter. Commissioner Beaty seconded the motion for discussion. Commissioner Tobin asked if Haskell would be part of the community meetings. Mr. Kinsley stated that a community information program was part of their public information plan. In addition to participation in the introductory meeting, he will meet with residents as the project progresses. Commissioner Wilkinson stated concern that the information noted by the bullets would not be prepared by the June 29, 2004 meeting date. Discussion ensued on the information to be presented at that meeting.

Mr. Robert Burt asked who would be sending the letter to the property owners. Mr. Sweat stated that GSG as general manager would and that the letter would be produced in Spanish and English. Mr. Burt was requested to supply a list of the owners and residents and their contact information. Mr. Burt also asked about that abandonment of the septic systems and if there is a law that requires it. Mr. Sweat stated that it is the County Health Department's rules and the Florida Administrative Code addresses the issue and that he will provide the pertinent sections at the meeting. Mr. Burt also asked about the installation of lines from the house to the District's connection point and that some residents will want to do the work themselves. Mr. Burt is concerned that there will need to be definite answers for this question. Mr. Burt questioned the financing issue and expressed a need for a financing option. Chairman Bauman stated that there are no agreements yet but it would be provided. Mr. Burt asked if there would be contractors hired by the board. Chairman Bauman stated there would be several recommended contractors. Commissioner Brooks added that authorized and qualified contractors would be recommended but the Board will not be hiring the contractors the homeowner would be. Commissioner Brooks noted that the County will be offering some assistance and there will be a financing package available.

Commissioner Tobin asked that a construction schedule be added as an additional bullet so that this information would be provided at the resident’s meeting. He also asked if CDBG forms would be available to hand out. Discussion ensued on the low-income program. It was suggested that Mark Bell of FKAA low-income assistance program be in attendance to provide information on the program.

Mr. Castle asked if his email could be corrected and noted that he would route emails that were not engineering related to the appropriate persons.

The question was called. Chairman Bauman requested a vote. All were in favor and the motion was unanimously approved.

6. Approval of the May 15, 2004 Workshop Agenda
Commissioner Wilkinson wants the manager selection to be an action item at this meeting not a discussion item. Discussion ensued. It was noted that most Board members have talked with the candidates. Commissioner Beaty stated that he would take the next ten days to contact the candidates and he agrees the Board should move ahead on the manager selection.

Commissioner Brooks does not agree. He believes the Board should move ahead on the manager, but the workshop was to be a global/general agenda and resumes could be received on the 14th and may not be properly considered. Chairman Bauman believes the candidates need to be discussed along with their qualifications and how the other members ranked them. Discussion ensued concerning if the manager selection should be a workshop action item. Commissioner Brooks believes the interview should be held in the public so that citizens can be involved in the process.

Commissioner Brooks moved to change item 4B to read “Interviews of the Manager Candidates” and to move it to the first agenda item of the May 15, 2004 meeting.

Commissioner Wilkinson seconded the motion. Discussion ensued on the need for reviewing the resumes collectively prior to conducting the interview. The motion was amended to include an item a “Review of resumes received.” Discussion ensued concerning who would be in attendance from staff at the meeting and if there would be enough information presented at the workshop on the KLP vacant lot issue for the board to give direction to the staff. Mr. Castle believes the information to be presented would assist the Board in giving direction to the staff but not all the final information on the subject would be provided. Chairman Bauman requested a roll call vote.

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

H. General Manager’s Report
   1. Update on the Design Team Meeting of 5/4/04

Mr. Sweat reported that the 60% design meeting had been held on May 4, 2004 and was very productive. He noted that all of the changes requested and additional items had been discussed and would be addressed.

Mr. Sweat stated that the Haskell progress report included the review items and Haskell’s responses to all of them and were provided for the Board’s review. The 60% plans for the plant would be ready for permitting and submitted by the end of next week. The DEO commitment would be filed by the 14th May. The application would be reviewed by WEC and GSG and Chairman Bauman would sign it.

Commissioner Brooks stated that there had been comments discussed from all members and several concerns of staff were to be addressed prior to being submitted for permitting. Commissioner Brooks asked the Haskell representatives if they had made any effort to resolve the difficulties. Mr. Kinsley stated that the 3-4 items that are still outstanding would be resolved prior to permit submittal. Mr. Sweat confirmed that the final 60% designs would be reviewed by WEC and GSG to ensure that all comments had been addressed prior to submittal. Commissioner Brooks stated concern that the Board be involved in the approval of the documents. Commissioner Brooks wanted to inform the Board that at the design meeting it was decided that Haskell would make the permit application and staff would review it and once
submitted it should not be changed. He is of the opinion that staff would be making the final decision for the Board. Mr. Kinsley noted that once a permit application is submitted there would most likely be comments from the DCA that need to be addressed so there are more opportunities to review and comment.

2. Presentation of the Quarterly Financial Reports

Mr. Miles presented the quarterly financial reports. Discussion ensued on the need to report land as a fixed asset. Mr. Miles noted that the land value had been used as an offset match to the FEMA grant.

Discussion ensued on the $137,000 that the FKAA had forwarded to the Department of Health and how it would be accounted for in the KLWTD budget.

Chairman Bauman recessed the meeting at 7:35 p.m.
Chairman Bauman reconvened the meeting at 7:48 p.m.

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

Mr. Castle presented his report adding that the Design Submittal Protocol had been revised to reflect the procedure that is presently being followed. He noted that the ‘master plan’ would be used as a planning tool. Mr. Castle stated that the Haskell pay requests have become routine and follow a specific procedure before being paid.

Mr. Castle noted that he had received email correspondence today on comments from the design team meeting.

J. Public Comment

Mr. Burt stated that the date of June 29th for the KLTV meeting would not work. Commissioner Brooks had confirmed that the date was good with the Key Largo Civic Club. Discussion ensued on the date of July 22nd at 7:00 p.m. at the Civic Club. The date was agreed upon.

K. Commissioner’s Items
   1. Discussion of Laboratory Testing for Near Shore Water Quality – Comm. Tobin

Commissioner Tobin is of the opinion that the KLWTD should not have volunteers do the initial testing it should be professionally done to get a base line. Mr. Dillon stated that he is afraid of half-truths and if it is to be done it should be scientifically design. It was noted that the Marine Sanctuary should have a good base line. Mr. Castle stated that ‘store’ should have recorded data on the water in the area and has good environmental sampling information and from the many studies that have been done could provide information for the KLWTD to use.

Commissioner Tobin asked if staff could give a final recommendation. Mr. Castle comments that there is a lot of value in what little Venice is doing with their testing program. The program costs approximately $100,000 a year.
Commission Bauman suggests Mr. Sweat review the data that already exists and to have a conversation with Gus Rios and review the Marine Sanctuary data to assist in formulating a recommendation.

Commissioner Brooks stated that the KLWT's job is to put in a sewer system NOT to do water testing. There is No point, in his opinion, if the water is not polluted or polluted KLWT must place a sewer system and the legislation does not mandate testing the water and the tax payer's money should not be spent on this activity.

2. Discussion of KLWT's Lobbyist in Washington, D.C. – Comm. Tobin

Discussion ensued on the issue. Chairman Bauman stated that the local federal representatives are aware of the Boards needs and know that wastewater is a priority and therefore additional lobbying efforts would not be necessary.

3. Discussion of the letter from George Garrett concerning the site mitigation – Comm. Tobin

Commissioner Tobin stated that he had a discussion FEMA on 2.6 acres and with Mr. Garrett concerning the conservation easement. Discussion ensued on the requirement of giving the land away. Chairman Bauman stated that during his conversation with Miles Anderson of the DCA he was informed that FEMA will be firm on the 2.6 acres but Miles did not mention the taking of land. The Board agreed that there should be no land given away.

Mr. English noted that mitigation would coincide with construction and that Mr. Garrett had submitted the plan to Fish and Wildlife. Discussion ensued on the need to get an agreement with Fish and Wildlife.

L. Update on past agenda items:

1. FEMA FONSI Status

Mr. Sweat informed the Board that the FEMA Phase II grant contract is being sent soon. Commissioner Brooks requested that all of staff and the Board be copied as soon as the document is received.

2. Water Quality Testing

Mr. Sweat provided the Board with a memorandum concerning this item.

3. Project Design Protocol

An update of the protocol was included with the agenda.

4. Resolution of $100K Loan repayment issue

No update was provided on this item.

5. Site mitigation

A copy of the information submitted by Mr. George Garrett of the FKAA was handed out at the meeting.

6. KLP vacant lot resolution

No update was provided on this item.

7. Project request for FEMA deadline extension

No update was provided on this item.

8. CDBG Grants and/or funds for private connections

No update was provided on this item.

9. Procedures

No update was provided on this item.
10. Web Site Development
Commissioner Wilkinson stated concern over the information provided on the current website. The information is extremely out dated and the situation needs to be addressed.

M. Meeting Adjournment

It was suggested by Mr. Dillon that the clerk contact the manager candidates for interviews at the May 15, 2004 meeting beginning at 10:30 a.m. and to schedule the times by alphabetical order of the applicants last names. Mr. Dillon also cautioned the Board not to suggest that the candidates not attend the meeting beyond their interviews because it is a public meeting.

Chairman Bauman adjourned the meeting at 8:35 p.m.
KLWTD Board Meeting
June 2, 2004

Draft
May 15, 2004
Meeting Minutes
Board Members Present

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

Staff Present

Robert Sheets, General Manager, GSG
Charles L. Sweat, Director of Operations, GSG
Thomas Dillon, Board Attorney
Ed Castle, Board Engineer, WEC
Faith Doyle, Board Clerk

Guests Present

Charles Kupper
Mark Weis
Charles Fishburn
Burke Cannon
Mary Lou Wilkinson

A. Call to Order

Chairman Bauman called to order at 10:03 a.m.

B. Pledge of Allegiance

The pledge was recited.

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

Commissioner Wilkinson suggested removing the items that didn't have back up information. It was the consensus of the Board that item F1 be considered and then discussion on the balance of the items.

D. Minutes – Draft May 5, 2004

Chairman Bauman requested the item be taken up on the next agenda.
E. Public Comment

No one present wished to address the board.

F. Workshop Items

1. Discussion for Possible Action of the K LWTD Manager Candidates
   a. Review of resumes received

Chairman Bauman suggested discussing the individual reviews of the candidates. Commissioner Tobin suggested deferring the discussion until after the interviews are conducted. The Board was in agreement with Commissioner Tobin. Discussion ensued on the difficulty of conducting public interviews of the candidates. Mr. Dillon cautioned the Board that suggesting the other candidates dismiss themselves during the others interviews would be inappropriate. It was the consensus of the Board to conduct the interviews in the public forum with all members present participating.

   b. Interviews of the Manager Candidates
      10:30 a.m. – Charles Fishburn

Mr. Fishburn was asked to give an opening statement. Mr. Fishburn reviewed his qualifications and noted that he had served the Board in the capacity of engineer with Gartek, Inc. and has been active in the Keys attending many public meetings relating to the implementation of sewers there. Mr. Fishburn believes the staff positions require full time effort by the Manager, Clerk and CFO to effectively run the District and implement the Board’s policy.

Mr. Beatty asked Mr. Fishburn to describe his management experience. Mr. Fishburn stated that he has 20 years management in the auto industries and was in control of a 30 million dollar budget and a staff of 38. It involved working with various nations on introducing Jeep products that met the host countries laws and regulation. Mr. Beatty asked Mr. Fishburn, if he was hired how he would envision the transition. He stated would like the CFO and clerk to report to him and would like to interview the candidates along with the Board and the current staff. He believes an office to operate from is important. The master plan review would be the first order of business. Mr. Fishburn believes the accounting function should be full time and in house. He suggested that employment ads be rerun describing the jobs as full time to secure better applicants. Commissioner Beatty asked what would be the primary direction after the existing projects are complete. Mr. Fishburn believes the next phase detailed in the revised master plan would be imperative to complete.

Mr. Brooks asked about the bonding of funds for construction instead of securing grants and how familiar he was with the process. Mr. Fishburn stated that he is not familiar with the process, however the grant process is cumbersome and bonding should be considered. Mr. Brooks asked about his management skills and how many employees he had directed. Mr. Fishburn has had companies with thousands of employees under his direction. The businesses were taken from scratch and grown out. Commissioner Brooks asked about his experience in the Keys and if Mr. Fishburn had a comfort level with the "sister" entities, Islamorada and the County. Mr. Fishburn feels very comfortable with his relationships with these entities. Commissioner Brooks stated that the Board would like the staff to report to the Board and asked how that would affect his management plan. Mr. Fishburn believes the staff can be better directed and their time spent more effectively under the manager's direction.
Commissioner Tobin stated that no one has studied the District’s issues as much as Mr. Fishburn. Commissioner Tobin asked Mr. Fishburn what he has learned working on the west coast in the last six-months. Mr. Fishburn stated that his time with GSG has resulted in his learning a great deal about the operation of water and wastewater plants.

Commissioner Wilkinson asked Mr. Fishburn why he wants the job. Mr. Fishburn stated that he believes it “clicks” he lives here, he has the technical background, the one issue that concerns the Board (sewers) he is enthusiastic about and he is in the right time at the right place. Commissioner Wilkinson asked what salary he expects. Mr. Fishburn stated that a compensation package in the range of $100,000 would be fair. Commissioner Wilkinson asked how many hours he would work for that salary. Mr. Fishburn stated all the hours it takes to get the job done. Commissioner Wilkinson asked by December 2004 what other staff he would envision. Mr. Fishburn stated the clerk and the CFO. Commissioner Wilkinson asked how much office space Mr. Fishburn estimated the Board would require. Mr. Fishburn stated that any of the spots being looked at would be sufficient to start but as the District grows it would require larger facilities. Commissioner Wilkinson asked when he would be available. Mr. Fishburn stated he would like to leave a two weeks notice with GSG if possible. Commissioner Wilkinson asked if Mr. Fishburn would be able to work with five independent board members. Mr. Fishburn stated that he could and would be able to help members with their individual projects when afforded 120 man-hours a week with a three member staff.

Chairman Bauman asked how he would improve communication between the Board and management. Mr. Fishburn stated that as a full time manager he would be able to assist all Board members with their projects or help them to obtain information on making informed decision. Chairman Bauman stated that the manager will need to meet with state officials and regulators and asked how he would feel making presentations to them. Mr. Fishburn stated that he was involved with regulators in the auto industry and had met with agencies (EPA) in the USA and in foreign countries. Commissioner Bauman asked what would be his greatest concern in taking this job. Mr. Fishburn stated that the re-election process and the changing of the Board members.

Chairman Bauman offered Mr. Fishburn the opportunity to make a closing statement. Mr. Fishburn stated that the Board was created to initiate sewers, he believes his background meshes with the Board’s direction and he looks forward to seeing the District develop and soon be operating a system and he believes he would be able to assist in the effort.

11:00 a.m. – Charles J. Kupper, Jr.

Mr. Kupper was asked to give an opening statement. He reviewed his qualification and past experience, which was heavy in the sewer industries. He had directed 300 construction employees and 200 administrative employees, which includes overseas operations and construction. Mr. Kupper has worked with authorities from inception, when there was no staff or plan, including the estimates and bonding of the funds, bidding and building the plants, and training operators to run the plants. He has worked with every local, state and federal agency, including the Army Corp of Engineers. He has also funded projects with grant funds and been the engineer for 13 communities. Mr. Kupper believes his job would be to keep the Board focused on objectives and to provide information to them. He believes a local office is imperative along with record keeping. He stated that the staff, CFO and clerk would be working for him. Operations personnel would be needed in the future or could be contracted for. A billing system would be needed or contracted out. He would need to work with the electric...
company, attend meetings with the County, the DEP and with the Corp of Engineers and all of his work efforts would be inclusive in his salary.

Commissioner Beaty asked about his management style. Mr. Kupper stated he prefers to get along with everyone, never lie and that subordinate employees would have rules that would need to be followed. Commissioner Beaty asked how he would envision the transition of management. Mr. Kupper stated that the transition time frame between the old and the new management would include meetings with the current staff and reading of all the past records. Commissioner Beaty asked how the staff would be structured. Mr. Kupper stated the clerk would report directly to the Board concerning the minutes and agenda as clerk, but as the administrative support should be directed to the manager. CFO could report directly to the Board on the same plane as the Manager or report to the Manager. Commissioner Beaty asked what the largest plant he had constructed was. Mr. Kupper stated that it had been a 200 million gallon a day facility. Commissioner Beaty asked if he would be comfortable working with the present staff. Mr. Kupper stated that he would be comfortable working with the present staff. Commissioner Beaty asked what direction he would suggest the Board take. Mr. Kupper stated whatever the master plan shows and is feasible and recommended by the engineer.

Commissioner Brooks asked what the smallest plant he had constructed. Mr. Kupper stated it was a 150 thousand gallons a day facility on a coastline and abutting a state park. Commissioner Brooks asked if it was an AWT plant. Mr. Kupper stated no but he is familiar with the process. Commissioner Brooks asked how he planned to develop a master plan. Mr. Kupper would look at the whole area and prioritize project. Commissioner Brooks asked whom he believed should do it. Mr. Kupper stated an outside engineer. Commissioner Brooks asked if he would travel. Mr. Kupper stated yes he could without difficulty. Commissioner Brooks asked what he saw developing for the District. Mr. Kupper sees the District growing, the staff will increasing, as the area gets sewered, there will be the billing component, office assistance to the clerk and eventually operators for the plant.

Commissioner Tobin stated that Mr. Kupper has a great deal of experience in the field and asked what he had been doing for the last five years. Mr. Kupper stated that he had retired but is currently doing property management with his son. Commissioner Tobin asked when his last full time engineering position had been. Mr. Kupper stated that he has maintained a consulting practice with responsibilities in the field. He also has been providing mediation and arbitration in the construction field. Commissioner Tobin asked when he had built the 150 thousand gallon plant. Mr. Kupper stated that it was in the late 1970's. Commissioner Tobin asked when he had been in charge of the construction of wastewater facilities. Mr. Kupper stated from approximately 1954 to 1985. Commissioner Tobin asked if the industry and technology had changed since then and would his experience transfer. Mr. Kupper stated that he believes it would.

Commissioner Wilkinson asked him why he wanted the job. Mr. Kupper stated that his experience would assist the Board. Commissioner Wilkinson asked what his salary requirements would be. Mr. Kupper stated in the range of 75-100 thousand. Commissioner Wilkinson asked how many hours he would work for that salary. Mr. Kupper stated as many as necessary. Commissioner Wilkinson asked what staff he would hire within the next 7 months. Mr. Kupper stated the clerk, CFO and possibly another office assistant. Commissioner Wilkinson asked what type of office space would be necessary. Mr. Kupper stated that approximately 1500 square feet to start and to try purchase a location in the future. Commissioner Wilkinson asked when he could start. Mr. Kupper stated he could start on Monday. Commissioner Wilkinson asked if things were going wrong in the field would he inform...
Mr. Kupper stated that the Board is the boss and the truth is best and informing the board of problems quickly is important. Commissioner Wilkinson asked if he would be able to work with the five individual Board members. Mr. Kupper stated yes he would.

Chairman Bauman asked Mr. Kupper how long he would work for the District. Mr. Kupper stated as long as he could. Chairman Bauman asked if he had worked with cantankerous Boards. Mr. Kupper stated that he has and provided an example of when a manager was misinforming the Board as to staff's direction. Mr. Kupper stated that he worked with the staff and the Board involved to get them to mesh. Chairman Bauman asked about his experience with getting grant funding and meetings with local, state and federal officials. Mr. Kupper stated that he has presented to all the agencies of various sizes in an attempt to get plans approved to both parties satisfaction.

Mr. Kupper stated in closing that he has tremendous experience in the field and has made grant applications and been involved with administering them, he has done bond issues while working with local state and federal government. Mr. Kupper welcomed the opportunity to work for the Board.

11:30 a.m. – Mark W. Weis

Mr. Weis was asked to give an opening statement. Mr. Weis stated that he has worked in management but nothing exclusive to wastewater. He has been a project manager involved heavily with finance. He has been able to take projects and teach himself about the unknown and is strong at being a problem solver. He has managed satellite offices and small staffs. Mr. Weis believes the District has many issues to bring together and he believes he can help.

Commissioner Beaty asked about his management style. Mr. Weis stated he has directed small staffs and has an open style with an emphasis on communication. Mr. Weis believes that planning is imperative to provide direction. Commissioner Beaty asked how he would bring himself up to speed on the District's issues. Mr. Weiss stated he would make a home office immediately, meet with all entities that hold a stake in the wastewater plan, and begin pulling the records together for review. Mr. Weiss would need an administrative assistant immediately and that the clerk duties would need to be defined. Commissioner Beaty asked his opinion of the CFO position. Mr. Weis stated that it should be an in house position with the first responsibility being to the Board and then to the manager, the Board will need to be active in many decisions made by the CFO and that position would need to get approval quickly. Commissioner Beaty asked what besides the existing project would he do to move things forward. Mr. Weis stated that cash flow makes or breaks an entity and that the master plan would need to be reviewed and adapted so it could be seen what projects would create the most cash flow most quickly.

Commissioner Brooks asked if he considers himself a facilitator and if he would describe how he would get the District moving forward. Mr. Weis stated that he would but together an expediting chart showing how things are presently moving and how things need to move from here. Depending on the hiring of the CFO and the qualifications of the clerk things must be moving within two months. Mr. Weis was asked how he would manage public records. Mr. Weis stated that he would compile a library and an indexing system. Commissioner Brooks asked if he would travel. Mr. Weis stated that he would travel for District. Commissioner Brooks asked if he had bonding experience. Mr. Weis stated none directly. Commissioner Brooks asked if he has worked with the local authorities. Mr. Weis stated that he has followed the issues in the papers but has had no direct experience with the County. Commissioner Brooks
asked how he sees the transition. Mr. Weis stated that he would work with GSG and the Board on the plan.

Commissioner Tobin asked how long he had been in the Keys. Mr. Weiss stated since 1999. Commissioner Tobin asked his marital status. Mr. Weiss stated that he was not married. Commissioner Tobin asked what brought him to the Keys. Mr. Weiss stated that he had relocated to Florida during the downsizing of Mellon Bank. Commissioner Tobin asked if he had any public administration experience. Mr. Weiss stated not from employment, but he has been president of a homeowners association and has sat on the boards of various homeowners associations.

Commissioner Wilkinson asked why he wants the job. Mr. Weiss stated that he has the time and the opportunity to learn the wastewater field and he would like the opportunity to help the community he plans to stay in. Commissioner Wilkinson asked what salary he would expect. Mr. Weiss stated in the 75-100 thousand dollar range. Commissioner Wilkinson asked what hours he would work. Mr. Weiss stated whatever it takes to do the job. Commissioner Wilkinson asked what staff he would plan to have by December 2004. Mr. Weiss believes it may need to be larger than three because there are many avenues to explore and it would depend on what needs to be done and how fast it is needed. Commissioner Wilkinson asked when he could start. Mr. Weiss stated immediately. Commissioner Wilkinson asked if he would see things going wrong would he bring the problems to the Board. Mr. Weiss stated absolutely and that he is noted for his honesty and outspokenness. Commissioner Wilkinson asked if he would be willing to stick with the Board. Mr. Weiss stated yes.

Chairman Bauman stated for the record that he and Mr. Weiss belong to the same social club and have worked together on that entities board.

Chairman Bauman asked if he would expect full time, part time, or an employment contract. Mr. Weiss stated it would be the Board’s pleasure but he believes contracts can cost an entity if things do not work out. Chairman Bauman asked him how he resolves problems. Mr. Weiss stated with logic and communication, look at it from the logical basis and to keep emotion out and doing what is right for the community, project and District. Chairman Bauman asked if he had experience with making formal presentations. Mr. Weiss stated that he has not made many formal presentations but he has great ‘at the table’ negotiation skills. He noted that he is not afraid to meet with people that he does not know and that he envisions most presentations being put together by the staff for him to present. Chairman Bauman asked if he was concerned that he has no wastewater experience. Mr. Weiss stated that after his meetings with the Board members he believes he can pick things up along with engineering’s experience, the Board and staff support. He understands the principles and issues facing the district. He realizes he would have a lot to do but feels confident he can do it.

Chairman Bauman asked the candidates for closing summaries.

Mr. Weis stated that he would like the job because he loves the area and sewers are something that must happen and he could be a part of making a better community. He believes his experience as a manager and the tackling of problems will make him a team member with the engineer and attorney. He believes he can coordinate the construction and handle any homeowner’s problems. Mr. Weis stated that he would work with the Board on the terms of employment and be willing to start immediately.
Mr. Kupper stated that he has the experience to handle the job and to do something substantial for Key Largo. He believes it is a plus being an engineer and an advantage that he has had many agency communications. He believes that the job requires fulltime employment and if a contract were necessary he would work at the pleasure of the Board.

Mr. Fishburn complimented the Board on their demonstration of their knowledge during the questioning phase of the interviews. Mr. Fishburn stated that he has been involved with the process and appreciates the opportunity to work for the Board. Mr. Fishburn is flexible with the employment situation and would work with the Board on the out-sourcing of the other staff members. Mr. Fishburn is willing to start immediately and is aware that he may need to wait for the contract/employment status to be resolved.

Chairman Bauman recessed the meeting at 12:05 p.m.
Chairman Bauman reconvened the meeting at 12:40 p.m.

2. Discussion of the KLWTD Master Plan
   a. Presentation of the Sanitary Sewer Wastewater Master Plan Refinement and recommendations in multi-phases

Mr. Castle apologized for the lack of back up information. The documents had been submitted to the staff for review and did not make it to the clerk by the agenda deadline. A proposal for north Key Largo was developed and a proposal for the balance of Key Largo was also developed. The four options that were previously discussed are still viable per Mr. Castle. He will forward the information to the Board. Discussion ensued on the original proposal and following the master plan. Mr. Castle clarified that he is looking at study areas and targeting the hotspots. Commissioner Wilkinson doesn't want the current master plan regurgitated. Mr. Castle does not plan on redoing the plan. It will take the assumptions made by the master plan and update their study areas to ensure nothing was missed. Commissioner Wilkinson is not convinced the master plan revision is necessary.

Discussion ensued concerning the use of the proposed 30 million dollars in funds, Sexton Cove, Lake Surprise and extending the line to MM105.

The steps to implement the next project were noted as follows:

Step one is to initiate the master plan revision proposal
Step two is develop the RFP for the selection of an engineer
Step three is to have an the RFP selected engineer do the design
Step four is to go out for a hard bid

Mr. Castle suggested doing a scenario of what can be done with the $30,000,000. Discussion ensued on getting a $30,000,000 project ready for when the funding is available prior to completing a master plan revision.

Chairman Bauman summarized that the costs would be as follows:

$77,000 plan for all of Key Largo
$50,000 plan would be for north Key Largo plans with scenarios for various funding levels
$30,000 plan for scenarios for north Key Largo with $30,000,000
Commissioner Beaty stated he would prefer a plan for the entire Key Largo sewer system and suggests doing all the revisions at today’s cost instead of doing it in phases. Commissioner Bauman stated he would vote for the $77,000 today.

b. Presentation of the Draft Scope of Work for the Financial Component to implement the Master Plan

The item was brought to the floor. Discussion ensued on these items being held until the new manager comes on board.

3. Discussion of the Key Largo Park vacant lot issue

Mr. Sheets stated that there are decisions to be considered by the Board, to decide if Haskell is to be the contractor and engineer of record for every thing (this would null and void the contract with Higgins and DEP would need to be contacted and re-approve the $1.8 million in funds, but it would give the Board “one throat to but a foot on”), or have Haskell be construction manager, or to have Higgins do the work and have WEC be the engineer of record.

Mr. Castle presented a copy of the 60% KLP plans showing what was currently developed and what lots are potentially to be developed. Discussion on where to run the pipe and the cost for running them ensued. A cost benefit analysis is to be done by WEC. The board requested the numbers on doing the work be developed as soon as possible.

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

Discussion ensued concerning adding Calusa to the project and making the service available to Calusa so they would be required to connect. The Board would want to work with them to connect in the most cost effective way. Mr. Sheets stated if this is going to be considered discussions must be conducted with DEP concerning the grant and financing.

Commissioner Wilkinson stated he has major concerns for the inclusion of the Calusa Camp Resort especially when an AWT plant is considered. He suggested the discussion be differred to the incoming manager.

G. Public Comment

Mr. Burke Cannon stated that it was a great idea to conduct a workshop and to get the manager hired without delay. He stated that if Mr. Fishburn were not selected he should still be involved. Mr. Cannon will take information back to the homeowners and inform them a revised plan for Key Largo is being developed and that digging should start in August.

Chairman Bauman stated the revised plan would be the next level of detail to support the County’s master plan. Mr. Cannon thanked the Board for their efforts.

Mrs. Mary Lou Wilkinson stated that although getting EDU’s from commercial business would improve cash flow; the point of sewerung the Keys is to eliminate septic tanks and not to remove package plants.

KLWTD Draft May 15, 2004 Minutes
H. Meeting Adjournment

Mr. Sheets provided a copy of the FEMA Phase II documents to the Board and requested they be added to the agenda for discussion on May 19, 2004. Mr. Sheets pointed out that the Exhibit 1 and Attachment A should be given particular attention.

Commissioner Tobin asked about the conservation easement. Mr. Dillon stated that he had spoke with Mr. Garrett concerning the biological opinion of Fish and Wildlife.

Chairman Bauman adjourned the meeting at 2:15 p.m.
Board Members Present

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

Staff Present

Robert Sheets, General Manager, GSG (via telephone)  
Charles Sweat, Director of Operations, GSG  
Thomas Dillon, Board Attorney  
Ed Castle, Board Engineer  
Faith Doyle, Board Clerk

Guests Present

Charles Kupper  
Mark Weiss  
Peter Kinsley  
Mary Lou Wilkinson

A. Call to Order

Chairman Bauman called the meeting to order at 5:02 p.m.

B. Pledge of Allegiance

The Pledge was recited by all present.

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

Chairman Bauman requested the following additions: Discussion of the revision to the master plan, FEMA Phase II Contract and prior to action on item F1 to have a discussion on what type of candidate should be considered for the Manager’s position.

Mr. Dillon requested a discussion concerning the direct purchase of items to be added as Item E6.

D. Public Comment
Mr. Robert Burt requested a copy of the resident letter that is to be forwarded to the KLTV homeowners.

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

Mr. Dillon had received a letter concerning this item and will give a formal response to the Board at the next meeting.

   2. Update on direct/indirect costs issue

Mr. Dillon will report on this item at the next meeting.

   3. Update on legislation

Mr. Dillon reported that the legislation is before the governor and he will inform the Board when the legislation has been signed.

   4. Update on County funds

Mr. Sweat informed the Board that the County would be forwarding the check for approximately $150,000 tomorrow.

   5. Update on the lease for potential rental space

Mr. Dillon informed the Board that the Bank of America has not sent a lease form for review. Mr. Dillon has made several requests. Commissioner Brooks brought Chris Sante’s building to the floor for discussion. It was noted that the location would not be available for 90-120 days. Commissioner Tobin suggested that a six-month interim rental space be considered. It was noted that building is expandable. It was the consensus of the Board that the Sante building is looked into along with a temporary rental space. Mr. Dillon asked if the Bank should be pursued any longer. The Board directed him not to pursue it any longer. Commissioner Tobin stated that he follow up with Mr. Sante for a proposal in writing and will bring it back to the Board for consideration.

   6. Discussion of direct purchases by the District

Mr. Dillon stated that there is approximately $900,000 in equipment and supplies that if directly purchased by the District would save approximately $60,000 in sales tax. The risks include delays of receipt of items and cost increases. Mr. Dillon asked the Board for direction on this issue. Discussion ensued on benefits and difficulties involved with direct purchase. Mr. Kinsley stated that Haskell would receive the equipment and verify the orders and if necessary request collections of short items and exchange of damaged items. Mr. Dillon stated the process would include a deductive change order to the original contract being issued by Haskell and a purchase order being issued by the District and payment from the District to the vendor. Payment issues were discussed. Commissioner Wilkinson is opposed because of the potential risks involved and the fact the risks would burden the public funds. Commissioner Tobin requested Mr. Dillon to review and recap the terms of the contract to demonstrate to the Board the process. The poll of the Board was four in favor of direct purchases. The Board gave its consensus to not have Mr. Dillon summarize the contract terms.
Chairman Bauman requested this item be placed as an action item on the next agenda.

Mr. Dillon’s memo concerning the DCA Agreement for the FEMA Phase II Grant was presented and reviewed and made part of this record as Attachment A. Mr. Dillon informed the Board of the points that need to be addressed prior to signing. Mr. Sheets stated that he agrees with Mr. Dillon’s points. Commissioner Tobin asked about the requirements concerning land conveyance versus permanently preserving the easement. Mr. Dillon stated that the agreement incorporates by reference the FEMA FONSI requirements. Discussion ensued on the 2.6-acre site mitigation and if that is enough land for future expansion. The Board directed staff to arrange a teleconference with Fish and Wildlife, George Garrett, Mr. Dillon and the manager on this issue (conveyance/mitigation). Mr. Dillon suggested the meeting be held prior to the June 2 meeting so that the funding agreement can be acted upon. Mr. Sheets suggested that Miles Anderson be involved in the conference. The Board agreed. Mr. Sheets also suggested that Mr. Anderson be available at the next meeting to address the Board’s concerns. Commissioner Tobin volunteered as the Board representative to be on the conference call. Commissioner Tobin stated that the opinions are not carved in stone and can be renegotiated and suggested Mr. Dillon approach the Fish and Wildlife Department concerning a change to the agreement. Commissioner Tobin believes the document should be changed by hand and sent back. Mr. Sheets cautioned that changing the document should be done only if Miles Anderson is consulted. Mr. Sheets agreed with many of Commissioner Tobin’s concerns with the agreement but believes Mr. Anderson should be approached as an advocate for the District. Commissioner Wilkinson has many difficulties with the agreement. He listed some as being the clause concerning a 24 month contract or it will be terminated, the need of four acres for expansion or more for sludge de-watering, and the need for more detail on the responsibilities of all parties and clarity on the payment of the vendors. Discussion ensued on the definition of conservation easement and if the size of the lot would adversely impact the plant.

Chairman Bauman stated that staff should request more land, no conveyance and to have Representative Sorensen involved if possible.

Mr. Dillon asked if the Board requires a resolution from the BOCC stating that they were paying for site mitigation. It was the consensus of the Board that he request one. Mr. Dillon stated that Mr. Garrett would formulate the dollar value of the site mitigation needed. Mr. Dillon asked the Board if Fish and Wildlife should be approached concerning requesting 4.2 acres and if it is granted should 4.2 acres be restored. It was the consensus of the Board that the subject be discussed during the conference call.

F. Action Items

1. Approval of the Manager Candidate

Chairman Bauman brought to the item to the floor for discussion. Commissioner Beaty stated that he had looked for extensive administration and engineering background while reviewing the resumes. He felt important qualities included being resourceful, solution oriented, being familiar with present day treatment processes and collection processes, knowing the county players and being able to nurture relationships with FKAAA and the BOCC. Other important qualities included being a resident, a high-energy type “A” personality, a strong personality, and a multi-tasker that does not procrastinate.
Commissioner Brooks agreed with Commissioner Beaty’s description of a manager but saw it more as an administrative position, not an engineering position. Commissioner Brooks did not feel that any of the candidate’s vision to organize the District in 3-6 months was sufficient. Commissioner Brooks is concerned that the clerk and CFO have not been interviewed because they need to work well with the manager.

Commissioner Tobin agreed with the description of a manager stated by Commissioner Beaty. His original thoughts were the clerk and CFO should be hired first then the manager. Commissioner Tobin stated that he had worked with Ms. Simpkins in the past but he is not sure a full time clerk is necessary and that a clerk/administrator is sufficient. He believes the CFO should not be a stand-alone function and that GSG could continue to do the finance function.

Commissioner Wilkinson agreed with Commissioner Beaty’s comments. Commissioner Wilkinson believes the manager should interview and hire the clerk. The clerk should be considered the administrator and run the office and keep the records. A CFO is not necessary but a bookkeeper would be.

Chairman Bauman stated he was looking for an overall manager for the future of the KLWTD, not just for the two current projects, someone with planning, grants and bonding experience. He did not get a good vision statement form any the candidates. He was not looking for an engineering or wastewater person specifically but an overall administrator.

Commissioner Brooks questioned the hiring process. It was stated that Mr. Dillon would negotiate with the individual to develop an employment agreement. Salary was questioned. $50 an hour was stated in the paper and the range of $75-100,000 mentioned by the candidates during the interviews. Contracting with the individual was discussed versus employment.

**Commissioner Wilkinson made a motion to negotiate with Charles Fishburn for the manager’s position. Commissioner Beaty seconded the motion for discussion.** Commissioner Beaty stated that the all of the applicants could have served the District well but presently, Mr. Fishburn was the best fit. Commissioner Brooks was also very pleased with the candidates and stated that they all were qualified in various aspects and that it was a pleasure to meet them. Commissioner Tobin thanked the candidates for their interest. Commissioner Wilkinson agreed that all the candidates were qualified and that Key Largo had a great wealth of talent living in its boarders, which was demonstrated by the applicants. Chairman Bauman stated he believes the Board was making a mistake if the one candidate who had 30 years of experience with all phases of wastewater, has worked with 30 municipalities at all levels and has offered to create a system from scratch was not selected. **Chairman Bauman then requested a roll call vote.**

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<th>Commissioner Beaty</th>
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<td>Commissioner Brooks</td>
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<td>Commissioner Tobin</td>
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<td>Commissioner Wilkinson</td>
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<td>Chairman Bauman</td>
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The motion carried. Chairman Bauman thanked Mr. Weis and Mr. Kupper again and for their time and interest in the District.
Commissioner Brooks asked when the negotiations with Mr. Fishburn would begin and how he would be informed of his selection. Mr. Dillon stated that he would begin negotiations this weekend. Mr. Sweat stated that he would call Mr. Fishburn at the conclusion of the meeting.

Commissioner Brooks stated that he had contacted Ms. Simpkins who is presently making $47,000 and may need financial incentive to move back to the area. Commissioner Brooks questioned the expense of the transition and how to balance out salaries with what the budget could bear. Discussion ensued on the salary and of the manager.

Commissioner Brooks questioned what would happen if negotiations with Mr. Fishburn failed. Mr. Dillon stated that he would provide the Board with a status update at the next meeting.

Chairman Bauman requested that the clerk and CFO positions be added as a discussion item on the next agenda.

2. Approval of the Amendment to the Management Services Agreement By and Between Key Largo Wastewater Treatment District and Government Services Group, Inc.

Commissioner Wilkinson moved to approve the item. Commissioner Brooks seconded the motion for discussion. Commissioner Wilkinson asked what Chairman Bauman's role, as facilitator, would entail. Chairman Bauman stated that he envisions the GSG workload would be diminished by the Board's and new managers efforts. Discussion ensued on the process of tasking. The Board requested that under point five all Board members and staff be copied on the email confirmation of tasks. All were in favor of the motion and it was unanimously approved.

3. Approval of the Pending Payments List for May 19, 2004

Commissioner Brooks moved to approve the May 19, 2004 payments pending list. Commissioner Beatty seconded the motion. All were in favor and the motion was unanimously approved.

4. Approval of the Project Design Protocol

Commissioner Brooks moved the item. Commissioner Wilkinson seconded the motion for discussion. Mr. Castle stated that during the draft reviews all concerns were addressed. Commissioner Wilkinson stated that the process has been essentially completed and the protocol is a moot point. Commissioner Tobin questioned if it had been addressed in the contract. Mr. Dillon stated it was required by the contract but not drafted and finalized. Discussion ensued on the protocol. The question was called and the Chairman requested a roll call vote.

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<td>Commissioner Brooks</td>
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<td>YES</td>
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<tr>
<td>Chairman Bauman</td>
<td>YES</td>
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Commissioner Brooks asked if the permit application had been completed. Mr. Kinsley stated that the DOT permits were in hand, the County permits would be forwarded after a question on asphalt restoration was forwarded and the amended DEP application has been forwarded and he expects the collection system permit within 30 days. Mr. Kinsley informed the Board that the Plant Facility Permit, the ERC and the Well 1 & 2 permits were signed by the Chairman and forwarded to the FDEP. The FDEP has thirty days to respond with questions.

G. General Manager's Report
   1. Recommendation on Water Quality Testing

Mr. Sweat stated that information continues to be collected to establish a base line and that a recommendation would be made in the near future.

Mr. Sheets stated that he is committed to working with Mr. Fishburn on a smooth transition.

H. Engineer's Report

Mr. Castle stated that the scopes of service he is developing should be considered the next step in developing a planning tool for the District. The scopes were emailed to the Board on Monday but did not make it for the agenda deadline. Mr. Castle provided aerial photographs that had outlined the three sections he was suggesting.

It was the consensus of the Board to postpone action on the item until the transition of the manager.

Commissioner Brooks stated concern by the designation of 'North Key Largo' and suggested it be referred to as mile marker 107 and north, or the Lake Surprise area. Mr. Castle stated he would change the proposals to reflect mile marker numbers.

I. Public Comment

Mr. Burt asked if the July 22, 2004 date had been confirmed with the Civic Club. Mr. Brooks confirmed that it had. The Board requested that the meeting be noticed.

J. Commissioner's Items

K. Update on past agenda items:

Chairman Bauman asked if any one wished to discuss any of the update items.

1. FEMA FONSI Status
2. Water Quality Testing
3. Resolution of $100K loan repayment issue
4. Site mitigation
5. KLP vacant lot resolution

Commissioner Brooks questioned if this issue was addressed in the permit request. Mr. Castle stated that lines had been placed in front of the vacant lots, with light hashing for future development. Discussion ensued on the cost estimates. It was suggest the issue be postponed until the new manager was on board. Discussion ensued on the elimination of cesspits.

DRAFT May 19, 2004 K LWTD Meeting Minutes
6. Project request for FEMA deadline extension
7. CDBG Grants and/or funds for private connections
8. Procedures
9. Web Site Development

L. Meeting Adjournment

Chairman Bauman adjourned the meeting at 7:40 p.m.
Memo

To: Key Largo Wastewater Treatment District  
From: Thomas M. Dillon  
CC: District Staff  
Date: 5/18/2004  
Re: DCA Grant Agreement

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

I have reviewed the grant agreement form transmitted by the Florida Department of Community Affairs under date of May 20, 2004 [sic]. My comments follow:

Page 13: Section 16(b) specifies the requirements to obtain advance payments. Option 2 should be checked and an amount filled in based on expected expenditures during the first 3 months of the Agreement. Attachment F must be completed to specify the amount of the advance payment and an explanation of the necessity for and proposed use of the advanced funds.

Page 17: Section 22 seems to anticipate that vendor invoices will be submitted to the DCA for payment. I do not understand that to be the expected method of payment of vendors.

Attachment A:

Page A-1: Re: Open Space:

The first paragraph states only that the District “will permanently preserve the un-used [sic] portion of the WWTP project parcel (18.4 acres) for conservation purposes, and restore 2.6 acres of tropical hardwood hammock to replace the project site’s protected lost habitat functions.”

However, the third paragraph provides that “The construction phase may proceed with adherence to the various mitigation measures and permitting requirements referenced in the SFONSI.” Therefore, the Agreement incorporates by reference all of the requirements expressed in the SFONSI, and all the requirements incorporated by reference in the SFONSI, notably the U.S. Fish & Wildlife Service Biological Opinion, which serves as the basis for the SFONSI. Note that these requirements are stated in a letter of 5/16/04 from
FEMA to the Florida Division of Emergency Management, attached as Pages A-3 and A-4. Note further that although the SFONSI was apparently intended to be attached to the Agreement beginning at Page A-8, only the odd-numbered pages of the SFONSI were copied.

Based on the foregoing, it is my opinion that when the District signs this Agreement, the District will be contractually bound to perform all of the requirements in the SFONSI and the Biological Opinion, including:

- Locating a site or sites totaling 2.6 acres for hardwood hammock habitat restoration on the island of Key Largo. Biological Opinion Condition No. 1.
- Coordinating with a suitable environmental lands management program to receive title to the hardwood hammock not proposed for development. Biological Opinion Condition No. 2.

The District must provide FEMA with a copy of all applicable permits and other pertinent documents that demonstrate compliance with the SFONSI before construction and receipt of federal funds.

I recommend that the District complete efforts to specify exactly the manner in which these conditions will be satisfied prior to signing the Agreement.

Page A-5: Schedule of Values:

The district should confirm that the schedule of values is consistent with the schedule of values in the Haskell Design-Build Agreement.

Conclusions:

Based on the foregoing, I recommend that the District complete the following before signing the Agreement:

- Obtain written confirmation of agreement by FEMA and the U.S. Fish & Wildlife Service to precise means and methods by which the District may satisfy the conditions of the SFONSI. I understand the principal conditions to be related to conservation of open space, but I recommend that the District obtain confirmation that all conditions precedent to construction and receipt of federal funds have been, or will be, satisfied.
- Obtain written confirmation of the source(s) of funds to be used to meet the District’s obligations related to conservation of open space.
- Determine the amount of any needed funds advances and complete the appropriate forms.
- Determine whether Section 22 (P. 17) is applicable to this project.
- Ensure that the schedule of values at Pages A-5 – A-7 is consistent with the Design-Build Agreement.
- Replace the incomplete copy of the SFONSI with a complete copy.
Item F - 1

Update on the Haskell Notice of Delay
Memo

To: Key Largo Wastewater Treatment District
From: Thomas M. Dillon
CC: District staff, Peter Kinsley
Date: 5/24/04
Re: Haskell Delay letter

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

I attach for reference a letter dated 5/17/04, and received 5/18/04, from Peter Kinsley regarding delay issues.

Note that the memorandum of 3/31/04 was a memorandum to the District and not to Mr. Kinsley or Haskell, regarding issues raised by Haskell’s earlier assertions of entitlement to additional time and additional compensation. To the best of my knowledge, the District has taken no action regarding these assertions.

By its letter of 5/17/04, Haskell has now confirmed in writing that it intends to limit its claim so as to seek reimbursement only for “direct material, labor and equipment cost increases.” Haskell has confirmed further that any claim for delay will exclude a claim for reimbursement of overhead cost.

As noted in my memorandum of 3/31/04, I believe that there is no serious basis for disagreement as to whether the project is behind schedule. I continue to believe that Haskell has not presented facts that would support the conclusion that the delays are due to causes entirely beyond Haskell’s control, and Haskell continues to assert the contrary position. These positions should not prevent a partial resolution of the issues.

Although Haskell has requested 162 days of additional contract time, the most recent schedule in my possession (from the April 2004 Monthly Progress Report) shows substantial completion occurring on 9/16/05, as opposed to the contractual substantial completion date of 8/1/05, a difference of 46 days. I expect that additional delays will occur.
I recommend that the District prepare a Change Order, as follows:

1. Grant additional contract time of 90 days, resulting in a new substantial completion date of October 30, 2006;

2. Provide that the District will consider granting additional contract time, provided that the need for additional time is supported by scheduling information provided by Haskell;

3. Provide that the District's willingness to provide additional contract time based only on Haskell's need for additional time, and without demonstrating entitlement, causation, and quantum, is premised on Haskell's willingness to waive any claim for additional overhead and similar costs on account of the time granted;

4. Provide that the District and Haskell do not agree on the question of entitlement to additional compensation for material, labor, and cost increases, and that these issues will be addressed at a later time.
May 17, 2004

Re: Wastewater Management System For The Key Largo Trailer Village Area
Key Largo, Florida

Notice of Delay
Issue No. 01-003 – Secondary Treatment Process Selection
Issue No. 01-012 – FEMA Environmental Assessment

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

Dear Mr. Sheets:

In response to Mr. Dillon’s memorandum dated March 31, 2004 denying our claim for additional time and cost associated with our Notices of Delay, we offer the following:

The Haskell Company is concerned with the tone and content of this memorandum as it suggests the Key Largo Wastewater Treatment District (KLWTD) desires resolution through legal means as opposed to project level discussion and negotiation. During numerous board meetings, the KLWTD stated that additional time, as required to accommodate their lengthy review of the two secondary treatment processes would be provided to The Haskell Company. The subsequent receipt of Mr. Dillon’s complete and total rejection of addition time is unreasonable, unjustifiable and in conflict with statements made by the board. In addition, granting a time extension introduces no hardship to the KLWTD while adversely, its denial is tremendously damaging to The Haskell Company due to the cost of liquidated damages and acceleration.

In Mr. Dillon’s memorandum, it states that The Haskell Company has not provided sufficient information for the District to reasonably conclude we have been delayed by events beyond our control. We take exception to this position and feel confident that proper notice and justification have been provided through our correspondences dated October 13, 2003, December 31, 2003, December 12, 2003, December 29, 2003, January 14, 2004 and March 17, 2004.

In an effort to resolve this issue at the project level and to confirm commitments made during recent board meetings. The Haskell Company will limit reimbursement sought to direct...
Mr. Robert Sheets  
May 17, 2004  
Page 2

material, labor and equipment cost increases and specifically excludes reimbursement of overhead cost. Because vendors remain unwilling to make commitments based upon an anticipated construction start date of August ’04 in these financially volatile times, we have proposed the attached spreadsheet for use in calculating these increased costs once construction is imminent. With regard to recovery of lost time, The Haskell Company requires a time extension of 162 calendar days as defined in our March 17, 2004 letter. As stated in that letter, this time extension does not include the FEMA Environmental Assessment, which remains unresolved and therefore constitutes a continuing delay that cannot be resolved until final FEMA approval is complete and the site is released for construction.

The Haskell Company and DN Higgins remain committed to this very important project and are prepared to develop a solution that is fair and equitable to all related parties but will not accept denial of our time extension and reasonable consideration of our increased material, labor and equipment costs. Based upon the schedule and cost impacts introduced by the delays encountered on the project to date, The Haskell Company requires an immediate time extension of 162 days and future reimbursement of direct material, labor and equipment cost in accordance with the attached spreadsheet.

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

Enclosures

cc: Mr. Charles Sweatt, Government Services Group, Inc.  
Mr. Thomas Dillon  
Mr. Walt Messer, DN Higgins, Inc.  
Mr. Stuart Oppenheim, Brown and Caldwell  
Mr. Ed Whelan, McGuire Woods  
Mr. John Patton, The Haskell Company  
Issue No. 01-003  
Issue No. 01-012  
Issue No. 02-003
## Delay Claim
### Material, Labor and Equipment Cost

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</table>

**Total Increase in Cost**: $0.00
KLWTD Board Meeting
June 2, 2004

Item F - 2

Update on direct/indirect costs issue
Memo

To: Key Largo Wastewater Treatment District
From: Thomas M. Dillon
CC: District staff, Peter Kinsley
Date: 5/24/04
Re: Direct and Indirect costs

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

I attach for reference a letter dated 5/14/04, and received 5/18/04, from Peter Kinsley regarding direct and indirect costs under the Design-Build Agreement.

There is no significant difference between the position expressed by Mr. Kinsley and my earlier analysis of this issue. In reviewing future change orders, I recommend that the District follow this guidance.
May 14, 2004

Re: Wastewater Management System For
The Key Largo Trailer Village Area
Key Largo, Florida
Issue No. 01-026 – Direct/Indirect
Cost

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

Dear Mr. Sheets:

In response to Mr. Thomas Dillon’s March 4, 2004 e-mail regarding, in part, the definition of direct and indirect cost, I offer the following:

We are in general agreement with the definitions provided by Mr. Dillon for direct and indirect cost. However, these definitions must be used in context with a design-build project. For example, plan reproduction and design review are direct material and labor cost required for the performance of design work in the identical manner that lumber and finishing are direct material and labor cost required for the performance of concrete construction. In addition, indirect cost as defined by Mr. Dillon can become direct cost if the magnitude or timing of a change order introduces these types of cost beyond what could have been reasonable anticipated at the time of pricing. For example, if a change order introduces the need for an additional project superintendent, these cost, which typically are considered indirect, become direct because the project originally required one superintendent and now requires two superintendents. Along those same lines, if a change order extends the duration a project superintendent is assigned to a project beyond what was originally anticipated, this additional cost would become direct in lieu of indirect because the project originally required a superintendent for X number of months and now requires a superintendent for Y number of months.

As stated above, The Haskell Company is in general agreement with Mr. Dillon’s definition of direct and indirect cost and feels confident that mutual agreement can be reached between both parties during negotiation of future change order work. Should you have any questions or require further information, please do not hesitate to contact me at (904) 357-4868.

Sincerely,

[Signature]

Peter M. Kinsley

cc: Mr. Thomas Dillon, KLWTD
Issue File 01-026
KLWTD Board Meeting
June 2, 2004

Item F - 3

Update on Haskell bonding and insurance
Memo

To: Key Largo Wastewater Treatment District
From: Thomas M. Dillon
CC: District staff, Peter Kinsley
Date: 5/24/04
Re: Haskell Bonding and Insurance Letter

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

I attach for reference a letter dated 5/14/04, and received 5/18/04, from Peter Kinsley regarding Haskell's bonding and insurance rates.

The Board will recall that Haskell used a rate of 3.00% for bonding and insurance in its Change Order #1 proposal, and that I questioned the basis for that rate. Note that the Design-Build Agreement provides for Haskell to add its insurance and bonding costs to the direct costs of the change. Haskell had not provided information that would support a conclusion that its insurance and bonding costs would increase by 3.00%. The distinction is between the incremental costs to Haskell and rates charged by Haskell to the District.

Haskell subsequently provided information regarding its rates for bonding and insurance, but the information was incomplete and did not support an incremental charge of 3.00%. Therefore, I requested additional information from Haskell.

The attached letter of 5/14/04, and its attachments, provide some support for a combined rate of 2.395% for bonding and insurance.

At this point, I think that further efforts to obtain documentation of insurance and bonding costs would not be productive, since it is doubtful whether any further reduction in the cost to the District would result. I recommend that the Board accept the combined rate of 2.395% as the rate applicable to future small change orders under the Design-Build Agreement.

However, since the applicability of the information provided by Haskell is limited to a contract value of $7.5 million, I recommend revisiting this issue if future change orders increase the compensation by $0.5 million or more.
May 14, 2004

Re: Wastewater Management System For The Key Largo Trailer Village Area Key Largo, Florida
Issue No. 01-025 – Bond and Insurance Rates

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

Dear Mr. Sheets:

In response to the Key Largo Wastewater Treatment District’s (KLWTD) request for additional verification of our insurance and bond rates for use in future change orders, attached please letter dated May 13, 2004 from Willis and internal memo dated May 14, 2004 from our controller, John Carr. As illustrated in the attached documents, our insurance and bond rates are as follows:

- General Liability Insurance – 1.20%
- Builders Risk Insurance – .62%
- Payment and Performance Bonds – .575%
- TOTAL – 2.395%

In reviewing this document, please note that the rate for Payment and Performance Bonds provided above differs from the value provided in our March 17, 2004 letter due to an error in my initial calculation. As illustrated in our March 17, 2004 letter, I used a contract value of $100,000 to illustrate its value as a percentage. Contracts of this value have a higher bond rate than the bond rate applicable for a contract of this value. I apologize for the error and any confusion it may have created.

Should you have any questions or require further information, please do not hesitate to contact me at (904) 357-4688.

Sincerely,

Peter M. Kinsley

Enclosures

cc: Mr. Charles Sweat, GSG
Mr. Ed Castle, Weiler Engineering
Mr. Thomas Dillon, KLWTD Legal
Issue No. 01-025
The Haskell Company’s standard insurance charges for both its comprehensive general liability and builders risk insurance are $1.20 per and $0.62 per $100 of contract value, respectively. As you already know, the company self-insures a substantial portion of its risk through large deductible policies. Therefore, the standard premium charges include the actual premium costs plus estimates for retained exposures and other costs relating to these retained exposures. These retained exposures and other costs have been determined in consultation with our insurance broker, Willis.

Attached you will find the breakdown of our general liability rate by premiums covered, retained exposures and other costs. Our standard builders risk rate is based upon a $0.53 premium plus $.09 to cover retained exposures and surplus line taxes.

Should you have any questions regarding the costs of these amounts, please call me at (904) 791-4524.
# COMPREHENSIVE GENERAL LIABILITY (CGL) REVENUE BURDEN RATE ANALYSIS 2004

<table>
<thead>
<tr>
<th>CGL COST - DESCRIPTION</th>
<th>RATE PER $100 OF REVENUE</th>
<th>ACTUAL OR EXPECTED COST</th>
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<tr>
<td>General Liability Premium</td>
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<td>696,128</td>
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<td>Auto Premium</td>
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<td>Contractors Equipment Premium</td>
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<td>Property Premium</td>
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<td>Retained Exposures - Equipment &amp; Property</td>
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<td>100,000</td>
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<tr>
<td>Retained Exposures, Auto</td>
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<tr>
<td>Directors’ &amp; Off.s’ and Employment Practices Liability Premium</td>
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<td>Pollution Liability Premium</td>
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<td>Crime Premium</td>
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<td>Kidnap &amp; Ransom Premium</td>
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<td>Fiduciary Premium</td>
<td>0.0010</td>
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<td>Liability - Expected Losses</td>
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<td>Professional Liability - Expected Losses</td>
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<td>750,000</td>
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<td>Mold &amp; Pollution Liability - Expected Loss</td>
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<td>Broker Fee</td>
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<td>Letter of Credit ($3,175,000) fee</td>
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<td>Zurich Risk Engineering fee</td>
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<td>Zurich GL claims fees</td>
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<td>12,000</td>
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<td>Risk Management Admin. (See Note 1)</td>
<td>0.0221</td>
<td>132,300</td>
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| Total | $ 7,347,562 |

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Note 1: Cost of Risk Administration:

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<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Risk Manager Salary</td>
<td>$ 79,000</td>
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<tr>
<td>Risk Admin. Asst. Salary</td>
<td>$ 29,000</td>
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<td>Admin burden</td>
<td>$ 24,300</td>
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<tr>
<td>Total</td>
<td>$ 132,300</td>
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</tbody>
</table>

Estimated 2003 Revenue $ 600,000,000
May 13, 2004

Mr. Pete Kinsley
The Haskell Company
P.O. Box 44100
Jacksonville, FL 32203

Re: Bonds and Insurance Premium

Dear Mr. Kinsley,

Per your request, this letter is provided to confirm the cost of bonds and insurance for the Key Largo Wastewater Treatment District (KLWTD) Trailer Village Area project. The premium for bonds and insurance charged by underwriters for this project is based on a percentage of the $7,500,000 contract cost as follows:

- General Liability Insurance - .123%
- Builders Risk Insurance - .525% (an additional 5.25% charge applies to the premium for Surplus Lines taxes)
- Payment and Performance Bonds for $7,500,000 Contract Price - .7%, plus .575% of the portion of the Contract Price exceeding $7,500,000, for the balance of the contract. The bond premium may also be subject to a surcharge, if the project exceeds 24 months in duration.

As you know, in addition to the premium rates charged by underwriters, The Haskell Company is obligated to pay losses that fall under your self insured retentions. These are additional internal charges must be added to the overall cost of bonds and insurance for this project. Ted Mullinix or John Carr of your organization can provide detailed information on these charges. If you have any additional questions, please do not hesitate to call.

Sincerely,

[Signature]

R. Scott Garman
Vice President
Item G - 1

Approval of the manager-select contract
Key Largo Wastewater Treatment District  
May 24, 2004

To: Key Largo Wastewater Board and staff

Subject: Back up material for proposed 6/2/04 KLWB meeting agenda item G. 1. Action to finalize and approve the manager-select contract.

Discussion:

The transition team proposed we employ local personnel to operate the KLWTD in January 2004.

The KLWTD has advertised, interviewed and selected a manager, Mr. Charles Fishburn.

Mr. Fishburn has given his previous employer a two-week notice of termination of services and his employer has accepted his termination.

Mr. Fishburn and our attorney have met for the negotiation of the contract.

Time is of an essence to have a local functional management capability as soon as possible as project ground breaking is imminent and the Key Largo citizens are expecting and deserve a coordinated and smooth startup.

There is nothing to be gained by not starting a gradual and smooth transition to minimize the reliance and costs of our existing contract.

Many critical decisions are on the "back burner" awaiting the guidance and recommendation of the manager.

It is not wise and prudent business to place grantors, contractors, vendors, etc. in the position to depend on guidance from a "lame duck" manager. It is equally not fair or just to place the outgoing manager in this position. The outgoing manager, incoming manager, staff, district, grantors, contractors, vendors, and the citizens being served do not deserve additional delays, possible additional costs and delays in the projects being served.

Recommendation:

The KLWB take action to insert the financial numbers in the negotiated, or amended negotiated contract, with Mr. Fishburn and said contract be approved at this meeting.

/s/
Jerry Wilkinson
Commissioner, KLWB
GENERAL MANAGER EMPLOYMENT AGREEMENT

THIS GENERAL MANAGER EMPLOYMENT AGREEMENT ("Agreement") is entered into as of May ___, 2004 between the Key Largo Wastewater Treatment District, an independent special district created by Chapter 2002-337, Laws of Florida (the "District"), and Charles F. Fishburn ("General Manager").

1. Employment.
   a. The District hereby employs General Manager, and General Manager hereby accepts employment with the District, on the terms set forth in this Agreement. This Agreement shall be for a term commencing on the date hereof and ending twenty-four months after the date hereof, unless this Agreement is earlier terminated pursuant to Section 7 hereof.
   b. General Manager is hereby employed to serve as the District's General Manager. General Manager shall provide senior management services and shall perform such duties relating thereto as may be determined and assigned to General Manager from time to time by the District's Board of Directors, to whom General Manager shall report.
   c. General Manager is a public official as that term is used in the Florida Statutes, and is subject to all ethical and other legal constraints applicable to public officials.
   d. During the term of this Agreement, General Manager shall devote his best efforts, knowledge and skill and shall devote substantially all of his working time and attention to the performance of his duties as aforesaid, except during such periods as General Manager shall be ill, disabled, or on vacation as provided by this Agreement.

2. Place of Employment. General Manager shall be afforded an office and support services.

3. Compensation. General Manager shall receive a salary at the rate of $____ per annum. General Manager's salary shall be payable twice each month on the 15th and last day of each month, commencing on the date hereof. The payment of any bonus shall be in the discretion of the District.
4. **Vacation.** General Manager shall be entitled to ____ weeks of paid vacation during each calendar year.

5. **Benefits.** The General Manager understands and agrees that the District has not adopted any employee benefit plans, and that the General Manager shall be responsible for obtaining and providing his own health insurance and other benefits as he deems appropriate.

6. **Travel Expenses.** The District shall pay for or reimburse General Manager in accordance with the District’s standard policies for travel off the island of Key Largo for the purpose of carrying on District business. The District’s standard policies for reimbursement of travel expenses are those set forth in Florida Statutes Section 112.061, a copy of which is attached hereto as Exhibit ____.

7. **Termination.** (a) This Agreement may be terminated by the District, acting through its Board of Directors, only upon any of the following events:

   a. The expiration of 30 days following written notice given by the Board of Directors of the District to General Manager of the District’s election to terminate this Agreement following General Manager’s Disability. "Disability" means the inability of General Manager to perform substantially all of the duties required of General Manager by this Agreement by reason of physical or mental incapacity for a period of two consecutive months, or a period of more than 90 days in the aggregate in any 18 month period.

   b. A determination by the District’s Board of Directors that Cause exists to terminate this Agreement, and written notice of termination for Cause is given by the Board of Directors of the District to General Manager. "Cause" means any of the following events or conditions:

      i. a material breach by General Manager of any material provision of this Agreement.

      ii. any act by General Manager in violation of the obligations imposed upon public officials under applicable law.
iii. any act by General Manager in violation of the "Business Practices Policy" or the "Employees' Outside Business Interests Policy" attached as Exhibit A and Exhibit B hereto, respectively (together, the "Policies").

iv. fraud or other dishonest act by General Manager involving the District.

v. General Manager's conviction of a felony.

Provided that in the case of the foregoing clauses (i), (ii), and (iii), "Cause" shall exist only if General Manager fails to cure such breach, within 30 days of receipt of written notice thereof, to the satisfaction of the District's Board of Directors.

c. The death of General Manager.

8. Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given (a) when personally delivered, (b) on the business day following deposit of such notice with a reputable overnight courier service, or (c) sent by certified mail, return receipt requested, postage prepaid, as follows:

If to the District:

Chairman, Board of Directors
Key Largo Wastewater Treatment District
P.O. Box 491
Key Largo, Florida 33037

with a copy to:

Thomas M. Dillon
94220 Overseas Highway, #2B
Tavernier, Florida 33070-3005

If to General Manager:

Charles F. Fishburn
161 Dubonnet Road
Tavernier, Florida 33070

Either party may change such party's address for the purpose of this Section by written notice similarly given.

9. Severability. If any provision of this Agreement shall be held to be invalid or unenforceable, such provision shall be construed and enforced to the extent possible as if it had been more narrowly drawn so as not to be invalid or
unenforceable, and such invalidity or unenforceability shall not affect or render
invalid or unenforceable any other provision of this Agreement. However, if either
party determines in good faith that, as a result of a provision of this agreement
being held invalid or unenforceable, this Agreement no longer serves the
purposes for which it was written, that party may terminate this agreement upon
not less than sixty days' written notice.

10. **Entire Agreement.** This Agreement sets forth the parties’ final and entire
agreement, and supersedes any and all prior understandings, with respect to the
subject matter hereof.

11. **Assignment; Ratification of Agreement.** No right or obligation under this
Agreement may be assigned or delegated by either the District or General
Manager without the prior written consent of the other party, and any purported
assignment or delegation of any such right or obligation without such consent
shall be null and void.

12. **No Waiver.** No failure or delay by either party in exercising any right, option,
power or privilege hereunder shall operate as a waiver thereof, nor shall any
single or partial exercise thereof preclude any other or further exercise thereof,
or the exercise of any other right, option, power or privilege.

13. **Amendment.** This Agreement can only be amended, waived or terminated by a
writing signed by both the District and General Manager.

14. **Applicable Law.** This Agreement shall be governed by and construed and
interpreted in accordance with the internal law of the State of Florida, without
reference to its rules as to conflicts of law.

15. **Headings.** The section headings in this Agreement are for reference purposes
only and shall not affect in any way the meaning or interpretation of this
Agreement.
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

Key Largo Wastewater
Treatment District

General Manager

By ____________________________
Its Chairman

Charles F. Fishburn

Attest

By ____________________________
Its Secretary
Item G - 2

Approval of the Pending Payments list for June 2, 2004
TO: Key Largo Wastewater Treatment District Board Members

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

FROM: David R. Miles, Director of Finance

DATE: May 25, 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 May 25, 2004 the District had $257,121.04 in its bank account. We have $16,183.82 in invoices and May payroll amounts in-hand for payment by June 16, 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 May 25, 2004:

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<th>Administration &amp; Operations</th>
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<tr>
<td>Key Largo Park</td>
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<tr>
<td>Key Largo Trailer Village</td>
<td>94,211.57</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 257,121.04</strong></td>
</tr>
</tbody>
</table>

Staff received $150,161.10 in MSTU money from Monroe County on May 23, 2004. The check has been deposited with TIB Bank. This payment was 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 still pending. We have followed up numerous times with George Garratt telephonically. We are drafting a follow-up letter. This funding is essential to get the KL Park cash flow in the black.

Board of Commissioners: Chairman Gary Bauman, Andrew Tobin, Cris Beaty, Charles Brooks, Jerry Wilkinson
Key Largo Wastewater Treatment District  
Payments Pending, June 2, 2004  
Prepared May 25, 2004

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<th>Date of Invoice</th>
<th>Vendor</th>
<th>Invoice #</th>
<th>Description</th>
<th>Payment Category</th>
<th>Invoice Amount</th>
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<th>Date Paid</th>
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**Total Invoices for Administration & Operations**

$5,661.86

**Balance Forward if All Admin & Operations Invoices Paid**

$183,542.98

---

**Cash Balance Forward for Key Largo Park**

$ (27,195.37)

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<th>Description</th>
<th>Payment Category</th>
<th>Invoice Amount</th>
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<th>Date Paid</th>
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<td>KLWWTD Park for April 21 to May 25, 2004</td>
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<td>3,966.31</td>
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**Total Invoices for Key Largo Trailer Park**

$3,966.31

**Balance Forward if All Key Largo Park Invoices Paid**

$ (31,163.69)

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**Cash Balance Forward for Key Largo Trailer Village**

$94,211.57

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<td>05/25/04</td>
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<td>35130</td>
<td>KLWWTD Trailer Village for April 21 to May 25, 2004</td>
<td>3</td>
<td>5,653.65</td>
<td>Upon Receipt</td>
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**Total Invoices for Key Largo Trailer Village**

$5,653.65

**Balance Forward if All Key Largo Trailer Village Invoices Paid**

$88,557.92

---

**Total All Invoices**

$18,183.82

Approved for Payment:

Gary Bauman, KLWWTD Chair

Cris Beatty, KLWWTD Secretary
Item G - 3

Approval of the KLWTD making Direct Equipment Purchases
Memo

To: Key Largo Wastewater Treatment District
From: Thomas M. Dillon
CC: District Staff, Peter Kinsley
Date: May 21, 2004
Re: District Purchased equipment

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

I attach for reference a letter dated 5/13/04, and received 5/18/04 from Peter Kinsley regarding equipment that may be purchased by the District. My comments follow:

Purpose, requirements, and potential benefits of direct purchase.

The purpose of direct purchase is to avoid paying sales tax on goods purchased for the District.

The requirements that must be met in order to avoid sales tax are: (1) the purchase order must be issued by the District, (2) the goods must be received by an agent of the District, and (3) the District must pay the vendor directly for the goods.

The state sales tax rate is 6%. The Monroe County surtax rate is 1.5% of the first $5,000. The total estimated cost of the goods to be directly purchased by the District is $1,197,080. The potential savings in state sales taxes is $71,873 ($1,197,080 x 0.06). The potential savings in county taxes, assuming that each class of goods purchased would be a single purchase, is $750 ($50,000 x 0.015).

Relevant Design-Build Agreement provisions.

The Design-Build Agreement expressly contemplates direct purchase of equipment and materials at Section 3.8.2.

Section 3.8.2(a) references Exhibit J, which is a preliminary list of equipment and materials proposed by the Contractor for direct purchase. The Exhibit provides that the list will be finalized by the Contractor and the District. The Haskell letter of 5/13/2004 apparently reflects Haskell's recommendations.
The list of equipment in the 5/13/04 letter is different from the list in Exhibit J. The
5/13/04 letter appears to omit many items that appear in Exhibit J. The 5/13/04 letter
also includes vacuum pump station equipment, vacuum valve pits, double vacuum
valve pits, and piping to be purchased for Key Largo Park.

This discrepancy bears further discussion with Haskell. Section 3.8.2(k) of the
Design-Build Agreement provides:

As part of the Total Combined Project Cost, CONTRACTOR shall include the
sales or use taxes payable with respect to any item to be purchased by
CONTRACTOR and which is not listed in Exhibit J. CONTRACTOR shall not
include as part of the Total Combined Project Cost any sales or use taxes
with respect to any item to be purchased by the KLWTD and which is listed on
Exhibit J as being exempt from sales and use taxes;

The term “Total Combined Project Cost” is not defined in the Design-Build
Agreement. The significance of the discrepancy between Exhibit J and the 5/13/04
letter is not known to me, but it is possible that the discrepancy will result in
unforeseen sales and use tax consequences. For example, it is not known whether
the Contractor will seek compensation for the cost of sales and use tax on items
listed in Exhibit J but not listed in the 5/13/04 letter, plus markups. The effect on the
District of including goods in the 5/13/04 letter that are not included in Exhibit J,
including goods for Key Largo Park, is not known.

Further, the inclusion of the Key Largo Park goods in the 5/13/04 letter is
problematical for two reasons: (1) the Design-Build Agreement does not now include
construction of the Key Largo Park project, and (2) the liability, if any, of the District
for changes in the cost of piping for the Key Largo Park project has not been settled.

Section 3.8.2(b) provides that the District will issue the purchase orders. These purchase
orders will actually be prepared by Haskell, using Haskell’s normal purchase order terms, on
District letterhead, to be signed by the District. In addition, the purchase order form will
include a statement that the purchase is exempt from sales tax.

Section 3.8.2(e) provides that the District and the Contractor will execute a deduc-
tive change order for the cost of the direct purchased equipment.

Note that the Design-Build Agreement provides for addition of insurance, bonding,
and overhead when extra work is required (Section 9.3), but does not provide for
these types of costs to be deducted when work is omitted. Therefore, the deduc-
tive change order would be in the amount of the cost of the goods and sales tax on them,
only. As further discussed below, this result appears to be justified by the fact that
Haskell retains significant responsibility for the goods.

Section 3.8.2(f) provides that title will vest in the District upon acceptance by the District and
the Contractor. Section 3.8.2(g) provides that the District will bear all risk of loss of
equipment and materials until they are received at the project site, and Section 3.8.2(h)
provides that the District will obtain insurance on the equipment and materials, until they are
accepted at the project site.
The purchase order form should provide that the goods are to be delivered "F.O.B." the project site. An F.O.B. delivery term places the cost of transport and the risk of loss on the seller until the goods are delivered to the site and tendered to the District. Fla. Stat. 672.319(1)(b).

Even with this provision, since there is no provision in the Design-Build Agreement for a decrease in the contract price for insurance in this instance, the District should request confirmation from Haskell that the Contractor's insurance provides coverage until the time when the risk would have transferred to the District if direct purchase were not utilized.

The provisions cited above do not affect Haskell's responsibility for the design, construction, and performance of the equipment. Section 3.8.2(i). Haskell is also responsible for inspection of the goods, acknowledgment of receipt and acceptability, and risk of loss, storage, security, installation, performance, cleaning, and maintenance of the goods. Id.

The Contractor's continued risk explains why the insurance markup on the goods would not be refunded.

Section 3.8.2(n) provides that Haskell will be entitled to an equitable change order if delivery of goods ordered by the District delays or otherwise impacts the work.

This provision is inconsistent with Section 3.8.2(l) in that this provision can be argued to impose responsibility on the District for many risks assumed by Haskell in Section 3.8.2(j).

This provision is also inconsistent with the defined term "Uncontrollable Circumstances." Haskell is absolved under the Design-Build Agreement from problems caused by Uncontrollable Circumstances. Specifically excluded from the definition of "Uncontrollable Circumstances are the following, among others:

(c) the consequences of error, neglect or omissions by CONTRACTOR, its Affiliates, or Subcontractors, and any of their affiliates in the design or construction of the Project or in the performance of any other work;

(f) work stops with respect to any activity to be performed on or off the Site by suppliers;

(g) the failure of any supplier to furnish materials or equipment.

These types of events would be Haskell's responsibility if the District did not directly purchase goods for the project. Under Section 3.8.2(n), these types of events could become the District's responsibility. I do not believe that Section 3.8.2(n) was intended for such broad application, but I recommend obtaining confirmation from Haskell as to the intent and effect of Section 3.8.2(n).

Recommendations.

The potential savings in sales and use taxes is considerable. Therefore, it seems prudent to pursue direct purchase of the goods. Nevertheless, prior to exercising that right, the District should take the following steps:
1. Review the risks and liabilities assumed by the District as a result of direct purchasing, and determine whether the risks and liabilities can be minimized to an acceptable degree and whether the potential sales and use tax savings are sufficient to compensate the District for assumption of the risk.

2. Consider any decision with respect to materials and equipment for Key Largo Park separately from Key Largo Trailer Village.

3. Obtain a complete explanation of the apparent discrepancies between Exhibit J to the Design-Build Agreement and the 5/13/04 letter. Further sales and use tax savings may be available if goods described in Exhibit J are more than the goods described in the letter.

4. Determine whether the apparent discrepancies between Exhibit J and the 5/13/04 letter will result in unexpected charges for sales and use taxes.

5. Obtain and review the purchase order form intended to be prepared by Haskell to ensure that it includes sufficient protection for the District.

6. Confirm that Haskell’s builder’s risk and other insurance will cover the goods.

7. Confirm an understanding with Haskell that the effect of Section 3.6.2(n) will entitle Haskell to an equitable change order only if the cause of the delay or impact to performance is the result of fault by the District.
May 13, 2004

Re: Wastewater Management System
For The Key Largo Trailer Village Area
Key Largo, Florida
Issue No. 01-020 – KLWTD
Purchased Equipment

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

Dear Mr. Sheets:

As requested in our March 17, 2004 letter (see attached), please advice if the Key Largo Wastewater Treatment District (KLWTD) desires to purchase material and or equipment for the project in order to realize the sales tax savings. The Haskell Company will initiate project procurement in the immediate future and must identify the entity that will be purchasing the material and equipment in our request for proposals.

To facilitate your review, provided below, please find budgetary values for material and equipment to estimate the available tax savings.

Collection System
- Vacuum Pump Station Equipment - $145,000.00
- Vacuum Valve Pits (108) - $180,900.00
- Double Vacuum Valve Pits (4) - $11,980.00
- Piping (Park and Village) - $120,000.00

Treatment Plant
- Mechanical Bar Screen - $35,000.00
- Secondary Treatment Equipment - $600,000.00
- Chemical Feed Systems - $20,000.00
- Odor Control - $25,000.00
- Emergency Generator - $40,000.00
- Motor Control Centers and Switchgear - $20,000.00
Mr. Robert Sheets
May 14, 2004
Page 2

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

Sincerely,

[Signature]

Peter M. Kinsley

cc: Mr. Charles Sweat, GSG
    Mr. Thomas Dillon
    Mr. Ed Castle, Weiler Engineering
    Mr. Walt Messer, DN Higgins
    Issue No. 01-020
March 17, 2004

Re: Wastewater Management System For The Key Largo Trailer Village Area
Key Largo, Florida
Issue No. 01-020 – KLWTD
Purchased Equipment

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

Dear Mr. Sheets:

The purpose of this letter is notify you of The Haskell Company’s intent to initiate project procurement immediately following approval of the 60% Design Development Submittal for both the collection system and the wastewater treatment plant. It has been discussed that the Key Largo Wastewater Treatment District (KLWTD) desires to purchase material and equipment for the project in order to realize the savings associated with sales tax. Please determine the position of the KLWTD in this regard and advise so we may include the appropriate language in our request for proposals. In addition, the Design-Build Agreement requires that a Phase 2 Notice to Proceed is issued before incurring any cost associated with construction. It would be beneficial to the project to purchase vacuum valve pits in advance of this date, and therefore we request consideration by the KLWTD to authorize selective procurement as required to accommodate the project schedule.

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

Sincerely,

[Signature]

Peter M. Kinsley

cc: Mr. Charles Sweat, GSG
Mr. Ed Castle, Weiler Engineering
Mr. Walt Messer, DN Higgins
Issue No. 01-020
May 20, 2004

Peter M. Kinsley
Division Leader
Haskell Company
Haskell Building
Jacksonville, Florida 32231

RE: Key Largo Trailer Village

Dear Mr. Kinsley,

Per your request please find below the anticipated cost of materials.

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<th>Description</th>
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<tr>
<td>Vacuum Skid Pump Station</td>
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</tr>
<tr>
<td>Vacuum Pits (108)</td>
<td>$ 180,900.00</td>
</tr>
<tr>
<td>Piping Materials (includes Park Village)</td>
<td>$ 120,000.00</td>
</tr>
<tr>
<td>Double Valve Vacuum Pits (4)</td>
<td>$ 11,980.00</td>
</tr>
</tbody>
</table>

If you have any questions please call (305) 292-7889.

Sincerely

Walter E. Messer
Vice President
DOUGLAS N. HIGGINS, INC.
cc: file
Item G - 4

Approval of the Public Notices for the meetings scheduled from July through September 2004
PUBLIC NOTICE OF THE KEY LARGO WASTEWATER TREATMENT
DISTRICT MEETINGS

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

The Board announces that it will meet at 5:00 p.m. at the Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, FL, MM 99.5, on the following dates: July 7, 2004; July 21, 2004; August 4, 2004; August 18, 2004; September 1, 2004 and September 15, 2004.

In addition the Board announces that it will conduct a community meeting to provide information to the residents of Key Largo Park and Key Largo Trailer Village on July 22, 2004 beginning at 7:00 p.m. to be held at the Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, FL.

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

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

In accordance with the Americans with Disabilities Act, persons needing special accommodations to participate in this proceeding should contact the District Clerk Faith Doyle at 305-451-5105 or fdoyle@govmserv.com 72 hours prior to the meeting date.
PUBLIC NOTICE OF THE KEY LARGO WASTEWATER TREATMENT
DISTRICT REGULAR MEETING

The Board will hold a meeting at 5:00 pm at the Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, FL, on July 7, 2004. The Board will consider all matters that are on the regular agenda for the meeting. The Agenda will be available 48 hours prior to the meeting date by contacting District Clerk at 305-451-5105.

PUBLIC NOTICE OF THE KEY LARGO WASTEWATER TREATMENT
DISTRICT REGULAR MEETING

The Board will hold a meeting at 5:00 pm at the Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, FL, on July 21, 2004. The Board will consider all matters that are on the regular agenda for the meeting. The Agenda will be available 48 hours prior to the meeting date by contacting District Clerk at 305-451-5105.

PUBLIC NOTICE OF THE KEY LARGO WASTEWATER TREATMENT
DISTRICT COMMUNITY MEETING

The Board will hold a meeting at 7:00 pm at the Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, FL, on July 22, 2004. The Board will conduct a COMMUNITY INFORMATION MEETING FOR THE RESIDENTS OF THE KEY LARGO TRAILER VILLAGE AND KEY LARGO PARK and will consider all matters that are on the regular agenda for the meeting. The Agenda will be available 48 hours prior to the meeting date by contacting District Clerk at 305-451-5105.
PUBLIC NOTICE OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT REGULAR MEETING

The Board will hold a meeting at 5:00 pm at the Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, FL, on August 4, 2004. The Board will consider all matters that are on the regular agenda for the meeting. The Agenda will be available 48 hours prior to the meeting date by contacting District Clerk at 305-451-5105.

PUBLIC NOTICE OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT REGULAR MEETING

The Board will hold a meeting at 5:00 pm at the Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, FL, on August 18, 2004. The Board will consider all matters that are on the regular agenda for the meeting. The Agenda will be available 48 hours prior to the meeting date by contacting District Clerk at 305-451-5105.

PUBLIC NOTICE OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT REGULAR MEETING

The Board will hold a meeting at 5:00 pm at the Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, FL, on September 1, 2004. The Board will consider all matters that are on the regular agenda for the meeting. The Agenda will be available 48 hours prior to the meeting date by contacting District Clerk at 305-451-5105.

PUBLIC NOTICE OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT REGULAR MEETING

The Board will hold a meeting at 5:00 pm at the Key Largo Civic Club, 209 Ocean Bay Drive, Key Largo, FL, on September 15, 2004. The Board will consider all matters that are on the regular agenda for the meeting. The Agenda will be available 48 hours prior to the meeting date by contacting District Clerk at 305-451-5105.
Item G - 5

Approval to reduce the number of Mylar copies required for submittal
Request for Reduction of Mylar Submittals

Section 3.3.12.1 of the Design/Build contract between The Haskell Company and the Key Largo Wastewater Treatment District requires that design documents be provided in the form of one mylar set, five copies and one electronic copy. Brown and Caldwell has asked for relief from the requirement to submit mylars on intermediate design development submittals. This issue was presented to the Board as a discussion item at the March 17, 2004 meeting. Please refer to the attached memo.

After discussions with the KLWTD Staff, including a discussion with Chuck Fishburn on May 25, 2004, WEC recommends that mylar copies of the record drawings be required, but that paper copies and electronic copies be considered sufficient for all other submittals. Mylar drawings are reproducible and durable, providing a good permanent record. Since intermediate design development stages and even construction documents will not truly reflect what was installed, WEC sees no advantage to requiring mylar copies of these sets. The paper copies and electronic copies provide sufficient documentation. It should also be noted that it is less expensive to reproduce copies from the electronic drawings that it is to have copies made from the mylar sheets.

The Board requested that the monetary value of the mylar copies be provided. Brown and Caldwell has indicated that they outsource production of mylars at a cost of $15.00 per sheet. Depending on the design development stage, there are approximately 130 sheets, or $1,950.00 worth of mylars per submittal. We are recommending a reduction of 4 sets of mylars, for a total worth of approximately $7,800.00.

It should be noted that the requirements of Section 3.3.12.1 of the contract do not agree with the requirements for design development submittals presented in Exhibit G of the contract. Exhibit G states that the Design Submittal Protocol shall determine the number of copies required and their distribution. Currently, eight sets of paper drawings and two electronic copies are being provided to the KLWTD representatives. This exceeds the required 5 paper sets and one electronic copy required by Section 3.3.12.1.
MEMORANDUM

To: KLWTD Board
From: Ed Castle
Date: March 9, 2004
Re: Mylar drawings

The Design/Build Agreement specifies that mylar copies of all phases of design development documents be submitted to the District. Stu Oppenheim has requested that we waive the requirement for all but the final construction drawings and the record drawings.

I have discussed this request with all members of staff and we all agree that mylar copies of the final construction drawings and of the record drawings will be sufficient. Paper copies and electronic copies of all design development submittals are required and are sufficient for our needs.

Weiler Engineering recommends that the Board approve Mr. Oppenheim’s request to limit the requirement for mylar copies to the final construction set and the record drawings.
Item H - 1

Discussion of DCA Grant Agreement for FEMA Project 1249-25
Memo

To: Key Largo Wastewater Treatment District
From: Thomas M. Dillon
CC: District Staff
Date: 5/18/2004
Re: DCA Grant Agreement

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

I have reviewed the grant agreement form transmitted by the Florida Department of Community Affairs under date of May 20, 2004 [sic]. My comments follow:

Page 13: Section 16(b) specifies the requirements to obtain advance payments. Option 2 should be checked and an amount filled in based on expected expenditures during the first 3 months of the Agreement. Attachment F must be completed to specify the amount of the advance payment and an explanation of the necessity for and proposed use of the advanced funds.

Page 17: Section 22 seems to anticipate that vendor invoices will be submitted to the DCA for payment. I do not understand that to be the expected method of payment of vendors.

Attachment A:

Page A-1: Re: Open Space:

The first paragraph states only that the District "will permanently preserve the un-used [sic] portion of the WWTP project parcel (18.4 acres) for conservation purposes, and restore 2.6 acres of tropical hardwood hammock to replace the project site's protected lost habitat functions."

However, the third paragraph provides that "The construction phase may proceed with adherence to the various mitigation measures and permitting requirements referenced in the SFONSI." Therefore, the Agreement incorporates by reference all of the requirements expressed in the SFONSI, and all the requirements incorporated by reference in the SFONSI, notably the U.S. Fish & Wildlife Service Biological Opinion, which serves as the basis for the SFONSI. Note that these requirements are stated in a letter of 5/16/04 from
FEMA to the Florida Division of Emergency Management, attached as Pages A-3 and A-4. Note further that although the SFONSI was apparently intended to be attached to the Agreement beginning at Page A-8, only the odd-numbered pages of the SFONSI were copied.

Based on the foregoing, it is my opinion that when the District signs this Agreement, the District will be contractually bound to perform all of the requirements in the SFONSI and the Biological Opinion, including:

- Locating a site or sites totaling 2.6 acres for hardwood hammock habitat restoration on the island of Key Largo. Biological Opinion Condition No. 1.
- Coordinating with a suitable environmental lands management program to receive title to the hardwood hammock not proposed for development. Biological Opinion Condition No. 2.

The District must provide FEMA with a copy of all applicable permits and other pertinent documents that demonstrate compliance with the SFONSI before construction and receipt of federal funds.

I recommend that the District complete efforts to specify exactly the manner in which these conditions will be satisfied prior to signing the Agreement.

Page A-5: Schedule of Values:

The district should confirm that the schedule of values is consistent with the schedule of values in the Haskell Design-Build Agreement.

Conclusions:

Based on the foregoing, I recommend that the District complete the following before signing the Agreement:

- Obtain written confirmation of agreement by FEMA and the U.S. Fish & Wildlife Service to precise means and methods by which the District may satisfy the conditions of the SFONSI. I understand the principal conditions to be related to conservation of open space, but I recommend that the District obtain confirmation that all conditions precedent to construction and receipt of federal funds have been, or will be, satisfied.
- Obtain written confirmation of the source(s) of funds to be used to meet the District’s obligations related to conservation of open space.
- Determine the amount of any needed funds advances and complete the appropriate forms.
- Determine whether Section 22 (P. 17) is applicable to this project.
- Ensure that the schedule of values at Pages A-5 – A-7 is consistent with the Design-Build Agreement.
- Replace the incomplete copy of the SFONSI with a complete copy.
May 20, 2004

Mr. Gary Bauman, Chairman
Key Largo Wastewater Treatment District
Post Office Box 491
Key Largo, Florida 33037

Re: FEMA Project 1249-25
Key Largo Wastewater Treatment District

Dear Mr. Reynolds:

The Department of Community Affairs (DCA) is pleased to inform you that the Federal Emergency Management Agency has approved the obligation of Unmet Needs funds for the project number listed above. Please note that this is an eligible cost-reimbursement contract, and as such, the subgrantee must make other funding arrangements to complete this project. However, the subgrantee may submit periodic requests for payment throughout the project process, consistent with the terms of the contract.

Enclosed are four copies of the proposed contract between Key Largo Wastewater Treatment District and DCA. The official representative, as listed below, will need to sign the signature page (Page 16) of the contract. All four copies of the contract should then be sent to DCA for full execution. One fully executed contract will be returned to Key Largo Wastewater Treatment District for its files.

Official Representatives:

County:
City:
Indian Tribe:
Water Management District:
Non-Profit:
Chairman of the Board of Commissioners
Mayor
Chief or President
Chairman
Chairman of the Board

2555 Shumard Oak Boulevard • Tallahassee, Florida 32399-2100
Phone: 850.488.8466/Suncom 278.8466  FAX: 850.921.0781/Suncom 291.0781
Internet address: http://www.dca.state.fl.us
Mr. Gary Bauman  
May 20, 2004  
Page Two

If there is an official that is not listed above who is authorized to sign the contracts for your organization, please provide a copy of the organization’s resolution or charter that specifically identifies the person or position that is authorized to sign.

If you have questions regarding this contract or who is authorized to sign it, please call Miles Anderson at 850/922-4442.

Respectfully,

[Signature]

W. Craig Fugate, Director  
Division of Emergency Management

WCF:kkf

Enclosures
DISASTER RELIEF FUNDING AGREEMENT

This Agreement is between the State of Florida, Department of Community Affairs (the "Department"), and Key Largo Wastewater Treatment District (the "Recipient"). This Agreement is based on the existence of the following conditions:

WHEREAS, Hurricane Georges had a devastating impact upon the State of Florida; and

WHEREAS, the severity of the damage and losses resulted in a declaration of emergency by the Governor in Executive Order 98-232; and

WHEREAS, in consequence of Hurricane Georges, the President of the United States declared Hurricane George a major emergency in FEMA-1249-DR-FL, Key Largo Wastewater Treatment District; and

WHEREAS, the Agreement between the State of Florida and the Federal Emergency Management Agency ("FEMA") governing the use of such funds has made available funding to meet the unmet needs of local governments; and

WHEREAS, under the Emergency Management Act, as amended, the Department has authority to administer federal financial assistance from FEMA consequent to a presidential declaration of disaster; and

WHEREAS, the Department has received these grant funds from the federal government, and has the authority to subgrant these funds to the Recipient upon the terms and conditions hereinafter set forth; and

WHEREAS, the Recipient represents that it is fully qualified and eligible to receive these grant funds to provide the services identified herein.

Based upon the existence of the foregoing conditions, the parties agree to the following:

(1) **SCOPE OF WORK.**

The Recipient shall fully perform the obligations in accordance with the Budget and Scope of Work, Attachment A of this Agreement.

(2) **INCORPORATION OF LAWS, RULES, REGULATIONS AND POLICIES**

Both the Recipient and the Department shall be governed by applicable State and Federal laws, rules and regulations, including but not limited to those identified in Attachment B.

(3) **PERIOD OF AGREEMENT.**
This Agreement shall begin upon execution by both parties and shall end twenty-four (24) months from the date of execution, unless terminated earlier in accordance with the provisions of paragraph (9) of this Agreement.

(4) MODIFICATION OF CONTRACT; REPAYMENTS

Either party may request modification of the provisions of this Agreement. Changes which are mutually agreed upon shall be valid only when reduced to writing, duly signed by each of the parties hereto, and attached to the original of this Agreement.

All refunds or repayments to be made to the Department under this Agreement are to be made payable to the order of “Department of Community Affairs”, and mailed directly to the Department at the following address:

Department of Community Affairs
Cashier
Finance and Accounting
2555 Shumard Oak Boulevard
Tallahassee FL 32399-2100

In accordance with § 215.34(2), Fla. Stat., if a check or other draft is returned to the Department for collection, the Department must add to the amount of the check or draft a service fee of Fifteen Dollars ($15.00) or Five Percent (5%) of the face amount of the check or draft, whichever is greater.

(5) RECORDKEEPING

(a) As applicable, Recipient’s performance under this Agreement shall be subject to the federal “Common Rule: Uniform Administrative Requirements for State and Local Governments” (53 Federal Register 8034) or OMB Circular No. A-110, "Grants and Agreements with Institutions of High Education, Hospitals, and Other Nonprofit Organizations," and either OMB Circular No. A-87, "Cost Principles for State and Local Governments," OMB Circular No. A-21, "Cost Principles for Educational Institutions," or OMB Circular No. A-122, "Cost Principles for Nonprofit Organizations." If this Agreement is made with a commercial (for-profit) organization on a cost-reimbursement basis, the Recipient shall be subject to Federal Acquisition Regulations 31.2 and 931.2.

(b) The Recipient shall retain sufficient records demonstrating its compliance with the terms of this Agreement for a period of five years from the date the audit report is issued, and shall allow the Department or its designee, Comptroller, or Auditor General access to such records upon request. The Recipient shall ensure that audit working papers are made available to the Department or its designee,
Comptroller, or Auditor General upon request for a period of five years from the date the audit report is issued, unless extended in writing by the Department, with the following exceptions:

1. If any litigation, claim or audit is started before the expiration of the five year period and extends beyond the five year period, the records will be maintained until all litigation, claims or audit findings involving the records have been resolved.

2. Records for the disposition of non-expendable personal property valued at $5,000 or more at the time of acquisition shall be retained for five years after final disposition.

3. Records relating to real property acquisition shall be retained for five years after closing of title.

(c) All records, including supporting documentation of all program costs, shall be sufficient to determine compliance with the requirements and objectives of the Budget and Scope of Work - Attachment A - and all other applicable laws and regulations.

(d) The Recipient, its employees or agents, including all subcontractors or consultants to be paid from funds provided under this Agreement, shall allow access to its records at reasonable times to the Department, its employees, and agents. "Reasonable" shall be construed according to the circumstances but ordinarily shall mean during normal business hours of 8:00 a.m. to 5:00 p.m., local time, on Monday through Friday. "Agents" shall include, but not be limited to, auditors retained by the Department.

(6) REPORTS

(a) At a minimum, the Recipient shall provide the Department with quarterly reports, and with a close-out report.

(b) Quarterly reports are due to be received by the Department no later than 30 days after the end of each quarter of the program year and shall continue to be submitted each quarter until submission of the administrative close-out report. The ending dates for each quarter of the program year are March 30, June 30, September 30 and December 31.

(c) The close-out report is due 60 days after termination of this Agreement or upon completion of the activities contained in this Agreement.
(d) If all required reports and copies, prescribed above, are not sent to the Department or are not completed in a manner acceptable to the Department, the Department may withhold further payments until they are completed or may take such other action as set forth in paragraph (9). The Department may terminate the Agreement with a Recipient if reports are not received within 30 days after written notice by the Department. "Acceptable to the Department" means that the work product was completed in accordance with generally accepted principles and is consistent with the Budget and Scope of Work.

(e) Upon reasonable notice, the Recipient shall provide such additional program updates or information as may be required by the Department.

(f) The Recipient shall provide additional reports and information as identified in Attachment G.

(7) MONITORING.

The Recipient shall constantly monitor its performance under this Agreement to ensure that time schedules are being met, the Budget and Scope of Work are being accomplished within specified time periods, and other performance goals are being achieved. Such review shall be made for each function or activity set forth in Attachment A to this Agreement. In addition, the Department will monitor the performance and financial management by the Recipient throughout the contract term to ensure timely completion of all tasks.

In addition to reviews of audits conducted in accordance with OMB Circular A-133, as revised (see “AUDIT REQUIREMENTS” below), monitoring procedures may include, but not be limited to, on-site visits by Department staff, limited scope audits as defined by OMB Circular A-133, as revised, and/or other procedures. By entering into this Agreement, the Recipient agrees to comply and cooperate with any monitoring procedures/processes deemed appropriate by the Department. In the event that the Department determines that a limited scope audit of the Recipient is appropriate, the Recipient agrees to comply with any additional instructions provided by the Department to the Recipient regarding such audit. The Recipient further agrees to comply and cooperate with any inspections, reviews, investigations or audits deemed necessary by the Comptroller or Auditor General. In addition, the Department will monitor the performance and financial management by the Contractor throughout the contract term to ensure timely completion of all tasks.

(8) LIABILITY.

(a) Unless Recipient is a State agency or subdivision, the Recipient shall be solely responsible to parties with whom it shall deal in carrying out the terms of this
agreement, and shall save the Department harmless against all claims of whatever nature by third parties arising out of the performance of work under this agreement. For purposes of this agreement, Recipient agrees that it is not an employee or agent of the Department, but is an independent contractor.

(b) Any Recipient who is a state agency or subdivision, as defined in Section 768.28, Fla. Stat., agrees to be fully responsible for its negligent acts or omissions or tortious acts which result in claims or suits against the Department, and agrees to be liable for any damages proximately caused by said acts or omissions. Nothing herein is intended to serve as a waiver of sovereign immunity by any Recipient to which sovereign immunity applies. Nothing herein shall be construed as consent by a state agency or subdivision of the State of Florida to be sued by third parties in any matter arising out of any contract.

(9) DEFAULT; REMEDIES; TERMINATION.

(a) If the necessary funds are not available to fund this agreement as a result of action by Congress, the state Legislature, the Office of the Comptroller or the Office of Management and Budgeting, or if any of the following events occur ("Events of Default"), all obligations on the part of the Department to make any further payment of funds hereunder shall, if the Department so elects, terminate and the Department may, at its option, exercise any of its remedies set forth herein, but the Department may make any payments or parts of payments after the happening of any Events of Default without thereby waiving the right to exercise such remedies, and without becoming liable to make any further payment:

1. If any warranty or representation made by the Recipient in this Agreement or any previous Agreement with the Department shall at any time be false or misleading in any respect, or if the Recipient shall fail to keep, observe or perform any of the terms or covenants contained in this Agreement or any previous agreement with the Department and has not cured such in timely fashion, or is unable or unwilling to meet its obligations thereunder;

2. If any material adverse change shall occur in the financial condition of the Recipient at any time during the term of this Agreement from the financial condition revealed in any reports filed or to be filed with the Department, and the Recipient fails to cure said material adverse change within thirty (30) days from the time the date written notice is sent by the Department.

3. If any reports required by this Agreement have not been submitted to the Department or have been submitted with incorrect, incomplete or insufficient information;
4. If the Recipient has failed to perform and complete in timely fashion any of the services required under the Budget and Scope of Work attached hereto as Attachment A.

(b) Upon the happening of an Event of Default, then the Department may, at its option, upon written notice to the Recipient and upon the Recipient's failure to timely cure, exercise any one or more of the following remedies, either concurrently or consecutively, and the pursuit of any one of the following remedies shall not preclude the Department from pursuing any other remedies contained herein or otherwise provided at law or in equity:

1. Terminate this Agreement, provided that the Recipient is given at least thirty (30) days prior written notice of such termination. The notice shall be effective when placed in the United States mail, first class mail, postage prepaid, by registered or certified mail-return receipt requested, to the address set forth in paragraph (10) herein;

2. Commence an appropriate legal or equitable action to enforce performance of this Agreement;

3. Withhold or suspend payment of all or any part of a request for payment;

4. Exercise any corrective or remedial actions, to include but not be limited to, requesting additional information from the Recipient to determine the reasons for or the extent of non-compliance or lack of performance, issuing a written warning to advise that more serious measures may be taken if the situation is not corrected, advising the Recipient to suspend, discontinue or refrain from incurring costs for any activities in question or requiring the Recipient to reimburse the Department for the amount of costs incurred for any items determined to be ineligible;

5. Exercise any other rights or remedies which may be otherwise available under law;

(c) The Department may terminate this Agreement for cause upon such written notice as is reasonable under the circumstances. Cause shall include, but not be limited to, misuse of funds; fraud; lack of compliance with applicable rules, laws and regulations; failure to perform in a timely manner; and refusal by the Recipient to permit public access to any document, paper, letter, or other material subject to disclosure under Chapter 119, Fla. Stat., as amended.
(d) Suspension or termination constitutes final agency action under Chapter 120, Fla. Stat., as amended. Notification of suspension or termination shall include notice of administrative hearing rights and time frames.

(e) Failure of the Recipient to comply with the program statutes and regulations in Attachments B and D of this Agreement shall be cause for the immediate suspension of payments, the immediate termination of this Agreement, or the return of all ineligible funds to the Department.

(f) This Agreement may be terminated by the written mutual consent of the parties.

(g) Notwithstanding the above, the Recipient shall not be relieved of liability to the Department by virtue of any breach of Agreement by the Recipient. The Department may, to the extent authorized by law, withhold any payments to the Recipient for purpose of set-off until such time as the exact amount of damages due the Department from the Recipient is determined.

(10) NOTICE AND CONTACT.

(a) All notices provided under or pursuant to this Agreement shall be in writing, either by hand delivery, or first class, certified mail, return receipt requested, to the representative identified below at the address set forth below and said notification attached to the original of this Agreement.

(b) The name and address of the Department contract manager for this Agreement is:

Mr. Miles Anderson, Planning Manager
Bureau of Recovery and Mitigation
Department of Community Affairs
2555 Shumard Oak Boulevard
Tallahassee, Florida 32399-2100
Telephone: (850) 922-4442
Fax: (850) 922-1259

(c) The name and address of the Representative of the Recipient responsible for the administration of this Agreement is:

Mr. Gary Bauman, Chairman
Key Largo Wastewater Treatment District
Post Office Box 491
Key Largo, Florida 33037
Telephone: 305-453-3334
Fax: NA
(11) OTHER PROVISIONS.

(a) The validity of this Agreement is subject to the truth and accuracy of all the information, representations, and materials submitted or provided by the Recipient in this Agreement, in any subsequent submission or response to Department request, or in any submission or response to fulfill the requirements of this Agreement, and such information, representations, and materials are incorporated by reference. The lack of accuracy thereof or any material changes shall, at the option of the Department and with thirty (30) days written notice to the Recipient, cause the termination of this Agreement and the release of the Department from all its obligations to the Recipient.

(b) This Agreement shall be construed under the laws of the State of Florida, and venue for any actions arising out of this Agreement shall lie in Leon County. If any provision hereof is in conflict with any applicable statute or rule, or is otherwise unenforceable, then such provision shall be deemed null and void to the extent of such conflict, and shall be deemed severable, but shall not invalidate any other provision of this Agreement.

(c) No waiver by the Department of any right or remedy granted hereunder or failure to insist on strict performance by the Recipient shall affect or extend or act as a waiver of any other right or remedy of the Department hereunder, or affect the subsequent exercise of the same right or remedy by the Department for any further or subsequent default by the Recipient. Any power of approval or disapproval granted to the Department under the terms of this Agreement shall survive the terms and life of this Agreement as a whole.

(d) The Agreement may be executed in any number of counterparts, any one of which may be taken as an original.

(e) The Recipient agrees to comply with the Americans With Disabilities Act (Public Law 101-336, 42 U.S.C. Section 12101 et seq.), if applicable, which prohibits discrimination by public and private entities on the basis of disability in the areas of employment, public accommodations, transportation, State and local government services, and in telecommunications.

(f) A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime or on the discriminatory vendor list may not
submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with a public entity, and may not transact business with any public entity in excess of Category Two for a period of 36 months from the date of being placed on the convicted vendor or discriminatory vendor list.

(g) With respect to any Recipient which is not a local government or state agency, and which receives funds under this agreement from the federal government, the Recipient certifies, to the best of its knowledge and belief, that it and its principals:

1. are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by a federal department or agency;

2. have not, within a five-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3. are not presently indicted or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any offenses enumerated in paragraph 11(g)2. of this certification; and

4. have not within a five-year period preceding this agreement had one or more public transactions (federal, state or local) terminated for cause or default.

Where the Recipient is unable to certify to any of the statements in this certification, such Recipient shall attach an explanation to this agreement.

(12) **AUDIT REQUIREMENTS.**

(a) The Recipient agrees to maintain financial procedures and support documents, in accordance with generally accepted accounting principles, to account for the receipt and expenditure of funds under this Agreement.
(b) These records shall be available at all reasonable times for inspection, review, or audit by state personnel and other personnel duly authorized by the Department. "Reasonable" shall be construed according to circumstances, but ordinarily shall mean normal business hours of 8:00 a.m. to 5:00 p.m., local time, Monday through Friday.

(c) The Recipient shall also provide the Department with the records, reports or financial statements upon request for the purposes of auditing and monitoring the funds awarded under this Agreement.

(d) If the Recipient is a State or local government or a non-profit organization as defined in OMB Circular A-133, as revised, and in the event that the Recipient expends $300,000 or more in Federal awards in its fiscal year, the Recipient must have a single or program-specific audit conducted in accordance with the provisions of OMB Circular A-133, as revised. EXHIBIT 1 to this Agreement indicates Federal resources awarded through the Department by this Agreement. In determining the Federal awards expended in its fiscal year, the Recipient shall consider all sources of Federal awards, including Federal resources received from the Department. The determination of amounts of Federal awards expended should be in accordance with the guidelines established by OMB Circular A-133, as revised. An audit of the Recipient conducted by the Auditor General in accordance with the provisions of OMB Circular A-133, as revised, will meet the requirements of this paragraph.

In connection with the audit requirements addressed in Paragraph 12 (d) above, the Recipient shall fulfill the requirements relative to auditee responsibilities as provided in Subpart C of OMB Circular A-133, as revised.

If the Recipient expends less than $500,000 in Federal awards in its fiscal year, an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, is not required. In the event that the Recipient expends less than $500,000 in Federal awards in its fiscal year and elects to have an audit conducted in accordance with the provisions of OMB Circular A-133, as revised, the cost of the audit must be paid from non-Federal resources (i.e., the cost of such audit must be paid from Recipient resources obtained from other than Federal entities).

(e) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by subparagraph (d) above shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Recipient directly to each of the following:

The Department of Community Affairs at each of the following addresses:

Department of Community Affairs
Office of Audit Services  
2555 Shumard Oak Boulevard  
Tallahassee, Florida  32399-2100

and

Department of Community Affairs  
Bureau of Recovery and Mitigation  
2555 Shumard Oak Boulevard  
Tallahassee, Florida  32399-2100

The Federal Audit Clearinghouse designated in OMB Circular A-133, as revised (the number of copies required by Sections .320(d)(1) and (2), OMB Circular A-133, as revised, should be submitted to the Federal Audit Clearinghouse), at the following address:

Federal Audit Clearinghouse  
Bureau of the Census  
1201 East 10th Street  
Jeffersonville, IN 47132

Other Federal agencies and pass-through entities in accordance with Sections .320 (e) and (f), OMB Circular A-133, as revised.

(f) Pursuant to Section .320 (f), OMB Circular A-133, as revised, the recipient shall submit a copy of the reporting package described in Section .320 (c), OMB Circular A-133, as revised, and any management letter issued by the auditor, to the Department at each of the following addresses:

Department of Community Affairs  
Office of Audit Services  
2555 Shumard Oak Boulevard  
Tallahassee, Florida  32399-2100

and

Department of Community Affairs  
Bureau of Recovery and Mitigation  
2555 Shumard Oak Boulevard  
Tallahassee, Florida  32399-2100

(g) Any reports, management letter, or other information required to be submitted to the Department pursuant to this Agreement shall be submitted timely in accordance
with OMB Circular A-133, Florida Statutes, and Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, as applicable.

(h) Recipients, when submitting financial reporting packages to the Department for audits done in accordance with OMB Circular A-133 or Chapters 10.550 (local governmental entities) or 10.650 (nonprofit and for-profit organizations), Rules of the Auditor General, should indicate the date that the reporting package was delivered to the Recipient in correspondence accompanying the reporting package.

(i) The Recipient shall retain sufficient records demonstrating its compliance with the terms of this agreement for a period of five years from the date the audit report is issued, and shall allow the Department, or its designee, the Comptroller, or Auditor General access to such records upon request. The recipient shall ensure that audit working papers are made available to the Department, or its designee, the Comptroller, or Auditor General upon request for a period of five years from the date the audit report is issued, unless extended in writing by the Department.

(j) In the event the audit shows that the entire funds disbursed hereunder, or any portion thereof, were not spent in accordance with the conditions of this Agreement, the Recipient shall be held liable for reimbursement to the Department of all funds not spent in accordance with these applicable regulations and Agreement provisions within thirty (30) days after the Department has notified the Recipient of such non-compliance.

(k) The Recipient shall retain all financial records, supporting documents, statistical records, and any other documents pertinent to this contract for a period of five years after the date of submission of the final expenditures report. However, if litigation or an audit has been initiated prior to the expiration of the five-year period, the records shall be retained until the litigation or audit findings have been resolved.

(l) The Recipient shall have all audits completed by an independent certified public accountant (IPA) who shall either be a certified public accountant or a public accountant licensed under Chapter 473, Fla. Stat. The IPA shall state that the audit complied with the applicable provisions noted above.

(13) **SUBCONTRACTS.**

If the Recipient subcontracts any or all of the work required under this Agreement, a copy of the executed subcontract must be forwarded to the Department within thirty (30) days after execution of the subcontract. The Recipient agrees to include in the subcontract that (i) the subcontractor is bound by all applicable state and federal laws and regulations, and (ii) the subcontractor shall hold the Department and Recipient harmless against all claims of whatever nature arising out of the subcontractor's performance of work under this Agreement, to the extent allowed and required by law.
(14) **TERMS AND CONDITIONS.**

The Agreement contains all the terms and conditions agreed upon by the parties.

(15) **ATTACHMENTS.**

(a) All attachments to this Agreement are incorporated as if set out fully herein.

(b) In the event of any inconsistencies or conflict between the language of this Agreement and the attachments hereto, the language of such attachments shall be controlling, but only to the extent of such conflict or inconsistency.

(c) This Agreement has the following attachments:

| Exhibit 1 | Funding Sources |
| Attachment A | Budget and Scope of Work |
| Attachment B | Program Statutes and Regulations |
| Attachment C | Lobby Prohibition/Certification |
| Attachment D | Statement of Assurances |
| Attachment E | Request for Advance or Reimbursement Form |
| Attachment F | Summary of Documentation |
| Attachment G | Quarterly Report Form |

(16) **FUNDING/CONSIDERATION.**

(a) This is a cost-reimbursement Agreement. The Recipient shall be reimbursed for costs incurred in the satisfactory performance of work hereunder in an amount not to exceed the amounts listed in Attachment A, subject to the availability of funds.

(b) Any advance payment under this Agreement is subject to s. 216.181(16), Florida Statutes. The amount which may be advanced may not exceed the expected cash needs of the Recipient within the first three (3) months, based upon the funds being equally disbursed throughout the contract term. For a federally funded contract, any advance payment is also subject to federal OMB Circulars A-87, A-110, A-122 and the Cash Management Improvement Act of 1990. If an advance payment is requested, the budget data on which the request is based and a justification statement shall be included in this Agreement as Attachment F. Attachment F will specify the amount of advance payment needed and provide an explanation of the necessity for and proposed use of these funds.

1. ______ No advance payment is requested.
2. ______ An advance payment of $_______ is requested.
(c) After the initial advance, if any, payment shall be made on a reimbursement basis as needed. The Recipient agrees to expend funds in accordance with the Budget and Scope of Work, Attachment A of this Agreement.

(17) **STANDARD CONDITIONS.**

The Recipient agrees to be bound by the following standard conditions:

(a) The State of Florida's performance and obligation to pay under this Agreement is contingent upon an annual appropriation by the Legislature, and subject to any modification in accordance with Chapter 216, Fla. Stat., or the Florida Constitution.

(b) If otherwise allowed under this Agreement, the Agreement may be renewed on a yearly basis for a period of up to two (2) years after the initial agreement or for a period no longer than the term of the original agreement, whichever period is longer, specifying the terms under which the cost may change as determined in the invitation to bid, request for proposals, or pertinent statutes or regulations.

(c) All bills for fees or other compensation for services or expenses shall be submitted in detail sufficient for a proper preaudit and postaudit thereof.

(d) If otherwise allowed under this Agreement, all bills for any travel expenses shall be submitted in accordance with s. 112.061, Fla. Stat.

(e) The Department of Community Affairs reserves the right to unilaterally cancel this Agreement for refusal by the Recipient to allow public access to all documents, papers, letters or other material subject to the provisions of Chapter 119, Fla. Stat., and made or received by the Recipient in conjunction with this Agreement.

(f) If the Recipient is allowed to temporarily invest any advances of funds under this Agreement, any interest income shall either be returned to the Department or be applied against the Department's obligation to pay the contract amount.

(g) The State of Florida will not intentionally award publicly-funded contracts to any contractor who knowingly employs unauthorized alien workers, constituting a violation of the employment provisions contained in 8 U.S.C. Section 1324a(e) [Section 274A(e) of the Immigration and Nationality Act ("INA")]. The Department shall consider the employment by any contractor of unauthorized aliens a violation of Section 274A(e) of
the INA. Such violation by the Recipient of the employment provisions contained in Section 274A(e) of the INA shall be grounds for unilateral cancellation of this Agreement by the Department.

(18) LOBBYING PROHIBITION

(a) No funds or other resources received from the Department in connection with this Agreement may be used directly or indirectly to influence legislation or any other official action by the Florida Legislature or any state agency.

(b) The Recipient certifies, by its signature to this Agreement, that to the best of his or her knowledge and belief:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representative of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

(19) COPYRIGHT, PATENT AND TRADEMARK.
ANY AND ALL PATENT RIGHTS ACCRUING UNDER OR IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT ARE HEREBY RESERVED TO THE STATE OF FLORIDA. ANY AND ALL COPYRIGHTS ACCRUING UNDER OR IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT ARE HEREBY TRANSFERRED BY THE RECIPIENT TO THE STATE OF FLORIDA.

(a) If the Recipient brings to the performance of this Agreement a pre-existing patent or copyright, the Recipient shall retain all rights and entitlements to that pre-existing patent or copyright unless the Agreement provides otherwise.

(b) If any discovery or invention arises or is developed in the course of or as a result of work or services performed under this Agreement, or in any way connected herewith, the Recipient shall refer the discovery or invention to the Department for a determination whether patent protection will be sought in the name of the State of Florida. Any and all patent rights accruing under or in connection with the performance of this Agreement are hereby reserved to the State of Florida. In the event that any books, manuals, films, or other copyrightable material are produced, the Recipient shall notify the Department. Any and all copyrights accruing under or in connection with the performance under this Agreement are hereby transferred by the Recipient to the State of Florida.

(c) Within thirty (30) days of execution of this Agreement, the Recipient shall disclose all intellectual properties relevant to the performance of this Agreement which he or she knows or should know could give rise to a patent or copyright. The Recipient shall retain all rights and entitlements to any pre-existing intellectual property which is so disclosed. Failure to disclose will indicate that no such property exists. The Department shall then, under Paragraph (b), have the right to all patents and copyrights which occur during performance of the Agreement.

(20) LEGAL AUTHORIZATION.

The Recipient certifies with respect to this Agreement that it possesses the legal authority to receive the funds to be provided under this Agreement and that, if applicable, its governing body has authorized, by resolution or otherwise, the execution and acceptance of this Agreement with all covenants and assurances contained herein. The Recipient also certifies that the undersigned possesses the authority to legally execute and bind Recipient to the terms of this Agreement.

(21) ASSURANCES.

The Recipient shall comply with any Statement of Assurances incorporated as Attachment D.
(22) **VENDOR PAYMENTS.**

Pursuant to Section 215.422, Fla. Stat., the Department shall issue payments to vendors within 40 days after receipt of an acceptable invoice and receipt, inspection, and acceptance of goods and/or services provided in accordance with the terms and conditions of the Agreement. Failure to issue the warrant within 40 days shall result in the Department paying interest at a rate as established pursuant to Section 55.03(1) Fla. Stat. The interest penalty shall be paid within 15 days after issuing the warrant.

Vendors experiencing problems obtaining timely payment(s) from a state agency may receive assistance by contacting the Vendor Ombudsman at (850) 488-2924 or by calling the State Comptroller's Hotline at 1-800-848-3792.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed by their undersigned officials as duly authorized.

**Recipient:**

**KEY LARGO WASTEWATER TREATMENT DISTRICT**

BY: ____________________________________________

Name and title: ___________________________________

Date: __________________________________________

FEID# _________________________________________

**STATE OF FLORIDA**

**DEPARTMENT OF COMMUNITY AFFAIRS**

BY: ____________________________________________

Name and title: W. Craig Fugate, Director, Division of Emergency Management

Date: __________________________________________
EXHIBIT – 1

FEDERAL RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

Federal Program: Federal Emergency Management Agency
Catalog Number of Federal Domestic Assistance Number: 97.039
Amount of Federal Funding: $ 4,388,571.00

COMPLIANCE REQUIREMENTS APPLICABLE TO THE FEDERAL RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

Only the services described within the attached Agreement and Attachment A are eligible expenditures for the funds awarded.

STATE RESOURCES AWARDED TO THE RECIPIENT PURSUANT TO THIS AGREEMENT CONSIST OF THE FOLLOWING:

$ 731,428.00

MATCHING RESOURCES FOR FEDERAL PROGRAMS:

$ 4,388,571.00

SUBJECT TO SECTION 215.97, FLORIDA STATUTES:

Not Applicable

COMPLIANCE REQUIREMENTS APPLICABLE TO STATE RESOURCES AWARDED PURSUANT TO THIS AGREEMENT ARE AS FOLLOWS:

Not Applicable

NOTE: Section .400(d) of OMB Circular A-133, as revised, and Section 215.97(5)(a), Florida Statutes, require that the information about Federal Programs and State Projects included in Exhibit 1 be provided to the recipient.
Attachment A

Budget and Scope of Work

The subgrantee, Key Largo Wastewater Treatment District (KLWTD), will build a community wastewater treatment plant (WWTP) on 2.6 acres of a 21 acre parcel at Mile Marker 100.5 (Oceanside) and install a wastewater collection system in the Key Largo Trailer Village service area, replacing its on-site wastewater treatment systems. The WWTP will be designed to meet the Advance Wastewater Treatment (AWT) effluent discharge standard, thereby complying with the Florida Statutory Treatment Standards by 2010, and have a treatment capacity of about 122,000 gallons per day (Average Daily Flow). The WWTP will discharge tertiary-treated effluent into shallow injection wells. The KLWTD will permanently preserve the un-used portion of the WWTP project parcel (18.4 acres) for conservation purposes, and restore 2.6 acres of tropical hardwood hammock to replace the project site’s protected species lost habitat functions. This conservation effort shall be completed within 6 months of completion of construction of the wastewater system.

Upon approval of Phase II of this project, per the Interlocal Agreement relating to the transition of wastewater jurisdiction and services from the Florida Keys Aqueduct Authority (FKAA) to the Key Largo Wastewater Treatment District (KLWTD), signed by the FKAA, the KLWTD, and Monroe County, the KLWTD will officially take over as the subgrantee for this project.

The environmental review for Phase II has been completed. Per the National Environmental Policy Act, FEMA has finalized a supplemental Environmental Assessment and signed a Supplemental Finding of No Significant Impact (SFONSI) for the proposed project (see attached). The construction phase may proceed with adherence to the various mitigation measures and permitting requirements referenced in the SFONSI. While the environmental review is complete, the subgrantee must still provide FEMA with a copy of all applicable permits and other pertinent documents that demonstrate its compliance with the SFONSI before construction and receipt of federal funds.

The award is pursuant to the authority of Public Law 106-31 ("The Emergency Supplemental Appropriations Act"), and is subject to the Agreement Articles.
This is FEMA Unmet Needs project 1249-25

For Line Item Budget, please see attached line item budget.
Note: The line item budget of project attached equals more than Unmet Needs will be funding.

Funding Summary for Phase II:
Federal Share: $ 4,388,571
State Share: $ 731,428
Local Match: $ 731,429
Total Cost: $ 5,851,428
April 16, 2004

Mr. W. Craig Fugate, Director
Florida Division of Emergency Management
2555 Shumard Oak Boulevard
Tallahassee, Florida 32399-2100

Attention: Leroy Thompson

Dear Mr. Fugate:

This is to inform you that the Federal Emergency Management Agency (FEMA) has granted final approval for the following Unmet Needs project:

- **1249-25**, Phase II: Key Largo Trailer Village Wastewater Project

The scope of work for this project is to build a community wastewater treatment plant (WWTP) on 2.6 acres of a 21 acre parcel at Mile Marker 100.5 (Oceanside) and install a wastewater collection system in the Key Largo Trailer Village (KLTV) service area, replacing its on-site wastewater treatment systems. The WWTP will be designed to meet the Advanced Wastewater Treatment (AWT) effluent discharge standard, thereby complying with the Florida Statutory Treatment Standards by 2010, and have a treatment capacity of about 122,000 gallons per day (Average Daily Flow). The WWTP will discharge tertiary-treated effluent into shallow injection wells. The KLWT will permanently preserve the unused portion of the WWTP project parcel (18.4 acres) for conservation purposes, and restore 2.6 acres of tropical hardwood hammock to replace the project site's protected species lost habitat functions. This conservation effort shall be completed within 6 months of completion of construction of the wastewater system.

Upon approval of Phase II of this project, per the Interlocal Agreement relating to the transition of wastewater jurisdiction and services from the Florida Keys Aqueduct Authority (FKAA) to the Key Largo Wastewater Treatment District (KLWT), signed by the FKAA, the KLWT, and Monroe County, the KLWT will officially take over as the subgrantee for this project.

The environmental review for Phase II has been completed. Per the National Environmental Policy Act, FEMA has finalized a Supplemental Environmental Assessment and signed a Supplemental Finding of No Significant Impact (SFONSI) for the proposed project (see attached). The construction phase may proceed with adherence to the various mitigation measures and permitting requirements referenced in the SFONSI. While the environmental review is complete, the subgrantee must still provide FEMA with a copy of all applicable permits and other pertinent documents that demonstrate its compliance with the SFONSI before construction and receipt of federal funds.
The award is pursuant to the authority of Public Law 106-31 ("The Emergency Supplemental Appropriations Act"), and is subject to the Agreement Articles. The award is also contingent upon fulfillment of the terms and conditions defined within this correspondence. The amount of the award for the project is shown in the table below. The State and local governments have agreed to provide the match amount shown in the table below.

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<tr>
<th>Project</th>
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Funds will be made available in the State's Smartlink account and this will be detailed in a separate mailing.

By accepting the award, the State assumes certain administrative responsibilities including the timely submission of progress and financial reports and the maintenance of a minimum level of cash on hand. Quarterly progress reports on all projects funded should reflect the status and completion date of each project and should contain information as to any problems or circumstances affecting completion dates, scope of work or project costs which are expected to result in non-compliance with the approved grant conditions.

Copies of the completed quarterly reports should be submitted to:

Gabriela Vigo  
Federal Emergency Management Agency  
Mitigation Division  
3003 Chamblee-Tucker Road  
Atlanta, Georgia 30341

and:

Sandra McNease  
Federal Emergency Management Agency  
Federal Regional Center  
402 South Pinetree Boulevard  
Thomasville, Georgia 31792

If you have any questions concerning this action, please contact Gabriela Vigo at (770) 220-5633.

Sincerely,

[Signature]

A. Todd Davison, Director  
Federal Insurance and Mitigation Division

Enclosures
### General Conditions

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### Contract Values - Exhibit C

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**WORK COMPLETED**

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**Schedule of Contract Values - Exhibit C**

**Design-Build Waste Water Management System**

**Working Title:**

- Key Largo Trailer Village Area - Monroe County, Florida

**Design Build Firm:**

- Phase 1

**Client:**

- GSO

**Contractor:**

- KW/TD
SUPPLEMENTAL FINDING OF NO SIGNIFICANT IMPACT
12-49-FL UNMET NEEDS

Proposed Wastewater Treatment System for Key Largo Trailer Village and Key Largo Park,
Key Largo Wastewater Treatment District and Monroe County, Florida

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

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

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

The K LWTD proposes to build a community wastewater treatment plant (WWTP) on 2.6 acres
of an approximately 21-acre parcel at Mile Marker 100.5 (oceanside) and install a wastewater
collection system in the Key Largo Trailer Village (KLT V) service area, replacing its currently
inadequate on-site wastewater treatment systems. The WWTP will be designed to meet the
Advanced Wastewater Treatment (AWT) effluent discharge standard, thereby complying with
the Florida Statutory Treatment Standards by 2010, and have a treatment capacity of about
122,000 gallons per day (Average Daily Flow). The WWTP will discharge tertiary-treated
effluent into shallow injection wells. Removal of existing on-site systems, along with
Per Presidential Executive Orders (EOs) 11988 (Floodplain Management) and 11990 (Wetlands Protection) and FEMA’s implementing regulations at 44 CFR Part 9, FEMA evaluated the proposed action’s floodplain and wetland effects. No freshwater wetlands are at the WWTP site or along service area roads. Marine wetlands are next to the service area and would have long-term benefits from improved nearshore water quality. Potential temporary, minor, adverse construction effects on marine wetlands would be mitigated with soil erosion control measures. The proposed action is in the 100-year floodplain, as are much of the Keys; and is considered a “critical facility” (action). There are no practicable alternatives to siting WWTPs in the 100-year floodplain. The proposed action would not increase floodplain development since the County’s Rate of Growth Ordinance controls this. The 500-year floodplain is the floodplain of concern for “critical actions”. Floodplain effects will be minimal and the federal investment protected to the 500-year flood, as long as the KLWTD complies with the County’s floodplain ordinance and critical action provisions at 44 CFR 9.11 (Mitigation).

**Biological Resources:**
The proposed action would indirectly benefit Key Largo’s nearshore marine ecosystems (e.g., seagrass meadows and coral reefs) by reducing nutrient loading and pathogen releases. A Biological Assessment for the proposed WWTP site identified likely special status species occurrence and suitable habitat. Per the Endangered Species Act (ESA) Section 7, the U.S. Fish and Wildlife Service issued a Biological Opinion on the findings. The proposed action includes permanently preserving the unused portion of the WWTP site parcel (about 18.4 acres), through deed restrictions and fee simple title transfer to a conservation entity. The KLWTD will also replace the habitat functions lost from construction; by restoring an approximately 2.6 acre site on Key Largo, to the objective of providing suitable habitat for the affected species. Both of these provisions are subject to prior FEMA and USFWS approval and subsequent monitoring. These measures, along with Monroe County’s Land Development Regulations compliance, would avoid jeopardizing the continued existence of federal threatened or endangered species, minimize potential adverse effects on other special status species (State and County), and minimize tropical hardwood hammock loss.

Also under the ESA, National Marine Fisheries Service (NMFS) concurred with FEMA’s “no effect” determination for threatened or endangered species and their critical habitat. Per the Magnuson-Stevens Fishery Conservation and Management Act, NMFS concurred with FEMA’s finding that proposed action would benefit Essential Fish Habitat in the Key Largo area.

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

**Cultural Resources:**
Demographics and Environmental Justice:
Per EO 12898 (Environmental Justice), implementation of the proposed action would equally benefit (via aforementioned indirect water quality and public health improvements) all KLTW and KLP demographic groups. WWTP siting would not highly disproportionately and adversely affect any minority or low-income populations because none exist near the WWTP site.

Per the PFONSI, Keys low-income service recipients cannot afford increased wastewater management costs and raising these would have a highly disproportionate and adverse economic effect. According to U.S. Census data, there are low-income residents in the KLTW and KLP service areas. Applying the PEA developed low-income assistance guidelines to the proposed action’s system capital costs (as estimated above) and existing system abandonment and lateral connection costs would avoid any highly disproportionate and adverse economic effects on qualified low-income service recipients.

FEMA established a system capital cost limit of $4,500 for eligible low- and very-low income property owners, as further described in the SEA. Based upon this and other factors, the grant applicant must provide at least 70% and 90% subsidies of their system capital costs (not to exceed the above limit for this population); and at least 70% and 90% subsidies of the existing system abandonment and lateral connection costs up to a limit of $3,000; for all eligible low- and very-low income property owners, respectively.

Per Resolution 471-2003, the Monroe County Housing Authority Special Programs Office, in coordination with the KLWTD, has adopted an implementation plan for the proposed action consistent with FEMA’s guidance to financially help low-income service recipients. Although this assistance is eligible from the FEMA grant, low-income service recipients may be assisted through a Community Development Block Grant. The KLWTD and County’s implementation of the above financial mitigation measures would result in compliance with EO 12898. No FEMA or other known funding assistance is available to reduce monthly O&M fees.

Infrastructure:
Building the proposed action would temporarily increase traffic and disrupt normal traffic patterns in the service area. The KLWTD’s implementation of a traffic control plan during construction would reduce these adverse effects. Brief, minor disruption of wastewater service and other utilities would occur during construction. Uniform wastewater management in KLTW and KLP is expected to be a long-term benefit to utilities overall.

Land Use and Planning:
The proposed action is not expected to change existing County land uses or growth rate and patterns. The KLTW and KLP residential area is mostly developed. The proposed WWTP site is zoned Suburban Commercial, which allows WWTP siting. Growth rates are controlled by the County’s Rate of Growth Ordinance. Per the Coastal Zone Management Act, the proposed action is consistent with the State’s coastal zone management plan. Per the Coastal Barrier Resources Act, the proposed action would not be in or affect a Coastal Barrier Resource System.
FEMA NOTICE OF AVAILABILITY OF THE
FINAL SUPPLEMENTAL ENVIRONMENTAL ASSESSMENT AND
FINDING OF NO SIGNIFICANT IMPACT
FOR THE PROPOSED KEY LARGO WASTEWATER PROJECT

The Federal Emergency Management Agency (FEMA) has received a grant application from the Florida Keys Aqueduct Authority (FKAA), in coordination with Monroe County and the Key Largo Wastewater Treatment District (KLWTD) to fund construction of a wastewater plant and collection system serving Key Largo Trailer Village, Monroe County, Florida. The proposed project would be funded through FEMA 1249-DR Post Disaster - Unmet Needs funds, as noticed on August 6, 1999, in Vol. 64 No. 151 of the Federal Register. Matching funds will be provided through the Florida Division of Emergency Management (FDEM) and local sources. Additionally, the Florida Department of Environmental Protection (FDEP) is considering grant funding to the KLWTD for construction of a wastewater collection system serving Key Largo Park, Monroe County, Florida. The FEMA funded wastewater plant noted above would also provide wastewater treatment for the Key Largo Park service area. The purpose of the projects is to improve nearshore water quality in the Key Largo area through better wastewater treatment, consistent with the Monroe County Sanitary Wastewater Master Plan and to meet State requirements (Chapter 99-395 Laws of Florida) by 2010 per the Monroe County Year 2010 Comprehensive Plan.

FEMA has completed a Supplemental Environmental Assessment (SEA) for the project; and hereby publishes Final SEA notice of availability. A Supplemental Finding of No Significant Impact has been issued for the proposed action alternative (2) and its availability is hereby noticed. These documents can be obtained by writing to the point of contact below or may be viewed and downloaded at the following website: http://www.fema.gov/esih/docs.shtml. This also constitutes final notice of agency action in the floodplain.

Project Alternatives Considered:
- No Action Alternative 1: No FEMA/FDEM grant funding would be applied to the Key Largo service areas, which would continue to use their existing wastewater treatment systems, and funding would have to be obtained from other sources to meet the State 2010 requirements and deadline;
- Action Alternative 2 (proposed): FEMA/FDEM grant funding is applied towards construction of a community wastewater collection system and treatment plant serving Key Largo Trailer Village; with the plant sited on the oceanside at Mile Marker 100.5 immediately northeast of Atlantic Drive, FDEP funding would be applied towards construction of a collection system serving Key Largo Park;
- Action Alternative 3: FEMA/FDEM/FDEP grant funding would be applied as described under Alternative 2, but the treatment plant would be sited on the oceanside near Mile Marker 98 at 97951 Overseas Highway;

Notice is published pursuant to the National Environmental Policy Act (PL 91-190) and associated environmental statutes, as implemented by FEMA’s regulations 44 CFR Part 10; and in accordance with Presidential Executive Order 11988 (Floodplain Management); as implemented in 44 CFR Part 9; and Presidential Executive Order 12898 (Environmental Justice).

Point of Contact:
Mr. Charles Beck, Lead Environmental Specialist
FEMA Region IV
3003 Chamblee Tucker Road
Atlanta, Georgia 30341
Fax: (770) 220-5440
charles.beck@dhs.gov
Attachment B

**Program Statutes and Regulations**

The parties to this Agreement and the Unmet Needs (UN) program are generally governed by the following statutes and regulations:

1. The Robert T. Stafford Disaster Relief and Emergency Assistance Act;
2. 44 CFR Parts 7, 9, 10, 13, 14, 17, 18, 25, 206, 220, and 221, and any other applicable FEMA policy memoranda and guidance documents;
3. State of Florida Administrative Plan for the Hazard Mitigation Grant Program;
4. Hazard Mitigation Long-term Recovery Guidance; and
5. All applicable laws and regulations delineated in Attachment D of this Agreement
Attachment C

Lobbying Prohibition/Certification

The Recipient certifies, by its signature to this Agreement, that to the best of his or her knowledge and belief:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representative of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

RECIPIENT

BY: _______________________

Signature

__________________________

Type Name and Title

C-1
Attachment D

Statement of Assurances

To the extent the following provisions apply to the award of assistance in this Agreement, as determined by the awarding agency, the Recipient hereby assures and certifies that:

(a) It possesses legal authority to enter into this agreement, and to execute the proposed program;

(b) Its governing body has duly adopted or passed as an official act a resolution, motion or similar action authorizing the execution of the hazard mitigation grant agreement with the Department, including all understandings and assurances contained therein, and directing and authorizing the Recipient's chief ADMINISTRATIVE officer or designee to act in connection with the application and to provide such additional information as may be required;

(c) No member of or delegate to the Congress of the United States, and no Resident Commissioner, shall be admitted to any share or part of this agreement or to any benefit to arise from the same. No member, officer, or employee of the Recipient or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the program during his tenure or for one year thereafter, shall have any interest direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under this agreement. The Recipient shall incorporate or cause to be incorporated, in all such contracts or subcontracts a provision prohibiting such interest pursuant to the purpose state above;

(d) All Recipient contracts for which the State Legislature is in any part a funding source, shall contain language to provide for termination with reasonable costs to be paid by the Recipient for eligible contract work completed prior to the date the notice of suspension of funding was received by the Recipient. Any cost incurred after a notice of suspension or termination is received by the Recipient may not be funded with funds provided under this Agreement unless previously approved in writing by the Department. All Recipient contracts shall contain provisions for termination for cause or convenience and shall provide for the method of payment in such event;
(e) It will comply with:

(1) Contract Work Hours and Safety Standards Act of 1962, 40 U.S.C. 327 et seq., requiring that mechanics and laborers (including watchmen and guards) employed on federally assisted contracts be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty hours in a work week; and

(2) Federal Fair Labor Standards Act, 29 U.S.C. Section 201 et seq., requiring that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rates for all hours worked in excess of the prescribed work-week.

(f) It will comply with:

(1) Title VI of the Civil Rights Act of 1964 (P.L. 88-352), and the regulations issued pursuant thereto, which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient receives Federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Recipient, this assurance shall obligate the Recipient, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits;

(2) Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975, as amended (42 U.S.C.: 6101-6107) which prohibits discrimination on the basis of age or with respect to otherwise qualified handicapped individuals as provided in Section 504 of the Rehabilitation Act of 1973;

(3) Executive Order 11246 as amended by Executive Orders 11375 and 12086, and the regulations issued pursuant thereto, which provide that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of federal or federally assisted construction contracts; affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff/termination, rates of pay or other forms of compensation; and election for training and apprenticeship;
The Recipient agrees to comply with the Americans With Disabilities Act (Public aw 101-336, 42 U.S.C. Section 12101 et seq.), where applicable, which prohibits discrimination by public and private entities on the basis of disability in the areas of employment, public accommodations, transportation, State and local government services, and in telecommunications;

It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties pursuant to Section 112.313 and Section 112.3135, FS;

It will comply with the Anti-Kickback Act of 1986, 41 U.S.C. Section 51 which outlaws and prescribes penalties for "kickbacks" of wages in federally financed or assisted construction activities;

It will comply with the provisions of 18 USC 594, 598, 600-605 (further known as the Hatch Act) which limits the political activities of employees;

It will comply with the flood insurance purchase and other requirements of the Flood Disaster Protection Act of 1973 as amended, 42 USC 4002-4107, including requirements regarding the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition purposes for use in any area having special flood hazards. The phrase "Federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect Federal assistance;

It will require every building or facility (other than a privately owned residential structure) designed, constructed, or altered with funds provided under this Agreement to comply with the "Uniform Federal Accessibility Standards," (AS) which is Appendix A to 41 CFR Section 101-19.6 for general type buildings and Appendix A to 24 CFR Part 40 for residential structures. The Subgrantee will be responsible for conducting inspections to ensure compliance with these specifications by the contractor;


(1) Consulting with the State Historic Preservation Office to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Section 800.8) by the proposed activity; and
(2) Complying with all requirements established by the State to avoid or mitigate adverse effects upon such properties.

(3) Abiding by the terms and conditions of the "Programmatic Agreement Among the Federal Emergency Management Agency, the Florida State Historic Preservation Office, the Florida Department of Community Affairs and the Advisory Council on Historic Preservation, (PA)" which addresses roles and responsibilities of Federal and State entities in implementing Section 106 of the National Historic Preservation Act (NHPA), 16 U.S.C. 470f, and implementing regulations in 36 CFR part 800.

(4) When any of Recipient's projects funded under this Agreement may affect a historic property, as defined in 36 CFR 800. (2)(c), the Federal Emergency Management Agency (FEMA) may require Recipient to review the eligible scope of work in consultation with the State Historic Preservation Office (SHPO) and suggest methods of repair or construction that will conform with the recommended approaches set out in the Secretary of Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings 1992 (Standards), the Secretary of the Interior's Guidelines for Archeological Documentation (Guidelines) (48 Federal Register 44734-37), or any other applicable Secretary of Interior standards. If FEMA determines that the eligible scope of work will not conform with the Standards,

Recipient agrees to participate in consultations to develop, and, after execution by all parties, to abide by, a written agreement that establishes mitigation and recondition measures, including but not limited to, impacts to archeological sites, and the salvage, storage, and reuse of any significant architectural features that may otherwise be demolished.

(5) Recipient agrees to notify FEMA and the Department if any project funded under this Agreement will involve ground disturbing activities, including, but not limited to: subsurface disturbance; removal of trees; excavation for footings and foundations; and installation of utilities (such as water, sewer, storm drains, electrical, gas, leach lines and septic tanks) except where these activities are restricted solely to areas previously disturbed by the installation, replacement or maintenance of such utilities. FEMA will request the SHPO's opinion on the potential that archeological properties may be present and be affected by such activities. The SHPO will advise Recipient on any feasible steps to be accomplished to avoid any National Register eligible archeological property or will make recommendations for the development of a treatment plan for the recovery of archeological data from the property.
If Recipient is unable to avoid the archeological property, develop, in consultation with the SHPO, a treatment plan consistent with the Guidelines and take into account the Advisory Council on Historic Preservation (Council) publication "Treatment of Archeological Properties". Recipient shall forward information regarding the treatment plan to FEMA, the SHPO and the Council for review. If the SHPO and the Council do not object within 15 calendar days of receipt of the treatment plan, FEMA may direct Recipient to implement the treatment plan. If either the Council or the SHPO object, Recipient shall not proceed with the project until the objection is resolved.

(6) Recipient shall notify the Department and FEMA as soon as practicable: (a) of any changes in the approved scope of work for a National Register eligible or listed property; (b) of all changes to a project that may result in a supplemental DSR or modify an HMGP project for a National Register eligible or listed property; (c) if it appears that a project funded under this Agreement will affect a previously unidentified property that may be eligible for inclusion in the National Register or affect a known historic property in an unanticipated manner. Recipient acknowledges that FEMA may require Recipient to stop construction in the vicinity of the discovery of a previously unidentified property that may be eligible for inclusion in the National Register or upon learning that construction may affect a known historic property in an unanticipated manner. Recipient further acknowledges that FEMA may require Recipient to take all reasonable measures to avoid or minimize harm to such property until FEMA concludes consultation with the SHPO. Recipient also acknowledges that FEMA will require, and Recipient shall comply with, modifications to the project scope of work necessary to implement recommendations to address the project and the property.

(7) Recipient acknowledges that, unless FEMA specifically stipulates otherwise, it shall not receive funding for projects when, with intent to avoid the requirements of the PA or the NHPA, Recipient intentionally and significantly adversely affects a historic property, or having the legal power to prevent it, allowed such significant adverse affect to occur.

(n) It will comply with Title IX of the Education Amendments of 1972, as amended (20 U.S.C.: 1681-1683 and 1685 - 1686) which prohibits discrimination on the basis of sex;

(o) It will comply with the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, (42 U.S.C. 4521-45-94) relating to nondiscrimination on the basis of alcohol abuse or alcoholism;
(p) It will comply with 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 cc-3), as amended, relating to confidentiality of alcohol and drug abuse patient records;

(q) It will comply with Lead-Based Paint Poison Prevention Act (42 U.S.C.: 4821 et seq.) which prohibits the use of lead based paint in construction of rehabilitation or residential structures;

(r) It will comply with the Energy Policy and Conservation Act (P.L. 94-163; 42 U.S.C. 6201-6422), and the provisions of the state Energy Conservation Plan adopted pursuant thereto;

(s) It will comply with the Laboratory Animal Welfare Act of 1966, 7 U.S.C. 2131-2159, pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by an award of assistance under this agreement;

(t) It will comply with Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 2000c and 42 3601-3619, as amended, relating to non-discrimination in the sale, rental, or financing of housing, and Title VI of the Civil Rights Act of 1964 (P.L. 88-352), which prohibits discrimination on the basis of race, color or nation origin;

(u) It will comply with the Clean Air Act of 1955, as amended, 42 U.S.C. 7401-7642;

(v) It will comply with the Clean Water Act of 1977, as amended, 42 U.S.C. 7419-7626;

(w) It will comply with the Endangered Species Act of 1973, 16 U.S.C. 1531-1544;

(x) It will comply with the Intergovernmental Personnel Act of 1970, 42 U.S.C. 4728-4763;

(y) It will assist the awarding agency in assuring compliance with the National Historic Preservation Act of 1966, as amended, 16 U.S.C. 270;

(z) It will comply with environmental standards which may be prescribed pursuant to the National Environmental Policy Act of 1969, 42 U.S.C. 4321-4347;

(aa) It will assist the awarding agency in assuring compliance with the Preservation of Archeological and Historical Preservation Act of 1966, 16 U.S.C. 469a, et seq;

(bb) It will comply with the Rehabilitation Act of 1973, Section 504, 29 U.S.C. 794, regarding non-discrimination;

(cc) It will comply with the environmental standards which may be prescribed pursuant to the Safe Drinking Water Act of 1974, 42 U.S.C. 300f-300j, regarding the protection of underground water sources;
(dd) It will comply with the requirements of Titles II and III of the Uniform Relocation Assistance and Property Acquisition Policies Act of 1970, 42 U.S.C. 4621-4638, which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs;

(ee) It will comply with the Wild and Scenic Rivers Act of 1968, 16 U.S.C. 1271-1287, related to protecting components or potential components of the national wild and scenic rivers system;

(ff) It will comply with the following Executive Orders: EO 11514 (NEPA); EO 11738 (violating facilities); EO 11988 (Floodplain Management); EO 11990 (Wetlands); and EO 12898 (Environmental Justice);

(gg) It will comply with the Coastal Barrier Resources Act of 1977, 16 U.S.C. 3510;

(hh) It will assure project consistency with the approved State program developed under the Coastal Zone Management Act of 1972, 16 U.S.C. 1451-1464; and

(ii) It will comply with the Fish and Wildlife Coordination Act of 1958; 16 U.S.C. 661-666.

(jj) With respect to demolition activities, it will:

1. Create and make available documentation sufficient to demonstrate that the Recipient and its demolition contractor have sufficient manpower and equipment to comply with the obligations as outlined in this Agreement.

2. Return the property to its natural state as though no improvements had ever been contained thereon.

3. Furnish documentation of all qualified personnel, licenses and all equipment necessary to inspect buildings located in Recipient's jurisdiction to detect the presence of asbestos and lead in accordance with requirements of the U.S. Environmental Protection Agency, the Florida Department of Environmental Protection and the County Health Department.

4. Provide documentation of the inspection results for each structure to indicate:
   a. Safety Hazards Present
   b. Health Hazards Present
   c. Hazardous Materials Present

5. Provide supervision over contractors or employees employed by Recipient to remove asbestos and lead from demolished or otherwise applicable structures.
6. Leave the demolished site clean, level and free of debris.

7. Notify the Department promptly of any unusual existing condition which hampers the contractors work.

8. Obtain all required permits.

9. Provide addresses and marked maps for each site where water wells and septic tanks are to be closed along with the number of wells and septic tanks located on each site. Provide documentation of closures.

10. Comply with mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163).

11. Comply with all applicable standards, orders, or requirements issued under Section 112 and 306 of the Clean Air Act (42 U.S.C. 1857 (h), Section 508 of the Clean Water Act (33 U.S. 1368), Executive Order 11738, and the U.S. Environmental Protection Agency regulations (40 CFR Part 15 and 61). This clause shall be added to any subcontracts.

12. Provide documentation of public notices for demolition activities.
Attachment E

FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF EMERGENCY MANAGEMENT

Request for Advance or Reimbursement of Funds
Under the Unmet Needs Program

SUBGRANTEE NAME: Key Largo Wastewater Treatment District
DECLARATION NO: FEMA-1249 DR#-DR-FL

ADDRESS: 

CITY, STATE, ZIP CODE 

PAYMENT No: 

DCA Agreement No: 04UN-6P-11-54-15- 

FEMA Tracking Number: 1249

<table>
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<tr>
<th>Eligible Amount 100%</th>
<th>Obligated FEMA 75%</th>
<th>Obligated State Match 12.5%</th>
<th>Obligated Local Match 12.5%</th>
<th>Previous Payments</th>
<th>Current Request</th>
<th>DCA Use Only</th>
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</thead>
<tbody>
<tr>
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</tbody>
</table>

TOTAL CURRENT REQUEST $ 

I certify that to the best of my knowledge and belief the above accounts are correct, and that all disbursements were made in accordance with all conditions of the DCA agreement and payment is due and has not been previously requested for these amounts.

SUBGRANTEE SIGNATURE, 

NAME AND TITLE __________________________ DATE: 

TO BE COMPLETED BY DEPARTMENT OF COMMUNITY AFFAIRS

APPROVED PROJECT TOTAL $ 

ADMINISTRATIVE COST $ _______________________ GOVERNOR'S AUTHORIZED REPRESENTATIVE

APPROVED FOR PAYMENT $ _____________________ DATE
Attachment F

FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF EMERGENCY MANAGEMENT

SUMMARY OF DOCUMENTATION IN SUPPORT OF AMOUNT
CLAIMED FOR ELIGIBLE DISASTER WORK UNDER THE
UNMET NEEDS PROGRAM

Applicant: Florida Keys Aqueduct Authority
Disaster No. 1249

<table>
<thead>
<tr>
<th>DCA Agreement No. 04UN-6P-1--54-15-</th>
<th>FEMA Tracking # 1249 project number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant’s Reference No. (Warrant, Voucher, Claim Check, or Schedule No.)</td>
<td>Date of delivery of articles, completion of work or performance services.</td>
</tr>
<tr>
<td>DOCUMENTATION</td>
<td></td>
</tr>
<tr>
<td>List Documentation (Applicant's payroll, material out of applicant's stock, applicant owned equipment and name of vendor or contractor) by category and line item in the approved project application and give a brief description of the articles or services.</td>
<td></td>
</tr>
<tr>
<td>Applicant's Eligible Costs 100%</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL

F-1
Attachment G

FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF EMERGENCY MANAGEMENT

QUARTERLY REPORT FORM

RECIPIENT: Key Largo Wastewater Treatment District
Project Number #: 1249

PROJECT LOCATION: Wastewater
DCA ID #: 04UN-6P-11-54-15-

DISASTER NUMBER: FEMA-DR-1249 disaster number-FL
QUARTER ENDING:

Provide amount of advance funds disbursed for period (if applicable):

$__________

Provide reimbursement projections for this project:

July-Sep, 200__$______  Oct-Dec, 200__$______  Jan-Mar, 200__$______  Apr-June, 200__$______

July-Sep, 200__$______  Oct-Dec, 200__$______  Jan-Mar, 200__$______  Apr-June, 200__$______

Percentage of Work Completed (may be confirmed by state inspectors):

__________%  

Project Proceeding on Schedule: [ ] Yes  [ ] No

Describe milestones achieved during this quarter:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Provide a schedule for the remainder of work to project completion:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Describe problems or circumstances affecting completion date, milestones, scope of work, and cost:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Cost Status:  [ ] Cost Unchanged  [ ] Under Budget  [ ] Over Budget

Additional Comments/Elaboration:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

NOTE: Department of Community Affairs (DCA) staff may perform interim inspections and/or audits at any time. Events may occur between quarterly reports which have significant impact upon your project(s), such as anticipated overruns, changes in scope of work, etc. Please contact DCA as soon as these conditions become known, otherwise you may be found non-compliant with your subgrant award.

Name and Phone Number of Person Completing This Form __________________________________________
KLWTD Board Meeting
June 2, 2004

Item I - 1

Status Report for the period ending May 25, 2004
Key Largo Wastewater Treatment District
Engineering Status Report
Period Ending 05/25/04

Client Issues

Design Submittal Protocol
The revised Design Submittal Protocol was accepted by the Board at the May 19th meeting.

Strategic Planning
A workshop was held on May 15th at the Key Largo Civic Club. Three candidates for the District Manager position were interviewed after a general discussion among the Board members about what each was looking for in a Manager. Each candidate was interviewed individually, in alphabetical order. Each Board member was give approximately 5 minutes to question the candidates after an opening statement by the candidate. After the three interrogatory interviews were completed, each candidate was given the opportunity for a closing statement. The Board decided to have selection of a District Manager added to the May 19th meeting agenda as an action item.

Following the interviews, an informal discussion of the need for planning for future projects was held. A summary of the discussion is provided as part of the Future Projects section of this report.

The final topic of discussion was treatment of the vacant lots at Key Largo Park. A discussion of this topic is also provided below.

Future Projects
At the May 15th workshop, WEC provided scaled aerials showing the entire KLWTD service area. Ed Castle explained the three major components involved in planning future projects:

1. Identifying the individual wastewater collection basins. Pertinent information to be generated includes construction costs for the collection system piping and pump station, anticipated wastewater flow, and anticipated revenue, both from the connection fees and from the monthly bills. A crucial part of this component is to ensure that all wastewater sources are captured, and to identify all commercial users and users with existing collection systems.

Prepared for the KLWTD Board by:
Ed Castle, Project Manager
2. Routing of the transmission force mains needed to transport the wastewater from the collection basins to the wastewater treatment plant site. Pertinent data to be generated includes the routes of the force mains, locations for highway crossings, locations where there would be force mains on both sides of the highways, location and size of booster pump stations, if needed, and construction costs for each segment of force main.

3. Proposed phased design of the wastewater treatment plant, transitioning from the three ISAM package plants to a central sewer plant intended to handle all the wastewater generated in the KLWT. Pertinent information to be generated includes preliminary layouts of each phase of expansion, the flow associated that phase and the construction cost for each phase.

It is important to have a project ready to go when funding becomes available. Mayor Murray Nelson has requested that the district have a project ready to go for the 2005 fiscal year, anticipating funding of about $35M. According to Robert Sheets, if the funding cycle follows the usual patterns, we can expect to receive hard information regarding the availability of funding in June and should be prepared to solicit bids by September 30th. If this schedule is accurate, it is imperative that the KLWT begin preparation of an RFP quickly.

In considering future projects, WEC believes that the Board should bear in mind the Board’s purpose and vision as stated in the first quarterly update of the KLWT Strategic Planning Framework:

**Purpose Statement**

*The purpose of the District is to build and operate a wastewater treatment system for the Key Largo/Tavernier area of Monroe County*

**Vision Statement**

*The District will be a fully operational, self-sustaining entity that provides cost efficient services while protecting the public and environmental health of the region it serves.*

In order to provide cost efficient services while protecting public and environmental health, the Board will need to consider both the ranking of the hot spots as defined in the Monroe County Sanitary Wastewater Master Plan and the economics of proposed future projects. Due to the geography of the KLWT, the individual collection basins and pump stations located along US 1 must share common transmission force mains and wastewater treatment facilities. Due to this fact, the costs associated will all projects are interrelated. It is important to correctly design the transmission force main segments to handle the ultimate flow that will be conveyed through each segment of pipe. It is also crucial to expand the wastewater treatment plant in increments that can be constructed economically and will operate in compliance cost effectively. The revenue generated by each project must be considered. Revenue generated by the monthly sewer bills is of particular importance since it is unlikely that grant funding will be used to pay operation and maintenance costs.

*Prepared for the KLWT Board by:*
*Ed Castle, Project Manager*
The scopes of work proposed by WEC at previous meetings is the first step in developing the RFP requested by Mayor Nelson. Using the information assembled in this first phase, the KLWTD staff will be able to recommend one or more potential projects for evaluation by the Board. Once the selection of a project has been made, the next step would be to put together a Preliminary Design Report for the selected project for inclusion in the RFP. Most of the technical information needed for the PDR will already be assembled in the documents produced as part of the first step discussed above. The information relating to the selected project could, in large part, be cut and pasted into the PDR. The scope of work and the standard procurement documents as prepared by the Engineers Joint Contract Documents Committee would then be assembled, essentially completing the RFP.

It should be noted that although the cost-benefit analyses and the preliminary designs produced as part of this RFP can be used to develop future projects as well. It give the KLWTD staff and Board the flexibility to select project suitable to the funding as it becomes available. WEC believes that without collecting and evaluating information as described above, it will be very difficult for the KLWTD Board to optimally use the available funding in developing a cost effective wastewater treatment system.

**Key Largo Park Vacant Lots**

Ed Castle met with Monroe County Growth Management Staff to discuss the potential for development of vacant lots at Key Largo Park. Based on their report, it was determined that it was likely that two or fewer permits would be issued per year. With this knowledge in mind, it appears that limiting the installation of sewers in relation to vacant lots is advisable.

WEC has been asked to provide an economic evaluation of several construction options in KLP. The cost of providing service to all occupied lots will estimated using the unit costs from the Higgins contract. Then, reductions in the service area will be considered in order to determine the most beneficial use of the available funds, assuming that the funding is insufficient to sewer all of KLP.

As part of this evaluation, WEC color coded the KLP collection system drawings to reflect the developed lots as provided by Monroe County. It was observed that there was a small discrepancy between the Monroe County data and that determined by field evaluation by the Contractor. The Contractor has had personnel conduct another site visit and are in the process of making minor adjustments to the collection system drawings. Once the revised drawings are available, WEC will resume the economic evaluation of the KLP system.

**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.

*Prepared for the KLWTD Board by:*

*Ed Castle, Project Manager*
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.

The design review meeting was held on May 4th as scheduled. Charles Brooks and Jerry Wilkinson were present representing the KLWTD Board. Ed Castle represented WEC. Charles Sweat represented GSG. Ted Hortonstine, Peter Kinsley and Will English represented the Design/Build team. Written responses to the review comments were distributed, and the lists discussed. Several changes to the internal layout of the Operations building were made, based on suggestions from KLWTD Board members and Staff. There were no issues to which a satisfactory resolution was not reached. Copies of the review comments and responses are included in The Haskell Company’s Monthly Status Report and will not be repeated here.

**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 Haskell Company has provided the requested information.

The FDOT permit for work in the US 1 Right of Way has been received.

**Haskell Pay Applications**
WEC received Pay Application No. 7 in draft form in late April. Payment Application No. 2 for Change Order No. 1 was also received. With the exception of a minor typographical error, both applications were accurate reflections of the work completed to date. No additional information was needed, and WEC recommended that the applications be paid. The tables below show reflect the pay amounts for the period ending April 30th.

### Application No. 7

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<th>Item</th>
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<th>Gross Approved Billing</th>
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<th>Net to Pay as Approved</th>
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### Change Order No. 1, Application No. 2

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<td><strong>$6,750.00</strong></td>
</tr>
</tbody>
</table>

Prepared for the KLWTD Board by:
Ed Castle, Project Manager
**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 from FDEP have been provided by The Haskell Company.

The WWTP permit application was prepared and submitted by The Haskell Company in May.

The FDOT permit application has been received.

**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 May 5th and May 19th 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.

WEC was represented by Ed Castle at the KLWTD workshop held on May 15th. A summary of this workshop was provided earlier in this report.

Ed Castle also met with Monroe County Growth Management staff at Key Largo Park as discussed earlier.
KLWTD Board Meeting
June 2, 2004

Item 1 - 2

Update on Influent Characteristics
May 13, 2004

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

Dear Mr. Sheets:

Per the request of the Key Largo Wastewater Treatment District (K LWTD), The Haskell Company and our Engineer, Brown and Caldwell reviewed certain trailer park influent characteristics data provided by Weiler Engineering Corporation. As the information provided indicated higher influent concentrations than those defined by the Design-Build Agreement, we required specific direction from the KLWTD in this regard.

To confirm and document the direction received from the KLWTD and as stated in the May 11, 2004 Brown and Caldwell letter, we are going to maintain the influent characteristic as defined by the Design-Build Agreement for design and permitting. This direction was received after determining the wastewater treatment plant would remain capable of servicing all occupied lots within the Key Largo Village and Park as well as 60 of the 278 vacant lots within these two communities if the higher loads are experienced. In addition, to Brown and Caldwell's analysis, we requested and received verification from Fluidyne, via letter dated May 12, 2004, that their secondary treatment equipment and process was capable of meeting the effluent requirements of the project if these more concentrated influent conditions are encountered.

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

Sincerely,

Peter M. Kinsley

cc: Mr. Charles Sweat, GSG
Mr. Thomas Dillon
Mr. Ed Castle, Weiler Engineering
Mr. Stuart Oppenheim, Brown and Caldwell
Issue No. 01-014

Enclosure
May 11, 2004

Mr. Pete Kinsley
The Haskell Company
111 Riverside Avenue
Jacksonville, Florida 32231

Subject: Key Largo
Review of Wastewater Flows and Loadings versus Lot Service Capacity

Dear Mr. Kinsley:

As requested by KLWD, an analysis was performed comparing the plant capacity at the design wastewater strength of 250 mg/l of BOD to the plant capacity at the wastewater strength of 325 mg/l. The difference in plant capacity was then compared to the number of empty lots that could still be served based on a water usage of 155 gpd per EDU, since most of the lots are in the Key Largo Park. The potential for the plant to experience higher BOD loadings has been demonstrated at other wastewater treatment facilities in the Keys.

The results of this analysis are presented in Tables 1 and 2. Depending on the wastewater strength received, the plant will accommodate the following loadings:

- At 250 mg/l of BOD, the plant will accommodate an average daily flow of 122,000 gpd and an additional 69.3% of the remaining vacant lots in the current service area (192 out of 278).
- At 325 mg/l of BOD, the plant will accommodate an average daily flow of 95,700 gpd and an additional 21.7% of the remaining vacant lots in the current service area (60 out of 278).

The increase in concentration will most likely not have as big of an impact as shown, since the flow per EDU will probably be less than the design values. This assumption is based on the information presented in the Boyle PDR for the Trailer Village that stated that water use records provided by FKAA demonstrated water usage for the Trailer Village to be approximately 100 gpd per EDU instead of 134 gpd. The difference in EDU would be 34 gpd or 14,960 gpd less from the 440 Trailer Village lots. Therefore, this should not be a problem, and the lower strength should be used for permitting purposes to obtain a higher permitted flow rate. However, prior to permitting, a letter should be obtained from Fluidyne documenting their opinion.
Mr. Pete Kinsley  
March 1, 2004  
Page 2

Please review this information and call me to discuss. As seen by this analysis, an exact answer will not be available until the facility is in operation due to the relatively short operating history of vacuum systems in the Florida Keys.

Very truly yours,

BROWN AND CALDWELL.

[Signature]

Ted Hортенстине, P.E.  
Wastewater Treatment Task Leader

Cc: Jose Jimenez, BC  
John Bratby, BC  
Stu Oppenheim, BC

Enclosures: Tables 1 and 2
Table 1: Analysis of Capacity to Accommodate Vacant Lots based on Original Design Criteria (250 mg/l BOD and 155/134 gpd/EDU)

<table>
<thead>
<tr>
<th>System Area</th>
<th>Current Lots (EDUs)</th>
<th>Flow per EDU</th>
<th>Flow Rate (gpd)</th>
<th>BOD (mg/l)</th>
<th>Loading on Plant (lb BOD/day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trailer Village</td>
<td>440</td>
<td>134</td>
<td>58960</td>
<td>250</td>
<td>122.9</td>
</tr>
<tr>
<td>Key Largo Park</td>
<td>174</td>
<td>155</td>
<td>26970</td>
<td>250</td>
<td>56.2</td>
</tr>
<tr>
<td>Commercial</td>
<td>40</td>
<td>155</td>
<td>6200</td>
<td>250</td>
<td>12.9</td>
</tr>
<tr>
<td>Total Loading for Initial Connections</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>192.1</td>
</tr>
<tr>
<td>Plant Capacity based on Loading</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>254.4</td>
</tr>
<tr>
<td>Capacity Remaining based on Loading</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>62.3</td>
</tr>
<tr>
<td>EDUs Remaining based on 155 gpd/EDU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>192.7</td>
</tr>
<tr>
<td>Total Vacant Lots</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>278</td>
</tr>
<tr>
<td>Percent of Vacant Lots Connected during Initial Phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>69.3%</td>
</tr>
</tbody>
</table>
Table 2: Analysis of Capacity to Accommodate Vacant Lots based on 134 gpd/EDU and 325 mg/l BOD

<table>
<thead>
<tr>
<th>System Area</th>
<th>Lots (EDUs)</th>
<th>Flow per EDU</th>
<th>Flow Rate (gpd)</th>
<th>BOD (mg/l)</th>
<th>Loading on Plant (lb BOD/day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trailer Village</td>
<td>440</td>
<td>134</td>
<td>58960</td>
<td>325</td>
<td>159.8</td>
</tr>
<tr>
<td>Key Largo Park</td>
<td>174</td>
<td>134</td>
<td>23316</td>
<td>325</td>
<td>63.2</td>
</tr>
<tr>
<td>Commercial</td>
<td>40</td>
<td>134</td>
<td>5360</td>
<td>325</td>
<td>14.5</td>
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<tr>
<td><strong>Total Loading for Initial Connections</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>237.5</td>
</tr>
<tr>
<td><strong>Plant Capacity based on Loading</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>254.4</td>
</tr>
<tr>
<td><strong>Capacity Remaining based on Loading</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16.8</td>
</tr>
<tr>
<td>EDUs Remaining based on 134 gpd/EDU</td>
<td></td>
<td></td>
<td>60.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Vacant Lots</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>278</td>
</tr>
<tr>
<td><strong>Percent of Vacant Lots Connected during Initial Phase</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>21.7%</td>
</tr>
</tbody>
</table>
May 12, 2004

Mr. Peter Kinsley
The Haskell Company
111 Riverside Avenue
Jacksonville, FL 32231

Subject: Key Largo
Waste water Loadings vs. Aeration

Dear Mr. Kinsley:

We have reviewed the Brown and Caldwell letter dated May 11, 2004 on their analysis of the loadings and flow for the Key Largo plant.

With a loading rate of 250mg/l BOD at a flow of 122,000 GPD the system will have to treat 254 pounds of BOD per day. At a loading rate of 325 mg/l BOD at a flow of 95,700 GPD the system will have to treat 259 pounds of BOD per day.

The Fluidyne system is design with enough aeration capacity to treat 380 pounds of BOD per day at a flow of 180,000 GPD. The loading of 259 pounds per day at a flow of 95,700 GPD will require aeration for approximately 9.5 hours per day of the 19 hours per day available.

This new criteria will in no way effect the ability of our system to treat the sewage.

Sincerely,
Fluidyne Corporation

[Signature]

Ron Lichtneger

CC: Ted Hortenstine, PE
Item K - 1

Discussion of the CFO and Clerk Positions
May 6, 2004

Board of Directors
Key Largo Wastewater Treatment District
Key Largo, Florida

Dear Sirs:

In response to your advertisement for the position of Chief Financial Officer for the Key Largo Wastewater Treatment District, we have attached a copy of our Firm’s resume. In the current business environment with frequent accounting scandals and occurrences of fraud, having a strong and independent finance function is critical. We look forward to discussing our qualifications for this position with you. Please contact us with any questions.

Respectfully yours,

David S. Andrews
President
Mull and Associates P.A.
Mull & Associates, P.A.
91760 Overseas Highway, Tavernier, Florida 33070 • (305)852-4833 • info@mullcpa.com

SUMMARY

A woman-owned full-service tax, accounting, auditing, and consulting firm located in the Upper Keys. Our staff also includes professionals experienced in budgeting, accounting, financial reporting and contract compliance. All of our professional staff are current on governmental accounting issues, as in 2003 they completed the continuing education requirements to perform governmental audits. Location of our office enables prompt response to daily issues as they arise and convenient storage space and conference facilities.

SPECIFIC COMPETENCIES

Experience in governmental/fund accounting
- Firm performed audit of Key Largo Wastewater Treatment District for FYE9/30/03
- Bookkeeper has 24 years of experience which includes the preparation of financial statements and budget reports for individual grants, both restricted and unrestricted
- Client base includes numerous local and national not for profit organizations.

Project management experience
- David Andrews managed several large and numerous small financial projects while in the banking industry

Contract compliance
- All CPA's, as well as the bookkeeper have ongoing everyday experience in this area
- Firm is familiar with KLWTD contracts as they were reviewed as part of the FYE 9/30/03 Audit

Monitoring Internal Controls
- Dave Andrews developed the internal control program used at Bank of America's Florida Bank
- Bob Maynard developed and managed internal control programs at several organizations

Cash and investment management
- Firm provides cash management services to clients for whom we presently maintain their accounting records
- Firm provides investment management services in conjunction with Mull and Associates Financial Center, LLC

Billing, receivables management, accounts payable, and disbursement of funds
- Firm is currently providing these services to several clients

Knowledge of Federal and Florida Statutes related to accounting for local government units
- Included in CPE training which Firm's professional staff received in 2003
- David Andrews is a member of the FICPA Section on State and Local Government
- David Andrews attended FICPA Conference on State and Local Governments in 2003 and is scheduled for a conference on financial reporting for State and Local Governments in May 2004

Page 1 of 2
Mull & Associates, P.A.

Federal and State Statutes related to financial management and investments
- Patricia Mull has her Series 6 and 7 licenses and has been designated as a personal financial specialist by the AICPA
- Bob Maynard and Dave Andrews have worked in Controller/CFO roles where managing the companies cash flow and investments was an important function

Federal and State Statutes related to taxes, revenue collection, etc.
- Mull & Associates, P.A. has provided these services to its Upper Keys clients since 1990.
- Patricia Mull has provided advanced tax services since 1974
- In its role as a Receiver, the Firm has experience in revenue collection, bill payments, and other financial tasks instrumental in running a business for the courts

Computer Capabilities
- All professional and administrative staff proficient in computer skills
- State of the art software and network

Education

Patricia B Mull, CPA
- BBA with honors in accounting from Florida Atlantic University
- Florida CPA since 1974
- Employed as an auditor with PriceWaterhouseCoopers in Miami
- Audit experience in governmental audits

David S. Andrews, CPA
- BSBA in Accounting from Ohio State University
- MBA with distinction from the University of Michigan
- Florida CPA since 1978
- Employed as an auditor with PriceWaterhouseCoopers
- Managed FYE 9/30/03 KLWTD audit

Dennis Kalmbach, CPA
- BS in accounting from Northwestern State University, Louisiana
- Florida CPA since 1997
- Employed as a manager of accounting services with Seidman and Seidman

Robert Maynard III
- BSBA in Finance from Villanova University
- Pennsylvania Certified Public Accountant since 1982
- Employed as an auditor with Deloitte Touche

Patricia Witt (experience)
- 24 years of bookkeeping experience
- 10 years experience as a bookkeeper and supervisor of the compilation department for a CPA firm in Santa Fe, New Mexico
- assisted the directors of various organizations in New Mexico with grant compliance for federal, state, and private foundation grants

Page 2 of 2
May 7, 2004

David S. Andrews  
Mull & Associates, P.A. 

By facsimile: 852-4846 

Dear Mr. Andrews, 

I acknowledge receipt of your firm resume for the CFO position at the Key Largo Wastewater Treatment District. Advertising for the position closes on May 14. You can expect to hear from the District after that date. 

Sincerely, 

[Signature]

THOMAS M. DILLON  
Attorney at Law 
Tavernier, Florida 33070-3005
Waits
CFO
FAXSIMILE

Date: April 16, 2004
To: Thomas M. Dillon, Attorney
At: 305-853-2693
From: Marty Waits
Re: Chief Financial Officer

I read the recent article in the Reporter concerning severance of the Key Largo Wastewater Board's relationship with Robert Sheets and the Government Services Group out of Tallahassee with great interest. I certainly concur with recent movement by the Board to bring a more local influence to its management and decision-making processes.

I have been a Keys resident for three years now. My wife and I "semi-retired" here in 2001 following the sale of my business in Portsmouth, VA, but became associated with a local company nearly full time the past year following completion of a consulting engagement in early 2003. While still serving as the company's Controller, sufficient progress has been made in organizing their financial and administrative functions that I now find my services are only required on a part time basis to assure continuation of the systems and procedures implemented in the past year.

Noting the qualifications for a Chief Financial Officer of the Key Largo Wastewater Treatment District described in the recruitment notice, and reading between the lines a bit in the news article, I thought perhaps my background and experience could add a significant dimension to the new management team the Board is attempting to assemble.

I am therefore submitting my resume for your review as the new Chief Financial Officer, and will look forward to discussing my qualifications in more detail at your convenience. Please be advised that I will be out of town from April 28th until May 10th. During this time I can still be reached at 757-481-3493 or by e-mail at the address listed above.

Thank you for your consideration,

Marty Waits
Martin D. Waits  
308 Woods Avenue  
Tavernier, FL 33070  
305-853-9879

BACKGROUND AND EXPERIENCE SUMMARY

Former Virginia businessman and current local financial executive with extensive hands-on background in accounting, contract administration, purchasing, order entry, inventory control, office supervision, payroll and employee benefits, and general corporate administrative functions, as well as a strong technical background in chemistry and chemical engineering focused in the water treatment industry for over 15 years.

PERSONAL INFORMATION

Age: 64 years  
Family: Married 42 years, (3 married children, 7 grandchildren)  
Military Service: None  
Hobbies: Boating, scuba diving, home improvements

EDUCATION

Central High School, Bay City, MI — 1958  
University of Cincinnati, Chemical Engineering — 1963  
Illinois State University, MBA (Finance) — 1973

EMPLOYMENT HISTORY

2003 Current  Controller, Shrimp Improvement Systems, LLC, Islamorada, FL

Personally responsible for all bookkeeping, financial reporting and administrative functions, including procurement, for a major supplier of genetically engineered larval, post larval and brood stock shrimp to larviculture grow out farms worldwide.

2001 — 2002  Consultant, Carus Chemical Company, Peru, Illinois

Provided general contract management, sales and marketing, and technical assistance to the world’s largest potassium permanganate manufacturer regarding their entry into the phosphate water treatment business upon acquiring Technical Products Corporation. (See below) Also various other unrelated engagements.
1985 – 2000  President, Technical Products Corporation, Portsmouth, VA

As the majority shareholder and chief administrative officer, personally responsible for management of all financial and administrative functions for a national water treatment company, including laboratory operations and product development.

1981 – 1985  Director of Finance, VCI Div of Hoechst-Celanese Corporation

Responsible for all financial analysis and internal audit activities in a $150 million division of a multi-national chemical company, with major focus on business development and acquisition/divestiture activities.

1983 – 1981  Manager of Corporate Financial Analysis, Borden Chemical Company
Plant Manager, PVC blown film operations, Borden Chemical Company
Plant Engineer, caustic/chlorine and sodium silicate mfg, PPG Industries
April 19, 2004

Martin D. Waits
308 Woods Avenue
Tavemler, Florida 33037

By Fax: 305-852-0874

Re: Key Largo Wastewater Treatment District

Dear Mr. Waits,

I am in receipt of your cover letter and resume regarding the Chief Financial Officer position for the Key Largo Wastewater Treatment District. I have forwarded the same to the District Board for evaluation and review. As you know, the deadline for submitting applications is May 14, 2004. I would expect the District to contract you after the close of advertising.

Sincerely,

[Signature]

Thomas M. Dillon
Thorrick
CFO
Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]
Sent: Thursday, April 29, 2004 11:31 AM
To: KeysCyclell@aol.com
Subject: Re: CFO Position

Dear Mr. Thorrick,

Thank you for your expression of interest in the Key Largo Wastewater Treatment District. I do not think that your letter provides sufficient information for the Board to give you serious consideration. If you continue to be interested in the position, please provide a resume.

Thomas M. Dillon

----- Original Message ----- 
From: KeysCyclell@aol.com
To: thomasdillon@terranova.net
Sent: Tuesday, April 27, 2004 3:44 PM
Subject: CFO Position

Mr. Dillon, I had an opportunity to speak with Andy Tobin last week. He suggested that I E-mail pictures of the fish that I catch under Channel 5 bridge. Seemed like a good idea to me. See attached letter. I'll send the pictures next time.

Joseph Thorrick
April 26, 2004

Key Largo Wastewater Treatment
c/o Mr. Thomas M. Dillon
thomasdillon@terranova.net

Dear Mr. Dillon,

Last week we spoke on the telephone about the position of Chief Financial Officer as advertised in the Free Press Newspaper. As you know I am interested in this position. I have not yet prepared a formal resume as I have been self-employed for most of my professional life. However, I would like to provide you with some of my background. I have lived here in the Keys for the past six years. During this time I have exclusively prepared income tax returns, for both corporations and individuals. I am familiar with Governmental Accounting, commonly referred to as “Fund Accounting” since my very first position out of college was for a Public School District. Also, early in my career, I worked for Peat, Marwick, Mitchell and Arthur Young & Co. in their auditing department. In addition, I attended Temple University School of Law. With that in mind, I believe that I am qualified for the position. I shall forward any additional information to you at your request. My E-Mail address is Mirada66@AOL.com.

Sincerely,

Joseph E. Thorrick
López
Clerk
April 24, 2004

Key Largo Wastewater Treatment District
Thomas M. Dillon

Dear Mr. Dillon

I am responding to your advertisement in the Upper Keys Reporter (Dated 4-24-04) regarding the Clerk to the Board position. Please regard this letter as my formal application. Enclosed is my resume showing my experience, background and education.

I have over 10 years of experience in management, 5 years experience in the Travel and Tourism Industry, and two years experience in Property Management. I have considerable experience in all these fields and a thorough knowledge of the process and procedures of a corporate environment. I recently obtained my Community Association Managers license through the State of Florida (Department of Business and Professional regulations).

My skills include the preparation of monthly balance sheets and reports for local board committees. Prepare and review monthly board reports. Maintaining secure and accurate files. Extensive knowledge on Word, Excel, Windows XP, Yardi, Winter gate, and Amadeus. I am a team player but also have the ability and knowledge to need little supervision.

In closing, I will only add that I would bring to the position excellent administrative and customer service skills. I know that my combined knowledge, skills and abilities would make a strong contribution to your Board of Directors. Thank you for your consideration.

Sincerely,

Lissette P. Lopez
94825 Overseas Hwy
Key Largo, Florida 33036
(305) 852-3396 Home
(305) 797-1580 Cellular
LISSETTE LOPEZ
94825 OVERSEAS HWY
KEY LARGO, FLORIDA, 33037
305-852-3396

OBJECTIVE: Seeking a mutually beneficial position where my skills, abilities, motivation and background would contribute to the growth and profitability of my employer.

EXPERIENCE: Onyx Waste Services
Administrative Assistant / Office Manager
Islamorada, Florida.

Aug 2003-Present
Responsible for assisting the General Manager with all management duties; Screening new applicants, motivating existing staff; Review route sheets daily to insure their accuracy; Determining work priorities and scheduling employees accordingly; Ensuring highest level of customer satisfaction with over 3000 residential account and 300 commercial accounts. Review all service agreement for completion. Check all files for compliance. Prepare check log for accounting department. Handle all bank relations.

EXPERIENCE
Monroe County Housing Authority
Newport Village Property Manager / Section 8 Supervisor
Key Largo, Florida

Dec 2001- Aug 2003
Responsible for the management of Newport Village Apartments a 5-unit complex funded by HUD for low income resident. Process new tenants, perform annual re-certifications interim rent adjustment and other tenant functions; Conducted all rent collection making cash deposit to the Housing Authority accounts daily during normal rent collection period and as required; making ledger entries in tenant ledgers; preparing monthly balance sheets and report for the Director and local board committee. Process initiation of action for evictions. Maintain the security of all files and other confidential information. Prepare purchase requisitions for supplies needed. Summit articles for the monthly resident newsletters. Assisting the maintenance supervisor with and oversight of all community maintenance and landscape activities and resident violations; Conduct walk through inspections of property or units and coordinating any work orders arising from these inspection.

Section 8 supervisor oversee the daily operation of all county Section 8 vouchers; maintain current list of all available Section 8 vouchers, review application files for completion, scheduling and issuing vouchers through briefings, evaluating units for HQS compliance and completing of all documents to affect a lease up. Solve problems relating to the administration, management and maintenance of Section 8 units; Perform income rent changes Annual re-certification, Interim, HQS inspections. Prepare and
review all monthly reports to include monthly board reports. Prepare and review Housing Authority Payments to landlords assuring all files are in compliance before issuing checks. Prepare check log for accounting and sign off on check register when complete.

Accomplishments: Received certification for Property Manager and Section 8 from leading HUD certified schools. Brought Section 8 Program to 100% leased and SEMAP scores to a 96%. Promoted to Supervisor after 4 month in position.

EXPERIENCE:
Grand Destinations Travel Agency, Inc.
Owner / Manager
Miami, Florida

Dec 1995 - Feb 2001 Responsible for the full management, administration, and sales of this travel agency: Interviewing, screening and hiring, training, motivating, and reviewing the work of the staff; Determining work priorities and scheduling employees; Planning vacations for clients; Making reservations for cruises, flights, hotels, automobiles, etc.; Answering questions regarding availability’s; Selling and marketing vacation packages to the public; Advising customers of vacation choices and alternatives; Maintaining a current knowledge of availability’s prices and seasonal travel opportunities; Compiling complete bookkeeping reports of operation and analyzing results; Opening and closing the establishment; Handling bank relationships. Representing the company at trade shows and travel conventions.

Accomplishment: Built company to successful level.

EDUCATION
Miami Dade Community College

LICENSES AND CERTIFICATIONS
Property Manager (Certificate)
Section 8 Rent Calculation (Certificate)
Community Association Manager (State of Florida License)

LANGUAGES
Fluent in English and Spanish

COMPUTER SKILLS
Windows 95, 98, XP, Word, Excel, Amadens, Wintergrade, Yardil, Trux

COMMUNITY SERVICES & INVOLVEMENT
Upper Keys Wish Grantor, Make a Wish Foundation

REFERENCES AVAILABLE UPON REQUEST
April 26, 2004

Lissette P. Lopez
94825 Overseas Highway
Key Largo, Florida 33036

Dear Ms. Lopez,

Thank you for your interest in the Key Largo Wastewater Treatment District Clerk position. The advertising period will close on May 14. You can expect the District to contact you around that time.

Sincerely,

[Signature]

Thomas M. Dillon
Norman Clerk
LAURA NORMAN
102 Ocean Shores Drive
Key Largo, FL 33037
Home Phone: 305-453-4622

SUMMARY
• 12 years of cash handling experience
• 8 years of management experience
• 10 years of accounting related experience
• 11 years of bookkeeping experience
• 6 years of collection experience
• Type over 90 w.p.m.
• 10 key over 1,000 k.p.m. by touch
• Notary Public for the State of Florida

WORK HISTORY

Financial Center Manager, Community Bank of Florida 01/03 to 03/04
Duties Included: Tellering, collections, mthly/qrtly/yrly reports and audits, balanced and audited vault, teller drawers, ATM, and safe deposit boxes. processed loan applications for retail/commercial loans, funded and closed the loans, opened/closed accounts, wire transfers, merchant services set-up and services, all areas of the new accounts desk, business dev. calls, supervised 5 employees, all manager duties as required, and planned and hostessed Chamber events for the Islamorada Chamber.

Rural Route Carrier, United States Postal Service 10/02 to 01/03
Duties Included: Cased and delivered mail for the village of Islamorada, FL.

Assistant Financial Center Manager, Community Bank of Florida 02/01 to 08/01
Duties Included: Tellering, opened/closed accounts, collections, mthly/qrtly/yrly reports and audits, balanced and audited vault, teller drawers, ATM, and safe deposit boxes, business dev. calls, supervised 5 employees, merchant services set-up and services, and performed all manager duties.

Financial Service Representative, Moody National Bank 3/16/98 to 10/31/00
Duties Included: Tellering, opening and closing accounts, collections, end of month reports, and balancing and auditing vault and teller drawers daily and monthly.

Rural Route Carrier, United States Postal Service 11/97 to 2/98
Duties Included: Cased and delivered mail for the city of Alvin, TX.

Collector/Loan Processor, Chocolate Bayou FCU 4/97 to 01/98
Duties Included: make collections calls for outstanding debts on credit cards, and loans. I issued repos, input pymts, mail notices, and monthly reports. Processed loans documents, and payments.

Accounting Department Billing Clerk, Allen Holdings Incorporated 3/96 to 4/97
Duties Included: A/P, A/R, data entry and mailing invoices, filing, and yearly reports.

Assistant Customer Service Supervisor, Albertson's Grocery Store 3/93 to 3/96
Duties Included: Supervised 7 cashiers, scheduling payroll, bookkeeping, filing, ran register, reports.

Customer Service Manager, Academy Sporting Goods 12/90 to 03/93
Duties Included: cashiered, reports, scheduling, auditing, supervised 6 employees, all manager duties.

Bookeeper/Receptionist, Image Technologies 02/87 to 12/93
Duties Included: answered phones, dictation, invoicing, record keeping, filing, reconciled customer stmts.

EDUCATION

Diploma, Clear Creek High School 1986-1990
Accounting Clerk Certificate, Alvin Community College (2 semesters completed)
Marketing for Bankers and Principals of Banking courses completed 2003 @ Miami-Dade College

COMPUTER KNOWLEDGE


PERSONAL REFERENCES

Janelle Cowan (501)-278-0815 years known: 8
Laura Perez (305)-394-0931 years known: 3
Paula Ramsey (281)-388-0619
Dear Mr. Dillon,

This is reference to the job posting for the Clerk to the Board you have advertised in the Reporter. I am attaching my resume for consideration for this position.

I have lived in Key Largo since 2001, and have extensive experience in office, clerical, typing, reports, and management.

I am available at any time, and very flexible as well.

Salary History is as follows:

Community Bank of Florida: FC Mgr $35,000 annually
US Postal Service: RCA $11.75 hourly
Community Bank of Florida: Asst. FCM $25,000 annually

I want to thank you for your time and consideration.

Sincerely,

Laura Norman
Faith Doyle

From: Thomas Dillon [thomasdillon@terranova.net]
Sent: Tuesday, April 27, 2004 2:02 PM
To: sportfish@joimail.com
Subject: Re: Position 2-Clerk to the Board

Laura,

Thank you for your interest in the position. The advertising closes on May 14, and I expect the District will contact you after that time.

Thomas Dillon
----- Original Message -----  
From: <sportfish@joimail.com>  
To: <thomasdillon@terranova.net>  
Cc: <sportfish@joimail.com>  
Sent: Monday, April 26, 2004 11:23 PM  
Subject: Position 2-Clerk to the Board

> Dear Mr. Dillon,
> 
> This is reference to the job posting for the Clerk to the
> Board you have advertised in the Reporter. I am attaching my
> resume for consideration for this position.
> 
> I have lived in Key Largo since 2001, and have extensive
> experience in office, clerical, typing, reports, and
> management.
> 
> I am available at any time, and very flexible as well.
> 
> Salary History is as follows:
> 
> Community Bank of Florida: FC Mgr $35,000 annually
> US Postal Service: RCA $11.75 hourly
> Community Bank of Florida: Asst. FCM $25,000 annually
> 
> I want to thank you for your time and consideration.
> 
> Sincerely,
>
> Laura Norman
>
Simpkins
Clerk
April 19, 2004

Thomas M. Dillon
Key Largo Wastewater Treatment District

RP: Application for Clerk to the Board

Dear Mr. Dillon:

In answer to your advertisement Keyswide Classifieds I am applying for the position of Clerk to the Board. I have been a municipal clerk for five years and have my Certified Municipal Clerks certification and I am working on my Master Municipal Clerks certification. I have worked in municipal government for ten years. I am extremely familiar with the State Statutes on records retention and public information.

I reside in Port Saint Lucie but I also have a house in Tavernier, FL.

My resume is enclosed.

Sincerely,

[Signature]
Carol Simpkins, CMC

Attachment
Carol Simpkins

Objective
A position where I can maximize my research, organizational and supervisory skills.

Experience
April, 2002–Current Town of Lake Park, FL

Town Clerk, Salary $47,062

Statutory Duties: recording, filing and advertising resolutions, ordinances, and public notices. As supervisor of elections for Lake Park I qualify candidates, provide election materials and ballots, I also organize poll workers and their training. I work with the County Supervisor of Elections organizing the Town's elections.

Non Statutory Duties: provide notary services for the office and the public, process and store all records and contracts (per State Statutes) while making sure that the contracts are current, manage information for the dissemination of public records, record minutes of public meetings, prepare agenda package for town commission, community redevelopment board and marina board.

- Work with the Department Heads to bring departments into compliance with the Records Retention Statutes.
- Set up system for legal storage of Town records
- Set up a cost efficient method for records research
- Work with Commission Advisory Boards, recruitment and administrative support
- Update Clerks pages on Town Web Site, www.lakeparkflorida.gov

Oct. 2001–April 2002 Lyra Productions / America Inc., Tavernier, FL

Assistant to Music Producer/Author, Salary $42,000

Office Manager, including A/R and A/P. In charge of wholesale and retail sales I U.S. In charge of licensing agreements for foreign sales. I did research on the web on various subjects for books being written. Legal secretarial work and was in charge of tracking royalties.


Village Clerk Salary $42,000

Statutory Duties: recording, filing and advertising resolutions, ordinances, and public notices. As supervisor of elections for Islamorada I qualified candidates, provided election materials and ballots, I contracted back to Monroe County Supervisor of Elections to run the election.

Non Statutory Duties: provided notary services for the office and the public,
process and store all records and contracts while making sure that the contracts were current, managed information for the dissemination of public records, recorded minutes of public meetings, preparation of agenda package. Was in charge of ordering all office supplies for the Village and processed all accounts payable for the Village.

Islamorada had just been incorporated and for the first two years I also served as the administrative assistant to the Village Manager. I also helped in finance for the first two years.

FEB. 1994 TO SEPT. 1998  City of Homestead, FL

Executive Assistant to Community Development Director, Salary $25,000

Community Redevelopment Agency & Planning and Grants Associate
Wrote grants, administered CDBG, TIF, & Historic Preservation grants.
Representative to Main Street & Pioneers Commerce Park Associations.
Assisted in annual budget preparation. Handled department's accounts
payables & receivables. Payroll and Accounts Payable.

Community Development & Planning
Administered two (2) TIF Grants

Public Works Department
Preparation of Fleet maintenance budget, processing of work orders,
process invoices, preparation of monthly reports and payroll.

Building and Zoning
Recording Secretary for the Planning and Zoning Board, processed
invoices, Inspections request and Inspections results. Secretary to the
Building Director and to the Zoning Administrator.

EDUCATION
Certified Municipal Clerk Oct. 1990 to June 2001 International Institute of
Municipal Clerk Los Angeles, California. I am currently working on my
Master Municipal Clerks certification.

AA from Miami Dade Community College 1990 TO 1992 in Homestead;
FL.

Graduated with Honors and Distinction

SKILLS
Typist
Computer literate: Word; Word Perfect, Quattro Pro, Excel, Quick Book
Pro, Access
Postage Machine, Copy Machine
Binding Machine, Adding Machine
PBX
Dictaphone
Detailed oriented, Well organized
Excellent people skills

AFFILIATIONS
Florida Association of City Clerks
Association of Records Managers & Administrators
International Institute of Municipal Clerks
Palm Beach County Municipal Clerks Association
April 19, 2004

Carol Simpkins
2410 SW Warwick Street
Port St. Lucie, Florida 34984

By email

Dear Ms. Simpkins,

I am in receipt of your cover letter and resume regarding the District Clerk position for the Key Largo Wastewater Treatment District. I have forwarded the same to the District Board for evaluation and review. As you know, the deadline for submitting applications is May 14, 2004. I would expect the District to contract you after the close of advertising.

Sincerely,

[Signature]

[Thomas M. Dillon]
Bates
Clarek
May 14, 2004

Dear Mr. Dillon:

I would like to be considered for the Clerk to the Board position. I am currently working as General Manager of Coconut Cove Resort. My yearly salary is $36,000.

I have extensive experience in organizing and orchestrating administrative tasks associated with Government agencies. My experience includes:

- Office Manager for an eight member Professional Teaching Practices Commission and its Executive Director. As sole staff person, I provided the secretarial, administrative and financial support to the Director and the Commission. Originated administrative correspondence and reports in areas that deal with budget, personnel and general administration. Draft subpoenas, accusations, decision-and-order documents, and other legal documents and records. Notary public; process payroll; Commission Records Officer; assist with preparation of Commission meetings and hearings, annual reports, newsletters, agendas, budget documents, commission meeting minutes, special projects, and other documents requested from State agencies or others.

- Administrative Assistant, Q/RM Department: Clerical Support to Infection Control, Safety Officer, JCAHO/Accreditation, Staff Development, Medical Staff Coordinator, Risk Manager, QRM Manager, and the Medical Records Analyst. Back up for the Medical Staff Office. Designed dept. databases: one for tracking Occurrence reports; another for tracking credentialing data for the Hospital medical staff; designed a merge program through word and excel for tracking and printing reports for the Peer Review Process.

- Secretary to Federal District Judge Frye: Direct responsibility for all administrative work necessary to support the Judge’s court and chambers. Responsible for typing and cite checking of all opinions, orders, jury instructions, and other legal documents. Reviewed correspondence prepared for the Judge’s signature as to style and content. Performed all calendaring, updated legal periodicals, assisted law clerks and legal externs, answered and screened calls, maintained chambers Library.

- Clerk IV/Interviewer for one-person office. Interviewed emergency grant applicants. Reviewed applications for completeness, researched discrepancies, verified income and household content for determination of eligibility for federal assistance program, conducted home visits. Compiled statistics and generated weekly, monthly and yearly reports for program evaluation. Maintained adequate professional knowledge by keeping current on all changes in policy and procedure.

I look forward to hearing from you and can be contacted at work (305) 664-0123 or home (305) 852-3342.

Sincerely,

Jeanette Bates
Jeanette Bates  –  (907) 333-3342

Education
Charter College, Anchorage - Automated Bookkeeping Associate Certificate, Graduated January 1992, Dean's List with 4.0 GPA

University of AK Fairbanks and Juneau - Written Communication, Computer, Outdoor Survival, ETT, EMT - 1979 - 1987

Experience
Office Management
Executive & Legal Secretary

Administrative Assistant
Prioritization

Interviewing/Investigation
Public Relations

Computer Literate
Bookkeeping/Reconciliation

Program Databases
Personnel Tasks

Design Spreadsheets
Payroll

Personal Attributes
Task and Detail Oriented
Maintain sense of humor under pressure

Natural sense of Priorities
Work well independently

Very Organized
Work well w/co-workers

Confidential/Loyal
Dependable

Professional
Excellent Work Habits

Current Employment
General Manager, Coconut Cove Resort and Marina

Prior Employment
Administrative Assistant, Valley Hospital, Quality/Risk Management

Executive Secretary to the Director of Management, State Department of Natural Resources, Records Custodian for the Department

Office Manager - Professional Teaching Practices Commission

Legal Secretary - U.S. District Court for Honorable Judge Frye, State of Oregon

Caseworker for State Division of Public Assistance's Energy Assistance Program

Bookkeeper - Providence Anchorage Anesthesia Medical Group

Bookkeeper, Creekside Plaza Inc & Family Fitness & Fun

Billing Clerk, Admitting Clerk, Assistant to Physician, Dr. Pamela Hill

CBX operator, Valley Hospital

Admitting Clerk, Valley Hospital

Cashier, Patient Accounts, Valley Hospital

Volunteer experience
Court Appointed Special Advocate - Palmer

Emergency Medical Technician/Firefighter - Juneau

Doris Lum, former Safety Officer, Valley Hospital, 746-8771

References
Phyllis McIntosh, QRM Manager, Valley Hospital, 746-8770

Erica Cracker, Guardian ad litem, 745-5679, 745-5722 fax
KLWTD Board Meeting
June 2, 2004

Item K - 2

Discussion for possible action to contract for a temporary office space
Item K - 3

Discussion for possible action to contract for communications
Item K - 4

Discussion for possible action to purchase office startup equipment and supplies
Item K - 5

Discussion for possible action for preparation of a comprehensive list of contacts, mandates and management tasks for the transition of local government
KLWTD Board Meeting
June 2, 2004

Item L - 4

Site mitigation
George,

The KLWTD Board has asked me to try to bring several issues to closure. I would like to get moving on them as soon as possible, consistent with your availability.

Please call me at 305.304.6735. My home number is 305.852.1996. My fax number is 305.852.2693. If I don’t hear from you before lunch time, I’ll call you this afternoon.

I would like to arrange a conference call including you, me, Andy Tobin, Robert Sheets, Chuck Fishburn (the new District Manager-Designate), Miles Anderson, and the appropriate person(s) at USFWS. If we cannot get to closure with USFWS at the local level, then the District will want to consider elevating the issues to the regional level.

I see the outstanding issues as:

1. **Size of area available for District use.** As you know, the SFONSI allows only 2.6 acres to be utilized by the District. This was based on a biological opinion from USFWS, which was completed before the District was even in existence and before the facility design was complete. Although the 2.6 acres will satisfy the District’s needs for the present project, the District has concerns about the adequacy of space for future expansion.

If I understood you correctly when we talked last week, the County is not entirely comfortable with a landowner conveying away its development rights (i.e., the 1.6 acres in excess of the 2.6 acres allowed in the SFONSI) as allowed under the County open space requirements.

I would like to enlist your assistance in exploring with USFWS, FEMA, and DCA the possibility of retaining the development rights to an additional 1.6 acres, for a total of 4.2 acres. In return for retaining these rights, the District is willing to pursue restoration of more than the 2.6 acres required in the biological opinion and the SFONSI.

2. **Identification of the precise area(s) to be restored.** I understand from earlier correspondence that the precise area(s) to be restored have not been finally delineated.

I would like to work with you to bring this issue to closure, and also to obtain an estimate of the County funds needed to accomplish the mitigation.

3. **Obtain County funding for mitigation.** As you have noted, the District’s assumption, based on conversations with the Mayor and others, is that the County will fund the mitigation, including restoration of habitat. The absence of an official written commitment by the County to fund the mitigation is a major stumbling block to execution by the District of the grant agreement.

I would like to enlist your assistance in bringing the funding to fruition. I would like your advice as to the appropriate funding vehicle and the steps necessary to bring the issue to closure, and your assistance in doing so.

4. **Conservation easement.** As you know, there is real resistance on the part of the District to conveying away a conservation easement over the open space. As a government agency, the District believes that its commitment to preserve and manage the open space should be sufficient to allay any environmental concerns. This is particularly true with regard to the 1.6 acres allowed for development under County ordinances but outside the 2.6 acres allowed in the SFONSI and biological opinion.
I know that you are already working on this issue, and I would like to help bring it to closure.

5. **Identification of other outstanding issues.** The DCA agreement form requires that:

The District must provide FEMA with a copy of all applicable permits and other pertinent documents that demonstrate compliance with the SFONSI before construction and receipt of federal funds.

The actual requirements of this open-ended condition need to be identified. Obviously, the District cannot direct its contractor to begin work on the site in the absence of a reasonable belief that the federal and matching funding is available. Your assistance in this area would be most welcome.

Tom

5/24/04