A. Call to Order

Chairman Tobin called the meeting to order at 4:04 p.m.
All stood and recited the Pledge of Allegiance.

C. Public Comment

D. Additions, Deletions or Corrections to the Agenda

Chairman Tobin suggested conducting a two-step election process where the election would be held at present and the officers seated at the next regular meeting. Commissioner Wilkinson suggested that each nominee should make a platform statement and elections are held afterwards. It was the consensus of the Board to hold the elections at present.

Chairman Tobin suggested that after the election the secondary treatment process be presented as an action item after any further discussion. Mr. Sheets stated that there will be a warranty update and some additional data presented. Chairman Tobin asked if there would be a Roevac warranty debate. Mr. Sheets stated that he was prepared for one.

Chairman Tobin suggested the work authorizations for action is placed in a different order, or the Board should defer items F3, F4 and F5 until after the termination of the manager debate. Chairman Tobin recommends deferring F3, F4, F5 and acting on F1, F2, F6, F7, and F8 this evening. Commissioner Beaty requested that item F8 be moved to the top. Commissioner Brooks requested a few minutes to update the Board on the distribution of the $100 million in funding. Chairman Tobin asked for any further changes to the agenda.

Commissioner Brooks moved to accept the amended agenda. Commissioner Beaty seconded the motion. All were in favor and the motion was unanimously approved.

Chairman Tobin stated that public comment would be accepted.

Mr. Burke Cannon requested clarification on information he had heard that the Board had rejected staff's recommendation and it will result in delays in the engineering process. Chairman Tobin stated that at the 10/17 meeting much debate transpired on the issue and more information is to follow this evening. Mr. Cannon is concerned with the delays in spite of the engineer and staff's recommendations as experts. Mr. Cannon stated that he believes the recommendations should be followed.


Commissioner Brooks made a motion to approve the minutes. Commissioner Wilkinson stated that there are several scriveners' errors. Chairman Tobin asked the Board Attorney if written minutes are necessary when the meetings are recorded and if the clerk could certify the minutes. Mr. Dillon stated that written minutes are necessary so that the public can have a convenient method of knowing what the Board is doing without listening to audiotapes. Commissioner Beaty seconded the motion stating that
the minutes are to be amended to include Commissioner Wilkinson's suggested changes. Chairman Tobin preferred that the changes be made prior to approval. Commissioner Brooks and Commissioner Beaty withdrew their motions.

Chairman Tobin gave Commissioner Brooks the floor. Commissioner Brooks stated that he had sent emails to all concerned stating that he had received an email from Cecilia Weaver that the Project Management Plan for the US Government’s $100 million funding will be distributed as originally proposed. Commissioner Brooks stated that the battle had been won after many years of fighting and KLWTD will get our 29% share for Key Largo citizens. Commissioner Brooks thanked Representative Sorenson and Commissioner Nelson and the BOCC for their assistance with this matter.

F. Action Items

Commissioner Brooks made a motion to approve the Proposed Agreement for Professional Legal Counsel with Thomas Dillon. Commissioner Bauman seconded the motion. Chairman Tobin asked for further discussion. Commissioner Brooks commented that during negotiations all parties came to a concise simple contract which is what he as been looking for. Also, he met personally on Saturday with Mr. Dillon and has reviewed his opinions they are concise and to the point and thinks KLWTD has a good relationship beginning to transpire. Chairman Tobin asked for negative votes and hearing none the motion was unanimously approved.

1. Election of KLWTD Board Officers

Chairman Tobin requested Commissioner Wilkinson's suggestions on the election process. Commissioner Wilkinson stated that he would defer to the attorney. Mr. Dillon stated that nomination need not be seconded, statements and rebuttals can be made and a vote taken for one office at a time to see if the first nominee wins.

Chairman Tobin asked if there any member was interested in Chair. Commissioners Bauman and Brooks voiced interest. Chairman Tobin stated that Commissioners Bauman and Brooks were hereby nominated. Chairman Tobin gave the floor to Commissioner Bauman for comments. Commissioner Bauman stated that having worked with his fellow Board members he has become familiar with them and he has begun to understand what drives them. Commissioner Bauman believes that the Chairman should not be a controlling force but should be a facilitator of open discussion and free discussion concerning the issues before the Board. Commissioner Bauman believes the Board should focus on planning for the future, as issues get resolved. Commissioner Bauman looks forward to future planning workshops.

Commissioner Brooks was given the floor and commented that with a year of work under the Board’s belt and the large learning curve appearing to flatten and harmony amongst the Board and Staff continuing to materialize he looks forward to going ahead beyond these two projects and to looking in more detail at what the future holds. Commissioner Brooks looks forward to a smooth transition of the Chairmanship.
Chairman Tobin asked Mr. Dillon for a voting procedure. Mr. Dillon stated that a roll call vote or show of hands could be requested for the first nominee.

Chairman Tobin called for a show of hands for the first nominee, Commissioner Bauman. Commissioners Bauman, Beaty and Tobin raised their hands in support of the nomination.

Chairman Tobin stated that Commissioner Bauman had been elected chairman. Chairman Tobin asked for any members interested in the Vice-chairmanship. Commissioner Wilkinson stated his interest, with no further nominations, Chairman Tobin asked for a show of hands and with all in favor he stated that Commissioner Wilkinson was elected Vice-Chairman.

Chairman Tobin asked for any members interested in the office of Secretary-Treasurer. Commissioner Beaty stated his interest, with no further nominations, Chairman Tobin asked for a show of hands and with all in favor he stated that Commissioner Beaty was elected Secretary-Treasurer.

Chairman Tobin offered his congratulations to the new officers and wished them well with their new responsibilities.

2. Secondary Treatment Process Selection and discussion of the Fluidyne and USBF warranty issue

Chairman Tobin brought Item F2 concerning the secondary treatment process selection and warranty issues to the floor. Mr. Sheets stated that Mr. Dillon would set the table for discussion after reviewing all items requested by the Board. Mr. Pete Kinsley of the Haskell Company had reviewed the request of the Board and that he had addressed the points that he could address and that he addressed the issues specific to Roediger with the manufacture. Mr. Dillon, Mr. Kinsley and the Roediger representatives negotiated the warranty presented to the Board.

Mr. Dillon stated that his main concern with Roediger agreeing to repair defective materials and that the words "to Roediger's satisfaction" should be deleted. Mr. Kinsley agrees and believes that Roediger will agree to take it out. Mr. Dillon stated concern with the warranty and when the time begins to run. Presently it states "upon delivery of materials" and doesn't define who the purchasers are. Mr. Dillon stated concerned that the warranty should begin at project completion and when the system is placed in service. Mr. Kinsley stated that the Haskell warranty does not start until the project is accepted and that if an extended warranty were wanted than the manufacturer would need to be consulted. Discussion on the standard warranty ensued. Commissioner Bauman asked if the timing of the delivery could be controlled. Mr. Kinsley stated that delivery is in advanced of installation.

Commissioner Wilkinson asked about an extended warranty. Mr. Kinsley stated that usually there is 3yrs on valves and 2yrs on the vacuum system. Commissioner Wilkinson stated that he was also aware of a 10-year service program to change out defective product. Mr. Kinsley believes is a valve rebuilding program.
Chairman Tobin asked for suggestions on firming up the warranty issue. Mr. Sheets was hoping to get direction from the Board so that staff could go back to the manufacturers to reduce the warranties to writing. Mr. Dillon suggested transmitting the conclusions reached to Haskell's subcontractors for their opinions. Mr. Kinsley stated that a conference call was set for Friday to discuss the issues raised so that he could bring back an amended warranty for the Board's consideration.

Mr. Dillon also stated concern over plant shut downs and limited liability issues. The manufacturer should be responsible for bad equipment that needs repair and the costs for removal, shipping to and from the manufacturer and re-installation. Mr. Kinsley stated that for the Haskell one year it would be part of cost of remedy of the defect and that most defects would present themselves during the first year of operation. Jeff Weiler confirmed that most failures happen within the first year of operation.

Discussion ensued on several warranty issues hypothetical situations. Commissioner Wilkinson asked about consequential damages on valves failing. Mr. Dillon stated that the manufacturer does not usually assume consequential damages because equipment suppliers do not act as insurers.

Mr. Dillon stated that his last item of concern was future pricing and that the District should get "most favored nation" treatment on pricing of future parts. Commissioner Tobin asked that staff address the issues raised and bring back an amended warranty for action at the next meeting.

The Board reached consensus that the manager and board attorney work on the warranties along with researching extended warranty information.

Chairman Tobin brought the USBF and SBR warranty issue to the floor. Chairman Tobin suggested that staff update the Board on the warranty issues and then reaffirm their recommendations. Commissioner Brooks asked if action on a warranty would equate to action on the process. Mr. Sheets suggested that after the legal, engineering and manager's presentations and recommendation on a process and warranty then the Board should consider action.

Mr. Jeff Weiler stated that on the technology side he hadn't received further data that would change his recommendation for an ISAM treatment process. Chairman Tobin questioned the statements made by the Fluidyne representative that 20 other plants were running that could provide data for analysis. Discussion ensued on the lack of data. Mr. Castle stated that in summary some of the data is encouraging but doesn't change the engineering opinion. Mr. Weiler stated that his position that with plant modifications ISAM seems to be more feasible.

Commissioner Beaty asked about facts on the plants sludge removal costs. Mr. Castle stated that no actual numbers had been received but his position on the literature provided by the manufacturer shows that processes would generate similar amounts of sludge. Discussion ensued on sludge.

Commissioner Wilkinson asked about the Bartow plant's nitro counts. Discussion ensued. Mr. Castle stated that he spoke with Mr. Hortenstine of Brown and Caldwell
and believes they can meet total nitrates with the ISAM process. Commissioner Brooks presented handouts on the Bartow facility.

Mr. Kinsley stated that the Haskell Company doesn’t have any reason to change their position. Chairman Tobin asked about a warranty from the manufacturer that the plant can meet the permitted standards and if not what assurance could the KLWTD have that it is a good warranty. Mr. Kinsley stated that they are very comfortable with their recommendation and that the additional information would not change their opinion. Mr. Kinsley stated that the warranty is very good and the manufacturer has added 12 months to the Haskell’s 12 month after the acceptance warranty. Mr. Kinsley stated that Haskell must demonstrate 5.5.3.1 standards prior to acceptance and to continue to meet them during the year of warranty and during the additional year.

Chairman Tobin questioned Mr. Dillon’s warranty memo. Mr. Dillon stated that most points are easily addressed but further discussion on item 2 may be needed on the modifications section. Also the points concerning the continued technical support that were stated at the meeting need to be placed in writing.

Chairman Tobin stated that no action would be taken until specific warranties are secured.

Chairman Tobin stated that he wanted transcripts of the October 17 proceedings to verify what was said and he stated that he is frustrated with staff that specific answers are not being provided. Discussion ensued on the documents presented. Mr. Sheets asked if in the staff’s opinion the warranties need minor adjustments or material redrafting. Mr. Kinsley stated they are minor. Mr. Weiler stated that they are minor. Mr. Dillon stated that they are minor. Mr. Sheets asked if getting any other information in the form of a warranty would change any of their opinions. Mr. Kinsley stated no. Mr. Weiler stated no. Mr. Dillon stated that the USBF warranty is not any better than the Fluidyne warranty. Mr. Sheets stated that the warranty issues are a process of fine-tuning but it is not going to change the staff’s recommendation.

Commissioner Brooks stated that he appreciated the work on the warranties and the comments from staff but in his opinion the warranty from Randazza and the USBF process is better and there is better local control on the warranty because of the amount of time Mr. Espat spends in the Keys. Commissioner Brooks distributed a packet of information that included his evaluation of the processes he added that the USBF and SBR documents provided were acquired from the proposal done by Haskell. Commissioner Brooks quoted from the first page of the proposal. Commissioner Brooks summarized Bartow’s nitrates and sludge reports adding that this summary shows that over 15 months the average exceeds the AWT limit. The information came from TSC Jacobs and was not validated by the DEP or by Bartow operators. It is Commissioner Brook’s opinion that the reports don’t support Haskell’s claim that they have made. Discussion on the sludge amounts ensued. It was noted that the Bartow plant was not the same size plant to use to compare to our situation. Commissioner Brooks reviewed the handouts presented in depth. Commissioner Brooks noted that screens in the Bartow plant that collected solids before discharge failed and resulted in $24,000 in fines. Commissioner Brooks stated that he had talked
with the operator in Bartow and confirmed that the reporting is not monitoring total nitrogen's.

Commissioner Brooks stated that AWT is a new standard and operators with BAT systems don't record total nitrogen's because is not required by their DEP permits. Commissioner Brooks stated that we are asking the vendors for data that is not available. Also as indicated in the Haskell documents (the Draft Conceptual Plan) if USBF can meet effluent standards USBF would be favored. Commissioner Brooks then reviewed the October 17, 2003 Meeting Agenda stating that several exhibits were not legible. Commissioner Brooks stated that he was clear on the SBR and USBF processes until the ISAM process was brought up in the October 17 meeting. Commissioner Brooks added that the Verona plant is not an ISAM it is a SAM per the operator.

Commissioner Brooks stated the first time he saw ISAM was in the manager's memo that was included in the October 17 agenda book and that staff had concluded that USBF as it is designed would not meet AWT standards. In his opinion the manager, engineer and design build team found no data to support the notion that the USBF process produces 5.5.3.1. effluent. Also the manufacturer stated that you can design the plant to meet the effluent standards and that SBR has the capacity to meet AWT standards when operated correctly.

Mr. Weiler believes both systems need modifications to meet standards. Commissioner Brooks asked about methanol treatment. Mr. Castle suggested that with modifications you may need a carbon source, either methanol or molasses.

Commissioner Brooks referred to the draft report done for the FKAA stating that USBF operation costs are half of SBR. Examples are given on operations and maintenance costs. The report states annual costs of operations total $286,255 for USBF and $406,390 for SBR. Discussion ensued on the report and if it is final and had been accepted by FKAA. Mr. Fishburn stated the final was dated June 2003. Chairman Tobin asked if staff had received the report and reviewed it. Mr. Sweat stated that he had reviewed a draft of the report. Mr. Weiler had reviewed it through its development and he doesn't agree with the operating numbers because most savings with the USBF was the sludge hauling charges and power charges. Discussion ensued on the issue of sludge. Chairman Tobin asked if WEC thinks the numbers are flawed. Mr. Weiler answered that they do believe they are flawed.

Chairman Tobin asked for a point of order on the direction of discussion. Commissioner Brooks stated that he was almost finished and quoted more AWT standards for nitrogen. Commissioner Brooks noted that the plant operated for 18 month before sludge removal was necessary. In closing Commissioner Brooks handed out copies from a book on USBF.

Commissioner Brooks believes that all the data is there and it is important and all concerned should read it. Commissioner Brooks also talked with John Wheaton at Purestream for one and a half hours and he no longer has doubts with USBF. Commissioner Brooks investigated because nothing from SBR shows overwhelming
evidence that what is being proposed is nothing more than SBR trying to duplicate what USBF has been doing for a long time.

Chairman Tobin pointed out that a copy of someone's resume doesn't make it evidence, however Commissioner Brooks has made a legitimate statement that evidence and data exists and if the staff doesn't have it; it is a fundamental question that needs to be validated.

Mr. Castle stated that they didn't receive that data but after a quick review of what Commissioner Brooks presented stated that it doesn't support that nitrate standards can be met. In fact they all show that they exceed the total nitrogen's in Birchwood. Discussion on how to compute total nitrogen's ensued. Mr., Castle demonstrated how to compute the total nitrogen.

Chairman Tobin stated that the chemical conversions should not be done during the meeting. Mr. Weiler had used data provided by USBF and couldn't find anything to support the claim that it meets the nitrogen requirements and the data presented by Commissioner Brooks doesn't support it.

Commissioner Wilkinson as the chair of the technical committee noted that you have to meet all four of the FDEP standards.

Commissioner Brooks in closing requested that the fact that neither side can obtain the data they need to determine a process can meet the standards. Commissioner Brooks stated that the warranties are guarantying the standards will be met but with the USBF Randazza and Purestream warranty they are going to cover the cost of any changes necessary to meet the standards.

Chairman Tobin stated that neither process has the data to support it meeting AWT standards. Commission Bauman a decision needs to be made on what we believe will have the best chance of meeting AWT standards.

Commissioner Wilkinson stated that the warranty issue is the Haskell Company's concern and that Haskell's warranty of one year and the manufacturer's one year additional warranty will ensure standards will be met and will demonstrate that if they fail after that point it is most likely being caused from equipment failure or a change in influent characteristics.

Mr. Stu Oppenheim of Brown and Caldwell rebutted comments made by Commissioner Brooks and disagreed that Haskell may have tried to misrepresent information. They did not misrepresent anything in their proposal by responding to the requests made in the RFP. Mr. Oppenheim stated that Dr. Bratby did comment that USBF when properly designed would operate. Mr. Oppenheim reviewed the information provided and stated that Dr. Bratby did a computer module and simulated the USBF process and found that under certain conditions that it would meet the standards. The SBR process could reliably be tested and more data than the Poinciana data was used to determine the finding.
Mr. Oppenheim stated that the information Commissioner Brooks provided does state that filtration techniques would be comparable to conventional sewage treatment plants that are AWT and that USBF would be comparable to a conventional treatment plant but in another point in the report the writer comments that they did not do testing to verify plant consistency in plant operation. It was noted that the information was based on the fact that the application is being proposed for industrial and agricultural applications and not for municipal application. Also, he noted that they did not solely rely on one process versus the other but looked over the processes individually and they are comfortable with the ISAM process as a specific application.

Chairman Tobin gave the floor to Cris Schrader a local resident and wastewater treatment plant operator who comments that what the Board is requesting in warranties and the standards that the Board is be requested to meet are above and beyond what the rest of the country is doing and it is amazing that any contractors want to take the risk of building the plant. Mr. Schrader added that operations are difficult and even with the most conscientious operator in the world they can be blamed for failed standards. Discussion ensued on operations, the possibility of the treatment process manufacturers supplying operators and hiring an operation company.

Chairman Tobin gave the floor to Vicky Fay, a local resident, who commented that the District should not accept the system until the standards are met, the system will not be accepted if it doesn’t meet the standards and in addition once the system is accepted the warranty is in place for an additional year. Ms. Fay requested to see the technological information and wants a matrix of the three processes that would show what the standards are, the costs for the design and the cost of maintenance and operations and where the funds to support the costs are coming from. Mr. Sheets stated that he would provide a copy of the October 17th presentation to Ms. Fay. Ms. Fay questioned the applicable experience of the staff engineer, director of operations and managers.

Mr. Burke Cannon, a local resident, stated that he appreciated Ms. Fay’s comments but stated that he is concerned with the Board going against the recommendation of the staff. Mr. Cannon agrees with the staff has demonstrated experience in the wastewater field. Chairman Tobin asked what the KLWTD would do if DEP fines them because the plant doesn’t meet standards. Mr. Cannon stated that the contractor will turn over the system when it is working and meeting the permit standard and you have to rely on your staff as experts. Mr. Cannon stated that in his opinion the staff has done a great job.

Chairman Tobin asked the Board if they would like to take action on the item. Commissioner Bauman stated that his position on the issue was the same. Commissioner Wilkinson stated that his position was the same. Commissioner Beaty stating that he is still vacillating on either process because it is a gamble. Both can work with modifications but the annual operating costs must be considered. The USBF process has fewer parts and claims there are less sludge costs, there has to be data to support that somewhere and it is an easier plant to operate and they are providing a better warranty. Commissioner Beaty also stated that after hearing the Fluidyne presentation he does not have much confidence that they will still be around after it is
Commissioner Beaty believes that Mr. Espat would be committed and will be present when things go wrong.

Commissioner Wilkinson stated that both systems have about the same moving parts and that discussed and reviewed both processes and is convinced that SBR is the process for the KLWTD operations because of the weekenders and variable flows. The SBR processes by batch. Commissioner Wilkinson believes that the Haskell will guarantee meeting standards for 24 months the KLWTD will be able to maintain it. He anticipates trouble with the influent, not operation and not equipment failures adding that five gallons of oil will affect operations, restaurants dumping fat in the wastewater will cause trouble temporarily. With winter people coming and going the KLWTD needs a system that will perform as well as possible for the change in flows it will experience. SBR is recommended for variable flow. Commissioner Wilkinson still supports and ISAM SBR process with the caveat to negotiate with Haskell to honor the extra year of warranty.

Chairman Tobin stated that he would vote in two weeks provided that Haskell rescind the letter about delays becoming beyond their control in an effort to motivate the Board to make a decision. Chairman Tobin stated that it has been demonstrated to an overwhelming degree that SBR is better and staff is presenting a unanimous recommendation his hands are tied. Chairman Tobin stated that he would not vote tonight for SBR because it is still a leap of faith, however he believes that because of the lack of engineering data the Board could at some point be accused of being irresponsible for voting for either system. Chairman Tobin stated that he would be willing to make a leap of faith if an extended warranty and the staff's unanimous recommendation is received. Chairman Tobin concluded that in two weeks if the warranty is tightened up he would vote for SBR but not tonight. Once a selection on the process is made we are moving forward and there is no turning back and no fine-tuning can be done after the fact.

Commissioner Bauman is concerned with the continued loss of time. Chairman Tobin is concerned with the warranty.

Chairman Tobin asked for a verbal commitment from Haskell to work with staff. Mr. Kinsley stated that liquidated damages would not be sought without proper notice. Commissioner Bauman asked if Haskell would begin the design knowing that there are three votes. Mr. Kinsley stated that after Board action they would start on the collection system immediately and that Haskell is anxious to get going on the design and permitting. Discussion ensued on the risk to Haskell if designing starts prior to a vote.

Commissioner Brooks asked the Randazza representative if under warranty they would continue to provided technical assistance and supervise the operator until the USBF has maintained the permitted standard for effluent of 5.5.3.1. Mr. Espat stated Purestream and Randazza would provide specific warranties to cover all concerns. Chairman Tobin stated that at present he is locked in to vote with the staff's recommendations as long as proper warranties are provided. Commissioner Brooks asked Chairman Tobin if agreement on the Fluidyne warranty is not reached would he
vote for the other option. Chairman Tobin stated that it was conceivable but not his intent because of what had been discussed.

Chairman Tobin recessed at 7:41 p.m.
Chairman Tobin reconvened at 8:00 p.m.

F.3. KLWTD Work Authorization WEC 03-01 (Amendment 1) with Weiler Engineering Corporation for the KLTV Project
F.4. KLWTD Work Authorization WEC 03-02 (Amendment 2) with Weiler Engineering Corporation for the KLP Project
F.5. KLWTD Work Authorization GSG 03-01 (Amendment 1) with Government Services Group, Inc. for the KLP & KLTV Projects

Items F 3, F 4 and F 5 were deferred to later in the meeting.

3. The Haskell Company Change Proposal No. 1

Mr. Sheets apologized that the most current document was not provided with the agenda. Mr. Sheets stated that the discussion on the campsite should precede action on the Haskell Change Proposal. Chairman Tobin is concerned with the Colusa Campground issue because of watching the Stock Island debates. Mr. Weiler shares the concern because the campground is located between the two projects. Discussion ensued on the cost increases and the potential benefits of added flow.

Chairman Tobin believes consideration should be given to the possibility of including the campground. Mr. Weiler believes it would be prudent to avoid the type of difficulty that Stock Island has experienced. Discussion ensued on the condition of the system and the requirements of the County connection ordinance.

4. Housing Assistance Program -- Implementation Plan

Mr. Sheets presented the Implementation Plan for consideration and noted that the Board must approve the implementation plan to go to FEMA. Mr. Sheets thanked Mr. Bell for his input and assistance drafting the plan and his future help with administering the plan.

Commissioner Brooks made a motion to approve the Housing Assistance Program Implementation Plan and Commissioner Bauman seconded the motion. With no further discussion Chairman Tobin called for a vote. All were in favor and the item was unanimously approved.

5. Proposed Agreement for Professional Service for Legal Counsel

PLEASE SEE ABOVE

G. General Manager’s Report
1. Status Report on the FEMA Environmental Assessment
   a. Low and Very-low Income Assistance Program
   b. Site Mitigation

Mr. Sheets stated that after speaking with Ms. Science Kilner of FEMA that the December 3, 2003 public hearing is progressing and no delays are anticipated. George Garrett of the FKAA would provide the site mitigation report that is needed for the public hearing. Commissioner Tobin stated that site mitigation is being negotiated and a resolution is being drafted to turn over the land with an 80% open space and revert clause.

H. Legal Counsel's Report

Mr. Dillon presented a report to the Board. Commissioner Brooks stated that he desires to have Mr. Dillon present at every scheduled meeting. It was suggested that the Legal Counsel Report section of the agenda have bullet points of what is to be discussed at the meeting. The Board concurred that Mr. Dillon's service has been exemplary to date. Chairman Tobin stated that Mr. Dillon should make the Board of aware if any one member is using his services indiscriminately he is to come back to the Board for clarification and direction. Commissioner Bauman noted that if the assignment goes over a few hours that he is to come back to the Board for a formal vote.

I. Engineer's Report

Mr. Castle stated that he continues to work on the warranty issues along with Mr. Kinsley and Mr. Dillon and anticipates having the issues resolved by the next meeting. Brown and Caldwell have started the design of the collection system and he is looking forward to reviewing the 30% design.

Mr. Castle stated that Ms. Kilner of FEMA had contacted him for clarification on several points of the Environmental Assessment and that he would reply by early next week.

Mr. Castle and Mr. Weiler stated that he plans to take a good hard look at the campground for next week. Mr. Weiler would provide a proposal. Mr. Weiler stated that either he or Mr. Castle would attend the Board meetings.

J. Commissioner's Items

1. Discussion of Manager's improper conduct and criticism of District Engineer – Chairman Tobin

Chairman Tobin stated that he would like to preface the discussion by saying the he greatly admires the managers abilities and he believes he is incredibly talented and
that the staff is a well functioning team, but with all teams problems what he observed at the 10/17 meeting needs to be addressed. Chairman Tobin stated that this discussion was not prompted because of an isolated incident and he reminded the Board of the previous difficulties with GARTEK and Robert Bentancourt. Chairman Tobin believes a resolution establishing three independent officers of the Board would ensure good information. Chairman Tobin believes that all information does not have to filter through the manager and that there should be a policy enacted. Discussion ensued and staff was directed to draft a policy for consideration at the next meeting.

2. Discussion on the importance of having independent advice from District Manager, District Engineer and District Attorney – Chairman Tobin

See above.

3. Discussion of Resolution adopting the following positions as independent “Officers” of the District, to wit: -- Chairman Tobin

   a) District Manager
   b) District Engineer
   c) District Attorney

See above.

4. Discussion for possible action modifying/reducing the scope of the Key Largo Park Project: -- Commissioner Wilkinson

   a) Detailed review of total costs of Alternate A, Alternate B and Alternate C. Compared to available grant monies for the KLP without including any of the Recovery Capital Cost funds ($2,700 per EDU).
   b) Reducing the scope of the KLP Project to the original 79 Basic bid EDU's with a possibility of inclusion of Sunset Waterways subdivision and/or including or excluding the businesses along US-1.
   c) Establish a specific percentage of fixed reserve grant funds for contingencies.

Commissioner Wilkinson would like to go back to the base bid. The Board should decide if Haskell should be paid the additional $80,000 and design the project with Sunset Waterways and then the Board should decide the course of action. When the 60% designs are complete funding could be reviewed and then how much can be completed can be decided. At least 79 EDU’s are required to be completed to qualify for the grant and we may want to pick up Calusa, but the cost per EDU may increase.

Discussion ensued on designing the entire project and then only building part and the costs involved. Commissioner Wilkinson suggested approving and paying Haskell for the drawings as soon as possible. Commissioner Tobin believes that the Calusa
Campground issue should be resolved prior to the designs being drawn. Mr. Kinsley suggested planning as much as possible to capture it all on one permitting process.

5. Discussion of:

--- Chairman Tobin

a) Whether it is a conflict of interest for the Manager to accept employment on behalf of Monroe County in sewer related matters; and
b) Whether the Board should exercise its right to terminate the Manager based on a conflict of interest in representing both KLWTD and Monroe County.

Chairman Tobin requested that this item be carried over to the next meeting.

Commissioner Brooks requested that items F3, F4 and F5 be considered. Chairman Tobin stated that he would prefer to postpone them because he has a presentation that would take approximately 30-40 minutes. **Commissioner Brooks motioned to table items F3, F4, F5 and J5 until the November 19, 2003 meeting.**

M. Meeting Adjournment

Chairman Tobin adjourned the meeting at 9:50 p.m.
Board Members Present

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

Staff Members Present

Robert Sheets, General Manager
David R. Miles, Chief Financial Officer
Thomas Dillon, Board Attorney
Faith Doyle, Board Clerk

Guests Present

Nos Espat, Randazza
Pete Kinsley, The Haskell Company
Stu Oppenheim, Brown and Caldwell
Vicky Fay, Key Largo Resident
Robert E. Burt, Key Largo Resident
Kim Collins, TIB Bank
Steve Gibbs, Free Press reporter
Burke Cannon, Key Largo Resident
Ms. Science Kilner, FEMA, via telephone

*Commissioner Tobin joined the meeting in progress at approximately 6:10 p.m.

A. Call to Order

Chairman Bauman called the meeting to order at 4:05 pm

B. Pledge of Allegiance

The pledge was recited.

B.1. Teleconference with FEMA

Ms. Kilner asked if the County would be represented at the FEMA public hearing. The Board gave its consensus that Monroe BOCC and FKAA representatives should be invited to participate. She then reviewed the meeting outline that was presented to the
Ms. Kilner stated that FEMA is reviewing the design and engineering and inclusion at this point would force them to take a closer look at the project. The FEMA dollars could not go into the campground. Also, an archeology review will need to be done at the location either by the owner or by the Board. Ms. Kilner would recommend having archeological oversight in place. Mr. Sheets asked if this would be required if FEMA dollars were used for the design. Ms. Kilner stated that if no FEMA dollars are used there is no obligation for them to review it. The conference call concluded at 4:20 p.m.

Mr. Sheets asked the Board if the 12-3 meeting should begin at 3:00 p.m. so that there is more time to conduct business. The Board gave its consensus to begin the meeting at 3:00 p.m. to work until 5:30 p.m. and then break until the 6:30 FEMA public hearing.

Ms. Kim Collins with TIB bank was present to answer any questions concerning the proposed line of credit application for the KLWTD in the amount of $500,000. Mr. David Miles provided revised documents that were different from those provided in the agenda packet. They incorporated changes requested by the staff and Board members. Mr. Dillon commented that his concerns with the original documents had been addressed and that three of the five Board members had provided feedback, which had been addressed. Mr. Miles stated that back on June 25, 2003 during the budget workshops concerns were expressed over future cash flow difficulties. In reference to the grant from Monroe County to cover operations in FY2003, the last draw was received in mid-October and the September ending cash statements include it. All dollars have been received and George Garrett was provided the documentation that proves the money was properly spent. FY2004 started with $28,000 in the bank and approximately $40,000 in operating expenses. $35,000 is the last cash coming into the District until MSTU proceeds begin to come in. Mr. Miles has discussed with Mr. Garrett how the billing of the County taxes comes in and although they begin to come in during November those dollars don’t come directly to the KLWTD. The receipts are made by the County who needs a mechanism to transfer the funds to the District. Mr. Garrett is setting up the procedure to transfer the dollars to the KLWTD. Mr. Miles stated that funds would be necessary prior to year-end and the MSTU dollars may not come until January. Based on this information it was projected that by the end of January there would be between $80-100,000.00 of shortage in the operational fund. That is why TIB has a provision in the agreement that no more than $150,000 could be used for operations shortfalls. Another provision of the agreement requires that money be paid by March 1, 2003 when the majority of the MSTU funds will have been received. Discussion ensued regarding the benefits of having the line of credit.

TIB has agreed to a $500,000 line of credit with 4.5% variable rate with a 6% cap. It was noted that interest charged on invoices that fall under the Prompt Payment Act
concerning Local governments who do not pay proper invoices within the time provided in the Act must pay interest of 12% a year.

Mr. Sheets noted that a loan $100,000 over 90 days at an interest rate of 4.5 would incur approximately $1,000 in interest charges plus the cost of the origination fee for the loan. The origination fee for TIB is usually $2,500 but it was lowered $1,250. Ms. Kim Collins stated the length is for 18 months from closing with no prepayment penalties and it is an unsecured loan. The index used was Wall Street Journal prime and it is not anticipated that prime will change before January 2004. TIB would be monitoring the loan because of the purpose of the loan and any draw requests must be in writing and specify what the draw is for the maximum draw amount is $150,000 unless more is negotiated.

Mr. Miles noted that this is a straight-forward business proposition. It would provide flexibility to manage any cash flow shortages so the District could pay bills on a timely basis and while waiting for MSTU or other funds.

Chairman Bauman asked for comments from the public or the Board. Commissioner Wilkinson is not happy that other banks were not consulted and he noted that the banks are not happy either. He stated that he was furious about finding out at the 11th hour that a line of credit was necessary and he questioned calling an emergency meeting so that all concerned could be informed. He is not happy with the manager and staff for not communicating the gravity of the situation to the Board. He read the Prompt Payment Act and questioned who is ‘the agent’. Mr. Dillon stated that the agent is usually the person who received the invoice. Commissioner Wilkinson questioned the lag time for receiving grant funds and believes this action should only be taken unless the District has no funds available. Commissioner Wilkinson believes if this money is tax-exempt it should be lent at less than prime interest. He noted that Marine Bank would have considered it below prime. He questioned if the interest is reimbursable from grant proceeds. Mr. Miles stated that for certain grants it is, if it is a direct cost. Commissioner Wilkinson suggested tabling the item and going out for bid.

Chairman Bauman asked for a response from Ms. Collins who explained that pricing loans and the interest rate is predicated on risk and this is an unsecured loan with no historical data on payment history and for a startup entity it is a fair rate. Mr. Sheets stated that concerning the interest issue GSG just issued 60 million dollars worth of tax exempt bonds with a AAA rating and the best rate was 4.67% on secured insured AAA low risk bonds. The fact that TIB will deal with us at the rate they offered with our experience is a remarkable sign of faith in the KLWTD as an entity. In regard to bidding GSG has been informing the Board since June that there would be cash flow difficulties while waiting for the MSTU funds. TIB began back August to educate themselves on the KLWTD. A bidding process could have been conducted, but banks are not risk takers it is easy to say after the fact that a good rate could have been beat. Staff worked with TIB because they are local and our depository bank. He concluded that this entity requires a line of credit because it only gets one paycheck a year and managing the bills is difficult.

Commissioner Wilkinson stated that as a businessman he had to borrow money but did not go with his own bank without looking at other entities, many factors need to be
looked at. Mr. Miles had talked with Bank of America, however the local was chosen. Mr. Miles stated that GSG uses four banks and in comparison with GSG's lines of credit with other entities the rate is very attractive. Commissioner Wilkinson wants the public to know that we did the best due diligence and got the best rates available.

Mr. Sheets added that FEMA would advance up to 90 days of draws for Phase II grant funds. Presently, FKAA has some of the advance draw money to be reimbursed to us. Commissioner Wilkinson stated that the KLWTD could argue that the FKAA should have sent the money the day the MOU was sent. Mr. Sheets stated that the grant would not be transferred until the FEMA Phase II Environmental Assessment is complete.

Commissioner Beaty comments that he understands that TIB was used as KLWTD's depository bank but is disappointed that other banks were not given an opportunity to competitively bid. He requested a cash flow analysis for the next few months that shows what we anticipate to use on the line of credit. Mr. Miles stated that he is working on it with information provided by the two contractors with projections of their anticipated draws. Commissioner Beaty stated that this agreement is good for 10 days and asked Ms. Collins if it could be extended until December 3, 2003. Ms. Collins stated that she would send a new commitment letter.

Commissioner Brooks requested verification that only $150,000 of the total line was for working capital. Ms. Collins state that was correct. Commissioner Brooks asked if once the working capital portion is paid back if the entire $500,000 line of credit could be used for construction. Mr. Miles stated that yes next fall we would carry forward a surplus that would avoid the cash flow issue and that this is only a bridge loan from now until the end of January. The other purpose is to cover any cash flow shortages to make sure this business goes forward regardless of grant reimburse delays. Commissioner Brooks asked if it is a revolving open end line of credit. Ms. Collins confirmed that it was.

Commissioner Brooks questioned the delay in depositing the SWFMD grant check. Mr. Miles stated that due to the routing via the KLWTD P.O. Box through the GSG Orlando office it had only been deposited today. He noted that although the grant had been awarded in May supporting reimbursement documentation was not available until early October.

Commissioner Brooks noted that this is a line of credit but nothing prevents us from acquiring another line of credit and we don't have to draw this money down if it is not needed. Mr. Miles agreed with his statement.

Commissioner Brooks noted that TIB Bank was the first bank to assist the KLWTD when it was established. He also stated that he defends the staff on their actions because there was enough discussion in the budget workshops and prior meetings to give staff direction to go to TIB Bank and weather or not we take this line of credit or draw against the money we establish credit history which helps KLWTD into the future.
Chairman Bauman agreed that the Board had directed staff to go to TIB and that TIB has been a partner with the keys on many projects and he recalls basically telling the staff not to waste time and to move forward with request information on a line of credit.

Chairman Bauman requested a motion for approval of the line of credit with TIB Bank.

Commissioner Wilkinson made a motion to table the item. The motion died due to lack of a second.

Commissioner Brooks moved to accept the line of credit with TIB Bank. Commissioner Beaty seconded the motion. Discussion ensued on requesting proposals from other entities. Commissioner Brooks withdrew his motion. Commissioner Beaty withdrew his second.

Commissioner Brooks made a motion to continue this item until the December 3, 2003 agenda contingent upon TIB extending their commitment until that time. Commissioner Beaty seconded the motion. Ms. Collins stated that she would extend the commitment an addition 30 days. Commissioner Wilkinson requested that other proposals be requested from Marine Bank and First State Bank. Mr. Sheets stated that he would at the direction of the Board. Discussion ensued concerning the fact the TIB rate has now been disclosed and is part of the public record. Discussion ensued. Chairman Bauman the requested a role call vote as follows:

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<td>Commissioner Wilkinson</td>
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<td>Chairman Bauman</td>
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The motion was approved with a vote of three in favor and one not in favor.

COMMISSIONER BROOKS MADE A MOTION TO DIRECT STAFF AND MR. MILES TO CONTACT FIRST STATE AND MARINE BANK FOR THE POSSIBILITY OF OPENING A LINE OF CREDIT FOR KLWTD. COMMISSIONER BEATY SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

C. Public Comment

Chairman Bauman asked if anyone present wished to address the Board. With no requests the meeting continued.

D. Additions, Deletions or Corrections to the Agenda

Chairman Bauman requested adding an item to discuss the MOU.

Mr. Dillon requested that a discussion of the potential deed restriction be added to the December 3, 2003 agenda and that a draft would be forthcoming from Mark Rosch and
would require action prior to its being presented as an action item on the BOCC's December 12, 2003 agenda.

Chairman Bauman requested a discussion on freezing the agenda at the end of business Wednesday prior to a meeting date.

Commissioner Brooks requested a discussion of the DCA bond issue.

Chairman Bauman noted that items F1 through F5 would be postponed until Commissioner Tobin arrives.

Commissioner Brooks requested a brief discussion concerning public notices.

Mr. Sheets suggested having the insurance agent come to the next Board meeting to present information on the errors and omissions coverage.

Chairman Bauman requested a discussion of a formal acceptance of Roberts Rules of Order.

It was the consensus of the Board to adjust the agenda as indicated above.


Commissioner Wilkinson made a motion to approve the minutes of the August 13, August 27, September 3, September 17 and October 1, 2003 KLWTD Board Meeting Minutes. Commissioner Beaty seconded the motion. All were in favor and the motion was unanimously approved.

F. Action Items

1. Presentation of Warranty Information and Secondary Treatment Process Selection
   Held until later in the meeting.
2. KLWTD Work Authorization WEC 03-01 (Amendment 1) with Weiler Engineering Corporation for the KLTV Project
   Held until later in the meeting
3. KLWTD Work Authorization WEC 03-02 (Amendment 2) with Weiler Engineering Corporation for the KLP Project
   Held until later in the meeting
4. KLWTD Work Authorization GSG 03-01 (Amendment 1) with Government Services Group, Inc. for the KLP & KLTV Projects
   Held until later in the meeting
5. The Haskell Company Change Proposal No. 1
   Held until later in the meeting
6. Resolution 2003-21 Establishing Independent District Manager, District Engineer and District Attorney Officers for the KLWTD
Commissioner Wilkinson made a motion to approve Resolution 2003-21. Commissioner Beaty seconded the motion and noted that he agrees with the resolution because each officer of the District has a fiduciary responsibility to answer directly to the Board and each other. Commissioner Brooks stated that the staff should work together and report to us. Commissioner Wilkinson stated that staff needs to talk with each other but problems must come directly to us. Mr. Weiler commented he understands he reports to the Board but the team is working on the same goal and there will be times that the team does not need to know exactly what each other is doing, but our boss is the Board. Commissioner Brooks asked each member of staff for their viewpoint. Mr. Dillon stated that it is beneficial to participate in the staff’s working group call, which is done every week with all staff reviewing issues that are coming up. Mr. Dillon, as the attorney for the Board considers the public to be his client and the Board to be the representative of the public. The resolution would not change his responsibility. He noted that a great deal of time is spent working things out together and the resolution won’t change that. Mr. Miles deferred to the general manager and as finance director he reports to him, and he notes that the Attorney works directly for the Board in most forms of government. Mr. Miles works for the manager and takes direction from him. Mr. Sweat stated that his opinion agrees with Mr. Miles and that his experience is the same as director of operations he reports to the manager, however he believes the staff has a good working team. Mr. Sheets concluded that the resolution would not change things but let there be no confusion on the point that the entire staff realizes their fiduciary responsibility. The staff must lobby, argue, discuss and debate when necessary but if the resolution gives the Board comfort then it is a for the good.

Commissioner Brooks takes comfort in knowing that the staff conducts weekly conference calls. He requested if conference call minutes are kept that they be provided to the Board. Mr. Sheets stated that a working group agenda with a section for status updates are used each week and would be forwarded to the Board when staff is sent theirs, but formal minutes are not taken. Chairman Bauman stated that the Board should be forwarded what staff already prepares. It was the consensus of the Board to have staff forward the weekly working group agenda to the Board from this time forward.

Commissioner Brooks called the question. Commissioner Wilkinson noted that the public is the KLWTD’s client. Chairman Bauman asked for any descending votes. None were cast and the motion was unanimously approved.

7. KLWTD Work Authorization WEC 04-01 with Weiler Engineering Corporation for Investigation of the Calusa Campground

Mr. Sheets stated that at the last meeting the Board verbally authorized WEC to go ahead with the Calusa Campground investigation and that the work authorization would be prepared for today’s meeting and the report completed by 12/3 but with full agenda scheduled for that date this report would be given at a later date.

Commissioner Beaty motioned to approve Work Authorization WEC 04-01. Commissioner Wilkinson seconded for discussion. Commissioner Wilkinson stated that this is the worst thing to do and considering Calusa would introduce bad flow into
the system with only 13 permanent and 376 weekend residents it will have chemicals that would make it more difficult to meet 5531 and including it will cause trouble with FEMA. He believes that the first priority is to complete the KLTV and KLP and then go back and pick up package plants, also the fee structure needs to be looked at to upgrade the Calusa Campground system. He had been told that there is a great deal of salinity in the wastewater. Commissioner Wilkinson believes that spending the $7,400 won’t accomplish much at this time and that there are other more important things to do. Discussion ensued.

The Chair acknowledged Mr. Burke Cannon who stated that the Board should look at Calusa campground on a different basis because there are about 350 permanent residents and about 90% of the RV’s do not move. Vickey Fay commented that the Board should proceed from where they started from with the locations that were planned to be sewer ed and have been presented to FEMA because they have accepted it as is. Ms. Fay has concerns with Calusa and the fact of the transient nature of Calusa could increase the cost to the KLTV residents. She asked the Board to table the action and questioned the prudence of incurring $7,700 in expenses when looking at getting a line of credit. Mr. Weiler added that we are investigating this campground at this time and not proposing hooking them up because if you don’t investigate you will have the very issues that Stock Island is facing. Commissioner Wilkinson stated this should be done when the other campgrounds and other commercial entities are reviewed.

Commissioner Brooks comments that he agrees that if we go out of the scope it may create a hurdle with FEMA, however if KLWTD does the study and decides not to do anything with Calusa would it be a bad investment on $7,500 when we don’t have the money. Mr. Weiler stated that by law when the sewage line runs in front of a property they have to hook up and this investigation could avoid the Stock Island problems because Calusa would be informed of what would be required and we would coordinated with them. Calusa is being looked at because it is in the midpoint between the two projects. Commissioner Brooks asked how far the closest sewer-pipe was to Calusa. Mr. Weiler stated that if a commercial entity is within 50 feet of the right-of-way must hook up and for residential it is at the property line. Commissioner Wilkinson requested seeing the ordinance.

Mr. Sheets stated this is a good discussion to help Mr. Weiler modify the scope if necessary or to tell him to stop, however the Board did authorize him to begin at the last meeting, if the Board has reconsidered they must direct him to cease work and send an invoice.

Chairman Bauman comments he will go with the guy who has been in the war, and WEC has been involved in the war in Stock Island. He believes the investigation would potentially identify future customers as to what sewer is going to cost so they cannot claim they weren’t told.

With no further discussion Chairman Bauman requested a roll call vote, which was as follows:

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<td>Commissioner Brooks</td>
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Motion fails due to a tie.

The manager requested that Mr. Weiler submit a final bill. Mr. Weiler stated that he preferred to keep track of the time spent and retain the information gathered to date for future use. He believes there will be a point in time when this must be done and he will submit the bill at that time.

8. Payments Pending List for November 11, 2003

Commissioner Beaty comments that he was overpaid for October and requested Mr. Miles to deduct the amount from his November check.

Commissioner Brooks made a motion to approve the Payments Pending list for November 11, 2003. Commissioner Wilkinson seconded for discussion.

Commissioner Wilkinson requested a balance sheet and income statement to be provided with future bill lists. Mr. Miles stated that a revenue and expense sheet is an income statement just called a different name and in FY2004 he would provide these documents every month along with the trial balance. Discussion ensued.

Commissioner Tobin arrived at 6:10 p.m.

Chairman Bauman called for a vote. Commissioners Beaty, Brooks, Wilkinson and Chairman Bauman were in favor. Commissioner Tobin abstained from voting due to his late arrival.

Chairman Bauman called a recess at 6:10 P.M.
Chairman Bauman reconvened to meeting at 6:20 P.M.

Chairman Bauman requested that the Work Authorization WEC 04-01 concerning investigating the Calusa Campground for possible connection be reconsidered at the December 3, 2003 meeting due to the tie vote in the absence of Commissioner Tobin.

9. Action on the TIB Bank Line of Credit Request

SEE ABOVE

G. General Manager’s Report

1. Status Report on the FEMA Environmental Assessment
   a. Low and Very-low Income Assistance Program
   b. Site Mitigation

Mr. Sheets stated that his item G-1 was covered in the conference call with Ms. Kilner that had been done earlier in the meeting.
Mr. Dillon reviewed his memo of November 18 stated that the same warranty had been forwarded to Fluidyne and Randazza and Purestream. One question is opened, if there would be any performance security. Mr. Dillon is not sure if Fluidyne is going to provide it. Purestream would consider providing it. Purestream and Randazza stated they would provide the warranty for 24 months from the date of acceptance and that they would fix anything that would fail to work. Unresolved issue and concerns are paragraph 5 concerning the acceptance date.

Commissioner Tobin made the following comments and suggestions: performance standards to be attached to the warranty or typed in so all know what the performance standards are and define if Fluidyne or Haskell are warranting. Mr. Kinsley stated that concerning performance the standard procedure is to have the full performance bonds and regarding the warranty period that Haskell carries the one-year unconditional and the additional 12 months are from Fluidyne the manufacture. Commissioner Tobin question if the warranty was between the District and Fluidyne. Mr. Dillon and Mr. Kinsley confirmed that it was. Commissioner Tobin asked if the full payment performance bond as required from Fluidyne is standard in the business. Mr. Kinsley answered in the affirmative. Commissioner Tobin asked if a full payment and performance bond is in the amount of the contract. Mr. Kinsley stated that it is equal to the contract value. Mr. Dillon stated that the District should be named along with Haskell on the bonds. Mr. Kinsley stated that it would be worked out and is better than a hold back provision. Mr. Dillon and Commissioner Tobin would like performance standards attached to the warranty and have it stated who is giving the promise, also the addition of whom the performance and payment bond is for.

Commissioner Brooks stated that discussion has been focused on Fluidyne and he questioned if the Randazza warranty should be addressed. He asked Mr. Espat if he is in agreement with the bond issues. Mr. Espat stated that he would work with Mr. Dillon on the issues. Mr. Kinsley stated that Haskell would require the same bonds from Purestream as Fluidyne.

Commissioner Brooks wants the standards 5531 stated in the warranties and during the process the discussion concerning support and service has focused on Fluidyne providing support long distance and Randazza locally and pledging 5 years support along with operator training and that Fluidyne would only offer training at the District’s expense. Mr. Kinsley stated that Haskell would train for 30 days. Commissioner Brooks is concerned about operator turn over. Mr. Kinsley stated that TSC Jacobs is service oriented and he is in south Florida. Discussion ensued on operations and technical concerns and redundancy in the system. Commissioner Brooks wants the warranty to have the specific verbiage that it would meet the DEP permit requirements and a guarantee in the warranty that the redundancy will be met.

Chairman Bauman asked if these concerns are a design issue or a warranty issue. Mr. Kinsley and Mr. Oppenheim stated that they are more of a design issue. Mr. Kinsley stated that the issue could be rolled into the warranty but the KLWTD is protected in the contract and that the contract states that all governing requirements must be met including the FDEP. Chairman Bauman asked if Haskell would put it in the warranty. Mr. Kinsley stated that they would.
Commissioner Brooks asked Mr. Kinsley about the design phases and the approval process. Discussion ensued. Chairman Bauman asked if the discussion had anything to do with the warranty issue. Commissioner Brooks was questioning Fluidyne's D & B report. Mr. Dillon stated that in references to the law suites anyone can allege anything and it may or may not be true. Assessing the creditworthiness of the contractors is the bonding company's responsibility and if the contractor can get a bond it should end the discussion. A bonding company generally does not give bonds without a proven track record. Mr. Dillon stated that the Board shouldn't put undue emphasis on the report and the Mr. Miles had reviewed the D & B.

Mr. Sweat stated that after having been responsible for 200 plants in his career he believes that a typical one-year warranty is sufficient. However, if the KLWTD is getting more assurance this is a good thing. Chairman Bauman asked if something breaks 10 years from now is there a contract or warranty that would cover this. Mr. Sweat stated that he has never had to have a manufacturer back after the warranty period.

Chairman Bauman asked for a recommendation from the manager. Mr. Sheets stated that after final warranties are secured the item should be brought back for action and selection of a process. Commissioner Tobin believes that what Fluidyne represented should be reduced to writing on support. Discussion ensued. Chairman Bauman stated that from the last meeting if the warranty is good enough then it looks like it is going to be SBR. Mr. Sheets suggested that if no more issues of technology arise and the warranty is in place then action should be taken on December 3, 2003.

Chairman Bauman requested a motion to select a secondary treatment process. Commissioner Wilkinson made a motion to select SBR technology adding that if Haskell makes a plant that works the operator can make it fail. Commissioner Beaty asked the Chairman for clarification on the action taken at the last meeting. Commissioner Tobin stated that he is not prepared to vote until the warranty and service issues are resolved. The motion failed due to lack of a second.

Commissioner Wilkinson stated that he was concerned with the continuing discussion and he fears if a technology is not selected prior to 12/3/03 the FEMA hearing could be postponed. He believes that the process is stalling. Further discussion ensued concerning warranty and service issues.

GENERAL MANAGER'S OTHER ITEM:

Mr. Sheets stated that emails between the manager and board members had prompted his additional item. Mr. Sheets stated that GSG contracted with the KLWTD with full knowledge of the challenge and frustration of helping a new Board to get up and running. However, to be effective the manager needs the trust of the full Board an it is obvious that we do not have that trust and coupled with the fact that the Board members would like to see local representation for the District he would like to prepare and present a transition plan. Mr. Sheets recommends the Board consider appointing a team for the transition plan development. He suggest it be Mr. Sheets, Mr. Dillon and
one board member and suggested Cris Beaty because of his connection with the local business community.

Commissioner Wilkinson stated that he is concerned that the Board may not find local talent at the salaries they would be able to pay. He suggested finding a well-experienced clerk to work as an interim manager. Commissioner Wilkinson believes finding someone who would deal with FEMA, FDEP, SWFWMD and the other government agencies is imperative. Commissioner Wilkinson stated that to act on a management transition at this point would be premature. Mr. Sheets stated that GSG would provide support to the KLWTD during and after the transition. Commissioner Wilkinson stated that an inspector, a vehicle and an office need to be considered and that a publicly noticed workshop should be scheduled to work on this issue and take public input.

Chairman Bauman requested that Mr. Sheets along with Mr. Dillon lay out options for the Board to consider. Mr. Sheets stated that any plan should be the meat from the guidance the Board gives us the Board would set the standard and expectations for the transition.

Commissioner Tobin stated that Mr. Sheets had suggested that Danny Kohlage via Monroe County might help administer the grants and with five CPAs in house he would help were finances are a concern. The transition idea is a sound one if it happens in 30, 90 or 180 days because we can not continue having GSG putting in a tremendous number of hours of time and resources and a some hours may be better spent not traveling to the keys. Commissioner Tobin would like a preliminary discussion and he has no problem with Cris meeting with Robert and Tom and bringing back a plan in 30 days. Then a scheduled workshop to kick around the ideas should follow.

Commissioner Brooks stated that again Mr. Sheets was eloquent during a difficult situation. He believes that from GSG's perspective not having the confidence of all members is not comfortable for him and in the light of that, he can see that the discussion of a possible transition is a good thing because if we continued to operate with the lack of confidence we could possibly have a sudden crash and everyone would get hurt, egos, reputations and community resources. Commissioner Brooks stated that the transition is a good idea and there should be a limit on the time frame part of that workshop should be to discuss when is the best time to do it. Commissioner Brooks believes a workshop should be held before every meeting, if we tried it we might get through the work a lot faster and workout how the Board members interacts and how the manger and staff interacts with the Board.

Commissioner Beaty stated that a transition is inevitable as it was with the legal services. However, his immediate concern is grant administration and making sure the projects don’t stall out. He believes that to keep them moving forward GSG and Mr. Sheets through his guidance has accomplished a great deal in the past year and he doesn’t want to loose touch or loose time. He concluded that exploring a transition and bringing back recommendations is in order. Commissioner Beaty accepted the Boards appointment to the transition team and welcomed the opportunity to work with Mr. Sheets and Mr. Dillon.
Chairman Bauman stated that he believes GSG does a great job as does the entire staff. He does not want to see GSG go but the KLWTE needs to look at a full time manager. He directed Mr. Sheets come back in 30 days with a plan of how the process should work and recommended options with costs that are within the budget.

Mr. Sheets stated that concerning the staff working group agenda the agenda used would be made available to all via email.

Key Largo resident Burke Cannon stated that after watching all the members at several meeting he cautions that the same personality would remain after a transition and that point should be considered.

Commissioner Wilkinson stated that most trouble stems from inconsistent communications and that all emails should be documented and all members kept informed.

Commissioner Tobin requested that Commissioner Item K-1 being pulled from the agenda. Chairman Bauman pulled the item.

F. Action Items

2. KLWTD Work Authorization WEC 03-01 (Amendment 1) with Weiler Engineering Corporation for the KLTV Project

Mr. Sheets stated items 2, 3, 4 are the same as previously presented and that the hours have been pulled from the Weiler scope and placed in the GSG scope for inspections services and adding the provision monthly time sheets would be submitted with the invoices.

Commissioner Wilkinson made a motion to approve KLWTD Work Authorization WEC 03-01 Am. No. 1. Commissioner Beaty seconded the motion for discussion. Commissioner Tobin has major concerns with F2, F3 and F4. His discussions with Mr. Sheets resulted in a difference of opinion concerning flat fee or fixed payment options. Commissioner Tobin gave copies of emails to the Board that stated agreement that GSG had a fixed payment and not a flat fee. But in light of the impending transition it is a mistake to further increase a flat fee it doesn’t make sense and prices were quoted. There has not been inspections and for us to add another $2,000 a month when getting back a credit may not be an option is not prudent. There is no point to amend the GSG or WEC contracts. He stated that having a local person clerk and provide some management services locally would be better than paying the flat fee. GSG’s invoices are not broken down and it is not a good idea to decrease Weiler and increase GSG it sends the wrong message. Discussion ensued on the difference between a flat fee and fixed payment options.

It was noted that Mr. Fishburn would do work in the park and will help identify owners and vacant/buildable lots and help with design review and input and he reminded the
Board they don’t pay him GSG is paying him. Mr. Sheets noted that GSG fees are reimbursable to the grants.

Mr. sheets apologized for the confusion with Andy and holds himself responsible for it. Mr. Sheets stated that administrative costs are capitalized and the GSG would not expect the KLWTD to use the line of credit to pay GSG invoices.

Commissioner Brooks called the question. Chairman Bauman requested a roll call vote.

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The motion was approved.

F.3. KLWTD Work Authorization WEC 03-02 (Amendment 2) with Weiler Engineering Corporation for the KLP Project

F.4. KLWTD Work Authorization GSG 03-01 (Amendment 1) with Government Services Group, Inc. for the KLP & KLTV Projects

Commissioner Beaty made a motion to approve items F3 KLWTD Work Authorization WEC 03-02 (Amendment 2) with Weiler Engineering Corporation for the KLP Project and F4 KLWTD Work Authorization GSG 03-01 (Amendment 1) with Government Services Group, Inc. for the KLP & KLTV Projects. Commissioner Brooks seconded for discussion. Commissioner Wilkinson stated the items should be considered separately and that he agrees with the GSG item. Commissioner Tobin stated that he has the same concerns with the GSG item. Discussion ensued on flat fee and fixed payment and the amount of increase in cost to each GSG, WEC and KLWTD. Chairman Bauman noted that the confusion could be eliminated if GSG begins to charge on a time and materials basis, which would greatly increase the cost to the KLWTD. Commissioner Tobin stated again that action on these items at this time does not make sense.

In light of the discussion Commissioner Beaty withdrew his motion and Commissioner Brooks withdrew his second.

In light of the discussion Commissioner Wilkinson Made a motion to reconsider item F2 after the transition plan is considered. Commissioner Brooks seconded the motion to reconsider item F2 and Jeff Weiler gave his consent. The motion carried to reconsider item F2 KLWTD Work Authorization WEC 03-01 (Amendment 1) with Weiler Engineering Corporation for the KLTV Project at a later time and the previous motion concerning it F2 was rescinded.

F.5. The Haskell Company Change Proposal No. 1
Commissioner Wilkinson made a motion to approve the Haskell Company Change Proposal No. 1. Commissioner Beaty seconded the motion. Mr. Kinsley stated that the proposal includes submitting 30% and 90% drawing to save time. Mr. Oppenheim stated the 30% would be more like 60% drawings. These would be for the KLTV they are still waiting for direction to begin the KLP. Mr. Dillon noted that the change proposal does not include Sunset Waterways or a time line as requested. Mr. Kinsley stated that it would be amended to include a time line and Sunset Waterways design. Commissioner Beaty called the question. With no further discussion Chairman Bauman called for a vote. The motion was unanimously approved.

H. Legal Counsel’s Report

H. 1. Status Report on the FKAA Memorandum of Understanding

Mr. Dillon presented the FKAA Memorandum of Understanding for consideration by the Board. Commissioner Brooks made a motion to approve item H1. Commissioner Tobin seconded the motion. Commissioner Tobin suggested the document be attached and be part of the FEMA grant document. Mr. Dillon stated that with the Board’s approval the document could be forwarded to the FKAA for consideration at its meeting tomorrow. Mr. Dillon will draft a cover letter for the Chairman’s signature. With no further discussion, all were in favor and the item was unanimously approved.

I. Engineer’s Report

1. 30%, 60%, 90% Drawing Discussion

Mr. Castle and Mr. Kinsley stated that this item was covered during previous discussions.

J. Commissioner’s Items

1. Discussion of:

   a) Whether it is a conflict of interest for the Manager to accept employment on behalf of Monroe County in sewer related matters; and

   b) Whether the Board should exercise its right to terminate the Manager based on a conflict of interest in representing both KLWTD and Monroe County.

Commissioner Tobin had withdrawn this item from the agenda with the approval of the Chairman and Board members.
2. Discussion of enacting a resolution to facilitate and encourage efficient and effective communications between the Board and General Manager – Commissioner Tobin

Mr. Dillon stated that he had reviewed the draft resolution that was distributed for consideration. The staff was directed to formalize the resolution and place it for action on the December 3, 2003 agenda.

Commissioner Brooks discussed a letter from DCA concerning issuing bonds for sewer infrastructure. Discussion ensued.

Commissioner Brooks stated that the public notices running in the local paper looks good but the agenda should be available 48 hours in advance and he suggests that it be available at the library. Staff was directed to forward a copy of the complete agenda book to the Key Largo Public Library.

Commissioner Wilkinson stated that changing the meeting dates to Tuesday or Thursday should be considered and also consider starting them at 5:00 p.m.

K. Meeting Adjournment

Chairman Bauman adjourned the meeting at 9:45 p.m.