

Key Largo Wastewater Treatment District

Board of Commissioners Meeting Minutes

4:00 PM Wednesday, June 4, 2003

Key Largo Civic Club

209 Ocean Bay Drive

Key Largo, Monroe County, Florida

Board Members Present

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

Staff Present

Charles L. Sweat, Director of Operations, GSG (via telephone)
Amy Dukes, Esq., Legal Counsel, Lewis, Longman and Walker, P.A. (via telephone)
Faith Doyle, KLWTD Board Clerk

Guests Present

Pete Kinsley, The Haskell Company
Walt Messer, D.N. Higgins, Inc.
Charles Fishburn, Gartek Engineering
Michael Longenecker, Key Largo Resident
Steve Gibbs, Reporter, Free Press

A. Call to Order

Chairman Tobin called the meeting to order at 4:05 p.m. Chairman Tobin requested the record reflect that Commissioner Brooks and the General Manager, Robert Sheets were not in attendance due to their attendance at the Florida Special Districts Association Conference.

B. Pledge of Allegiance

The Pledge of Allegiance was recited.

C. Additions, Deletions or Corrections to the Agenda

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

D. Action Items

1. Approval of Amendment No. 2 to the State Financial Assistance Agreement between KLWTD and FDEP

Chairman Tobin brought Amendment No. 2 to the State Financial Assistance Agreement between the KLWTD and the FDEP to the floor for discussion.

COMMISSIONER BAUMAN MADE A MOTION TO APPROVE THE AMENDMENT. COMMISSIOER WILKINSON SECONDED THE MOTION. CHAIRMAN TOBIN CALLED FOR A VOTE.

COMMISSIONER BAUMAN	YES
COMMISSIONER BEATY	YES
COMMISSIONER WILKINSON	YES
CHAIRMAN TOBIN	YES

THE MOTION WAS UNANIMOUSLY APPROVED.

E. General Manager's Report

Mr. Charles Sweat stated that the engineering CCNA submittals were currently being reviewed and that Mr. Gary Fries, P.E. was forwarded copies of the submittals as part of the evaluation committee. Commissioner Bauman asked if anyone had been assigned to conduct the reference checks. Mr. Sweat stated that he would be conducting the reference checks.

F. Legal Counsel's Report

Ms. Dukes informed the Board that Governor Bush signed the legislation that excludes the KLWTD from adhering to Chapter 120 of the Florida Statutes.

Ms. Dukes stated that a contract negotiations meeting was held on Friday. The participants were herself, Robert Sheets, Charles Sweat, Terry Lewis and Chairman Tobin. The meeting was held to discuss the concerns of the Board and Chairman Tobin and resulted in changes to the design build agreement. An additional telephone conference was held Monday afternoon to finalize the changes.

The Board requested that Ms. Dukes review the changes that were made. Ms. Dukes stated that a change was made to page 14 section 3.1.1. concerning engineering services and the distribution of costs realized from value engineering.

Ms. Dukes stated that a change was made to page 15. The language was changed so that the contractor must answer inquires within five days of receipt and all written communications would be copied to the KLWTD.

Ms. Dukes stated that section 3.3.2 was added and any complaints from vendors must be stated promptly and immediately attended to. Chairman Tobin stated that he had requested this addition to remedy any oversight on the part of the Board due to lack of

technical knowledge and with this addition the vendor has an obligation to inform the Board of any potential conflicts.

Ms. Dukes stated that the next change was an addition to page 27 section 3.8.2.i, which stated that selection of major subcontractors would need KLWTD Board approval along with the contractor's recommendation. Language as to what a "major vendor" (such as Airvac versus Roevac and USBF versus SBR) will be included. Commissioner Bauman asked if the Board would agree that these are the only two vendors that should be covered under this section. Commissioner Wilkinson stated yes. Chairman Tobin believes it should not be limited in case other situations arise. Ms. Dukes believes that adding the two specific vendors would not lock out future suggestions that could be made to the contractors when selecting a particular vendor. Chairman Tobin believes it should include major vendors and subcontractors. Mr. Sweat stated that he also believes it should be major vendors and subcontractors.

Commissioner Wilkinson stated that on page 26 concerning section 3.8 that KLWTD purchased equipment should be revisited to ensure the intent is clear because this provision should apply to more than what KLWTD purchases.

Ms. Dukes stated that the section 3.9.1 dealing with warranties and completion is still being worked on. Chairman Tobin believes the intent of the section should be that the warranty takes effect at the acceptance date, not as the contract originally was set up with the warranty taking effect at substantial completion. Chairman Tobin would prefer the warranty start when both systems are working together. Pete Kinsley of Haskell has concerns with the present language due to the possibility of one project going bankrupt and because Haskell is not the contractor on both projects. Chairman Tobin suggested language be drafted to indicate that Haskell can finalize the KLTV contract without the KLP construction being on line if something happens.

Ms. Dukes stated that an additional sentence was added to section 8.9.1, which indicates there is no waving of implied warranties.

Ms. Dukes stated that section 3.11 (concerning cooperation) needs more work. Chairman Tobin stated that the intent is that Haskell and Higgins look at the projects together and after Boyle along with Brown & Caldwell (part of Haskell's team) review the plans (not for a total reengineering), the efficiencies may become integrated again. Discussion ensued on the concept of the cooperation clause.

Ms. Dukes stated that on page 31 section 3.3.3 was added with language that KLWTD has a right to communicate with vendors but provides that specific direction comes from Haskell.

Ms. Dukes stated that page 33 section 5.4 added a sentence that Haskell agreed to providing copies of their personnel policies for KLWTD's reference. Chairman Tobin stated that all Board members are concerned with the health and safety of the community when large companies come to town and may cause disturbances in the neighborhood for example unruly employees. Mr. Kinsley stated that it maybe a stigma of the construction industry but as a large company there is a policy/procedure manual along with project specific safety plans that all employees are given to address these

issues which include drugs, alcohol, fighting and how personal business is handled. Chairman Tobin asked how many workers would be in town and for how long. Mr. Messer of Higgins indicated that his workers would become part of the community for approximately 10-14 months with approximately 12-14 people in the subdivision each day. Chairman Tobin asked how they are supervised and where do they live. Mr. Messer stated that usually the crews rent housing in the area and become part of the community for their time on the job. Mr. Kinsley noted that OSHA requires that portable sanitary facilities be on site for workers. Mr. Messer stated that there are controls on the employees but not all situations can be addressed. Chairman Tobin requested a weekly notice be circulated containing a number for local residents to report problems. Mr. Messer stated that he does provide contact information to the residents. However, he has not had complaints that his employees cause problems or are disrespectful. Commissioner Bauman asked if the employees would be new hires or relocated from other job sights. Mr. Messer stated that most would be relocated (the main crew) but he hopes to get 3-4 local people on the crew. Commissioner Beaty asked if there would be a main supervisor. Mr. Messer stated there would be a supervisor on site and he will personally be present on a regular basis. Mr. Messer stated that he wants to know of complaints as soon as possible and he informed the Board that he keeps files on all complaints and incidents. Chairman Tobin asked how the dirt and road blockages caused by construction are addressed. Mr. Messer stated that with the KLTV being a small area that with proper notice cars won't be on the streets during construction. Mr. Kinsley stated that there would be communication plans to advise the residents of what work would be done and when so residents can plan to keep cars off the street. Commissioner Bauman asked what the hours of operation would be. Mr. Kinsley stated that Haskell's hours are generally 7am to 3pm Monday through Friday. Mr. Messer stated that Higgins' hours are generally 7am to 5:30pm Monday through Friday. It was stated that both companies would have dedicated project managers and local offices with full support staff. Mr. Kinsley stated that all vendors will be given an orientation and that employees participate in weekly safety meetings and that the workers are required to display stickers on their hardhats to prove attendance of an orientation. Mr. Kinsley stated that at the safety meetings any changes and community interface information are covered with employees. Mr. Messer informed the Board that Higgins uses a water broom to keep the streets clean.

Ms. Dukes stated that section 5.7 on page 33 was added so that Haskell would provide 'Exhibit Q' which is a flow chart of the Haskell Company employees who would be working on the project.

Ms. Dukes stated that these were the major changes that were made to the agreement.

Ms. Dukes stated that on page 4 of 'Exhibit F' a new value engineering definition was provided for lay people.

Chairman Tobin questioned 'Exhibit C' and if it was a draw down schedule. Ms. Dukes and Mr. Kinsley indicated that it was. Mr. Kinsley stated that a schedule of draw down was the mechanism that provides Haskell's compensation and that it will be reviewed by staff prior to it being forwarding to the KLWTD Board for approval. Chairman Tobin stated that from the negotiation sessions he was trying to absorb information never before considered and he was uncomfortable with value engineer and the original

Schedule C because certain decisions need to be made before a complete cost list could be developed. Discussion ensued concerning the function of Schedule C.

Commissioner Bauman asked if the agreements would be ready for a vote by next weeks meeting. Ms. Dukes indicated that from her perspective they would be.

Ms. Dukes noted that the letter from D.N. Higgins concerning the increase from 4" to 6" laterals would be incorporated as an amendment to the agreement. Chairman Tobin stated that Lewis, Longman and Walker should be added to those who are to be forwarded legal notices concerning the agreements.

G. Engineer's Report

There was no engineer's report.

H. Commissioner's Items

1. Discussion regarding the KLP contract with D.N. Higgins, requested by Chairman Tobin

PLEASE SEE LEGAL COUNSEL'S REPORT ABOVE.

2. Discussion regarding the KLTV contract with The Haskell Corporation, requested by Chairman Tobin

PLEASE SEE LEGAL COUNSEL'S REPORT ABOVE.

- I. Minutes – December 4, 2002, April 9, 2003, April 23, 2003

COMMISSIONER BAUMAN MADE A MOTION TO APPROVE THE MINUTES OF DECEMBER 4, 2003; APRIL 9, 2003 AND APRIL 23, 2003. COMMISSIONER WILKINSON SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

Chairman Tobin asked for public comment.

Mr. Steve Gibbs asked both agreements would be approved next week. Chairman Tobin stated that the Board would pass a resolution approving the contracts and the contractors would sign the contracts first followed by the Board.

Mr. Mike Longnecker believes the Board should have someone on the project to represent the Board. Chairman Tobin stated that there would be a project engineer and project manager selected before the projects start.

Commissioner Wilkinson stated that concerning the difficulties with the Ocean Reef vacuum system he has talked with homeowners who had used vacuum systems for twenty years prior to moving to Ocean Reef with no problem. However, a resident questioned stated there had been problems in Ocean Reef, such as 12-15 houses flooding with influent from others. Commissioner Wilkinson stated that the residents

recognized that one of the problems was having different individual companies installing the laterals. Commissioner Wilkinson suggested the Board implement an approved list of contractors that would be provided Board approved installation specifications. Chairman Tobin agreed adding that the specifications should be looked at as part of the engineering. Discussion ensued concerning the development of the specifications and the use of check valves in the lateral. Discussion ensued on pipe size and its benefits. Mr. Messer stated that he quoted the same price for six-inch pipe versus four-inch pipe as was required for the stub in the plans. Mr. Messer stated that the lines would be 30 inches deep and he included vertical laterals to accommodate the residence when they hook up. Mr. Messer stated that the plumber would install the check valve on the resident's side of the hook up.

Chairman Tobin asked the Haskell and Higgins representatives their views on the acceptance issues. Mr. Messer stated that Airvac or Roevac selection would make a difference and he feels Roevac has a system that handles the problem with air/water ratio being controlled in the valve. Mr. Messer sees no problem once the vacuum station is up and running and he usually has the kinks out of a system within 30 days. Chairman Tobin asked if the testing and acceptance should be on the combined system. Mr. Messer stated that the KLP project should come on line first then the KLV project and at that time problems would be identified. However, it is the adjusting of the air that opens and shuts the valve that would correct most problems. Mr. Kinsley stated that concerning the plant, acceptance testing is mostly mechanical testing that would be done with clean water prior to the systems coming on line so you are assured that the mechanics are working, then the vacuum collection system would be introduced.

Mr. Gibbs asked if the standardization of the pipe size would add cost to the homeowners. Chairman Tobin states no that it would not. Mr. Messer stated that any specifications from the KLWTD would need to be up to Monroe County code or better. Commissioner Wilkinson stated that an approximate price for a standard four-inch pipe was 55 dollars per linear foot for a simple installation.

Discussion ensued concerning the schedule for the projects. Commissioner Bauman asked if there will be disaster testing. Mr. Kinsley stated that there absolutely would be, along with all equipment vendors but all the alarms will be false.

Mr. Longnecker commented on the dewatering required on Roevac systems and that it could be a potential problem because of Key Largo's elevation. Discussion ensued on the topic. Chairman Tobin asked if there would be analysis to demonstrate this point. Mr. Kinsley stated that he could provide information and that the lower the plant elevation the better.

K. Meeting Adjournment

COMMISSIONER BAUMAN MADE A MOTION TO ADJOURN. COMMISSIONER WILKINSON SECONDED THE MOTION. ALL WERE IN FAVOR. CHAIRMAN TOBIN ADJOURNED THE MEETING AT 5:35 P.M.

Key Largo Wastewater Treatment District

Board of Commissioners Meeting Minutes

4:00 PM Wednesday, June 18, 2003

Key Largo Civic Club

209 Ocean Bay Drive

Key Largo, Monroe County, Florida

COMMISSIONERS PRESENT

Acting Chairman Jerry Wilkinson

Commissioner Gary Bauman

Commissioner Cris Beaty

Commissioner Charles Brooks

STAFF PRESENT

Robert E. Sheets, General Manager, Government Services Group, Inc.

David R. Miles, Chief Financial Officer, Government Services Group, Inc.

Faith Doyle, KLWTD Board Clerk

GUESTS PRESENT

Robert E. Burt, Key Largo Resident

Steve Gibbs, Reporter, Free Press

Mike Longenecker, Key Largo Resident

A. Call to Order

Acting Chairman Wilkinson called the meeting to order at 4:03 p.m.

B. Pledge of Allegiance

The pledge was recited.

C. Budget Workshop

Acting Chairman Wilkinson turned the floor over to Mr. Sheets and Mr. Miles to conduct the second budget workshop. Mr. Sheets stated that it is time to begin planning for FY 2004.

Mr. Sheets reviewed the accomplishments for FY 2003.

Mr. Sheets suggested that a discussion of the tentative goals would be in order and that he had taken the liberty to offer thoughts to spur discussion. These items would have budgetary impacts. With the two major projects beginning shortly the most time consuming goals will be staying on time and on budget. To do this several decisions that would result in budget impacts would be choosing an engineer for oversight of the KLTV and KLP projects which includes signing off on plans and reviewing payment draws. Another decision for

FY2004 is to begin a mandatory collection program. This will need to be started by the second quarter of next year. Mr. Sheets stated that he would present the essential outline of the program. One year prior to the implementation of the mandatory program a notification to the residences would be required informing them of the availability of service. Community meetings will be planned and the residents will need to connect one month after the one-year notice has expired. The plan will be a special project and the cost of implementation will need to be budgeted. Planning for upcoming projects will be required. One of the engineers chosen from the CCNA should have expertise for cost estimating and funding. The Board should start thinking of the next neighborhoods to receive service, those that could benefit from federal, state and local funding. Mr. Sheets noted that in the future the Board would need to decide if they want their own employees or if they want to contract out operation and management services. If the Board wants to out source these services a Request for Proposals (RFP) will need to be implemented. Mr. Sheets stated that a website would also be looked into. Mr. Sheets is sure there are other items that the Board would want to entertain.

Commissioner Bauman asked how to aggressively go after grant money. He asked if staff should gather contact names and agencies and cold call them. Mr. Sheets stated that there are things the KLWTD could do with the current staffing levels to research grants or if the Board wants to contract with a company that does grant management as a business this would be a more aggressive approach. Commissioner Bauman asked how much the service costs. Mr. Sheets stated they can charge by either being paid part of the administrative cost for the funds received or a flat rate. Commissioner Bauman believes if KLWTD wants to build an entire system it won't get done effectively being piece milled. Mr. Sheets agreed that funding is an issue and stated that building a whole house one room at a time costs much more. The economy of scale assists in the funding process. Mr. Sheets stated that the Board needs to decide what the most cost effective means of developing the system and without a strategic plan to demonstrate to the funding agencies that the KLWTD is looking forward the agencies may not be willing to fund the projects. Mr. Sheets stated that although it seems like a major expense at first it would result in greater funding.

Commissioner Bauman asked how to determine how much funding is available. Mr. Sheets stated that the funding agencies don't really give clear answers, if you have a plan ready and available and you are sure of the amount of funding they can match the available funding to the project. Mr. Sheets stated that the funding agencies prefer to see prepared people and a strategic plan gives you something to present to the funding agencies. Commissioner Bauman asked what agencies would be most likely to provide funding to the KLWTD. Mr. Sheets stated that FEMA is the most difficult to get funds from because it is a unique agency. However, the KLWTD is developing a relationship with them because of the current projects and this may help with future funding. Unfortunately the KLWTD Board has not had time to do strategic planning while attempting to get the urgent items done. Once the Board decides what needs to be done after the initial projects are underway, find out how to get there, and a strategic plan would provide a map.

Acting Chairman Wilkinson commented that the County Master Plan could have been used as first drafted but the plan has changed. He agreed with it at first but it is not being followed. The ranking that was initially stated in the master plan is not being followed. Mr. Sheets doesn't believe the KLWTD will be rewriting the master plan, but it is now 3 years old and the facts have changed. The Board needs to see what still fits and what needs enhanced and updated. Commissioner Bauman asked if the plan should be followed indicating that Sexton Cove would be next. Mr. Sheets stated there are many options but

there has not been time to sit down and discuss them. Commissioner Bauman stated that planning should begin as soon as possible. The Board agreed. Acting Chairman Wilkinson believes that the plan must be written so when funds become available the agencies know the KLWTD is serious and ready to move forward.

Commissioner Brooks stated that the KLWTD is in competition with the County for funding and continued involvement with the Intergovernmental Task Force would be prudent. He also believes that the KLWTD needs to have a strategic plan available before finding out if any money is available because that is the way project funding has been done. The project needs to be ready to go before it is funded. Discussion ensued on the future of funding in light of the current war and other issues facing the State and the County.

Mr. Sheets stated strategic planning would begin in October. The CCNA process will be complete and the engineer would be on board to assist with the process.

Acting Chairman Wilkinson discussed the benefit of doing a bond issue. He believes that the economy of scale achieved from the KLWTD having their own money and not dealing with grant money would be more efficient. Discussion ensued concerning State revolving loan fund projects and their benefits. Mr. Sheets stated that the best points of SRF funds are that they don't get paid back until one year after the certified completion of a project and they are at a 2.9 percent interest rate.

Mr. Steve Gibbs, a Key Largo resident, asked if a bond issue would impede the receipt of grants. Mr. Sheets stated that authorizing bonds to be issued is one thing but if you spend it you cannot use grant money to pay it back. Grant money is not meant to reimburse bond payments and bond costs. Discussion ensued on the benefits of bond issues.

Mr. Sheets stated that as the budgeting process progresses the document to be developed would look somewhat like the County format.

Commissioner Bauman believes that the website should be a low priority. Mr. Sheets stated that it won't be extensive - just informative. Commissioner Bauman asked how much initiating the website would cost. Mr. Sheets stated that the price quoted in the GSG Management Services Agreement was \$6,000.

Commissioner Brooks asked if the KLWTD has anyone conducting lobbying efforts. Mr. Sheets stated that State Representative Sorenson is very helpful, but there is not a paid lobbyist. Commissioner Brooks stated that the Intergovernmental Task Force and the County have lobbyist in Tallahassee but they have relied on the Nature Conservancy and the Ocean Conservancy to lobby for the \$100 million dollars and this fact makes it important for the KLWTD to be part of the Task Force. Commissioner Brooks stated that at some point the KLWTD might want to have Terry Lewis lobby on behalf of the KLWTD. Mr. Sheets stated that lobbyists are expensive and suggested that as a small district they go with other districts to jointly fund a lobbyist. Discussion ensued on the benefits of a lobbyist.

Discussion ensued concerning the design of a website and if the \$6,000 in the contract would be sufficient. Mr. Sheets stated that the expense it is not the design but the upkeep. Mr. Sheets stated that the GSG fee is design, maintenance and content upkeep. Further discussion ensued on the website.

Commissioner Brooks stated that in the near future a physical location for the KLWTD would be needed. Mr. Sheets stated that in time there would be maintenance service people and a billing office that will require a place of business. Mr. Sheets stated that presently there is \$14,000 in the FY2004 budget for rental and lease costs. At some point when the KLWTD indicates the need a contract operator or hiring KLWTD personnel and finding office space will be necessary. Commissioner Brooks believes that prior to the utility coming on line the Board may want to have a physical place set up for Board meetings and records storage. Discussion ensued. Mr. Sheets stated that if the Board desires an office location it could be researched. However, any records would replicate the official record maintained by the clerk but it would be possible. Commissioner Brooks asked the Board at what point do we feel we need it or want it. Commissioner Bauman believes it needs more thought. It was suggested that the KLWTD should inquire about space in the future local government center or placing an office trailer at the future plant site.

Acting Chairman Wilkinson stated that the discussion generated by the workshop was productive. Mr. Sheets stated that the Board could have as many budget workshops as they like up until the budget is finalized. Commissioner Bauman asked when the budget would be finalized. Mr. Miles stated the advertisement for the public hearing would be published on or about August 10, 2003 and the public hearing held on September 10, 2003.

The Board reviewed the preliminary budget. It was asked when the MSTU money would start coming in. Mr. Miles stated that usually the bulk of the money is collected at the end of the discount period in late October. Mr. Sheets stated that Mr. Miles and Commissioner Beaty have talked with TIB Bank official in an effort to secure a line of credit to assist with the cash flow difficulties and to provide working capital when necessary.

A review of the individual line items was conducted. Mr. Miles stated that the MSTU line item was based on a 95% collection rate and a 3% growth factor. Discussion ensued on the turn around of funds collected by the County. It was decided that Mr. Miles would contact the County Tax Collector for verification of the turn around time. If there is a great lag time then the line of credit may need to be utilized.

Commissioner Bauman requested budget to actual figures. Mr. Miles stated that he plans to provide budget to actual reports the last meeting of each month. Discussion ensued on the financial status of the KLWTD through the end of the current physical year.

Mr. Sheets suggested combining line items 23 and 30 and creating a line item for special projects. Mr. Miles was directed to strike line item 23 and add a special projects line item.

Commissioner Wilkinson asked about the expenses for the use of the Civic Club and when they would begin to be paid. Mr. Sheets stated that a stipend to the Civic Club would be in order. Commissioner Brooks stated that usually a nominal fee of \$20 dollars is charged to use the room. Commissioner Brooks will bring the issue to the Civic Club Board and bring back an update. The Civic Club Board holds their meeting the last Tuesday of the month.

Mr. Sheets stated that another line item to reconsider is 29 for a utility rate consultant. He suggested that it be changed to grant specialist. Mr. Sheets stated that line item 28 for legal expenses could be readjusted because the items being charged at present are startup items and there should be approximately \$9,000 a month budgeted for legal expenses. Discussion ensued on ways to get more funding for grant procurement.

Mr. Sheets stated that the \$7,000 capital expenditures line item was set by Mr. Miles in the event that equipment purchases are necessary for Board use.

Mr. Sheets stated that the modifications would be made to the line items and the narratives would be drafted for the Board to review. The Board set the next budget workshop to be held in conjunction with the July 9, 2003 regular meeting.

The capital projects budget was reviewed. Mr. Sheets stated that beyond the two current projects there are no capital projects planned. A capital projects plan will be developed in the future as previously discussed. Commissioner Wilkinson questioned the capital budget line item for \$60,000 for the tie in to KLTv vacuum valves and if that number was to complete the installation of KLTv vacuum valves. Mr. Sheets stated that he has received a letter from Higgins that this would be the cost to cover the additional valves to complete KLTv.

Acting Chairman Wilkinson asked for any further comments from the Board or the public.

Ms. Amy Dukes joined the meeting via telephone at approximately 4:50 p.m.

D. Additions, Deletions or Corrections to the Agenda

Acting Chairman Wilkinson asked for additions, deletions or corrections to the agenda. Commissioner Bauman suggested that item F4 discussion of the Gartek additional services invoice be postponed because Chairman Tobin was not present. Commissioner Brooks wants to discuss the issue and move forward on it. Discussion ensued about the timing of this item and the procedure suggested by Chairman Tobin. Commissioner Bauman moved to postpone item F4 until a future meeting. Commissioner Beaty seconded the motion. Commissioner Brooks stated that he doesn't believe Gartek will appear again because they have stated their best and final offer. Commissioner Beaty withdrew his second to the motion. The motion failed due to a lack of a second.

Commissioner Brooks requested an additional item to discuss issuing a letter in response to the Key West Citizen's article concerning toxic waste. This item will be Item I 2.

Acting Chairman Wilkinson added Resolution 2002-16 approval of the KLTv Agreement with the Haskell and Resolution 2002-17 approval of the KLP agreement with Higgins to be considered together. This item will be Item E 2.

Acting Commissioner Wilkinson approved the agenda as amended.

E. Action Items

1. Approval of the South Florida Water Management District Contract C-15814 for the KLTv Wastewater System Construction

COMMISSIONER BROOKS MOTIONED TO APPROVE SFWMD CONTRACT C-15814 FOR DISCUSSION. COMMISSIONER BAUMAN SECONDED THE MOTION. COMMISSIONER BROOKS QUESTION THE CONFLICT BETWEEN EXHIBIT D'S REFERENCE TO FISCAL YEAR DELIVERY AMOUNTS OF \$50,000 ON JULY 1, 2003 AND SCHEDULE C'S REFERENCE TO THE PRELIMINARY DESGN BEING DONE IN JULY. MR. MILES EXPLAINED THAT ALL THAT IS REQUIRED IS TO SIGN THE CONTRACT AND RETURN IT THE SFWMD. THE GENERAL MANAGER MUST CERTIFY THAT THE ENGINEER HAS SEALED A PRELIMINARY DESIGN.

THE GENERAL MANAGER WILL NEED TO PROVIDE A SIGNED AND NOTARIZED STATEMENT TO THAT EFFECT AND IT WILL BE ATTACHED TO AN INVOICE TO DRAW FUNDS BUT THIS DOES NOT NEED TO BE DONE ON OR BEFORE JULY 1. MR. SHEETS STATED THAT NO FUNDS COULD BE DRAWN UNTIL THE TASK IS COMPLETED. THE JULY 1 DATE IS JUST THE EARLIEST POSSIBLE DATE. THE QUESTION CALLED ANY ACTING CHAIRMAN WILKINSON ASKED FOR ANY FURTHER DISCUSSION. ACTING CHAIRMAN WILKINSON CALLED FOR A VOTE.

COMMISSIONER BAUMAN	YES
COMMISSIONER BEATY	YES
COMMISSIONER BROOKS	YES
ACTING CHAIRMAN WILKINSON	YES

THE MOTION WAS UNANIMOUSLY APPROVED.

2. RESOLUTION 2003-16 APPROVING THE AGREEMENT WITH HASKELL FOR THE KLTV PROJECT AND RESOLUTION 2003-17 APPROVING THE AGREEMENT WITH HIGGINS FOR THE KLP PROJECT.

COMMISSIONER BEATY MADE A MOTION TO APPROVE RESOLUTIONS 2003-16 AND 2003-17. COMMISSIONER BAUMAN SECONDED THE MOTION. WITH NO FURTHER DISCUSSION, ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

F. General Manager's Report

1. Status Report/Discussion of the Monroe County/Key Largo Wastewater Treatment District Loan Agreement

Mr. Sheets stated that at a prior meeting the general manager and legal counsel were requested to redraft certain portions of the loan agreement and to present a recommendation to the Board. This task was accomplished today and the final draft will be forwarded via e-mail to the Board and placed on a future agenda as an action item. The Board tabled the item and requested it be made an action item on the July 9, 2003 agenda.

2. Status Report/Discussion of the Engineering CCNA

Mr. Sheets stated that scoring has just been completed and the briefing memo will be presented on the 25th along with an overall recommendation of the top 8 firms and the ranking of all 13 submittals. Discussion ensued on the information to be presented. Mr. Sheets stated that the Board could take the recommendation, modify the recommend or come up with their own. Commissioner Brooks asked if it is prudent for the Board to interview a certain number of the submitters. Mr. Sheets stated that decision was ultimately the Board's.

Commissioner Bauman stated that some of the firms have strong skills and some are lacking the skills that the KLWTD would require. Commissioner Bauman believes that it is important to know whom the project managers would be and that the proper time to interview firms is when we are assigning a task. Interviewing a firm won't answer these questions at the out set. Mr. Sheets stated that the KLWTD should only be interested in firms with current water/wastewater divisions that are active in designing water/wastewater disciplines. Commissioner Bauman agrees that active wastewater practices within the firm with a principle in South Florida and that project managers who report directly to a principle

is imperative. Commissioner Bauman found that when reviewing the firms it appeared that several of the submittals were pulled off the shelf and given to us, others targeted the KLWTD specific needs, and finally there were firms that had in house wastewater skills and others that subcontracted wastewater skills. Commissioner Bauman believes that firms that use subcontractors could become a problem. Discussion ensued on the process after the initial recommendation of the committee is presented and on how the engineers would be given work after they are selected.

The Board requested that the information be forwarded by email and that the item be placed on the June 25 agenda.

3. Status Report/Discussion of the External Auditor CCNA

Mr. Sheets stated that the evaluation committee has worked diligently on this and that a recommendation to negotiate a contract with a firm would be presented to the Board at the June 25, 2003 meeting.

4. Status Report/Discussion of the Gartek Additional Services Invoice

Mr. Sheets stated that the procedure suggested by Chairman Tobin was a quasi-judicial procedure and if adopted as a procedure by the Board it would involve official notices and technically if one side doesn't show up then they forfeit their claim. Without the procedure being recognized by the Board the Gartek Invoice cannot be acted on today. Mr. Sheets stated that he couldn't give a recommendation on the procedure because it is a legal issue. Mr. Sheets informed the Board that the negotiations were cut off by Gartek and that \$19,000 was their final offer and the Board needs to decide if it is fair and reasonable and if the Board can legally pay it.

Commissioner Brooks asked legal counsel if it believes what Mr. Sheets said was accurate. Ms. Dukes stated that she had not seen the procedure suggested by Chairman Tobin but even without reviewing it she doesn't believe any type of quasi-judicial procedure could be conducted at the present meeting. Ms. Dukes stated that she would not suggest the Board adopting the procedure prior to legal review, but if the Board accepts it she noted that Gartek must receive proper notice and fail to appear prior to forfeiture. Commissioner Brooks sees problems with the procedure in that in his opinion it pits the manager and Gartek against each other and places those who are members of the evaluation panel as being judges where they could be witnesses within the proceedings. Ms. Dukes stated that Commissioner Brooks beliefs are correct and that this is an adversarial process. Mr. Sheets stated that doesn't disturb him, but the Board needs to make a decision and act on the procedure prior to further action.

Commissioner Brooks asked if they vote to move forward with the Gartek amount and we turn it down does that mean we can't offer another amount. Commissioner Brooks stated that the Board had set up a retroactive emergency to cover the situation. Commissioner Brooks stated that he was inclined to make a motion to approve the \$19,000.00 final offer to but the matter to rest. Commissioner Bauman brought up a point of order that a motion couldn't be made on an item that is not on the agenda. Ms. Dukes stated that she realizes the Board needs to conclude this debate as soon as possible but legal review of the particulars of the situation need to be done prior to this becoming an action item. Acting Chairman Wilkinson ruled the item to be a discussion item. The Board reached a consensus that a final counter offer of 50% of the original additional services invoice of \$33,130.00 be prepared for the Board to approve.

COMMISSIONER BROOKS MOTIONED TO NOT ELECT TO ADOPT A QUASI-JUDICIAL PROCEDURE FOR THE GARTEK ISSUE AT THIS TIME AND THAT WE MOVE THIS TO THE MEETING OF THE 25TH TO ACT ON A COUNTER OFFER.

Acting Chairman Wilkinson did not believe this action requires a motion because it is not an action item. Mr. Sheets stated that it only needs a consensus of the Board. The consensus was to bring back an action item to offer 50% of the original amount to Gartek at the June 25 meeting. The general manager and legal counsel were directed to prepare it.

5. Status Report/Discussion of the Haskell Company's KLTV Preliminary Project Schedule

The clerk noted that this item was included at the request of Chairman Tobin. Mr. Sheets stated that the item would be updated after the agreement is signed to reflect changes necessary due to delays in the negotiation process.

6. Presentation of the updated KLWTD Calendar

Mr. Sheets stated that the calendar was prepared at the request of the Board and includes the dates for the upcoming meetings the budget process and Haskell's Preliminary Project Schedule.

Mr. Sheets stated that the official date for execution of the Haskell and Higgins agreements would be June 25, 2003. The Board suggested that the County Commissioners and other assisting agency officials be invited to attend.

G. Legal Counsel's Report

Ms. Dukes stated that most items of concern under her report were previously covered. She stated that the Monroe County Agreement and KLP and KLTV agreement updates have been completed and would be included on upcoming agendas. The resolutions presented and approved by the Board at this meeting were prepared at the Board's directions from last meeting.

H. Engineer's Report

There was no engineer's report presented.

I. Commissioner's Items

1. Commissioner Brooks – Status Report on the Florida Special Districts Conference

Commissioner Brooks stated that the conference provided excellent information and he presented the other members of the Board with copies of information that he had acquired. He recorded former State Representative Brown's presentation, which he provided to the members.

2. Letter of Response to the Key West Citizen's Article on Toxic Waste

Commissioner Brooks provided copies of the article to the Board. He asked if the Board would like to draft a response to the information in the article that stated that toxic waste would be dumped into the Gulf Stream. Commissioner Bauman would like to see a press release condemning it. Commissioner Beaty and Acting Chairman Wilkinson agreed. The Board believes that this action would pollute the Keys. The letter will be copied to the FDEP and Representative Sorensen. The general manager was directed to have draft of the letter prepared for the Board to review at the June 25 2003 meeting.

J. Minutes – Revised May 14, 2003 and Draft May 21, 2003

Commissioner Beaty motioned to approve the minutes for May 14, 2003 and the May 21, 2003 meeting minutes. Commissioner Bauman seconded the motion. All were in favor and the motion was unanimously approved.

K. Meeting Adjournment

Commissioner Brooks motioned to adjourn the meeting. Commissioner Beaty seconded the motion.

Acting Chairman Wilkinson adjourned the meeting at 6:40 p.m.



Key Largo Wastewater Treatment District Board of Commissioners Meeting Minutes

**4:00 PM Wednesday, June 25, 2003
Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida**

COMMISSIONERS PRESENT

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

STAFF PRESENT

Robert Sheets, General Manager, Government Services Group
Amy Dukes, Legal Counsel, Lewis Longman & Walker, P.A. (via telephone)
Faith Doyle, KLWTD Board Clerk

GUESTS PRESENT

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

A. Call to Order

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

B. Pledge of Allegiance

The Pledge of Allegiance was recited.

C. Additions, Deletions or Corrections to the Agenda

Acting Chairman Wilkinson suggested that items D-1 and D-2 be postponed until the arrival of Chairman Tobin.

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

Acting Chairman Wilkinson approved the amended agenda as stated.

D. Action Items

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

Please see below

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

Please see below.

3. Approval of the Engineering CCNA Rankings and Recommendations

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

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

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

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

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

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

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

Mr. Sheets responded to Commissioner Wilkinson's concern with a conflict of interest with WEC stating that if engineering firms who had previous working relationships with these contractors most of them could not be considered. Mr. Sheets stated that once WEC contracts with the KLWTD they are bound by the engineering code of ethics to represent the KLWTD. Commissioner Wilkinson stated that WEC has vacuum system experience and does great work and that his concern was with the fact that they were rated as part of the Haskell team.

Chairman Tobin joined the meeting at 4:25 p.m. and requested that Commissioner Wilkinson continue to Act as Chairman until the conclusion of the discussion on this agenda item.

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

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

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

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

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

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

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

Commissioner Brooks stated that he believes the process was sound and that the committee has selected two local firms that have successful experience and for the Board to not move forward at this point seems unnecessary.

Discussion ensued concerning the repercussions of postponing action or starting the CCNA process again. Chairman Tobin asked for a summary of what the oversight of the projects would involve. Discussion ensued on the observation process, the involvement of the engineer of record and his reporting process.

Commissioner Brooks raised a point of order concerning the discussion of an item without a motion on the floor for discussion. Acting Chairman Wilkinson entertained a motion to continue the discussion. Acting Chairman Wilkinson made a motion to table the item until July 9th. Chairman Tobin stated that he needs to understand the firm's role before selecting an engineer and that he believes a local engineer could be more involved. Mr. Kinsley

noted that on a design/build project, from an owner's perspective, the engineer of record verifies that Haskell is doing what the KLWTD is paying for and checks on the value engineering to protect Board interests, they review invoices, pay requests and value engineering decisions.

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

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

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

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

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

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

4. Approval of the External Auditor Recommendation

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

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

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

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

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

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

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

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

COMMISSIONER BROOKS MADE A MOTION TO APPROVE THE JUNE 25, 2003 PENDING PAYMENTS LIST. COMMISSIONER WILKINSON SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

6. Approval of the Gartek Counter-offer Amount and Payment Thereof

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

COMMISSIONER BAUMAN

NO

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

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

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

Ms. Dukes disconnected from the meeting.

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

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

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

E. General Manager's Report

1. Presentation of the Interim Financial Reports for KLWTD, May 31, 2003

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

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

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

Please see above.

3. Status Report on the Haskell Company's KLTV Preliminary Project Schedule

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

would be meeting concerning the draw down schedule after the notice to proceed was issued.

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

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

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

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

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

COMMISSIONER BAUMAN MOTIONED TO INSTRUCT THE MANAGER TO START NEGOTIATIONS WITH MALCOLM PIRNIE AS PLANNING ENGINEERING AND

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

COMMISSIONER BAUMAN	YES
COMMISSIONER BEATY	YES
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSON	YES
CHAIRMAN TOBIN	YES

ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

F. Legal Counsel's Report

Please see above.

G. Engineer's Report

A report was not presented.

H. Commissioner's Items

There were no commissioner's items.

I. Minutes – Draft May 28, 2003, Draft June 4, 2003, Draft June 11, 2003 and Draft June 18, 2003

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

J. Meeting Adjournment

Chairman Tobin adjourned the meeting at 6:45 p.m.