

MINUTES

Key Largo Wastewater Treatment District (KLWTD) Board of Commissioner's Meeting

December 1, 2004, 5:00 PM
Key Largo Civic Club, 209 Ocean Bay Drive

The KLWTD Board of Commissioners met for a regular meeting on December 1 2004 at 5:10 PM. Present were Chairman Charles Brooks, Commissioners, Andrew Tobin, Claude Bullock, and Glenn Patton. Also present were General Manager Charles Fishburn, Board Clerk Carol Simpkins, District Counsel Thomas Dillon, Financial Officer Martin Waits, and all appropriate District staff.

Chairman Charles Brooks led the Pledge of Allegiance.

ADDITIONS/DELETIONS TO THE AGENDA.

Chairman Brooks requested that three items be added under Commissioners Comments; a discussion of the \$20 million dollar bond issue, the KLTV Association Meeting on December 4, 2004, and the staff trip to the West Coast on December 6, 2004. It was requested that the following items be tabled until the December 15, 2004 meeting; the discussion of the possibility of retaining an attorney with expertise in utility and rate setting, discussion of connection and rate fees, choosing a KLWTD Logo, the discussion of bank signature authority requirements and the resolution designating authorized signatories. The Roevac Purchase Order item was moved up to after the Financial Officer's Report.

Motion: **Commissioner Patton made a motion to approve the agenda as amended.
The motion was seconded by Commissioner Bullock.**

Vote on motion:

Board Member	Yes	No	Other
Commissioner Gary Bauman			Absent
Commissioner Claude Bullock	X		
Commissioner Glenn Patton	X		
Commissioner Andrew Tobin	X		
Chairman Charles Brooks	X		

Motion passed 4 to 0

MINUTES

Motion: **Commissioner Patton made a motion to approve the minutes of November 17, 2004. The motion was seconded by Commissioner Bullock.**

Vote on motion:

Board Member	Yes	No	Other
Commissioner Gary Bauman			Absent
Commissioner Claude Bullock	X		
Commissioner Glenn Patton	X		
Commissioner Andrew Tobin	X		
Chairman Charles Brooks	X		

Motion passed 4 to 0

PUBLIC COMMENT: The following persons addressed the Commission: Steve Gibbs of Key Largo asked why Commissioner Bauman was not present. He was informed that Commissioner Bauman was on vacation.

CHIEF FINANCIAL OFFICERS REPORT

Pending Payments

Financial Officer Martin Waits presented the pending payments schedule for December 1, 2004.

Motion: **Commissioner Patton made a motion to approve the pending payments list subject to the availability of the funds for December 1, 2004. Commissioner Bullock made the second.**

Vote on motion:

Board Member	Yes	No	Other
Commissioner Gary Bauman			Absent
Commissioner Claude Bullock	X		
Commissioner Glenn Patton	X		
Commissioner Andrew Tobin	X		
Chairman Charles Brooks	X		

Motion passed 4 to 0

Resolution for designating bank account signatories.
The resolution was tabled until the December 15, 2004 meeting.

Motion: **Commissioner Tobin made a motion to appoint Chairman Charles Brooks, Vice Chairman Gary Bauman and Secretary-Treasurer Andrew Tobin and signatories on the bank accounts for KLWTD. The motion was seconded by Commissioner Patton.**

Vote on motion:

Board Member	Yes	No	Other
Commissioner Gary Bauman			Absent
Commissioner Claude Bullock	X		
Commissioner Glenn Patton	X		
Commissioner Andrew Tobin	X		
Chairman Charles Brooks	X		

Motion passed 4 to 0

Key Largo Park and Key Largo Trailer Village Funding Status Report

Financial Officer Martin Waits presented the status funding reports to the Commission. \$775,000 is the amount that is left in the fund that can be shifted from either project in either the Key Largo Trailer Village or the Key Largo Park.

ROEVAC PURCHASE ORDER A discussion ensued on the problems that Roevac has been having and the pros and cons of going with another supplier. Representatives were present from Roevac and Airvac. Please see attached Court Reporter Minutes.

MOTION: Commissioner Tobin made a motion to table the Roevac Purchase order. Motion died due to a lack of a second.

The Board directed Haskell to determine the feasibility of converting to Airvac and the cost. The Board also directed Haskell to come back with the prices for both systems and the willingness of Roevac and Airvac to accept the current language in the Rotegen Pittsburgh Purchase Order.

Mr. Castle requested clarification on the point that the Board is not directing that the pipe laying be stopped. Chairman Brooks stated that the Board did not request the Contractor to stop laying pipe during the next two weeks.

ENGINEERS REPORT

Ed Castle, District Engineer presented his monthly report on the Key Largo Park, Key Largo Trailer Village, Key Largo Trailer Village Treatment Plant, Lake Surprise Project, Haskell Pay Applications, Regulatory Compliance Issues and Project Team Meetings and Actions.

The Lake Surprise RFQ will be presented to the Board with an executive summary in early January. Mr. Castle emailed the Army Corp of Engineers the aerials of the Island of Key Largo but has not provided the pump station locations yet.

Mr. Castle explained that the Wastewater Treatment Plant can not be worked on until the permit for it is obtained but the vacuum station and the administrative building can be worked on. The Plant permit should be obtained in about two months.

GENERAL MANAGER'S REPORT

Setting of Regular Meeting Dates

Motion: **Commissioner Tobin made a motion to set the first and third Wednesdays of each month as the official meeting dates.**
Commissioner Bullock made the second.

Vote on motion:

Board Member	Yes	No	Other
Commissioner Gary Bauman			Absent
Commissioner Claude Bullock	X		
Commissioner Glenn Patton	X		
Commissioner Andrew Tobin	X		
Chairman Charles Brooks	X		

Motion passed 4 to 0

KLWTD Project Change Order

Motion: **Commissioner Tobin made a motion to approved Change Order No. 5, \$7,182 for additional site clearing at the Treatment Plant Site.**
Commissioner Bullock made the second.

Vote on motion:

Board Member	Yes	No	Other
Commissioner Gary Bauman			Absent
Commissioner Glenn Patton	X		

Commissioner Andrew Tobin	X		
Chairman Charles Brooks	X		

Motion passed 4 to 0

KLTV Project Wastewater Treatment Plant Soil Analysis

Commission Tobin made the following recommendations:

1. That the report be made only to the Key Largo Wastewater Treatment District
2. That there be four copies provided
3. That a solution to the problem be proposed.

Motion: **Commissioner Tobin made a motion to approve the BTEX Engineering Inc. proposal for Soil & Groundwater sampling at MM 100.5, the Treatment Plant Site at a cost of \$4,383.50. Commissioner Bullock made the second.**

Vote on motion:

Board Member	Yes	No	Other
Commissioner Gary Bauman			Absent
Commissioner Claude Bullock	X		
Commissioner Glenn Patton	X		
Commissioner Andrew Tobin	X		
Chairman Charles Brooks	X		

Motion passed 4 to 0

Key Largo Park

General Manager Charles Fishburn reported that the District has not received a response from D.N. Higgins concerning the Notice to Proceed for the KLP. Staff will bring a recommendation to the next meeting concerning a contractor for the Key Largo Park.

District Counsel Thomas Dillon asked the Board if they would like to make the decision on the recommendation of the termination of the contract with D.N. Higgins. The Board, by consensus, agreed that they want the decision of termination to be theirs not the General Manager's.

Commissioner Tobin recommended that staff explore the possibility of a mutual termination of contract.

COMMISSIONER COMMENTS

Commissioner Patton passed out information on rates for the Board to review before the next meeting.

Commissioner Patton stated that there are samples up on the website and asked the Commissioners to review the site.

The Board directed General Manager Charles Fishburn to provide Nabors, Giblin & Nickerson, P.A. with the information they are requiring for the Unincorporated Monroe County Utility Financing Plan. After discussion by the Board District Counsel Thomas Dillon stated that he has two legal concerns. One is that if the District is meeting with the Bond Counsel and FKAA that the meetings be properly noticed to avoid any problem with the Sunshine Law. The second concern is that Nabors, Giblin & Nickerson is looking for revenues. He stated that the more the District talks to them about revenues the more likely it would be that the District could end up pledging the District's revenues to secure the bonds. He thinks that the information should be focused on what is needed for capital projects to build out the Island of Key Largo. The District should be very careful about giving out projections concerning what the District's cost will be, net income, and what the revenues will be. It is suppose to be an infrastructure bond and he does not want to see it become a KLWTD revenue bond that the Board did not think they were doing until the last minute. The Board by consensus directed Commissioner Bullock to attend the meeting.

The Board directed General Manager Charles Fishburn and Commissioner Glenn Patton to represent them at the Key Largo Trailer Village Association meeting on December 4, 2004.

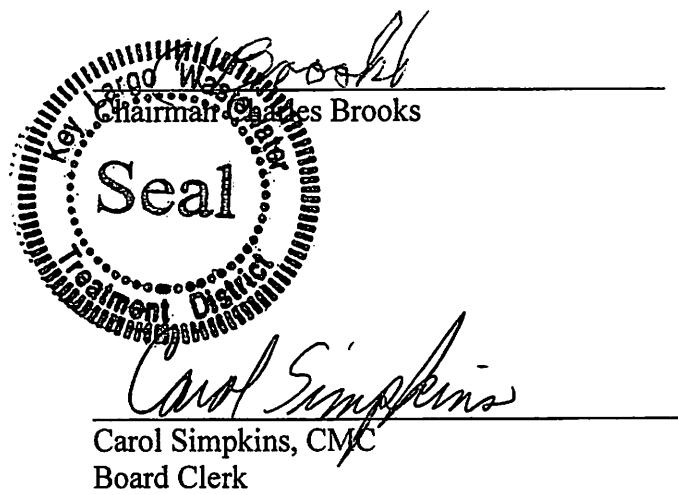
The Board appointed Commissioner Claude Bullock to accompany staff to the West Coast of Florida on a fact finding trip to various wastewater facilities.

ADJOURNMENT

After a motion by Commissioner Glenn Patton and seconded by Commissioner Bullock to adjourn the meeting adjourned at 9:40 PM.

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The KLWTD minutes of December 1, 2004 were approved on December 15, 2004.



**KEY LARGO WASTEWATER TREATMENT DISTRICT BOARD OF
COMMISSIONERS MEETING**

Tab 12 Rœvac Purchase Order

APPEARANCES:

CHARLES BROOKS, Chairman
ANDREW TOBIN, Secretary-Treasurer
GLENN PATTON, Commissioner
CLAUDE BULLOCK, Commissioner
CHARLES F. FISHBURN, General Manager
THOMAS DILLON, District Counsel
CAROL SIMPKINS, Board Clerk

Key Largo Civic Club
209 Ocean Bay Drive
Key Largo, FL
December 1, 2004, Wednesday
5:30 - 7:45 p.m.

1 MR. BROOKS: Now we're going to tab 12.

2 MR. FISHBURN: Yes.

3 MR. BROOKS: So we got you in place, we are going
4 to have the parties who are going to speak on this issue
5 come to the microphone. My understanding is we have a
6 court reporter here. It will be necessary for you to
7 give your name and who you are representing when you
8 speak, each and every time you speak, and by this
9 microphone so we can also get it on our audio recording.
10 In that sense I was going to have you all stand up but I
11 think you will be introducing yourself as you go through
12 this process. So I need three speaking parties, I
13 guess, if that is it, here in these three center chairs
14 and any other peripheral parties on the side chairs. If
15 you can do that for us.

16 MR. KINSLEY: It looks like it is just me Charlie.

17 MR. BROOKS: You have been in the hot seat before.

18 MR. KINSLEY: Yeah, these shoulders are broad.

19 MR. BROOKS: Okay. Since it is just --

20 MR. KINSLEY: Pete Kinsley with the Haskell
21 Company. I guess I'm going to kick off and then
22 we'll -- other people will talk a little bit.

23 MR. BROOKS: Let me hold back. Did you want to
24 start this off?

25 MR. FISHMAN: No, I was going to introduce him. I

1 would like him, before he starts, to introduce who he
2 has here. We have two new board members. They get
3 confused by Higgins and Haskell and who does what.

4 MR. KINSLEY: I understand.

5 MR. BROOKS: I guess we could go around the room
6 with who is in the audience. We know who is with
7 Haskell.

8 MR. FISHBURN: I would rather that Pete and his
9 group, I think he should identify who they are and what
10 their function is.

11 MR. BROOKS: Fine. Let's do it that way.

12 MR. KINSLEY: Well, the purpose that we came here
13 tonight was to discuss the Roevac issue because there
14 has been a change within Roevac that, I believe,
15 everyone is familiar with the change or at least at the
16 10,000 fill nation level. There has been kind of a
17 period of silence which has created some uncertainty and
18 some confusion I think which should be addressed. So I
19 wanted to come tonight and kind of walk through what
20 occurred so we can come to the understanding based on
21 what I believe what actually happened so there is no
22 misunderstanding and then talk about the actions that
23 has occurred since then and the direction that the
24 Haskell Company would like to go.

25 And then I brought kind of a supporting cast of

1 characters, so it's not just my letter and stuff and not
2 just my words, that the board can actually speak to the
3 source. I will walk around the room quickly and then
4 I'll go back. Everyone knows me -- well at least not
5 the two board members. Pete Kinsley, Haskell Company.
6 I oversee our water division and serving the roll of
7 project director on this job responsible from design to
8 start-up. So I'm your guy.

9 Everyone knows Walt, or most everyone knows Walt
10 Messer with DN Higgins. That was our teammate through
11 the life of the project. For our new board members that
12 was utility contractor from day one with our proposed --
13 just so, schematics, just so that you understand the way
14 the project has been scoped, the actual purchase of the
15 vacuum collection system equipment is, actually falls
16 within DN Higgins' portion of the project and their
17 subcontract agreement with the Haskell Company. Just
18 for schematics.

19 Everybody knows Will, the project manager with the
20 Haskell Company. Sitting here, most people are
21 familiar, this is Joe Paterniti. Joe Paterniti is the
22 designer with Brown & Caldwell who designed the
23 collection system. So he is one of the, the project
24 principals with Brown & Caldwell specific to the
25 collection system. So this is his bailiwick. Sitting

1 next to Joe, this is Jim Docherty. Jim Docherty is with
2 Roediger Germany. There is a long German name. I'm
3 going to call them Roediger Germany for my benefit.
4 He's a design engineer with Roediger Germany who worked
5 out of Roediger Pittsburg's office before, before the
6 divorce if you will. And the significance of Jim is
7 that, is that he is the designer with Roediger that Joe
8 worked with from day one on the project. So although we
9 were dealing with Roediger Pittsburg, the design piece
10 within Roediger Pittsburg was a full time Roediger
11 Germany employee who is still Roediger Germany in the
12 United States. So Jim is a significant piece.

13 Then we have Tom Evans who most people know. Tom
14 Evans is an equipment representative who represents the
15 Roediger account, local in the area. And the piece that
16 is significant about Tom, outside of his direct support,
17 the field service person falls within Tom Evans'
18 organization. The quote, missing onsite rep, that we
19 haven't had from day one is Tom's employee. Once we
20 have resolution that will then begin as is required.

21 So that's the cast of characters that we have
22 here. What I'd like to do is I would like to just walk
23 through really what happened. And when I describe what
24 happened I don't know the specifics between Roediger of
25 Pittsburg and I don't know the specifics of Roediger

1 Germany and quite honestly not all that concerned about
2 them. But it certainly created some concern on all of
3 our parts during this period of silence and that's what
4 we need to talk about.

5 Roediger Pittsburg -- and Jim and Tom stop me if
6 my understanding is incorrect. But Roediger Pittsburg
7 essentially had the rights to sell and market the
8 Roediger equipment in the United States. And so that is
9 who was marketing that product in America and that is
10 who we were going to be dealing with on that project, or
11 this particular project. Well subsequent to us kind of
12 negotiating with them and pressing on with Roediger
13 Pittsburg, Roediger Germany and Roediger Pittsburg have
14 parted ways. I don't know why, once again I don't care,
15 but there was something contractually amongst these two
16 organizations. They are no longer working together and
17 Roediger Pittsburg is gone.

18 The first observation I would like to make to you,
19 because this is a newly formed board and hasn't been
20 doing utility work for a terribly long time as of yet,
21 changes in manufacturer representation is really part of
22 our business, it happens. Now I know it's the silence I
23 think is what created the greatest uncertainty in this
24 particular case. But I can name two people that I've
25 worked with and I know that used to be with one company

1 repping equipment that then leave and sometimes they
2 take the line with them, sometimes the line stays with
3 the company. So it's not typical but it's not
4 absolutely unusual and unheard of. I mean this is part
5 of business that companies, that rep manufacturers
6 change. That is really what we have here. We have a
7 situation where Roediger Pittsburg had the rights to
8 Roediger Germany in America and they have gone away. So
9 what's really important is, that this seems kind of
10 scary, it happens in our business. It's happened to me
11 on a few occasions. I won't say every project. I won't
12 say numerous. But it happens. So it's not something
13 that we can't deal with.

14 Typically the way a contractor deals with a
15 circumstance like that, there is really kind of two
16 approaches. One is you wait and see who the
17 manufacturer then selects and their new rep. You kind
18 of play the waiting game and Roediger or whoever will be
19 running around seeking out some type of new structure,
20 new representation so you can kind of wait at times to
21 find out who the new representative is. Or what I have
22 done more in the past because in the pace of these
23 projects you usually can't wait, you call the
24 manufacturer direct and say you are having a problem
25 with your representative, you are sorting through that,

1 let me deal with you on this project direct. Some
2 manufacturers don't particularly care to do that because
3 they feel really a loyalty to their representatives.
4 They make money off selling their product. Sometimes
5 manufacturers don't particularly care to deal with
6 contractors direct. They think they are trying to side
7 cut their sales people and their sales force. Others
8 will be receptive.

9 So in this particular case, you know, one we had
10 the Roediger Pittsburg and Roediger Germany, there was
11 weeks where honestly I didn't really know what was going
12 on. I will just tell you that. It was a waiting period
13 because no one was talking. I think this was basically
14 driven by the legal counsel from Roediger Germany and
15 the legal counsel from Roediger Pittsburg saying don't
16 tell anybody anything until we get our divorce
17 settlement, you know, resolved. Some of the early
18 conversations that I think that Chuck and I actually
19 spoke about, it appears that Roediger Pittsburg was
20 going to retain rights to this job as part of their
21 divorce settlement. That they were going to -- we are
22 no longer representing Roediger Germany but we are
23 keeping these three projects that we've invested time
24 and efforts on. And I was honestly concerned about
25 that. I didn't like that scenario at all because it's a

1 short-term investment. And so in the back of my mind,
2 in fact I had this discussion with Roediger Pittsburg
3 during this period of silence, I said well just because
4 Roediger Germany or just because Roediger Germany or
5 Roediger Pittsburg elected this Roediger Pittsburg's
6 project, that doesn't mean we elected this Roediger
7 Pittsburg's project, you know. You can't hold us
8 hostage as a customer. Because that kind of, that
9 arrangement I thought would be problematic particularly
10 for long term being a client. So I was actually very
11 relieved after these couple weeks, few weeks of silence
12 went by and apparently the dust settled amongst Roediger
13 Pittsburg and Roediger Germany and immediately when it
14 did Jim Docherty then got very active, which was,
15 Roediger Germany has been from day one, listen we got it
16 resolved, we are going to do the project. You know, you
17 are dealing with, directly with the manufacturer and we
18 are ready to give you service, as they have been from
19 day one. Jim Docherty has invested probably, I think
20 you told me 800 man hours on the design of this project
21 throughout the life of it and obviously doesn't have a
22 contract yet. So he's made a significant investment in
23 the project just based on being selected months ago.

24 Anyway not common but not unheard of in our
25 business, changing manufacturers. So don't let it be as

1 scary as it may seem. And then the fact that it has
2 gone to the manufacturer direct is really a positive,
3 what I wanted to have occur, we are now going to get the
4 support of the corporate office. So that being said, we
5 had to look at it from our perspective and what are my
6 concerns being the Haskell Company and DN Higgins
7 because we got to obviously address our concerns.

8 There really were three key concerns and if you
9 had a chance to read the letter I kind of hit them on
10 bullet points. But the first one and most obvious, can
11 we get our equipment? There is an equipment supplier
12 and can we get our equipment in a timely manner? That
13 was one concern. And we've got assurances from Roediger
14 that we are going to get our equipment. If we look at a
15 vacuum system, I won't belabor this, but the valves, if
16 this was Roediger Pittsburg and none of this had
17 happened, the actual valves inside the chamber would
18 have come from Roediger Germany. That is the same as we
19 sit here today. They are now coming from Roediger
20 Germany. The actual vacuum pump station equipment is a
21 steel tank with blower pumps and its effluent sewage
22 pumps which Roediger Pittsburg and Roediger Germany
23 they don't fabricate those, they purchase them from
24 blower manufacturers, pump manufacturers and tank
25 manufacturers. So that's going to be purchased from

1 outside companies, no different from whether it was
2 Roediger Pittsburg or Roediger Germany.

3 The last item is the actual chambers, the housing
4 of all this equipment. And that's where there is a
5 difference. Roediger Pittsburg who they were going to
6 have manufacture their chambers is different than who
7 Roediger Germany is utilizing, both of which are
8 companies in the states but they are different. So that
9 would be the one change. Still outside company but a
10 different outside company.

11 So I am comfortable, I got comfortable with the
12 fact we get our materials. Six to ten weeks on pits,
13 twelve to sixteen weeks on the vacuum pump station
14 which really we could use pits today but you are not
15 going to get them any quicker than anybody else. So
16 that meets the schedule as good as we can do.

17 The next issue that was important to me, which is
18 critically important, is that we get proper
19 engineering/technical support from the manufacturer.
20 And that's, that's -- I'll give you an example. We have
21 got a situation out in the field as we speak today that
22 we've got a waterline that's kind of impeding a vacuum
23 line and we are actually having to look at that, figure
24 out the right solution. Those are circumstances that
25 you need to have the manufacturer assist you with.

1 And so going back to what I described to you
2 earlier Jim Docherty is with Roediger Germany, has
3 always went with Roediger Germany, he's the guy that we
4 started designing this thing, I don't know how many
5 months ago, and he's still the guy. Jim was out on site
6 looking at and we are resolving that problem. So I feel
7 very comfortable with the engineering support that we
8 need. It's really intact. It's the same guy it was
9 from day one and it's going to remain the same guy under
10 this new condition. So that's a good thing.

11 Then really the last piece that's important from
12 Haskell and DN Higgins' perspective for success of the
13 project level is support in the field. We have to have
14 field support services. And there is really kind of
15 three components when we start setting pits. We should
16 have some training. We should have a Roediger person
17 out here to make sure that we are putting the pits in
18 correct and do some training. And then once we actually
19 start firing up their equipment, meaning the pump
20 station and the pits we need to have some help. And
21 ultimately when we commission the plant we are going to
22 need their help. So, you know, I think there is six to
23 eight weeks of manufacturer service that we need.

24 With Roediger Germany taking the lead in the
25 project now they have reached agreement with Tom Evans

1 Environmental who was Roediger Pittsburg's rep on the
2 project. So Tom has remained the same and Tom has
3 hired -- Kevin?

4 MR. EVANS: Kevin Wynn.

5 MR. KINSLEY: Kevin Wynn. And he was with --

6 MR. EVANS: Roediger Pittsburg.

7 MR. KINSLEY: He was Roediger Pittsburg's field
8 service representative. Roediger Pittsburg doesn't have
9 a need for a field service representative on vacuum
10 equipment right now. So Tom Evans has employed Kevin
11 and Kevin will be the gentleman who supports us in the
12 field.

13 So from my perspective those three issues: Get our
14 equipment, get technical engineering support, get field
15 support, I feel as if we're in good shape on. So the
16 basis of that evaluation and that comfort level we are
17 prepared to go forward with issuing a purchase order. I
18 know that the board doesn't like this change and doesn't
19 believe that the sales tax savings merits the risk that
20 they have associated with it so Chuck indicated we are
21 going to be purchasing and we are prepared to do so.

22 The other thing that Roediger Germany has done
23 which Roediger Pittsburg as I understand it could not
24 have done is that they have also said they are willing
25 to go ahead and provide a third party bond for the

1 project, which that's, I mean that's a discussion I
2 guess to have. I don't know if that is something that
3 Walt will require, but that is something they are
4 capable of doing. Which the good news is people that
5 can provide bonds are traditionally financially sound.
6 Those that can't provide for bonds that's probably an
7 indication that there's a problem. So that's kind of
8 belt and suspenders that can be purchased. Those are
9 from Haskell's perspective.

10 And then I would think from you as the client's
11 perspective the concern is long term presence, you know,
12 and is Roediger Germany going to be active in the
13 states. And so that was why I kind of counseled Jim to
14 make sure we get a letter prepared by Roediger Germany,
15 at least giving you the best explanation that they can
16 present at this time. They can't give you a definitive
17 answer but they have people in the states, they are
18 expanding staff and developing a business plan. And my
19 thoughts, the letters, they've made a commitment to you
20 personally as well as an indication that the American
21 market is important to them. Those are the things that
22 were important to me personally, that's kind of how,
23 what happened and what we looked at to help us make our
24 decision-making process. So I have got kind of the
25 people that I'm referencing in my discussion sitting

1 behind me and we'll gladly fill in questions that we
2 have from the board.

3 MR. BROOKS: Were you going to make any --

4 MR. MESSER: No, no.

5 MR. BROOKS: And you are looking for questions for
6 your people, right?

7 MR. KINSLEY: Well, I mean, Tom if you would like
8 to say anything. Jim, would you like to say --

9 MR. EVANS: I think you said it all, unless
10 somebody has some other questions that want to be
11 answered. I'm Tom Evans and I'm our local Florida
12 representative for Roevac. I have been that way since
13 1997. Claude and Glen, I just met you this evening.
14 The rest of the board members have seen quite a lot of
15 me over the past few years. Lived here in the islands
16 since '93 and moved back to Lakeland because of some
17 parents' health problems a year or so, two years ago.
18 But my company has been established in Lakeland since
19 1997 and I have been their rep ever since. I'm very
20 comfortable with continuing to be Roediger's
21 representative. I have also had a relationship with the
22 German parent company. And Pete is right, as a
23 representative I have principals from Peerless pump to
24 Roediger. And manufacturers change the way they do
25 business. They just make business decisions. And

1 sometimes I understand why and sometimes I don't. In
2 this case here though I have been working with you all
3 for quite sometime. I'm still in place. My support
4 system is still in place. I stock parts and pieces and
5 service in Lakeland, Florida and intend to indefinitely.
6 The manufacturer has indicated that they want me to
7 continue on now, I have been doing a good job and they
8 expect to pay me for my work and that's important to me.
9 You guys are important to me because I have just been
10 connected for a long time. I'm looking forward to doing
11 this job. I've continued to hire people in my
12 organization to take more local control of what you will
13 need here. To me that's important for how I support you
14 and how you perceive being supported. So Pete
15 capsulized pretty much the whole deal. As a part of
16 this whole, you know, when business decisions get made
17 and contracts as you know as Andy probably -- lawyers
18 tell you what to do, you have to just step aside and
19 wait for the thing to take its course. And it didn't
20 involve me. And so I wait till they say move back in
21 again here too.

22 But locally I have always had confidence that this
23 was going to be right where we are here today and I'm
24 confident to move forward also. So if you got some
25 other, some questions that are, details I can give you,

1 you know, great. But we are -- technically everything
2 is ready to go.

3 MR. BROOKS: Thank you Tom. Jim did you want to?

4 MR. DOCHERTY: Sure. My name is Jim Docherty. I
5 work for Roediger VHT. I have brought with me some
6 annual reports for VHT's parent company. They are
7 called Bilfinger and Berger. I can leave them here.
8 Bilfinger and Berger is a large company. Their annual
9 business is approximately \$5 billion. So when Bilfinger
10 and Berger decides to do something they have got to
11 weigh through their options. They cannot come over here
12 in a month or two because they have got several
13 companies. They may decide to open a company that may
14 involve several of their subsidiary companies. So what
15 they may decide to do, they have options of bringing on
16 a new licensee which they have several offers on the
17 table and they also have the option of bringing a
18 company and opening in the United States which would be
19 more than just the vacuum. So Bilfinger and Berger is
20 committed to this technology but they are also committed
21 to making money. So they are going to decide what they
22 are going to do and they have committed to you in a
23 letter within the first half of 2005.

24 So it is not at all uncommon for municipalities to
25 be served by offshore valve manufacturers. Obviously

1 there is basically two players in the world market. One
2 is in the United States and one is in Germany. You have
3 got vacuum systems, sewer systems all over the world.
4 Therefore the majority of vacuum systems that are in,
5 operating in the world today, are being serviced by
6 offshore companies with local representation like we
7 have. So the scenario that you have here is the most
8 common scenario that you would have all over the world.

9 So we're here, we are committed to finishing this
10 project. I'm personally committed to giving you service
11 that you need and we're looking for your trust here.

12 MR. BROOKS: Thank you Jim.

13 MR. PATTON: I have a question for Jim. What is
14 the volume of business that Roevac does in the United
15 States? Do you have an estimated --

16 MR. DOCHERTY: Roevac just was introduced in the
17 United States.

18 THE CLERK. Excuse me, sir could you move just a
19 little business closer to the mike.

20 MR. DOCHERTY: I'm sorry. Roevac was the new
21 player in the United States in the late 1990s. And it
22 took them a long time to get their first job. To put a
23 dollar value on it would be tough for me because I would
24 have to add numbers in my head right now but I can tell
25 you from '98 to 2003 we averaged approximately one job

1 every year. And in 2004 we have got five jobs. So this
2 is a growing market. In Europe approximately 90 percent
3 of the population is sewered. In the United States
4 it's, I believe, around 55 or something like that.
5 There is no company that sells sewage products that is
6 not interested and committed to being in the United
7 States.

8 MR. TOBIN: Can I ask -- are you done?

9 MR. PATTON: Yes.

10 MR. TOBIN: Where is this -- are you guys forming a
11 new American company or is this German company going to
12 open up an office somewhere or a manufacturing plant?
13 What is the mechanics of this thing in terms of --

14 MR. DOCHERTY: The details have not been revealed
15 to me. They have, as I say, several offers have been
16 made relative to other companies coming in like Roediger
17 Pittsburg did as a licensee. That's one set of options
18 that they have. And then the other option would be to
19 open a company that would involve more Bilfinger and
20 Berger companies in the US. But I don't have the answer
21 to the question to be --

22 MR. TOBIN: Can you explain how this -- if we place
23 the order, somebody has to manufacture this thing and
24 put together a bunch of parts.

25 MR. DOCHERTY: Right.

1 MR. TOBIN: What does this manufacturing process
2 consist of?

3 MR. DOCHERTY: It consists of purchasing certain
4 peripheral items from certain vendors. You have pieces
5 of pipe. You have rubber elbows. You have seals. And
6 you have a sump which is a molded piece and you have --
7 for the chambers. And then the significant components
8 in the chamber come from Germany, as Pete already
9 mentioned, that's the valve and the controller. Then
10 you have the vacuum station which consists of basically
11 of a vacuum tank, sewage pumps, vacuum pumps and control
12 panel more or less. Roediger always -- even when
13 Roediger Pittsburg was manufacturing they sublet --
14 obviously they have to purchase the sewage pumps, the
15 vacuum pump and the control panel and so forth.

16 The difference is they had a physical shop in
17 Ellison Park where they would fabricate these items, put
18 them together and test them. What we'll be doing is
19 subcontracting that facility. And during this period of
20 silence of four, six weeks I was assigned to go out and,
21 you know, Pittsburg -- qualify shops that could do that.
22 As you might expect although there are many shops that
23 are very willing and very eager to work with us for this
24 work. So I've qualified eight.

25 MR. TOBIN: My concern -- I'm not concerned that

1 somebody can't go order all of these different parts.
2 My concern is basically that this is a startup
3 manufacturing process and while you're confident that
4 you are going to locate a plant that's going to be able
5 to handle this manufacturing process, we wind up being
6 the first people on the assembly line.

7 MR. DOCHERTY: You will be third. Because we have
8 orders for Brockway Sewer Authority. It's in Brockway,
9 Pennsylvania and Bandon, Oregon.

10 MR. KINSLEY: How many pits?

11 MR. DOCHERTY: The two of them combined have
12 approximately 500.

13 MR. TOBIN: We have approximately 100.

14 MR. DOCHERTY: 120.

15 MR. TOBIN: We are not going to be the guinea pigs
16 on this?

17 MR. DOCHERTY: No.

18 MR. TOBIN: When do you anticipate that you are
19 going to be making this decision, this commitment?

20 MR. DOCHERTY: Which commitment?

21 MR. TOBIN: To manufacture these pits.

22 MR. DOCHERTY: The process is usually we submit
23 drawings and manufacturers' drawings of every item that
24 we intend to purchase, valves, pumps and so forth and
25 they get approved, I imagine --

1 MR. KINSLEY: I don't want to speak for anybody. I
2 think the question Andy is saying, stop me but I don't
3 think he is answering what your real question is. These
4 other two jobs are orders, are placed, and things are
5 go. And you don't have a contract with us so you aren't
6 going to release material yet. You have contracts on
7 these other two projects that commitment is already
8 made?

9 MR. DOCHERTY: Right.

10 MR. TOBIN: When are we going to know and when is
11 our general manager and our council and Pete and Walt
12 going to know that you actually are going to do what you
13 say you are going to do? In other words is there a
14 cutoff time that if you don't do what you say you are
15 going to do in two weeks, if you don't have a plant, if
16 you don't have a firm contract with a manufacturing
17 facility, I think we need some --

18 MR. DOCHERTY: The steps are we have to make -- we
19 are going to make drawings and submit them. That
20 submittal has to be approved. Once that submittal is
21 approved then we go after bids and then we place the
22 order.

23 MR. TOBIN: With some manufacturing plant?

24 MR. DOCHERTY: That's correct.

25 MR. KINSLEY: Once again, you have already got two

1 projects with 500 pits that that process is ahead of us?

2 MR. DOCHERTY: Yeah.

3 MR. TOBIN: What happens next year when these
4 plants decide that they don't want to do business with
5 you or it wasn't profitable for them or whatever, then
6 what happens?

7 MR. DOCHERTY: If it wasn't profitable then we have
8 to pay more money next time and that's a risk we are
9 willing to take. And we have the resources to take that
10 risk. It's, really it's a very similar process when you
11 are manufacturing yourself. When you are putting
12 together an offer for somebody you have to estimate
13 labor hours to assemble and test and this is exactly the
14 same thing. So the process really doesn't vary. The
15 only variance is that instead of sending it to Allison
16 Park you are going to send it to New Kensington or Irwin
17 or whatever the shop is that you are using.

18 MR. TOBIN: One of the things that we insisted when
19 we were negotiating is we have a most favored nation
20 clause and we have a bond provision. In other words we
21 commit to 120 pits and then next year we need three
22 more, instead of paying \$1800 a pit we are now held
23 hostage and we got to pay \$10,000 a pit because we need
24 three more pits. Was that ever explained to you that we
25 had negotiated for --

1 MR. DOCHERTY: Yeah, I saw -- even though I wasn't
2 involved in that aspect when I was working as Roediger
3 VHT, Pete explained to me that their price limitation --
4 escalation clauses for various components and we would
5 certainly agree to those.

6 MR. TOBIN: Are you going to be in a position to
7 guarantee that you're going to be able to -- in other
8 words once we get started with 120 and then we have a
9 new project, we don't want to have to stock half Roevac
10 parts and half Airvac parts. Is part of your guarantee
11 to this board that next year if we decide we want 120
12 more pits that you guys are absolutely committed to
13 making those?

14 MR. DOCHERTY: Yes. We could do that, yes.

15 MR. EVANS: Could I make a comment?

16 MR. BROOKS: Go ahead.

17 MR. EVANS: As a rep, one of the things that keeps
18 me on the front line of this group here too, and I would
19 like to remind you, is that this company has been in
20 business 40 years in the VHT business here as we know
21 them now. There is new products being developed, there
22 is R and D going on, there's big facilities over in
23 Europe. Jim Reynolds appointed me at the direction of
24 the Board of County Commissioners to go visit and
25 evaluate --

1 MR. FISHBURN: This is Tom Evans.

2 MR. EVANS: I'm sorry. Some number of years ago.

3 Tom Evans. Some number of years ago the Board of County
4 Commissioners in the process of evaluating Ogden's
5 proposal for sewerizing this island asked Jim Reynolds to
6 accompany us to go to Europe and see the wherewithal of
7 the company that Jim speaks of, which is Roediger VHT.

8 And so as you look down the road and say can I get
9 more parts, more pits and so on, the history of us, like
10 our other American competitor is long and laborious. We
11 are both good strong companies. We expect to be in
12 business for a while. I'm speaking for Roediger VHT.
13 They do a similar amount of business on a global scale.
14 So Ogden did some research, that on projects all over,
15 in the big picture, were producing about the same number
16 of valves on a year to year basis. I don't know if that
17 is true or not because it has been a while since I saw
18 that report. It's a very large operation. They are
19 busy putting up thousands of valves and chambers and
20 whatnot a year and we don't expect that to change.

21 MR. BROOKS: Claude.

22 MR. BULLOCK: I have a couple of questions with
23 respect to the company. I notice in the report, I'm
24 looking at this report on page 51, that the real thrust
25 of the corporation appears to be in the direction of

1 east as pointed out in a statement here. The other
2 thing as I see the two percent has not shown a
3 substantial increase since 2002/2003 in their own report
4 here on this page and wondered if you would want to
5 comment on that.

6 MR. DOCHERTY: Well the business in Germany, as I
7 mentioned and in Europe, is tending to fade because of
8 the percentage of people who are sewered. So what
9 you're seeing in that is a decrease in European activity
10 and increase in non-European activity.

11 MR. BULLOCK: It also indicates there is a large
12 backlog of pending orders and wondered what impact that
13 may have on our particular project?

14 MR. DOCHERTY: Well Roediger VHT is certainly
15 capable of processing your order and sending over the
16 equipment. That's not going to be a problem at all.

17 MR. TOBIN: That gets back to the same question
18 which is you put it together, you process it, you send
19 it. And, you know, since this is a new company and a
20 new design and new manufacturing plant what happens if
21 there is a problem? Who is standing behind -- what kind
22 of warranty are we getting from the new company?

23 MR. DOCHERTY: Well Roediger VHT is warranting this
24 equipment. So you are getting a warranty from the
25 factory.

1 MR. PATTON: The warranty is for one year?

2 MR. DOCHERTY: No, 36 months on the valve pits.

3 MR. EVANS: It's been the same warranty all along,
4 from the same people all along.

5 MR. BROOKS: The valve pit is the complete unit?

6 MR. DOCHERTY: It's the valve and the controller.

7 MR. TOBIN: Is that the complete unit?

8 MR. DOCHERTY: No. There isn't a function of the
9 valve chamber other than to sit there and hold the valve
10 to the controller.

11 MR. BULLOCK: I had a question on the valve
12 chamber. Does that chamber allow the use of another
13 manufacturer's valve in that chamber?

14 MR. DOCHERTY: It depends what size. I don't think
15 that, if you are talking about Airvac's valve, I do not
16 believe that Airvac's valve fits in that chamber. It
17 didn't fit -- as far as I know it does not fit. I
18 shouldn't speak for Airvac. They may have a valve that
19 fits in there. As far as I know it does not.

20 MR. BULLOCK: Do you have a universal chamber that
21 could be furnished as a part of this contract that would
22 allow us to be selective in the future if we needed to
23 be?

24 MR. DOCHERTY: There is a chamber that is
25 manufactured in Germany but I don't know if it fits, if

1 other valves fit into it or not. I don't know. I could
2 check on that but I don't know the answer to your
3 question.

4 MR. BULLOCK: Really the question is, are we stuck
5 with a proprietary product with the use of your valve?
6 In other words we can't interchange an Airvac valve with
7 your system is what I'm hearing at this time?

8 MR. DOCHERTY: As far as I know an Airvac will not
9 go into that chamber.

10 MR. BROOKS: And vice versa, correct?

11 MR. DOCHERTY: I have not tried to retrofit.

12 MR. BROOKS: There is no design that say they would
13 be interchanged between them?

14 MR. DOCHERTY: As far as I know, no.

15 MR. BROOKS: Are you done?

16 MR. BULLOCK: Yep.

17 MR. BROOKS: One of the things, and Pete you have
18 done your job again, you have explained and covered very
19 good the aspects of what we are facing here. It sort of
20 brings out the fact that one of the things we did in
21 this evaluation process is we wanted to have a good
22 valued supplier with a good history. And because of the
23 German company having a long history we sort of said
24 okay we are good there. But now with the change of
25 vendors, even though you are saying it's common, the way

1 I see it and the way you explained it, if I understand
2 it correctly, we are talking about the valve and the
3 chamber that the valve goes in, and we are talking about
4 other components are going to have to be made by new
5 manufacturers who are actually doing it for the first
6 time.

7 MR. EVANS: No.

8 MR. DOCHERTY: Well these are pieces of pipes so
9 they are really not -- I wouldn't really call them new
10 pieces being manufactured by different people. I mean
11 you are getting a pipe from a pipe manufacturer I don't
12 see that that's new.

13 MR. BROOKS: Let me bring you down a little bit.
14 If Roediger Germany is willing to enter into this
15 contract and provide this district, and we are going
16 through a year, and then we have got another project
17 coming up; are we going to be dealing with Germany
18 through this project and no other company or are we
19 going to be switching vendors when Roediger Germany says
20 we have established this new company and now we are
21 going to turn the contract over to them?

22 MR. DOCHERTY: No, I'm sure they will finish the
23 contract.

24 MR. BROOKS: How would that go when we go into our
25 next project?

1 MR. DOCHERTY: Well, if you want, if this is a
2 concern to you, you could write that as part of the
3 purchase order. If you want to assure yourselves that
4 you are going to get the same prices that is something
5 that could be part of the purchase order in the future,
6 similar type of escalation like you talked about
7 earlier. And then I would say that Roediger VHT will --

8 MR. KINSLEY: Once again, I'm trying to make
9 sure --

10 MR. TOBIN: You said Roediger VHT will what --

11 MR. DOCHERTY: Will agree to that.

12 MR. TOBIN: Agree to what? I didn't hear what you
13 said.

14 MR. DOCHERTY: Well, you mentioned that --

15 MR. KINSLEY: The favored nation clause I think is
16 what you mentioned, the favored nation clause that Andy
17 talked about earlier, you've looked at those and those
18 to be acceptable as included as before.

19 MR. TOBIN: And Charlie's question was we want to
20 do business with one company and not get passed on to
21 another company. And that's something that you commit
22 to as well?

23 MR. DOCHERTY: Yes.

24 MR. TOBIN: How can you commit to that? I don't
25 understand that.

1 MR. DOCHERTY: Well I thought you were talking
2 about prices and products. If you want to commit to the
3 price and product being there I think that could be
4 committed.

5 MR. BROOKS: The question has come up now because
6 of Roediger Pittsburg who made the agreement is a
7 favored nation the way I understand it. Now we are
8 having to ask you to honor that.

9 MR. DOCHERTY: Yes.

10 MR. BROOKS: So Roediger Germany comes out in six
11 months, we are half way through, we have got half the
12 order and they say hey we have established this new
13 dealer in the United States. And then we have to
14 renegotiate the favored nation and so forth, okay. And
15 that's what Andy is asking you, can you actually do
16 that?

17 MR. DOCHERTY: I think we can as part of the
18 purchase order.

19 MR. BROOKS: Part of the purchase order.

20 MR. DOCHERTY: Yeah.

21 MR. TOBIN: Before you licensed to a new company,
22 you say we made a deal with Key Largo --

23 MR. DOCHERTY: That's right. It is just like when
24 you license or take on a sale's representative you have
25 certain accounts that you maintain for yourself and this

1 is the stipulation.

2 MR. KINSLEY: The way I would word that is I think
3 it should be up to your discretion. They may set up a
4 company that provides you better service so you could
5 have the option to go to desired. But let that be your
6 discretion. You know, if you want to maintain Roediger
7 Germany throughout the life, the contract will be with
8 Roediger Germany. They can't just pass it off. They
9 will have an executed contract.

10 MR. BROOKS: We can have it that it can't be
11 transferrable?

12 MR. DILLON: No, you can't do that.

13 MR. BROOKS: You can't do that.

14 MR. DILLON: Okay. We'll make it a personal service
15 contract where the identity of the person doing this
16 material and --

17 MR. FISHBURN: Tom Dillon speaking.

18 MR. DILLON: These are goods that can be
19 manufactured by anybody so you couldn't do that.

20 MR. TOBIN: I'm sorry Tom, we can't enforce a most
21 favored nation type clause?

22 MR. DILLON: That wasn't the question. The
23 question was can we enforce an agreement to not transfer
24 the contract to anybody else? At least that is what I
25 understood.

1 MR. BROOKS: That was my question.

2 MR. DILLON: My answer is no you cannot because
3 these are not goods where the identity of the
4 manufacturer is really material to the bargain. What is
5 material is that --

6 MR. TOBIN: So we sign a contract with these guys
7 today. Tomorrow they transfer and we have no
8 recourse --

9 MR. DILLON: That's essentially true. They are
10 liable as the guarantor. We have recourse against a
11 German company or a Swiss company I'm not sure which is
12 it now. They would be liable as a guarantor. But we
13 cannot stop them from assigning it to another company in
14 the United States or any place else.

15 MR. TOBIN: So our only remedy is some lawsuit
16 against some German company that we --

17 MR. DILLON: If they assign it to somebody in the
18 US we would have recourse against that assignee. We
19 would also have recourse against Roediger as a
20 guarantor.

21 MR. TOBIN: What kind of recourse do we have when
22 we have a brand new start-up company that knows that
23 there is no liability for a pump that is not working in
24 the middle of the night that we are spending time and
25 money trying to fix and people are irritated because

1 their toilet isn't flushing? That's the concern that I
2 have, is that a warranty doesn't really cut it for me.
3 I'm looking for, you know, performance, history,
4 experience. I mean that's, that's generally what
5 municipalities and utilities look for is the strength
6 and the reputation of the company because that's what
7 you are really buying. And I'm concerned that we have
8 this whole new process, we have a piece of paper that
9 says we guarantee we are going to provide these things,
10 in the middle the night somebody's valve isn't working
11 because this is a new company, they didn't understand
12 you have to connect these two things. That's my fear.
13 And I don't know how better to express it than that.
14 Now that our lawyer tells us that you can just assign
15 this to another company, even though you say you are not
16 going to, that doesn't give me a warm and fuzzy feeling.

17 MR. DOCHERTY: You will still have Roediger VHT
18 employees here in the United States who are going to be
19 go to people. Because they were always go to people.
20 You will still have Tom Evans and his group in the area
21 too.

22 MR. TOBIN: Is that enforceable Tom if they say
23 Germany will provide reps and support and manufacturer
24 support, is that enforceable?

25 MR. DILLON: It could be if it's in a contract.

1 Right now I'm not aware of any facts that indicate that
2 anybody in this room has authority to bind Roediger
3 Germany to anything.

4 MR. TOBIN: I'm saying assuming they do, can we
5 write a contract that will give us that manufacturer's
6 support and warranty --

7 MR. DILLON: Yes.

8 MR. TOBIN: -- service and that kind of stuff?

9 MR. DILLON: Yes but they still may subcontract it
10 out to somebody to actually perform it.

11 MR. BROOKS: That raises a question Jim. You are a
12 consultant. You don't work for Roediger directly?

13 MR. DOCHERTY: I am employed through a company
14 called Frucon (phonetic) which is an owned, company in
15 the United States owned by Bilfinger and Berger.

16 MR. BROOKS: Did you want to say --

17 MR. MESSER: Walt Messer with DN Higgins. There's
18 a lot of -- even with the Aqueduct, you run out of water
19 you call them, you don't get anybody to come out there
20 at midnight, they come the next day. There is services
21 out there and I think with Tom Evans being around, I
22 know we talked to him many times before we decided to go
23 with Roevac, is that he guaranteed me that he was going
24 to service the Keys. He was going to get up through
25 Synagro. I don't know if that's still in the back of

1 his mind or not, but have people that he could get out
2 quickly to take care of problems that we are going to
3 have. And it was one of the things that I specifically
4 quizzed him before and I decided to decide to go with
5 Roevac because I wanted to make sure our customers
6 getting aboard here had service even after the system
7 was in service. And I still feel as DN Higgins we are
8 still willing to give him a purchase order. And we know
9 you have concerns and we want to address those concerns
10 and get them in the purchase order. But we have been
11 out there laying pipe. We need to get the pits ordered.

12 And right now we are at the point where we really
13 need to get some pits in the ground and start keeping
14 things cleaned up and behind us so that we can do a good
15 job the way we want to do it. Right now we are kind of
16 jumping around doing this and doing that. And again I
17 feel comfortable. And again I have gotten a letter from
18 Zurich, which is a bonding company, saying they will
19 give me a bond if so required to make sure that I get
20 the pits over here. Once I give them the contract for
21 the pit they are going to fill that pit, the contract,
22 or, you know, it's my problem. I know you guys are
23 going to have a problem but it's my problem. I have got
24 so much time to do this contract. When this contract
25 time date is up believe me you are going to have the

1 collection system in the ground ready to go whether I
2 got to go with Airvac or whether I got to go with
3 Roevac. Right now I feel comfortable with giving Roevac
4 a purchase order so we can proceed and get these pits
5 here as quickly as possible.

6 MR. BROOKS: I understand your point but I don't
7 like to make a decision because where we are at on
8 construction, I don't know how the rest of the board,
9 that I would be kicking myself in the butt for, I think
10 we have been operating almost that way from the
11 beginning, so that's a valid argument but it is not one
12 that in the long run I feel comfortable just basing it
13 on that.

14 Tom Evans since we have felt, and Pete sort of
15 made the comment, that if we stay with Roediger and we
16 haven't had that phantom we have been looking for on the
17 job, why should we move forward with past experience on
18 a guarantee that you say you are going to have
19 somebody -- when do we need somebody from Roediger here?

20 MR. MESSER: Let me answer that. I think a lot of
21 that was done during the negotiation two years ago. I
22 remember Andy saying why do you need a rep on the job,
23 why do we need to pay for a rep, why can't you guys do
24 it yourself? And I told him I think at that time that
25 yeah we can put the pipe in the ground. When I get

1 ready for the pits and vacuum station that's when I need
2 it. That's why we cut some of that out in the price
3 during negotiation. I don't have a problem putting the
4 pipe in the ground out there, we're testing it everyday,
5 it's going. But when I start getting pits he better
6 have somebody here or he's going to have me to deal
7 with.

8 MR. FISHBURN: They didn't introduce Kevin Wynn who
9 is the phantom.

10 MR. BROOKS: Oh, is that Kevin? I saw your lips
11 working earlier. Did you want to say something?

12 MR. WYNN: No, just listening.

13 MR. TOBIN: Who are you with Kevin?

14 MR. WYNN: Tom Evans Environmental.

15 MR. MESSER: I think again this comes from, and I
16 don't agree with it, I'm sure there was legal counsel,
17 that said hey no communications. And so nobody was
18 getting any communications either from Pittsburg or from
19 Germany as to what was going on, what they were
20 proceeding to or what was actually going to happen.

21 MR. TOBIN: Can I follow up with what Walt, what
22 you just said. Walt, you say you need somebody from the
23 factory out there now?

24 MR. MESSER: Not now. When I get the pits.

25 MR. TOBIN: So --

1 MR. BROOKS: How far down the road is that?

2 MR. MESSER: I would like to start putting them in
3 right now. If I had them here I would put them in right
4 now.

5 MR. DOCHERTY: Well, it won't be longer than six
6 weeks.

7 MR. MESSER: Once he gets the purchase order.

8 MR. BROOKS: I understand it takes a purchase
9 order. Six weeks from the day it is ordered.

10 MR. MESSER: That's the other problem I have. I
11 have never really given them a purchase order. How can
12 I expect them to have somebody out on the job --

13 MR. BROOKS: We are not saying that. All we are
14 asking, where are we now?

15 MR. MESSER: I know, but he keeps talking about a
16 phantom guy --

17 MR. EVANS: It's a phantom order.

18 MR. TOBIN: Are there stages that we -- at some
19 point in time, I know there is somebody here from
20 Airvac, and I want to ask some questions about, from our
21 contractor, then from our engineer whether or not we can
22 switch to Airvac because that's something I think we
23 need to talk about as well. If we are going to make an
24 informed decision that is what I understand you are here
25 to help us make.

1 MR. MESSER: I don't know. That is something you
2 have to let the engineers look at. We went with an
3 Airvac design right from the beginning.

4 MR. EVANS: Roevac.

5 MR. MESSER: Roevac, excuse me. The fact that you
6 change or not I'm not that person to tell you that.

7 MR. BROOKS: Andy, anything?

8 MR. TOBIN: Not right now.

9 MR. BROOKS: My question is to the board. Where do
10 you want to go with this? We have Airvac here. Last
11 meeting we sort of discussed we should hear Airvac's
12 side. We heard Roevac's side. And I think we should,
13 if the board agrees, I think we should hear from Chuck
14 and from Ed Castle on this issue and their point of view
15 here.

16 MR. PATTON: I have a couple of questions before we
17 move on to Airvac. First --

18 MR. BROOKS: My question is do you want to hear
19 from Airvac --

20 MR. PATTON: Yeah, but after we are done with these
21 guys here.

22 MR. BROOKS: Excellent.

23 MR. PATTON: The question that I have is, I have
24 heard a couple of things, is that once they get the
25 purchase order and the approved shop drawings, the

1 approved shop drawings does that meet the letter of the
2 original contract and the original design? And there
3 was also an issue about price as far as I understand.
4 This is questions I have briefly talked to staff about
5 in regards to meeting that contract. As far as I'm
6 concerned you guys are, you know, contractors, you have
7 got a lot on the line on this. And you're betting on
8 the original design. And if we go in another direction
9 we are opening a whole other new can of worms. So what
10 I'm looking at here and what I'm seeing here is you're
11 pretty comfortable with Roevac right now. And is this
12 new shop drawings, is it a redesign and is it meeting
13 the original specifications that were in the contract?
14 And I'll direct this to Ed first.

15 MR. CASTLE: I just had a look now today this
16 evening, a brief look at the purchase order -- Ed
17 Castle, by the way with Weiler Engineering -- and it
18 appears to me the valve pits are not the pits that were
19 previously put in the designs that we have been dealing
20 with along the way and the valves themselves are
21 different too. And it looks like the size of the
22 blowers have changed.

23 MR. PATTON: What is that, as far as does that meet
24 the letter of the contract? How are these different
25 from what was originally specified? Are they better or

1 worse?

2 MR. CASTLE: This is a design build. So they
3 weren't specified in the contract. This has been an
4 evolving process as we went through the design. All I
5 can say at this point, this is not the same equipment
6 that we were working with throughout the design process.
7 As to whether it's better or not, I understand -- I
8 haven't seen any drawings on them yet, I haven't had
9 conversations with Roediger about it yet either which we
10 plan to do tomorrow, it sounds like some of the design
11 may be better than -- it relieves some of the concerns I
12 had on the two separate pits with interconnecting pipe.

13 But again, as I stated at the last meeting, my
14 biggest concern here is really a lack of operating
15 history and we don't have any data to show -- and the
16 new valves themselves. I haven't seen the design on
17 that yet.

18 MR. PATTON: There is a new valve involved as well?

19 MR. CASTLE: That's the way it appears to me, three
20 inch valve.

21 MR. PATTON: The most proprietary item in the valve
22 pits themselves is the valve and the controller. Those
23 two items are essentially proprietary. In other words
24 from what I see within the three year contract we would
25 stock a bunch of these valves and the controllers so

1 just in case Roediger goes out of business in the United
2 States or whatever, we have a supply of them or another
3 source on these things so our system doesn't go down and
4 we can't operate our system. I don't have a problem
5 with the manufacturer's rep in a situation change of
6 hands. I know that happens all the time. I do have a
7 problem with the proprietary nature of those two items.
8 But we still potentially have the same problem with
9 Airvac. If we get an Airvac pit the only thing that is
10 the question mark, that I feel more comfortable with a
11 United States company that has been in business and is
12 doing a larger volume of business within the country.
13 But that's neither here nor there. We are dealing with
14 the contract that you guys originally specified.

15 Do we have to go back when we get these final shop
16 drawings approved, do we sign off on that?

17 MR. CASTLE: I recommended approval to the board
18 and to staff. The engineers Brown & Caldwell, the
19 Haskell Company and Higgins will sign off that they
20 approve of the shop drawings, pass them to us for your
21 review, I will discuss the issue with them, if there is
22 a problem then we'll address that.

23 MR. PATTON: So you will sign off on them and the
24 board will review that?

25 MR. CASTLE: I don't actually sign off on each one.

1 I accept them and if I have a problem I will discuss it
2 and reject it or typically work the problems out.

3 MR. PATTON: How quickly can that happen?

4 MR. CASTLE: That can happen pretty quickly.

5 MR. PATTON: That comes from you through Brown &
6 Caldwell?

7 MR. CASTLE: Yes.

8 MR. PATTON: Next thing is price.

9 MR. KINSLEY: Glen I want to make sure everyone
10 understands, because it could create confusion talking
11 about new valves, everything Ed said is correct, but I
12 think what is important to understand is the new pits
13 and new valves is in response to R and D enhancement.
14 They will give us the old ones if that is what we
15 require.

16 MR. PATTON: I don't have a problem --

17 MR. KINSLEY: I don't want anyone thinking we are
18 changing products trying to pull a mickey.

19 MR. PATTON: I don't have a problem with things
20 evolving, potentially getting better. That is usually
21 what happens, especially in the mechanical engineering
22 field.

23 MR. KINSLEY: That's precisely what Roevac is
24 saying and this has essentially been, I don't know, 18
25 months or so

1 MR. PATTON: I don't have a problem with that. As
2 long as the engineers -- and there is a meeting of minds
3 here and there is a satisfaction there.

4 MR. KINSLEY: Okay.

5 MR. PATTON: Like I said, you guys are the ones
6 that got it on the line. So that's where I see the
7 safety net is.

8 MR. FISHBURN: The other issue was price.

9 MR. PATTON: Was there a problem with the purchase
10 order price?

11 MR. FISHBURN: I don't believe so. They have it,
12 we have it in front of us. They are saying that they
13 are essentially matching, the base pit 1875 is held and
14 I think the station is held to -- I didn't see a price
15 for the bumper tanks. Verbally we heard it. And
16 theoretically it's their problem. We have an escalation
17 dispute with them anyways.

18 MR. PATTON: That's from a prior issue.

19 MR. FISHBURN: One of the bigger numbers was from
20 Roevac. But theoretically if they double the price Tom,
21 that is theoretically Haskell's problem.

22 MR. DILLON: Well it depends, if the price is
23 doubled because of delays that were not our fault or not
24 beyond Haskell's control then it's Haskell's problem
25 yes.

1 MR. PATTON: I'm comfortable with that. I just
2 wanted to know where we stood in the process with the
3 shop drawings and how the process takes place and how we
4 move forward with that. Thank you. That's all the
5 questions I have.

6 MR. BROOKS: Did you have anything else?

7 MR. BULLOCK: The only question I have whether or
8 not this present schedule if, directly, it's a direct
9 question if, you know, if you were told tomorrow to
10 switch, how would this impact the company and the
11 project?

12 MR. KINSLEY: I'll give you the answer off the hip.
13 That's really a Pandora's box. And the reason I say
14 that is because Brown & Caldwell coordinated the entire
15 design with Roevac and so that's a Brown & Caldwell
16 design/Roevac influenced. And so if you directed me to
17 go to Airvac, the first thing I would have to do is have
18 them look at our design and that scares me. We got
19 4,000 linear feet of pipe that's in the ground today.
20 If you think it's expensive to go to an Airvac system we
21 have 4,000 foot of pipe that's in the ground. So I
22 can't answer that. If they come back and said your
23 design is wonderful and it was a straight pit for pit
24 change and a pump for pump station change the
25 implications are probably not all that significant.

1 Things like favored nations and the things they have
2 already done with Roediger Pittsburg that we will then
3 address with Roediger Germany, you know, that took weeks
4 the first time and I don't know how long it will take
5 with Airvac but that will be quicker. Really we got
6 4,000 linear feet in the ground and it's blessed by
7 Brown & Caldwell, fully coordinated with Roevac who
8 writes me a letter saying I certify your design. So if
9 the system doesn't work, you know, now we are starting
10 over. And that's not a good thing Claude. That's a
11 dangerous thing actually.

12 MR. BROOKS: I got a couple of questions. Kevin,
13 this may be personal, but where do you live?

14 MR. WYNN: Bradenton.

15 MR. BROOKS: So you are in Florida?

16 MR. WYNN: Yes.

17 MR. BROOKS: Between Tom and Kevin, do we have any
18 Roevac pits in the ground operating in the Keys?

19 MR. WYNN: No.

20 MR. BROOKS: Do we have any in south Florida?

21 MR. WYNN: No.

22 MR. KINSLEY: I think there is 100 and something of
23 them in a trailer in Islamorada. I think the closest
24 operating system is in St. Augustine, is that true?

25 MR. EVANS: We have an operating system -- Charlie,

1 we have an operating -- Tom Evans.

2 MR. BROOKS: Englewood.

3 MR. EVANS: We have an operating system in St.
4 Augustine by the Sea in St. John's county four years
5 roughly give or take a few months. I'm not really sure.
6 It has been operational and they are satisfied with what
7 has been going on. It went through a few hurricanes and
8 we had to supply service to deal with --

9 MR. BROOKS: My reason is trying to evaluate you
10 hiring a full-time employee and whether he would be
11 here -- not that he's sharing time but you have enough
12 to support him as a full-time employee on this project.

13 MR. EVANS: I do. My company is committed to this
14 business and this product down here to make that happen.
15 I can certainly find something for him to do if he's not
16 busy here and I need some help somewhere. But I do have
17 systems that are installed for marinas in the River Walk
18 area up in Ft. Lauderdale which will -- that stuff is
19 already installed up there too. One has been started
20 up, one has not.

21 MR. BROOKS: But my question was more personnel
22 than operation. Do you understand?

23 MR. EVANS: Sure.

24 MR. BROOKS: Assuming this board decided to stay
25 with Roevac, and we have discussed some conditions on

1 the warranties, how long would it take for the
2 agreements to be reached to be able to produce an
3 agreeable purchase order?

4 MR. MESSER: Walt Messer with DN Higgins. I think
5 the purchase order's already worked out and was already
6 given to the board. I think most of the leg work has
7 probably been done.

8 MR. BROOKS: Is that --

9 MR. MESSER: I think we plan on going through -- we
10 haven't went over the purchase order with Jim yet, but
11 in content we talked to him this afternoon about it and
12 he seemed to agree with everything that was in the
13 purchase order. So I don't think it's going to take a
14 long time if we use the same purchase order that you
15 guys already agreed upon.

16 MR. BROOKS: Is that true? Because I think you
17 said something on the phone --

18 MR. FISHBURN: There is a purchase order that we
19 were going to sign in October that was produced by the
20 Haskell Company in conjunction with Tom Dillon. And I
21 think probably Ed Castle was involved too. We discussed
22 this earlier today. Higgins now is going to purchase
23 it. They have a different purchase order, and I
24 discussed with them, I went through before the meeting
25 line item by line item what is in your package and this

1 is not -- their purchase order today is not as extensive
2 as this. But that's what they are addressing is that
3 they would add the favored nation clauses and some of
4 that other stuff. Yeah, certainly if you decided to go
5 that way I would prefer that they just change the names
6 on here, because this is a hashed out purchase order.

7 MR. TOBIN: Is that at the old price or is that at
8 the bumped up price?

9 MR. FISHBURN: That's the bumped up price.

10 MR. TOBIN: We need to talk about that too at some
11 point.

12 MR. FISHBURN: As far as words go and deeds, this
13 is an extensive added on package.

14 MR. DILLON: There are lots of legal terms in
15 there, the price is not what the price was when the
16 board was selected last October 17th.

17 MR. BROOKS: Then we need some time to iron out
18 these details.

19 MR. DILLON: Well I guess this is as good a time as
20 any, I have a number of concerns here. This is not a
21 legal decision it's a business decision by the board but
22 there are some legal implications that I feel I need to
23 advise you of. When the board selected Roediger there
24 was a known price. There was a known contractor
25 supplier, Roediger Pittsburg. And there were terms and

1 conditions including pricing and including future
2 pricing and including most favored nation. Since that
3 time the price has changed and the supplier is gone and
4 I don't know what has changed since a week ago or so
5 when I talked to Jim Docherty when he said Roediger
6 Germany probably wouldn't accept the same purchase order
7 terms that Roediger Pittsburg did. So my big problem
8 here is they are not here. There is nobody here with
9 authority to say to the board yes on behalf of Roediger
10 Germany I'm authorized to make this commitment to you
11 and Roediger Germany will live with it regarding price,
12 regarding most favored nation, regarding any of the
13 terms of this purchase order. I'm also concerned, even
14 tonight I have heard that 6 to 10 weeks for Roediger
15 equipment and then now it's down to 6. I feel like we
16 are hearing what people think the board wants to hear.
17 It is not consistent.

18 My biggest concern again is that there is nobody
19 with authority to bind the company. I'm a little
20 concerned as well with this purchase order in that we
21 were told when we were selecting a secondary treatment
22 supplier that the standard Haskell purchase order
23 included all of this, what I will refer to as
24 boilerplate, all of the terms that are in the purchase
25 order but now apparently that's not happening either.

1 Everything has changed. It's not the same deal. It's
2 not the same price and it's not the same contractor.
3 And it seems to me that all the issues that are
4 important to the district are being put off to be worked
5 out later and all the issues that are important to
6 Haskell have been dealt with. They are dealing with the
7 supply. They are dealing with getting stuff here. They
8 say it will get here but nothing about the extended
9 warranty, nothing about any commitment. It's nothing in
10 the purchase order we received from Germany that I saw.
11 I only saw a few pages of it. But there is nothing in
12 it that comes close to Roediger Pittsburg.

13 I think the board certainly can make a business
14 decision. I just -- my job is to inform you that I
15 believe there are some risks and some concerns that I
16 have that I think you should take into consideration
17 when you make your decision.

18 MR. BROOKS: Anybody on the board got a question?

19 MR. PATTON: That is what I was asking before, was
20 the purchase order specifically what the original
21 specifications were and the purchase order details,
22 terms and conditions were being met, and also in regards
23 to price? And the other question that I have Jim, I
24 thought you represented Roediger?

25 MR. DOCHERTY: I do. I work for Roediger.

1 MR. PATTON: But you can't bind --

2 MR. DOCHERTY: I couldn't sign a contract, no. I'm
3 not an executive, no. Not an officer of the company.

4 MR. PATTON: You are not an officer of the company?

5 MR. DOCHERTY: Absolutely not. And I have to
6 apologize. I have not seen the extended warranty. So
7 that was documentation that went back and forth between
8 somebody in Roediger Pittsburg. So again, I apologize,
9 I haven't seen it. So I can't sit here and say that
10 Roediger Germany will accept something they haven't
11 seen. What we did, we put together a proposal and sent
12 it over here.

13 MR. PATTON: Proposal now, the present proposal?

14 MR. DOCHERTY: Yeah.

15 MR. PATTON: And the one that was negotiated with
16 him in October?

17 MR. DOCHERTY: Pardon?

18 MR. PATTON: Is that the purchase order, the
19 proposal that was created in October?

20 MR. DOCHERTY: No.

21 MR. BROOKS: Who prepared that?

22 MR. DOCHERTY: It was prepared in combination with
23 me and then it was sent to Germany and then they brought
24 it back over here.

25 MR. BROOKS: The executives in Germany are behind

1 the purchase order you have submitted?

2 MR. DOCHERTY: They signed it.

3 MR. MESSER: Proposal.

4 MR. BROOKS: Proposal and you have not seen our
5 standing agreed upon purchase order?

6 MR. EVANS: We don't have an agreed upon purchase
7 order Charlie.

8 MR. BROOKS: What?

9 MR. EVANS: We were never provided a purchase
10 order. So there has never been a contract.

11 MR. BROOKS: Okay. But the board has settled on a
12 purchase order of which Haskell designed.

13 MR. EVANS: I am familiar with a lot of those
14 terms. So to address what Glen was asking in terms of
15 warranty and that sort of stuff which is three years on
16 the plastic parts and this stuff on the equipment, I
17 think Pete who is, and Walt, who are the contractors
18 that will be legally bound by that purchase contract,
19 have reviewed that and found it met all of the goals in
20 terms of equipment issues and warranty issues and so on
21 that were there. As far as the price being bumped up
22 and out the window, you all asked me at that meeting and
23 James Datish who was with Pittsburg at that time to
24 guarantee what kind of levels we won't take advantage of
25 you by now and by next year the price is doubled by the

1 pits. They have produced a document that said the
2 prices will be here, here and here for the next few
3 years and they outlined that too. In the price
4 escalation they asked for a year after the proposal was
5 originally priced up which says it was 200 upcharge in
6 the chamber was in keeping with that document that was
7 provided here. So nobody overstepped their bounds from
8 my perspective in what they asked for here too. We have
9 all seen our materials cost go out of orbit here with --

10 MR. BROOKS: But I don't think we are implying
11 anybody is overstepping their bounds. What we are
12 trying to do is basically what you just said, it sounds
13 like everything we agreed to with Pittsburg is out the
14 window.

15 MR. EVANS: No, I didn't say that. I said --

16 MR. BROOKS: No, wait a minute. What you are
17 saying is since they don't exist we don't have a company
18 to back up that side of the contract. Is that correct?

19 Tom, is that correct?

20 MR. MESSER: What we are saying Charlie is that we
21 need to -- Jim, I think needs to look at that purchase
22 order that was agreed upon and we need it and Pete said
23 he was going to give it to him, we need to look at that,
24 we need to see what the requirements are and it's going
25 to take -- if we can get a copy we can read it tonight

1 and look at it and come up with a decision whether or
2 not we can have it and if we can get it we can get back
3 to Chuck tomorrow.

4 MR. KINSLEY: I would like to walk through what
5 happened. Because once again the way that Tom presents
6 it, he makes it seem like we are trying to get away with
7 something. And it's a situation where the owner was
8 going to furnish the material so I prepared the purchase
9 order for the board to issue with all of our standard
10 terms and conditions and that was what I prepared for
11 Tom's use that was negotiated with that vendor. In the
12 same manner the line was negotiated with that vendor.
13 That vendor doesn't exist anymore. And the board is now
14 purchasing the equipment. And really Walt is just
15 anxious. I didn't even know Walt was going to prepare
16 the purchase order. That's his standard terms and
17 conditions, not much different than ours. When we got
18 started I described to you that that scope of supplies
19 was Walt's subcontract. So he naturally would use his
20 purchase order if the board likes ours -- that really
21 happened without my knowledge today. Walt showed up, we
22 need to issue purchase orders which we want to do
23 tomorrow. But if the board likes the original one
24 better that's what we could use as starting, you know,
25 the one we prepared with our standard. Walt is willing

1 to use that one. We can use that as a starting point.

2 But Roediger Germany has not seen the extended
3 warranty letter that was negotiated with Roediger
4 Pittsburg in the detail.

5 MR. TOBIN: Is there a reason why?

6 MR. KINSLEY: Not in particular Andy.

7 MR. TOBIN: Just an oversight?

8 MR. KINSLEY: Really just an oversight. They have
9 been privy to the favored nation pricing because Tom was
10 engaged in that during the escalation. The extended
11 warranty piece, that was more of an oversight. That was
12 something that Roediger Pittsburg executed -- it was
13 really outside of our contract. It's something that the
14 manufacturer was giving this board direct. And so it
15 was something -- I was kind of acting as a mediator
16 between Tom and their attorney but it was not something
17 we were bound to something. It was something Roediger
18 Pittsburg was offering to at value. I am more than
19 happy to go back and revisit that but that did not
20 happen. It wasn't with any intent, it's just because
21 it's Walt's bailiwick, he went to his standard terms and
22 conditions. That's why it looks different than the one
23 I prepared on behalf of the board.

24 MR. FISHBURN: If we go forward, there is no
25 question in my mind that staff will have this kind of

1 purchase order or you won't hear anything more about
2 this. In other words I wouldn't get into the details of
3 this, this took quite a bit of time to hash out and
4 that's the one thing that surprised me about their
5 letter is the December 2nd purchase order. This is the
6 basis for anything we do in my opinion.

7 MR. DILLON: I spoke to Mr. Docherty about this
8 directly a week or so ago and I said will Roediger
9 Germany accept the purchase order and he said they
10 haven't accepted any other purchase orders. They have
11 changed it to put international terms in in terms to
12 their like. So that's all I know. I don't have anybody
13 here to tell me that they will accept the purchase
14 order. Also I'd like to underline what was said, that
15 this extended warranty and guarantee on the price of
16 most favored nations doesn't come from Haskell or
17 Higgins. That's not their problem. They have a one
18 year warranty after final acceptance, I believe, or
19 substantial completion, whenever the contract says.

20 After that it goes to the person who is selling us
21 the goods. Before we had Roediger Pittsburg which was
22 here in this country and could be reached. Now we have
23 a player to be named later. And we don't know who that
24 is going to be. We don't know if there is going to be
25 anybody. Maybe Germany will do business directly. It

1 may have no commitment to do anything.

2 MR. DOCHERTY: May I make an comment. I think what
3 I should have said if I didn't say it was that --

4 MR. FISHBURN: Jim Docherty. Identify yourself.

5 MR. DOCHERTY: Jim Docherty, I'm sorry. What I
6 should have said was Roediger VHT was instructed by
7 their lawyers that they are not permitted to take over
8 and they should not take over any contracts due to legal
9 reasons.

10 MR. KINSLEY: That RPI entered.

11 MR. DOCHERTY: That RPI was involved with. It has
12 to be a clean new contract is the point I was trying to
13 make. So Roediger VHT cannot walk in and sign a
14 document that says we are going to just move right along
15 where you left off. That was the point I was trying to
16 make.

17 MR. DILLON: There is no contract with Roediger
18 Pittsburg. The purchase order was never issued. What
19 I'm not hearing is that Roediger Germany would be
20 willing to just substitute the names and sign the same
21 document. And I haven't heard that and I don't believe
22 anybody in the room can say it.

23 MR. TOBIN: Do you have a copy of that Jim?

24 MR. DOCHERTY: No.

25 MR. TOBIN: You need to at least review that and

1 see whether or not it is reasonable and your company is
2 willing to agree to it.

3 MR. DOCHERTY: Sure.

4 MR. TOBIN: How long will it take to do that?

5 MR. DOCHERTY: It depends what it says. When you
6 say extended warranty, I heard of an extended price
7 warranty and I don't think that would be any problem.
8 If it's something else I'm not sure what it is.

9 MR. TOBIN: Well Walt and Tom worked on this
10 agreement. I presume everybody came to a mutual
11 understanding and it wasn't anything unusual.

12 MR. DOCHERTY: Then it shouldn't take long.

13 MR. BROOKS: Let me make a comment. I don't think
14 the board, at least from my point of view, is trying to
15 digest where we have been. What I'm interested in is
16 what the situation is now and where can we go and what
17 can the board -- information gathered to make a good
18 decision of which way we need to go on this. Unless
19 anybody on this board -- I don't think we are going to
20 make a decision tonight on Roediger or Roevac from my
21 point of view. If anybody wants to disagree with me. I
22 think we have to look, and we discussed this at the last
23 meeting, what does Airvac have to offer. What does
24 Roevac have to offer. What is Roevac willing to agree
25 to, Roevac Germany willing to agree to. And until we

1 get those -- and Airvac also agree to. Till we get
2 those together I don't think this board should make a
3 decision.

4 I have trouble making a decision just on what I
5 have heard tonight from Roevac without hearing Airvac
6 and knowing whether that was a better opportunity for
7 this board. Anybody disagree with that or think that
8 they can expand on that? My question was if Roevac is
9 going to do something in this process how long is it
10 going to take, since we are talking about a German
11 company, to get something from them to answer Tom's
12 questions, our legal person to answer those questions.
13 Tom, my question would be, my understanding of the
14 contracts is the board has a right, if they decided to
15 go with Airvac or change the vendor, the board has that
16 right, is that correct?

17 MR. TOBIN: Charlie, can I just ask you that we not
18 get into that. We have Airvac here tonight. I think we
19 need to hear from them and then --

20 MR. BROOKS: I will withdraw my question. What is
21 the status of the board, do you want to go to Airvac
22 now, have you heard enough?

23 MR. PATTON: I think that we are not quite where we
24 want to be with this. What I see is that I see staff
25 and Roediger, Roevac, Jim you got to get together and

1 Higgins has to get together and negotiate a purchase
2 order that you are all willing to approve, ASAP and with
3 the shop drawings. I mean you guys got to go up there
4 and you all got to agree that we have a purchase order
5 that all parties are ready to move on and agree to with
6 our legal counsel and everything and then submit -- come
7 back to the board and as quickly as possible, at least
8 from you guys, and then submit it back to us with all
9 parties in agreement. I mean I'm surprised you haven't
10 done that part of the homework already. You're ready to
11 submit a contract but they are not ready to approve the
12 purchase order. We are out hanging in the wind in a
13 sense because the original October purchase order you
14 guys worked really hard on --

15 MR. EVANS: It is not their order.

16 MR. PATTON: Pardon

17 MR. EVANS: It --

18 MR. PATTON: It's our purchase order as well. We
19 have to agree to it from what I see. And we have to
20 have some provisions in there that we are satisfied with
21 before that we are protected.

22 MR. EVANS: The goals of the project.

23 MR. PATTON: The goals of the project are met.

24 MR. KINSLEY: Again I don't disagree. The cleanest
25 is if the same purchase order terms and conditions is

1 negotiated. It makes it that much more simple. That
2 contract was prepared with the understanding that the
3 board was going to be purchasing that equipment direct
4 from the sales tech agents. The correspondence from the
5 manager is we are not buying equipment, go get some
6 equipment. That is, in summary that's the two letters
7 that have been received from Chuck and so we went out
8 and we got some equipment. We are ready to go. That's
9 why we are here to inform you. Really it's Haskell's
10 risk and it's DN Higgins' risk and we are confident we
11 can provide you with a quality product.

12 MR. TOBIN: You know, Glen is offering to make a
13 deal here and you guys are sort of closing the door on
14 us. He's basically saying get to work guys and let's
15 get closer. And you're saying I got a letter, it's our
16 business and we shouldn't have to do anything else.

17 MR. KINSLEY: That is not fair Andy. That is not
18 what I said.

19 MR. TOBIN: That's what I heard.

20 MR. KINSLEY: Let me say it again. Your manager
21 said that our board has made a decision that it's too
22 risky to purchase this direct, we are not buying the
23 Roediger equipment, it's Haskell's responsibility to go
24 provide suitable equipment. And why I came today, to
25 tell you what we have done in response to that, the

1 things that are our concerns and how we address them. I
2 agree with you it is much more simple that the original
3 contract that was negotiated with Pittsburg is what is
4 executed. That provides a reassurance to the board.
5 But the board is not carrying nearly the risk anymore
6 because they are not the person signing it. I'm the one
7 that's carrying the risk.

8 MR. TOBIN: I'll sit here and debate that with you
9 'til kingdom come. But you are just avoiding the issue
10 which is Glen is suggesting let's get together and work
11 this out, and you are still talking about a letter that
12 Chuck wrote to you saying we are very concerned and we
13 have always had these joint -- we are in this together,
14 we are going to make good decisions together. All Chuck
15 said was we are concerned and obviously you are
16 concerned so let's keep working. I think that's what we
17 are trying to do. It's not just your risk. It's our
18 risk.

19 MR. MESSER: Walt Messer here with DN Higgins. As
20 far as the Roevac, Airvac we have, we have discussed
21 this, we beat it to death. And I don't feel that
22 Haskell or DN Higgins, we don't want to revisit that.
23 We need to get the purchase order. We are going to look
24 at it. We are going to go over it with Jim and we are
25 going to look at it and come back and try to make this

1 change work. We want it to work with Roevac. And
2 that's what we want to do. And we need to make it
3 happen as quickly as --

4 MR. PATTON: And this partnership from what I see
5 and we can't be left hanging in the wind when you guys
6 are done with the job and leave town and you are done
7 with the construction and we have to operate and
8 maintain the system and we want some protection --

9 MR. MESSER: And we understand that.

10 MR. PATTON: -- safeguards, these things are going
11 to work and we are not going to be stuck with a
12 nightmare. You can see that.

13 MR. MESSER: We do have a warranty --

14 MR. PATTON: We got to do that.

15 MR. MESSER: We have a standard warranty that comes
16 with it, regardless of everything that's negotiated out.
17 What you have negotiated out is way above what the
18 normal warranty is Glen.

19 MR. PATTON: Fine but apparently in good faith they
20 negotiated this contract with Roediger Pittsburg and in
21 good faith they worked hard to get this thing and they
22 were close to signing off on everything and then whamo.

23 MR. MESSER: Again we want to go back and try to
24 get this but what we are trying to say is that we don't
25 want our expectations to get too high. We don't want

1 your expectations to get too high. We're going to look
2 at this, we're going to see what we can do.

3 MR. PATTON: We have to have a closer meeting of
4 the minds on this and then let's move forward.

5 MR. MESSER: I agree with you 100 percent. Things
6 evolve. When we started this thing two years ago
7 Roevac had a pit and valve. Just talking about the
8 difference. Now they have a new pit a better valve.
9 It's even better. Airvac does the same thing. Cars
10 change every year. Motors change. They all get better.

11 MR. PATTON: That doesn't scare me at all.

12 MR. MESSER: The product is going to stay the same,
13 it's going to do what the contract requires us to do and
14 I still think that whatever was in that purchase order
15 we can work out with Jim and we can move forward.

16 MR. BROOKS: But what I want you to understand from
17 my point of view is that we have got to look at this
18 long term. We are looking at much bigger, a lot more
19 pits. And in the meantime I'm in full agreement, that's
20 what I have been asking, where are we going, how are we
21 going to get there. But in the meantime--

22 MR. MESSER: I agree with you Chuck.

23 MR. BROOKS: -- I want the insurance that if we
24 can't get there I have something to fall back on.

25 MR. MESSER: You have a \$4 million bond that I gave

1 Haskell and Haskell gave you \$8 million bond.

2 MR. BROOKS: Plus we put a lot of pipe in ground
3 and what Pete tells me concerns me considerably that if
4 we have to look at the design in the operation is a high
5 priority thing.

6 MR. MESSER: I don't disagree but I'm not saying
7 he's right.

8 MR. BROOKS: If we can't make an agreement and come
9 together and say okay Roevac -- this is what we have got
10 with Roevac and this is what we are going to face and we
11 have got with Airvac and the board is going to have,
12 these guys here are going to have to make a decision.
13 And it's always been we would make the decision
14 regardless of the letter. And I apologize for the
15 letter in the sense that we might be part of making --
16 getting that letter out to you. From what I understand
17 we gave Chuck the direction that he could do that. I
18 didn't -- when it went through I didn't understand that
19 we were, that the letter was going to tell you to go
20 ahead and do it. I didn't think it was that extent. I
21 thought it was some discussion into the process, like
22 Glen says, we have a partnership here.

23 Shall we close out the Roediger side and shall we
24 listen to the Airvac? Board?

25 MR. PATTON: The only thing that they need to do is

1 make some meetings or some kind of situation --

2 MR. BROOKS: They can get together and set that up.

3 MR. FISHBURN: We can, by the next meeting, hash
4 out this purchase order. Obviously Airvac is here and
5 you need to look at plan B essentially. Staff can
6 hammer out, the three of us can hammer out --

7 MR. BROOKS: You are going to work out with the
8 Roevac what we had. Tom is going to be involved in
9 that.

10 MR. FISHBURN: And Ed.

11 MR. BROOKS: What you need to do is hear Pete. I
12 guess you will be part of it with Roevac up here. Shall
13 we move on to Airvac?

14 MR. MESSER: Charlie, just in saying one thing. I
15 have done a lot of work down here in the Keys, I have
16 issued a lot of purchase orders with just handshakes.
17 Maybe that's not good business, I don't know. But
18 that's the way Higgins does business. And we trust
19 people that we do business with. I guess, I have never
20 gotten burned down here in the Keys with a handshake.
21 Again that might not be the right way to do business.
22 That's the way Higgins does business. Our word is good.
23 Our handshake is good.

24 MR. BROOKS: I agree with your philosophy but my
25 concern is in this world, and all we have to look at

1 some of the problems we have had in the Lower Keys with
2 misunderstandings. And I hope this board wants to not
3 have misunderstandings. The way I understand you put it
4 in writing and you sign the contract so that there is
5 not a misunderstanding.

6 MR. KINSLEY: Charlie, I don't know if the board
7 could answer it, this is kind of a complicated question.
8 But if Roediger Germany is willing to sign the purchase
9 order as we prepared for Roediger Pittsburg, do you get
10 the sense or can the board discuss that's something they
11 would go on with? The reason I say that, to me this is
12 not a Roevac/Airvac discussion. We have done that.
13 What it is, we have had a change of representation with
14 the manufacturer and we have to go on with life and do
15 the best we can. Where I'm going once again, if we are
16 opening up the Pandora's box and considering Airvac, it
17 may be in our best interest to shut the job down. We
18 have 4,000 linear pipe in the ground. We don't know if
19 Airvac likes or doesn't like it. We are putting in a
20 couple of hundred feet a day. If we are going back to
21 this process that was already done, in my opinion as
22 thoroughly as any job I have ever been on, I'm concerned
23 that we are continuing on putting pipe in the ground
24 with Roediger design if we are going Roevac/Airvac
25 comparison again.

1 MR. TOBIN: Can I suggest that we not entertain
2 that question and move on.

3 MR. PATTON: Entertain Airvac?

4 MR. TOBIN: This question that he just posed.

5 MR. PATTON: My feeling in the design is pretty
6 much Roevac, it has been from the beginning. There is
7 no indication that the board is going in another
8 direction. The most important thing is the fact that we
9 still have to, to some degree, entertain a situation
10 where Roevac Germany doesn't sign this agreement and
11 it's for your protection as well, you got to have a fall
12 back plan.

13 As far as Walt goes, from what I'd seen I would
14 shake your hand and agree with you, you know, I think we
15 would have a deal, you know, I mean because you are
16 here. But to Tom's point we don't have anybody from
17 Germany here that we can shake their hand and look them
18 in the eye and know we have a deal, okay. And that's
19 what we are looking for.

20 MR. MESSER: It comes from me.

21 MR. PATTON: You are going to be dealing with
22 them. At this point would you shake hands with Germany?
23 You don't have anybody there to guarantee that. That's
24 the issue. And we are all in this same boat on that.
25 So -- but we still have to have a plan B, not that we

1 are going to -- hopefully we won't go there.

2 MR. MESSEY: You haven't been through the whole
3 negotiation here. We went from board meeting to board
4 meeting to board meeting. And I don't think Pete's
5 question is out of order here. I think we need to know
6 if we get Roediger Germany to agree with that purchase
7 order are we going to go forward?

8 MR. PATTON: At this point, the board, there is no
9 other direction at this point from what I seen. Correct
10 me if I'm wrong.

11 MR. BROOKS: To me we have nothing to go on. Tom
12 is saying it. We don't have a purchase order. We don't
13 have an agreement.

14 MR. MESSEY: Then again --

15 MR. BROOKS: Our attorney --

16 MR. FISHBURN: I think if we go to work on the
17 purchase order I think as a courtesy to Airvac -- you
18 may be surprised Airvac may be tired of dealing with you
19 guys. In other words they were early on the project,
20 selected by all five of the original bidders and then
21 during negotiations they went the road. So I think we
22 ought to terminate the discussion on this. Let staff go
23 to work on that assignment. Give Airvac the courtesy to
24 talk to you about their position and move on. In two
25 weeks we'll be back.

1 MR. BROOKS: That's my position as well. Glen.

2 MR. PATTON: Yeah, fine with me.

3 MR. TOBIN: Let's do it.

4 MR. BROOKS: Claude.

5 MR. BULLOCK: Yes.

6 MR. BROOKS: So the discussion on the Roevac. Can
7 we have the gentleman on the Airvac.

8 MR. ELIAS: David Elias with Airvac.

9 MR. FISHBURN: Dave, come on up to the microphone.

10 MR. BROOKS: You have got the mike. Your name
11 again?

12 MR. ELIAS: David Elias with Airvac. I'm a
13 municipal market manager for Airvac. We -- our national
14 sales office is in Tampa, Florida directly with
15 manufacturer. We don't have a manufacturer's rep down
16 here. For some reason I was asked to come in. I will
17 answer any questions you all have regarding vacuum, what
18 have you. I think I'm perfectly capable. We have dealt
19 with DN Higgins. We are doing a project with them now.
20 We can work with contractors but it's got to be a team
21 concept. Obviously they are so far down the road I
22 can't tell you whether what they have got in will work
23 unless we take a cursory review because vacuum is a
24 unique system and not many people in this room are that
25 familiar with it.

1 We have been doing it 35 years here and have a lot
2 of systems in but we have different design philosophies
3 than Roediger Germany or Roevac or however you want to
4 call it. Not to say their's can't work won't work. We
5 have a specific design philosophy and parameters that we
6 design our systems to. We know from our track record
7 that they certainly work very effectively. So answer
8 any -- I will answer any questions.

9 MR. BROOKS: Let me first make it clear, and if,
10 again if anybody on the board agrees, we are not talking
11 about whether Airvac or Roevac is a better valid system
12 or system to use. We are just talking about if we have
13 got pipe in the ground if our vendor for some reason,
14 whatever that reason is, could not meet what we needed
15 in order to complete the job what would Airvac's
16 position be.

17 MR. ELIAS: Our position would be evaluate what has
18 been put in the ground, the profile that has been put in
19 and then make a determination. It starts from the end
20 of the line to the system. I don't know where they are,
21 where they are putting pipe in. And sometimes it
22 depends on the size of the pipe diameter what type of
23 profile they are following. We aren't privy to that.

24 MR. BROOKS: Let me ask this question. What would
25 Airvac be willing to do to work with our staff to give

1 you a more comprehensive idea where we are at?

2 MR. ELIAS: I would say we would look at what has
3 been put in. Probably the worst case scenario, the
4 trailer village, the longest line, that's almost the
5 most critical. If there has been profiling done we can
6 review it see what is put in, look where it takes it
7 from there. If it's in the middle of a vacuum main look
8 at the inverts where the vacuum station is, see if we
9 can meet our design requirements from what has been put
10 in.

11 MR. BROOKS: Is that -- would there be any cost or
12 would Airvac --

13 MR. ELIAS: No, we would -- we do this routinely
14 with -- even like with Brown & Caldwell or any other
15 engineering firms, we offer, probably as Roevac does
16 with their group.

17 MR. BROOKS: How long would that take?

18 MR. ELIAS: If we had the drawings and looked at
19 the profiles, probably a few days. If we knew exactly,
20 two to three days, maybe a week at the most, to look at
21 the profile -- if we knew exactly what was put in.

22 MR. BROOKS: Does that sound reasonable to you
23 Chuck?

24 MR. FISHBURN: Yeah. Like I said though, Dave is
25 speaking, if he's anxious to do that, in other words

1 with no, you know, the contractor obviously is adamant
2 about not going with Airvac and conceivably we are
3 wasting his time again.

4 MR. KINSLEY: I don't know adamantly, I just think
5 we are farther down the road. I don't have anything
6 against Airvac by any means but when you got 4,000 foot
7 of pipe of 30,000 in the ground based on the design it's
8 a concern.

9 MR. BROOKS: Pete, if Airvac came back and said gee
10 there is no problem, we can hook up the pits, look
11 everything looks like it will be compatible, and then
12 the next day we found out that Roevac Germany didn't
13 agree to our terms, would it not be a release valve that
14 we could move ahead with the project.

15 MR. KINSLEY: That would certainly be one of the
16 concerns addressed. Now there is a handful of concerns
17 to make a change at this point and that would be one of
18 them addressed.

19 MR. BROOKS: One of the biggest concerns --

20 MR. DILLON: What are the other concerns?

21 MR. KINSLEY: Probably primarily price. Walt, I'm
22 speaking, this is really your bailiwick. You install
23 them. I don't install them.

24 MR. MESSER: Yeah, you are trying to get
25 information from Airvac I think you need to get. We

1 have given you the information that we feel from our
2 standpoint --

3 MR. FISHBURN: Let me ask you Walt, your cost to
4 put in either pit is identical. In other words whatever
5 the raw numbers from their's it doesn't affect your
6 pricing?

7 MR. MESSER: Oh, no it's different.

8 MR. WEILER: How would that be different, it's a
9 single pit?

10 MR. MESSER: We gave you a whole bunch of money
11 back to go from Roevac to Airvac or from Airvac to
12 Roevac during negotiation.

13 MR. TOBIN: Was there a reason for that, do you
14 remember?

15 MR. MESSER: Roevac was cheaper.

16 MR. WEILER: My recollection they were easier to
17 put in.

18 MR. MESSER: They were easier to put in.

19 MR. WEILER: We are doing the same pit. It is one
20 rather than two. Do you recall that?

21 MR. MESSER: The cost.

22 MR. FISHMAN: Walt is saying that the Roevac is
23 cheaper to put in.

24 MR. WEILER: Even now the new pit is easier.

25 MR. MESSER: The cost.

1 MR. PATTON: There is a bunch of technical issues.

2 MR. MESSER: This is why we don't want -- I don't
3 want to get in here. Dave is sitting here and I don't
4 think this is really proper to discuss this right here
5 but there is -- Pete hit on it the nose. There is other
6 issues other than just his pits will work with the
7 system.

8 MR. BROOKS: With what you would give us, Airvac
9 would give us would they address those other issues
10 besides design?

11 MR. ELIAS: What other issues?

12 MR. BROOKS: Cost for one, right?

13 MR. ELIAS: Our cost is what it is. We addressed
14 in the beginning of 2003 when this RFP came out, we had
15 in there if it is purchased by 2003 here is your price.
16 If it's purchased by 2004 there is a 3 percent increase.
17 This is 2004. If we had a purchase order by December
18 31st we would honor what we say price wise. We have
19 got, you know, multiple projects in the state ongoing
20 right now where we have five year procurement, you know,
21 where we guarantee our price in five years. We have it
22 with numerous entities in Florida. We, you know, review
23 it with their attorneys and we set up these long term
24 agreements just like -- you know, this is routine for
25 Airvac. But that's neither here nor there at this

1 point.

2 If we could, you know, I don't want to work on a
3 team that is committed somewhere else if there is a
4 fopau, something happens you can't come to terms we can
5 jump on board with them just like anything else and make
6 this work. We have three systems working here now in
7 the Keys and I think everybody is happy with them. It
8 can be done but you got to be a team to begin with and
9 like I think Peter said earlier, you got to shut the
10 thing down now and take a cursory review and determine
11 who you as the board want to use, because you are
12 putting pipe in the ground. I say a week maybe we could
13 profile a line, see if it could work. But in a week
14 they might have another thousand feet of pipe in who
15 knows where. You are shooting at the moving target. So
16 it's not practical.

17 MR. BROOKS: In that week you are doing the same
18 thing you did the previous week, right?

19 MR. ELIAS: I don't know where they are moving.
20 People put pipe in all over where it was dry, whatever.
21 You can't dictate where a contractor is going to
22 install.

23 MR. BROOKS: Are we talking about design or --

24 MR. ELIAS: Profile design based on how the pipe is
25 in the ground, what slope, percent slope, how much lift

1 they have put in. It's all relative to the design of a
2 vacuum. You don't know where they are working. You
3 have to meet certain inverts. It has to be within our
4 design parameters.

5 MR. BROOKS: Glen.

6 MR. PATTON: My comment is I don't think we should
7 run -- David?

8 MR. ELIAS: Yes, sir.

9 MR. PATTON: -- David through this exercise until
10 we are at impasse with Roediger as far as them not being
11 able to provide the pits on the terms and conditions
12 that are agreeable with Higgins, Haskell and us. Okay.
13 When we find out, mutually agree with Higgins and
14 Haskell that Roediger is not the place to go, okay, then
15 we go to plan B and we get you out. In a couple of days
16 you can give us a cost and estimate and engineering
17 evaluation of the situation. And then Walt and Haskell
18 will come back with this change order on prices and then
19 the board will have to deal with both those issues. But
20 I think it's premature to ask David at this point to
21 evaluate the system and put in -- essentially a bid. I
22 mean basically you are rebidding this portion of the
23 contract.

24 MR. BROOKS: Okay. Andy.

25 MR. TOBIN: I'm just -- it's comfortable, it's nice

1 to know that we are not stuck and apparently we're not.
2 So if for some reason we cannot do business with
3 Roediger, Airvac, at this stage of our project, Peter,
4 we could make the switch, it might cost us a little bit
5 more money but it can be done. I presume Joe that you
6 feel like we could make a switch.

7 MR. PATERNITI: Joe Paterniti with Brown &
8 Caldwell. It can be done. There may have to be --

9 THE CLERK: Could you move a little closer to the
10 mike.

11 MR. PATERNITI: Joe Paterniti with Brown &
12 Caldwell. It can be done but there will be similar
13 designs from what I understand between the two
14 companies, especially with the service lines in the
15 elevations of the connection chambers. I can pretty
16 much see that.

17 MR. KINSLEY: Joe, does that impact any of the work
18 that Walt has put in to date? We put in primarily
19 vacuum transmission lines, didn't we?

20 MR. PATERNITI: We put in vacuum transmission
21 lines. I would feel comfortable having them review
22 those, that design.

23 MR. KINSLEY: Absolutely. We went with the step
24 system David saw tooth. That's the system you also --

25 MR. ELIAS: I'll look at it. Some of it -- and

1 there is some differences in the slopes. I mean you can
2 raise it. There is other issues in there but saw
3 tooth --

4 MR. MESSER: You said you can raise it? You're on.
5 There are some issues, probably saw tooth profile,
6 something that Airvac developed. When Dave and I are
7 working together down in Bay Point, just so you guys
8 know --

9 MR. PATTON: It is a little incestuous I can see.

10 MR. ELIAS: We have to review it. Our engineering
11 would have to take a look at, I am not saying it
12 couldn't be done, there is always things you can do to
13 make it work.

14 MR. PATTON: It's my comment, I think we are a
15 little premature to go down that road at this point.
16 Where that point is, you guys ought to be meeting
17 tomorrow. That is, you know --

18 MR. FISHMAN: We happen to have a construction
19 meeting tomorrow.

20 MR. PATTON: Within this week we need memoranda
21 coming back from the general manager saying we have an
22 agreement and he's ready to sign the purchase order and
23 you guys are too and also phone calls to Germany.

24 MR. MESSER: Walt Messer with DN Higgins. Let me
25 say one more thing. Again I think the warranty issues

1 are probably going to be, maybe some legal stuff too,
2 but the warranty issues and I think you need to know
3 being part of the board that Roediger Pittsburg gave us
4 a blanket warranty which is their normal warranty. And
5 that is what I offered to the board with the collection
6 system. What was negotiated over an above that was
7 negotiated with Haskell and the board and Pittsburg
8 Roediger. So I haven't seen the purchase order either.

9 MR. KINSLEY: We also thought you guys were going
10 to do the purchase order. And I had nothing to do with
11 the -- I made that perfectly clear that it was not part
12 of my warranty. If you could negotiate something better
13 with Pittsburg Roediger or Germany that was fine. So I
14 haven't seen a purchase order either.

15 MR. PATTON: Right.

16 MR. BROOKS: That raises a question. If we go
17 along with Roediger and we get into March and it all
18 folds and you got some pits in the ground, what are you
19 and Haskell willing to do?

20 MR. MESSER: Definitely going to have to give you a
21 completed job. We are going to do whatever we have to
22 do to make sure the job is done and you have a vacuum
23 system out there.

24 MR. BROOKS: You would take out the Roediger's and
25 give us all Airvac.

1 MR. MESSE: I'm not sure that that would be -- I
2 would have to look at it at that point in time and see
3 if that was available. If Germany is still there and I
4 can get pits from them I'd stay with Germany.

5 MR. BROOKS: Well they didn't fold it then. Claude
6 what do you got on this?

7 MR. BULLOCK: It would seem like if we wanted to --
8 if Peter wanted to posture he could request -- I don't
9 think the board needs to insist that be done tonight
10 that the Airvac issue be pushed forward other than maybe
11 Pete with Haskell may want to talk with Airvac a little
12 more. But that is only if he sees it that way. He's
13 the one. If we were going to give the purchase order
14 and he's going to get the purchase order he still has to
15 be responsible for it. That's the bottom line.

16 MR. BROOKS: Okay.

17 MR. BULLOCK: And that doesn't change.

18 MR. BROOKS: So I would entertain a motion that we
19 wait for the negotiation between Peter, Roevac and who
20 am I leaving out here?

21 MR. FISHBURN: Staff.

22 MR. BROOKS: Staff. Yeah, staff and Walt to
23 negotiate directly with Germany Roediger and come back
24 to us in two weeks. Is that unrealistic?

25 MR. TOBIN: I'll second for discussion.

1 MR. BROOKS: Well I'm asking somebody to make the
2 motion.

3 MR. TOBIN: I move that we table this for two
4 weeks.

5 MR. PATTON: With the direction to staff and
6 everyone that negotiates that it's a mutually acceptable
7 purchase order that can be issued.

8 MR. WEILER: The purchase order, is that the only
9 issue now?

10 MR. FISHBURN: Jeff Weiler.

11 MR. WEILER: What about the history, what about the
12 fact that they, they --

13 MR. PATTON: That's inclusive.

14 MR. WEILER: I don't know that that is part of the
15 purchase order.

16 MR. PATTON: The warranty is. But at the same time
17 the fact is engineering has to, I mean the shop drawing
18 and everything else.

19 MR. WEILER: They said they are not going to do to
20 shop drawing until they have a purchase order.

21 MR. PATTON: Again, I think Jeff wants to say
22 something.

23 THE CLERK: Excuse me, are you by a mike?

24 MR. PATTON: He's got a mike.

25 MR. WEILER: I mean we checked them out. Did a

1 Dunn & Bradstreet on them to make sure they were stable
2 and got it. Why did we do that? Why bother? If we can
3 get a warranty, the warranty they gave us tonight is not
4 the same warranty we negotiated. We told you in the
5 beginning we were concerned about long term O and M. We
6 said we'll make it work -- you choose Roevac we'll make
7 it work. We don't know that Pittsburg is going to fail,
8 we don't know that, but we have some concerns. Pretty
9 sure Airvac is in good shape. Pittsburg failed. There
10 is just too many unknowns out there and if it is cost
11 then we need to talk about that. Why are they giving us
12 the unit prices? Are you saying those aren't the unit
13 prices?

14 MR. MESSER: On that purchase order?

15 MR. WEILER: Yes.

16 MR. FISHBURN: 1875.

17 MR. KINSLEY: Tom had to go back and do it.

18 MR. FISHBURN: You mean on our purchase order?

19 MR. WEILER: Charlie and Andy you recall Jerry sat
20 up, made that long spiel it was technical. You made
21 your decision to go with Roevac. Now they are proposing
22 different pits and different valves. I don't know
23 fellows. I have grave concerns Airvac is going to spend
24 a lot of time and money, Roevac isn't going to spend a
25 lot of time and money. I think what you are proposing

1 is for Roevac to get their lawyers to come up with a PO
2 that is agreeable and we'll sign that and just forget
3 about all the other things that were promised like
4 they'd be here for us.

5 MR. PATTON: In my opinion, what I suggested was
6 that with between this group, okay, including Weiler
7 Engineering, if you come to a situation where all of the
8 things that -- your concerns are not addressed and price
9 and terms and conditions are not addressed to your
10 satisfaction then you need to come back to the board in
11 two weeks saying we recommend not complete the purchase
12 order with Roevac and we need to go with Airvac. I mean
13 we need a statement from you guys saying this is
14 unacceptable to us as staff completely in writing.

15 MR. TOBIN: I think you just got it.

16 MR. PATTON: That's what we need.

17 MR. CASTLE: Ed Castle. If I could clarify, just
18 so you know, you were on the board a year and half ago
19 or 14 months ago when going through the selection
20 process. Weiler Engineering was always in favor of
21 Airvac because of the history in the United States, the
22 long term stability. And very important to me, since I
23 had operated systems, waste water plants, the ability to
24 help out and service the plants. I know we have Tom
25 Evans and I have known him for a long time but I don't

1 know that he's got the experience under his belt
2 operating a Roevac system that Airvac has operating an
3 Airvac system. We had a failure, recently we had a
4 problem with a PLC middle of the night Airvac was on the
5 phone and plugged their phone line and PLC and trouble
6 shot the problem for us. That's the kind of stuff that
7 is very important to me in the future beyond the one
8 year service period or the two year warranty. Whatever
9 we get in the warranty, how will we be serviced in the
10 long run. Without having a history and nobody
11 established here has been doing that and continue doing
12 it, I'm just real uncomfortable. That's the same
13 position I was in a year ago. But anyway that was my
14 spiel.

15 MR. PATTON: And I appreciate your position but
16 what I'm saying is, you know, between the group here and
17 your representing and consulting to us what I'm saying
18 is we need a recommendation within the two week period
19 based upon the existing circumstances that are now in
20 play.

21 MR. WEILER: We would be happy to do that.

22 MR. PATTON: If that recommendation is don't go
23 that way, this is not acceptable, then the board has
24 something that they can really sink their teeth into.
25 And this is also for Haskell, Peter and Walt for them to

1 have a meeting of the minds that this is, you know, what
2 we are going to do here and then let's take the
3 appropriate steps to go in that direction. And you got
4 to -- I don't know all the legal ramifications of their
5 contract because I mean it like opens the whole thing up
6 to renegotiate almost it seems like to me. But, you
7 know, I mean I would like to avoid that if I could.

8 MR. BROOKS: Let me ask at this point. Is there
9 any change in mind of the board that they want to do
10 what we had decided as far as continuing with Roevac
11 working with staff or is there any amendment? I might
12 suggest an amendment to it that in two weeks if we don't
13 have a commitment that at that point we'll ask Airvac to
14 give us some information -- does that sound reasonable?

15 MR. PATTON: Sounds very reasonable to me.

16 MR. BROOKS: Does that sound reasonable?

17 MR. ELIAS: Information regards to?

18 MR. BROOKS: Looking at the drawings. And don't
19 think I'm asking for a full-blown --

20 MR. FISHBURN: You are asking to kick him off in
21 two weeks. You are really putting the assignment on
22 Roevac and Peter Kinsley to have an agreement with the
23 staff.

24 MR. BROOKS: And Chuck.

25 MR. FISHBURN: And staff by two weeks from now to

1 have the response back from Germany the day we all agree
2 and if not then we --

3 MR. BROOKS: Part of that would give us from
4 Germany better background of whether they can back up
5 what they are saying they can do. And we would also
6 hear from Jeff and Ed as far as their recommendation
7 whether that would be part of the matrix that we would
8 use for a decision. Does that sound good?

9 MR. TOBIN: I just want to make a comment. I have
10 always had and this is probably obvious from my little
11 exchange with Peter, I am very, very uncomfortable with
12 doing business where a company that has no history and
13 is now shopping for a manufacturer. I'm real
14 uncomfortable with that. And I haven't even heard what
15 Jeff Weiler or Ed Castle had to say. Now I'm real
16 uncomfortable. So I think it's incumbent on everybody,
17 staff and our contractors to take a hard look at this
18 and if necessary if we have to change horses and if it's
19 going to cost us some money I would rather do it now and
20 be comfortable we are getting a good product. That's
21 the way I feel. So you were looking for a commitment a
22 little while ago and I sort of wasn't ready to give you
23 one after hearing our engineers, after hearing some
24 discussions that we can make a switch without major
25 major problems. I think it's foolish for us not

1 to look at that, unless everybody is real comfortable
2 doing business with a start-up company.

3 I know, with all due respect to Roediger it is not
4 a start-up company in Germany but to us there is a
5 failure in this country and there is no current
6 manufacturer. So why not look at all our options.

7 MR. PATTON: Charlie, one other comment. Within
8 this two week period if you can't meet, have an
9 agreement, then Peter come back to us and say what the
10 ramifications of that are, are you going to have to shut
11 down the job? Do you recommend to shut down the job
12 until we get with Airvac and have an engineer,
13 re-engineering and bid and delivery time and so forth
14 and so on from Airvac? And the same thing Walt, we have
15 to deal with what it is going to cost you to put in
16 these different kind of pits and have some kind of
17 ballpark figure or -- how we get there. Do you know
18 what I mean?

19 If staff doesn't agree and we are going to go in a
20 different direction, then give us some kind of timeline
21 on what the change is going, how it's going to occur and
22 how long it's going to take, what the cost is.

23 MR. MESSER: I think what I understand you want to
24 give us two weeks to come back to work out a deal with
25 Roediger.

1 MR. PATTON: Yeah.

2 MR. MESSER: You give us two weeks to work out a
3 deal with Roediger. The way I understand it right now
4 Weiler, their mind is not going to change. They are not
5 going to change their recommendation. The
6 recommendation a year and half ago was to go with Airvac
7 and I don't see anything else out there that is going to
8 make them change their recommendation. So if we can
9 work out a deal with staff --

10 MR. PATTON: He's the man.

11 MR. MESSER: With Charlie and Tom then we can work
12 out a deal.

13 MR. TOBIN: But Glen are you saying that your
14 decision is totally based upon a written agreement being
15 acceptable or do you want the subjective opinion of
16 staff that we would just as soon do business with a
17 known company as opposed to a new company? I think Walt
18 is asking if we can work out an agreement is the paper
19 good enough or do you want the subjective analysis that
20 we don't want to be doing business with a start-up
21 manufacturer.

22 MR. PATTON: I think it is somewhat subjective no
23 matter how we look at it.

24 MR. KINSLEY: Mr. Chairman, I have to tell you, I
25 think it's highly unlikely that we'll come up with any

1 new information that will reflect on reliability of
2 Roediger and it's track record. It is what it is. I
3 don't know what they can give us. But it's really
4 unlikely they will give us anything we don't already
5 know.

6 MR. PATTON: If in good faith though these guys
7 haven't seen the purchase order from before and
8 everything, I think that in good faith negotiation with
9 Roediger, I think that we have to give them the
10 opportunity to respond to it.

11 MR. KINSLEY: I'm just saying I want to prepare
12 you. You may be in the same position today -- in two
13 weeks from now as you are today.

14 MR. PATTON: But in good faith negotiation, we had
15 an agreement or purchase order ironed out that you
16 worked on that apparently was acceptable to Pittsburg.

17 MR. KINSLEY: Right.

18 MR. PATTON: And now it's not.

19 MR. KINSLEY: Pittsburg is not there.

20 MR. PATTON: Right.

21 MR. BROOKS: Let me ask this question if I may.
22 Since we really have two issues here, we have the issue
23 do we want to do business with a company -- I don't know
24 how to put this -- that on the surface does not seem as
25 reliable as another company? That would be the issue,

1 in other words in the selection process, are we going
2 with your engineer's recommendation that we have a
3 better history background with the American company as
4 opposed to the -- that would be one issue.

5 We could come back in two weeks with an agreement
6 from Roediger Germany saying well they agree to these
7 terms. But it doesn't settle the issue whether we're
8 jumping on board with a company that could still fold in
9 six months. Now that's -- I think that's something the
10 board has to make up their mind. The board, the way I
11 just read it was at least, since I hadn't made up my
12 mind, you had three votes that we are saying it's
13 premature don't engage in any way Airvac for another two
14 weeks. But still in two weeks, I think this is what Tom
15 is saying, we would come back in the same situation or
16 at least a little bit better with yeah, we agree with
17 the district purchase order and they are going to give
18 us all the guarantees. But if they don't have the
19 fortitude by geography then they can't perform --

20 MR. FISHBURN: Tom makes a good point that I would
21 anticipate all we are going to be able to do in the next
22 two weeks is hammer out this purchase order. Nothing is
23 going to change with their presentation as far as
24 Roediger's strengths or weaknesses or the merit of the
25 product or vice versa. So you're right, if you don't

1 envision in a week from now or two weeks when we come
2 back with a purchase order essentially similar to this,
3 nothing is going to change in the next two weeks --

4 MR. TOBIN: Could we --

5 MR. BULLOCK: I would like to make a comment.

6 MR. BROOKS: Go ahead.

7 MR. BULLOCK: Claude Bullock. The issue or part of
8 the problem I see here too is really with Higgins in
9 that you have got a project with this deadline to meet.
10 And the more we mess around here, and I'm talking about
11 two weeks is just messing around, I would be in favor of
12 even coming back and having a special board meeting if
13 they could settle an issue in, over night or in two
14 days. But what I think I'm hearing is that it may be
15 more difficult than even resolving that in two weeks
16 with the German firm because they are not -- unless they
17 have a new company in place that's going to satisfy our
18 comfort level, possibly.

19 MR. TOBIN: Could we ask Peter, do you think Peter
20 a week from now that you could give us an idea it is
21 going to cost us 50 grand more to change or 100 grand
22 more to change or 500,000. I think that would have a
23 big impact, at least some idea, I think it would help if
24 we knew what the bottom line was in making a change. If
25 it is going to be exorbitantly expensive is one thing,

1 if it's not maybe we ought to defer to a more, like
2 Charlie said, at least on the surface, a more reliable
3 supplier. That would influence my vote. Is that out of
4 line to at least give us a ballpark?

5 MR. KINSLEY: It's not possible to get that done
6 that quick. I think the idea is sound, Andy. I don't
7 think the timing is reasonable because we couldn't start
8 the pricing until Airvac reviewed our existing design
9 and told us what had to change. So that process has to
10 happen and then we could evaluate if any additional
11 cost. It would be easy to count pits and the pump
12 station, figure that out. That's the easy math. We
13 could probably have that to you relatively quick. The
14 question is how many homes per pump per pit is Airvac
15 going to go with. Our current lay of the land, is 4,000
16 feet acceptable or does some of it have to go out?
17 Really the first thing is we have to have David go
18 through the documents and say this is good, this is bad,
19 this has to change. And then we could evaluate the
20 impact if we were to go to Airvac.

21 What I wrote on here is to revolve Roevac PO and
22 Airvac review/change order request is really what I hear
23 you guys talking about. That requires some heavy
24 lifting on behalf of Airvac. That is really a David
25 call.

1 MR. ELIAS: We have been working on this for 10
2 years between the Keys Master Plan all the way through
3 it. If you guys don't feel comfortable with that we
4 would look at the profiles or work with them. We do a
5 lot of design, if they have the ground profiles we could
6 do it, look at it. We don't know what you have done
7 stationwise. You know we have a little different pump
8 size and things like that. We would certainly expedite
9 it and do it. It wouldn't be that difficult. There is
10 not that much linear feet of pipe. The valve pit
11 issues, we already took a little look before, you might
12 have to add one or two if they are shared too many.
13 That's not a problem for them to be able to give you an
14 idea costwise. For them to be able to give you a cost
15 you have to get Walt involved to tell you installation
16 wise. It shouldn't be difficult to do that. But I
17 don't want to do anything until --

18 MR. PATTON: Charlie.

19 MR. BROOKS: Yes.

20 MR. PATTON: Based upon my earlier recommendation
21 saying it was premature, based upon what Weiler is
22 saying and staff is saying, everybody else, I amend
23 that.

24 MR. BROOKS: I thought that is where you were
25 going.

1 MR. PATTON: At this point I don't think it's
2 premature. I don't see why we can't do things
3 concurrently and come back with both situations in two
4 weeks or sooner, you know, if staff recommends a
5 situation.

6 It ain't going to happen sooner?

7 MR. FISHMAN: No no. It will happen. I know the
8 way it's going to work. You know, Walt is going to
9 charge you more to put pits in because he doesn't want
10 to do it -- let me say whether it's right or wrong okay.
11 Joe Paterniti is going to charge you \$300 a sheet okay.
12 He does one sheet back here and it goes up to the index
13 sheet and all this. You know if I was them I could make
14 this 200,000 no problem, which is I don't want to do it
15 and here is the price. By the way we burned two weeks,
16 they go for extension. I'm trying to negotiate with
17 them an escalation clause already, you know their
18 270,000 --

19 MR. PATTON: What is your recommendation?

20 MR. FISHBURN: That we do the best we can to go
21 with Roevac. That we do whatever comfort level these
22 guys can get and if it doesn't work we pull the plug on
23 them. But I just see --

24 MR. BROOKS: Claude have you changed your mind?

25 MR. PATTON: Based --

1 MR. BROOKS: Let him.

2 MR. PATTON: Go ahead.

3 MR. BROOKS: The question is whether we are going
4 to do it concurrently or whether we're going to move
5 along like we said with what Chuck is recommending.

6 MR. BULLOCK: On the condition that the Airvac
7 people are willing to evaluate it I'm in favor of
8 concurrently looking at it.

9 MR. BROOKS: So I see three votes here to look at
10 it concurrently.

11 MR. PATTON: Discussion in regards to this? Our
12 cost is from Brown Caldwell on this.

13 MR. FISHBURN: Everybody has a cost if you allow
14 them.

15 MR. PATTON: David said he was going to evaluate
16 this --

17 MR. FISHMAN: He does it for free.

18 MR. BROOKS: Pro bono.

19 MR. ELIAS: Look at the lines and look at the
20 profiles.

21 MR. FISHBURN: Joe isn't going to charge you to
22 evaluate.

23 MR. PATERNITI: No.

24 MR. FISHMAN: He's going to give you a price if you
25 decide to go with Airvac he has to change so many sheets

1 so many drawings he has to change.

2 MR. BROOKS: That's a point we'll get to at the
3 next meeting. In other words if we were to make a
4 decision for Airvac at that point, we would know all the
5 conditions and we would -- first of all we know we can
6 do it with what we have done away -- I understand we
7 just got transmission lines so it's not that big a deal.

8 MR. KINSLEY: Don't say that so quick Charlie, I
9 hope you're right. This is the guy that can help us
10 with that.

11 MR. BROOKS: Okay but the decision for the board,
12 if we can finally get around to it, do we want to do
13 this concurrently, do we want to look to save time, look
14 at our option with Airvac if the Roevac situation does
15 not work out or that the board does not feel comfortable
16 with -- I got to watch my words here -- with a company
17 that has had some contractual problems?

18 MR. PATTON: The only thing I'm trying to clarify
19 is what the cost is for doing it concurrently within the
20 next two weeks.

21 MR. BROOKS: There is no cost the way I see it.

22 MR. PATERNITI: I just want to bring up a point
23 since Chuck mentioned my name regarding the cost. It
24 started my thinking about a permit with the state and
25 how much of a change in decision they will allow before

1 you have to go for a modification. And that needs to be
2 looked at as well. We can make a call and determine
3 what that time frame would be.

4 MR. BROOKS: We would know that at our next
5 meeting.

6 MR. PATERNITI: I would hope so.

7 MR. CASTLE: If I may, their guidelines are 10
8 percent change you don't need a re-permitting or permit
9 modification. And I don't think they will consider
10 changing the slopes and lifts and things like that.

11 MR. PATERNITI: I wasn't finished. I was going to
12 say if it is not a major change in the alignment of
13 pipes we can handle it with the drawings. I'm talking
14 about the vacuum chambers and new locations of those and
15 the number of those vacuum pumping stations itself. So
16 I will just --

17 MR. KINSLEY: You really can't do that until --
18 once again the onus falls on you David.

19 MR. ELIAS: As far as?

20 MR. KINSLEY: Well Joe can't engage the DEB to say
21 we are changing it until we know --

22 MR. ELIAS: I would like to work with Joe if we get
23 the document see where we are at, see what your gravity,
24 mini gravity, I would certainly, as we have done before
25 evaluate them even on this project.

1 MR. KINSLEY: The date that the board is discussing
2 is two weeks David. I know you probably weren't
3 prepared for this before you came today. What is your
4 engineers' current workload? Is this something that can
5 actually be done quickly?

6 MR. ELIAS: Yeah --

7 MR. KINSLEY: You're in the hot seat.

8 MR. ELIAS: Looking at the future here if it is
9 something to ease their mind to make a decision whatever
10 we'll move it.

11 MR. BROOKS: Okay board. I think we have direction
12 but let's clarify it that we're going to do this
13 concurrently and that there is no cost, that Airvac is
14 going to look at it on a pro bono basis and if we meet,
15 since we are doing it concurrently that we can do it at
16 our next meeting which is two weeks, that we won't be
17 losing that much time.

18 MR. MESSER: Any time is too much time. It's two
19 weeks.

20 MR. BROOKS: Is that the direction of the board?
21 Glen.

22 MR. PATTON: It's my direction as far as I'm
23 concerned and I think that everybody is anxious to go in
24 one direction or another here. And that's what we want
25 to do and we'll be prepared in two weeks to go in one

1 direction or another.

2 MR. BROOKS: Andy.

3 MR. TOBIN: That sounds good to me

4 MR. BROOKS: Claude.

5 MR. BULLOCK: Good.

6 MR. BROOKS: You got a unanimous on that.

7 THE CLERK: I have a motion on the floor with no
8 second. I have a motion to table this item until the
9 next meeting by Andy Tobin.

10 MR. BROOKS: Without a second? It's dead.

11 MR. TOBIN: Charlie, I don't think we need a
12 motion. I think staff understands our motion.

13 MR. BROOKS: That's what I was doing. That died,
14 that motion died because you didn't get a second.

15 MR. TOBIN: So staff has direction.

16 MR. CASTLE: Could I ask for one clarification.
17 This two week period. We are not directing the
18 contractor to stop laying pipe?

19 MR. BROOKS: No, definitely not.

20 MR. BULLOCK: I would ask a question on that.

21 Where does that put you in two weeks if you continue to
22 lay pipe?

23 MR. MESSER: It depends.

24 MR. BULLOCK: I mean he's the contractor he's the
25 one that has to make it work.

1 MR. MESSEY: It depends on how much rock and this
2 and that. We probably average 150 foot a day. Five
3 days another what 700 feet down the road.

4 MR. FISHBURN: 10 days.

5 MR. MESSEY: 1500 feet down the road.

6 MR. KINSLEY: Which could be 1500 feet of pipe
7 that Roevac --

8 MR. BROOKS: We're going in discussion. We have
9 made our decision; is that correct? We have made our
10 direction. And that's understood by Airvac and Haskell,
11 okay. All right.

12 MR. ELIAS: As long as they are in agreement to let
13 us review the documents I like to look at the plans and
14 be able to expedite it.

15 MR. KINSLEY: They will give you everything you
16 need. No one wants a resolution on this issue more than
17 us. That's not a problem.

18 MR. TOBIN: Staff has direction.

19 MR. BROOKS: Are we done with that issue? Would
20 anybody like a break?

21 (Proceedings concluded)

CERTIFICATE

I, KATHLEEN A. FEGERS, Registered Professional Reporter, do hereby certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true record.

Dated December 10, 2004.



KATHLEEN A. FEGERS, RPR
Court Reporter