MINUTES
Key Largo Wastewater Treatment District (KLWTD) Board of Commissioners' 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:

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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.

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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.

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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-Treasure Andrew Tobin and signatories on the bank accounts for KLWTD. The motion was seconded by Commissioner Patton.

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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.

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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.

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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.

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**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.

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

Chairman Charles Brooks

Carol Simpkins, CMC
Board Clerk
KEY LARGO WASTEWATER TREATMENT DISTRICT BOARD OF
COMMISSIONERS MEETING

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

MR. FISHBURN: Yes.

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

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

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

MR. KINSLEY: Yeah, these shoulders are broad.

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

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

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

MR. FISHMAN: No, I was going to introduce him. I
would like him, before he starts, to introduce who he has here. We have two new board members. They get confused by Higgins and Haskell and who does what.

MR. KINSLEY: I understand.

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

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

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

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

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

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

Everybody knows Will, the project manager with the Haskell Company. Sitting here, most people are familiar, this is Joe Paterniti. Joe Paterniti is the designer with Brown & Caldwell who designed the collection system. So he is one of the, the project principals with Brown & Caldwell specific to the collection system. So this is his bailiwick. Sitting
next to Joe, this is Jim Docherty. Jim Docherty is with Roediger Germany. There is a long German name. I'm going to call them Roediger Germany for my benefit. He's a design engineer with Roediger Germany who worked out of Roediger Pittsburg's office before, before the divorce if you will. And the significance of Jim is that, is that he is the designer with Roediger that Joe worked with from day one on the project. So although we were dealing with Roediger Pittsburg, the design piece within Roediger Pittsburg was a full time Roediger Germany employee who is still Roediger Germany in the United States. So Jim is a significant piece.

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

So that's the cast of characters that we have here. What I'd like to do is I would like to just walk through really what happened. And when I describe what happened I don't know the specifics between Roediger of Pittsburg and I don't know the specifics of Roediger
Germany and quite honestly not all that concerned about them. But it certainly created some concern on all of our parts during this period of silence and that's what we need to talk about.

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

The first observation I would like to make to you, because this is a newly formed board and hasn't been doing utility work for a terribly long time as of yet, changes in manufacturer representation is really part of our business, it happens. Now I know it's the silence I think is what created the greatest uncertainty in this particular case. But I can name two people that I've worked with and I know that used to be with one company
repping equipment that then leave and sometimes they
take the line with them, sometimes the line stays with
the company. So it's not typical but it's not
absolutely unusual and unheard of. I mean this is part
of business that companies, that rep manufacturers
change. That is really what we have here. We have a
situation where Roediger Pittsburg had the rights to
Roediger Germany in America and they have gone away. So
what's really important is, that this seems kind of
scary, it happens in our business. It's happened to me
on a few occasions. I won't say every project. I won't
say numerous. But it happens. So it's not something
that we can't deal with.

Typically the way a contractor deals with a
circumstance like that, there is really kind of two
approaches. One is you wait and see who the
manufacturer then selects and their new rep. You kind
of play the waiting game and Roediger or whoever will be
running around seeking out some type of new structure,
new representation so you can kind of wait at times to
find out who the new representative is. Or what I have
done more in the past because in the pace of these
projects you usually can't wait, you call the
manufacturer direct and say you are having a problem
with your representative, you are sorting through that,
let me deal with you on this project direct. Some manufacturers don't particularly care to do that because they feel really a loyalty to their representatives. They make money off selling their product. Sometimes manufacturers don't particularly care to deal with contractors direct. They think they are trying to side cut their sales people and their sales force. Others will be receptive.

So in this particular case, you know, one we had the Roediger Pittsburg and Roediger Germany, there was weeks where honestly I didn't really know what was going on. I will just tell you that. It was a waiting period because no one was talking. I think this was basically driven by the legal counsel from Roediger Germany and the legal counsel from Roediger Pittsburg saying don't tell anybody anything until we get our divorce settlement, you know, resolved. Some of the early conversations that I think that Chuck and I actually spoke about, it appears that Roediger Pittsburg was going to retain rights to this job as part of their divorce settlement. That they were going to -- we are no longer representing Roediger Germany but we are keeping these three projects that we've invested time and efforts on. And I was honestly concerned about that. I didn't like that scenario at all because it's a
short-term investment. And so in the back of my mind, in fact I had this discussion with Roediger Pittsburg during this period of silence, I said well just because Roediger Germany or just because Roediger Germany or Roediger Pittsburg elected this Roediger Pittsburg's project, that doesn't mean we elected this Roediger Pittsburg's project, you know. You can't hold us hostage as a customer. Because that kind of, that arrangement I thought would be problematic particularly for long term being a client. So I was actually very relieved after these couple weeks, few weeks of silence went by and apparently the dust settled amongst Roediger Pittsburg and Roediger Germany and immediately when it did Jim Docherty then got very active, which was, Roediger Germany has been from day one, listen we got it resolved, we are going to do the project. You know, you are dealing with, directly with the manufacturer and we are ready to give you service, as they have been from day one. Jim Docherty has invested probably, I think you told me 800 man hours on the design of this project throughout the life of it and obviously doesn't have a contract yet. So he's made a significant investment in the project just based on being selected months ago.

Anyway not common but not unheard of in our business, changing manufacturers. So don't let it be as
scary as it may seem. And then the fact that it has
gone to the manufacturer direct is really a positive,
what I wanted to have occur, we are now going to get the
support of the corporate office. So that being said, we
had to look at it from our perspective and what are my
concerns being the Haskell Company and DN Higgins
because we got to obviously address our concerns.

There really were three key concerns and if you
had a chance to read the letter I kind of hit them on
bullet points. But the first one and most obvious, can
we get our equipment? There is an equipment supplier
and can we get our equipment in a timely manner? That
was one concern. And we've got assurances from Roediger
that we are going to get our equipment. If we look at a
vacuum system, I won't belabor this, but the valves, if
this was Roediger Pittsburg and none of this had
happened, the actual valves inside the chamber would
have come from Roediger Germany. That is the same as we
sit here today. They are now coming from Roediger
Germany. The actual vacuum pump station equipment is a
steel tank with blower pumps and its effluent sewage
pumps which Roediger Pittsburg and Roediger Germany
they don't fabricate those, they purchase them from
blower manufacturers, pump manufacturers and tank
manufacturers. So that's going to be purchased from
outside companies, no different from whether it was
Roediger Pittsburg or Roediger Germany.

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

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

The next issue that was important to me, which is
critically important, is that we get proper
engineering/technical support from the manufacturer.
And that's, that's -- I'll give you an example. We have
got a situation out in the field as we speak today that
we've got a waterline that's kind of impeding a vacuum
line and we are actually having to look at that, figure
out the right solution. Those are circumstances that
you need to have the manufacturer assist you with.
And so going back to what I described to you earlier Jim Docherty is with Roediger Germany, has always went with Roediger Germany, he's the guy that we started designing this thing, I don't know how many months ago, and he's still the guy. Jim was out on site looking at and we are resolving that problem. So I feel very comfortable with the engineering support that we need. It's really intact. It's the same guy it was from day one and it's going to remain the same guy under this new condition. So that's a good thing.

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

With Roediger Germany taking the lead in the project now they have reached agreement with Tom Evans
Environmental who was Roediger Pittsburg's rep on the project. So Tom has remained the same and Tom has hired -- Kevin?

MR. EVANS: Kevin Wynn.

MR. KINSLEY: Kevin Wynn. And he was with --
MR. EVANS: Roediger Pittsburg.

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

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

The other thing that Roediger Germany has done which Roediger Pittsburg as I understand it could not have done is that they have also said they are willing to go ahead and provide a third party bond for the
project, which that's, I mean that's a discussion I
guess to have. I don't know if that is something that
Walt will require, but that is something they are
capable of doing. Which the good news is people that
can provide bonds are traditionally financially sound.
Those that can't provide for bonds that's probably an
indication that there's a problem. So that's kind of
belt and suspenders that can be purchased. Those are
from Haskell's perspective.

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

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

MR. MESSER: No, no.

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

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

MR. EVANS: I think you said it all, unless somebody has some other questions that want to be answered. I'm Tom Evans and I'm our local Florida representative for Roevac. I have been that way since 1997. Claude and Glen, I just met you this evening. The rest of the board members have seen quite a lot of me over the past few years. Lived here in the islands since '93 and moved back to Lakeland because of some parents' health problems a year or so, two years ago. But my company has been established in Lakeland since 1997 and I have been their rep ever since. I'm very comfortable with continuing to be Roediger's representative. I have also had a relationship with the German parent company. And Pete is right, as a representative I have principals from Peerless pump to Roediger. And manufacturers change the way they do business. They just make business decisions. And
sometimes I understand why and sometimes I don't. In this case here though I have been working with you all for quite sometime. I'm still in place. My support system is still in place. I stock parts and pieces and service in Lakeland, Florida and intend to indefinitely. The manufacturer has indicated that they want me to continue on now, I have been doing a good job and they expect to pay me for my work and that's important to me. You guys are important to me because I have just been connected for a long time. I'm looking forward to doing this job. I've continued to hire people in my organization to take more local control of what you will need here. To me that's important for how I support you and how you perceive being supported. So Pete capsulized pretty much the whole deal. As a part of this whole, you know, when business decisions get made and contracts as you know as Andy probably -- lawyers tell you what to do, you have to just step aside and wait for the thing to take its course. And it didn't involve me. And so I wait till they say move back in again here too.

But locally I have always had confidence that this was going to be right where we are here today and I'm confident to move forward also. So if you got some other, some questions that are, details I can give you,
you know, great. But we are -- technically everything
is ready to go.

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

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

So it is not at all uncommon for municipalities to
be served by offshore valve manufacturers. Obviously
there is basically two players in the world market. One is in the United States and one is in Germany. You have got vacuum systems, sewer systems all over the world. Therefore the majority of vacuum systems that are in, operating in the world today, are being serviced by offshore companies with local representation like we have. So the scenario that you have here is the most common scenario that you would have all over the world.

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

MR. BROOKS: Thank you Jim.

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

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

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

MR. DOCHERTY: I'm sorry. Roevac was the new player in the United States in the late 1990s. And it took them a long time to get their first job. To put a dollar value on it would be tough for me because I would have to add numbers in my head right now but I can tell you from '98 to 2003 we averaged approximately one job
every year. And in 2004 we have got five jobs. So this is a growing market. In Europe approximately 90 percent of the population is sewer ed. In the United States it's, I believe, around 55 or something like that. There is no company that sells sewage products that is not interested and committed to being in the United States.

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

MR. PATTON: Yes.

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

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

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

MR. DOCHERTY: Right.
MR. TOBIN: What does this manufacturing process consist of?

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

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

MR. TOBIN: My concern -- I'm not concerned that
somebody can't go order all of these different parts. My concern is basically that this is a startup manufacturing process and while you're confident that you are going to locate a plant that's going to be able to handle this manufacturing process, we wind up being the first people on the assembly line.

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

MR. KINSLEY: How many pits?

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

MR. TOBIN: We have approximately 100.

MR. DOCHERTY: 120.

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

MR. DOCHERTY: No.

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

MR. DOCHERTY: Which commitment?

MR. TOBIN: To manufacture these pits.

MR. DOCHERTY: The process is usually we submit drawings and manufacturers' drawings of every item that we intend to purchase, valves, pumps and so forth and they get approved, I imagine --
MR. KINSLEY: I don't want to speak for anybody. I think the question Andy is saying, stop me but I don't think he is answering what your real question is. These other two jobs are orders, are placed, and things are go. And you don't have a contract with us so you aren't going to release material yet. You have contracts on these other two projects that commitment is already made?

MR. DOCHERTY: Right.

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

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

MR. TOBIN: With some manufacturing plant?

MR. DOCHERTY: That's correct.

MR. KINSLEY: Once again, you have already got two
projects with 500 pits that that process is ahead of us?

    MR. DOCHERTY: Yeah.

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

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

    MR. TOBIN: One of the things that we insisted when we were negotiating is we have a most favored nation clause and we have a bond provision. In other words we commit to 120 pits and then next year we need three more, instead of paying $1800 a pit we are now held hostage and we got to pay $10,000 a pit because we need three more pits. Was that ever explained to you that we had negotiated for --
MR. DOCHERTY: Yeah, I saw -- even though I wasn't involved in that aspect when I was working as Roediger VHT, Pete explained to me that their price limitation -- escalation clauses for various components and we would certainly agree to those.

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

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

MR. EVANS: Could I make a comment?

MR. BROOKS: Go ahead.

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

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

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

And so as you look down the road and say can I get more parts, more pits and so on, the history of us, like our other American competitor is long and laborious. We are both good strong companies. We expect to be in business for a while. I'm speaking for Roediger VHT. They do a similar amount of business on a global scale.

So Ogden did some research, that on projects all over, in the big picture, were producing about the same number of valves on a year to year basis. I don't know if that is true or not because it has been a while since I saw that report. It's a very large operation. They are busy putting up thousands of valves and chambers and whatnot a year and we don't expect that to change.

MR. BROOKS: Claude.

MR. BULLOCK: I have a couple of questions with respect to the company. I notice in the report, I'm looking at this report on page 51, that the real thrust of the corporation appears to be in the direction of
east as pointed out in a statement here. The other thing as I see the two percent has not shown a substantial increase since 2002/2003 in their own report here on this page and wondered if you would want to comment on that.

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

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

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

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

MR. DOCHERTY: Well Roediger VHT is warranting this equipment. So you are getting a warranty from the factory.
MR. PATTON: The warranty is for one year?

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

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

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

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

MR. TOBIN: Is that the complete unit?

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

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

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

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

MR. DOCHERTY: There is a chamber that is manufactured in Germany but I don't know if it fits, if
other valves fit into it or not. I don't know. I could check on that but I don't know the answer to your question.

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

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

MR. BROOKS: And vice versa, correct?

MR. DOCHERTY: I have not tried to retrofit.

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

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

MR. BROOKS: Are you done?

MR. BULLOCK: Yep.

MR. BROOKS: One of the things, and Pete you have done your job again, you have explained and covered very good the aspects of what we are facing here. It sort of brings out the fact that one of the things we did in this evaluation process is we wanted to have a good valued supplier with a good history. And because of the German company having a long history we sort of said okay we are good there. But now with the change of vendors, even though you are saying it's common, the way
I see it and the way you explained it, if I understand it correctly, we are talking about the valve and the chamber that the valve goes in, and we are talking about other components are going to have to be made by new manufacturers who are actually doing it for the first time.

MR. EVANS: No.

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

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

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

MR. BROOKS: How would that go when we go into our next project?
MR. DOCHERTY: Well, if you want, if this is a concern to you, you could write that as part of the purchase order. If you want to assure yourselves that you are going to get the same prices that is something that could be part of the purchase order in the future, similar type of escalation like you talked about earlier. And then I would say that Roediger VHT will --

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

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

MR. DOCHERTY: Will agree to that.

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

MR. DOCHERTY: Well, you mentioned that --

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

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

MR. DOCHERTY: Yes.

MR. TOBIN: How can you commit to that? I don't understand that.
MR. DOCHERTY: Well I thought you were talking about prices and products. If you want to commit to the price and product being there I think that could be committed.

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

MR. DOCHERTY: Yes.

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

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

MR. BROOKS: Part of the purchase order.

MR. DOCHERTY: Yeah.

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

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

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

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

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

MR. BROOKS: You can't do that.

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

MR. FISHBURN: Tom Dillon speaking.

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

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

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

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

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

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

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

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

MR. TOBIN: What kind of recourse do we have when we have a brand new start-up company that knows that there is no liability for a pump that is not working in the middle of the night that we are spending time and money trying to fix and people are irritated because
their toilet isn't flushing? That's the concern that I have, is that a warranty doesn't really cut it for me. I'm looking for, you know, performance, history, experience. I mean that's, that's generally what municipalities and utilities look for is the strength and the reputation of the company because that's what you are really buying. And I'm concerned that we have this whole new process, we have a piece of paper that says we guarantee we are going to provide these things, in the middle the night somebody's valve isn't working because this is a new company, they didn't understand you have to connect these two things. That's my fear. And I don't know how better to express it than that.

Now that our lawyer tells us that you can just assign this to another company, even though you say you are not going to, that doesn't give me a warm and fuzzy feeling.

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

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

MR. DILLON: It could be if it's in a contract.
Right now I'm not aware of any facts that indicate that anybody in this room has authority to bind Roediger Germany to anything.

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

MR. DILLON: Yes.

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

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

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

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

MR. BROOKS: Did you want to say --

MR. MESSER: Walt Messer with DN Higgins. There's a lot of -- even with the Aqueduct, you run out of water you call them, you don't get anybody to come out there at midnight, they come the next day. There is services out there and I think with Tom Evans being around, I know we talked to him many times before we decided to go with Roevac, is that he guaranteed me that he was going to service the Keys. He was going to get up through Synagro. I don't know if that's still in the back of
his mind or not, but have people that he could get out quickly to take care of problems that we are going to have. And it was one of the things that I specifically quizzed him before and I decided to decide to go with Roevac because I wanted to make sure our customers getting aboard here had service even after the system was in service. And I still feel as DN Higgins we are still willing to give him a purchase order. And we know you have concerns and we want to address those concerns and get them in the purchase order. But we have been out there laying pipe. We need to get the pits ordered.

And right now we are at the point where we really need to get some pits in the ground and start keeping things cleaned up and behind us so that we can do a good job the way we want to do it. Right now we are kind of jumping around doing this and doing that. And again I feel comfortable. And again I have gotten a letter from Zurich, which is a bonding company, saying they will give me a bond if so required to make sure that I get the pits over here. Once I give them the contract for the pit they are going to fill that pit, the contract, or, you know, it's my problem. I know you guys are going to have a problem but it's my problem. I have got so much time to do this contract. When this contract time date is up believe me you are going to have the
collection system in the ground ready to go whether I
got to go with Airvac or whether I got to go with
Roevac. Right now I feel comfortable with giving Roevac
a purchase order so we can proceed and get these pits
here as quickly as possible.

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

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

MR. MESSER: Let me answer that. I think a lot of
that was done during the negotiation two years ago. I
remember Andy saying why do you need a rep on the job,
why do we need to pay for a rep, why can't you guys do
it yourself? And I told him I think at that time that
yeah we can put the pipe in the ground. When I get
ready for the pits and vacuum station that's when I need it. That's why we cut some of that out in the price during negotiation. I don't have a problem putting the pipe in the ground out there, we're testing it everyday, it's going. But when I start getting pits he better have somebody here or he's going to have me to deal with.

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

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

MR. WYNN: No, just listening.

MR. TOBIN: Who are you with Kevin?

MR. WYNN: Tom Evans Environmental.

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

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

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

MR. TOBIN: So --
MR. BROOKS: How far down the road is that?

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

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

MR. MESSER: Once he gets the purchase order.

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

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

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

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

MR. EVANS: It's a phantom order.

MR. TOBIN: Are there stages that we -- at some point in time, I know there is somebody here from Airvac, and I want to ask some questions about, from our contractor, then from our engineer whether or not we can switch to Airvac because that's something I think we need to talk about as well. If we are going to make an informed decision that is what I understand you are here to help us make.
MR. MESSER: I don't know. That is something you have to let the engineers look at. We went with an Airvac design right from the beginning.

MR. EVANS: Roevac.

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

MR. BROOKS: Andy, anything?

MR. TOBIN: Not right now.

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

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

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

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

MR. BROOKS: Excellent.

MR. PATTON: The question that I have is, I have heard a couple of things, is that once they get the purchase order and the approved shop drawings, the
approved shop drawings does that meet the letter of the original contract and the original design? And there was also an issue about price as far as I understand. This is questions I have briefly talked to staff about in regards to meeting that contract. As far as I'm concerned you guys are, you know, contractors, you have got a lot on the line on this. And you're betting on the original design. And if we go in another direction we are opening a whole other new can of worms. So what I'm looking at here and what I'm seeing here is you're pretty comfortable with Roevac right now. And is this new shop drawings, is it a redesign and is it meeting the original specifications that were in the contract? And I'll direct this to Ed first.

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

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

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

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

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

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

MR. PATTON: The most proprietary item in the valve pits themselves is the valve and the controller. Those two items are essentially proprietary. In other words from what I see within the three year contract we would stock a bunch of these valves and the controllers so
just in case Roediger goes out of business in the United States or whatever, we have a supply of them or another source on these things so our system doesn't go down and we can't operate our system. I don't have a problem with the manufacturer's rep in a situation change of hands. I know that happens all the time. I do have a problem with the proprietary nature of those two items. But we still potentially have the same problem with Airvac. If we get an Airvac pit the only thing that is the question mark, that I feel more comfortable with a United States company that has been in business and is doing a larger volume of business within the country. But that's neither here nor there. We are dealing with the contract that you guys originally specified.

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

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

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

MR. CASTLE: I don't actually sign off on each one.
I accept them and if I have a problem I will discuss it and reject it or typically work the problems out.

MR. PATTON: How quickly can that happen?

MR. CASTLE: That can happen pretty quickly.

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

MR. CASTLE: Yes.

MR. PATTON: Next thing is price.

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

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

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

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

MR. KINSLEY: That's precisely what Roevac is saying and this has essentially been, I don't know, 18 months or so
MR. PATTON: I don't have a problem with that. As long as the engineers -- and there is a meeting of minds here and there is a satisfaction there.

MR. KINSLEY: Okay.

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

MR. FISHBURN: The other issue was price.

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

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

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

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

MR. DILLON: Well it depends, if the price is doubled because of delays that were not our fault or not beyond Haskell's control then it's Haskell's problem yes.
MR. PATTON: I'm comfortable with that. I just wanted to know where we stood in the process with the shop drawings and how the process takes place and how we move forward with that. Thank you. That's all the questions I have.

MR. BROOKS: Did you have anything else?

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

MR. KINSLEY: I'll give you the answer off the hip. That's really a Pandora's box. And the reason I say that is because Brown & Caldwell coordinated the entire design with Roevac and so that's a Brown & Caldwell design/Roevac influenced. And so if you directed me to go to Airvac, the first thing I would have to do is have them look at our design and that scares me. We got 4,000 linear feet of pipe that's in the ground today. If you think it's expensive to go to an Airvac system we have 4,000 foot of pipe that's in the ground. So I can't answer that. If they come back and said your design is wonderful and it was a straight pit for pit change and a pump for pump station change the implications are probably not all that significant.
Things like favored nations and the things they have already done with Roediger Pittsburg that we will then address with Roediger Germany, you know, that took weeks the first time and I don't know how long it will take with Airvac but that will be quicker. Really we got 4,000 linear feet in the ground and it's blessed by Brown & Caldwell, fully coordinated with Roevac who writes me a letter saying I certify your design. So if the system doesn't work, you know, now we are starting over. And that's not a good thing Claude. That's a dangerous thing actually.

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

MR. WYNN: Bradenton.

MR. BROOKS: So you are in Florida?

MR. WYNN: Yes.

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

MR. WYNN: No.

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

MR. WYNN: No.

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

MR. EVANS: We have an operating system -- Charlie,
we have an operating -- Tom Evans.

MR. BROOKS: Englewood.

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

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

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

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

MR. EVANS: Sure.

MR. BROOKS: Assuming this board decided to stay with Roevac, and we have discussed some conditions on
the warranties, how long would it take for the agreements to be reached to be able to produce an agreeable purchase order?

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

MR. BROOKS: Is that --

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

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

MR. FISHBURN: There is a purchase order that we were going to sign in October that was produced by the Haskell Company in conjunction with Tom Dillon. And I think probably Ed Castle was involved too. We discussed this earlier today. Higgins now is going to purchase it. They have a different purchase order, and I discussed with them, I went through before the meeting line item by line item what is in your package and this
is not -- their purchase order today is not as extensive as this. But that's what they are addressing is that they would add the favored nation clauses and some of that other stuff. Yeah, certainly if you decided to go that way I would prefer that they just change the names on here, because this is a hashed out purchase order.

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

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

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

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

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

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

MR. DILLON: Well I guess this is as good a time as any, I have a number of concerns here. This is not a legal decision it's a business decision by the board but there are some legal implications that I feel I need to advise you of. When the board selected Roediger there was a known price. There was a known contractor supplier, Roediger Pittsburg. And there were terms and
conditions including pricing and including future pricing and including most favored nation. Since that time the price has changed and the supplier is gone and I don't know what has changed since a week ago or so when I talked to Jim Docherty when he said Roediger Germany probably wouldn't accept the same purchase order terms that Roediger Pittsburg did. So my big problem here is they are not here. There is nobody here with authority to say to the board yes on behalf of Roediger Germany I'm authorized to make this commitment to you and Roediger Germany will live with it regarding price, regarding most favored nation, regarding any of the terms of this purchase order. I'm also concerned, even tonight I have heard that 6 to 10 weeks for Roediger equipment and then now it's down to 6. I feel like we are hearing what people think the board wants to hear. It is not consistent.

My biggest concern again is that there is nobody with authority to bind the company. I'm a little concerned as well with this purchase order in that we were told when we were selecting a secondary treatment supplier that the standard Haskell purchase order included all of this, what I will refer to as boilerplate, all of the terms that are in the purchase order but now apparently that's not happening either.
Everything has changed. It's not the same deal. It's not the same price and it's not the same contractor. And it seems to me that all the issues that are important to the district are being put off to be worked out later and all the issues that are important to Haskell have been dealt with. They are dealing with the supply. They are dealing with getting stuff here. They say it will get here but nothing about the extended warranty, nothing about any commitment. It's nothing in the purchase order we received from Germany that I saw. I only saw a few pages of it. But there is nothing in it that comes close to Roediger Pittsburg.

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

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

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

MR. DOCHERTY: I do. I work for Roediger.
MR. PATTON: But you can't bind --

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

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

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

MR. PATTON: Proposal now, the present proposal?

MR. DOCHERTY: Yeah.

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

MR. DOCHERTY: Pardon?

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

MR. DOCHERTY: No.

MR. BROOKS: Who prepared that?

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

MR. BROOKS: The executives in Germany are behind
the purchase order you have submitted?

MR. DOCHERTY: They signed it.

MR. MESSER: Proposal.

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

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

MR. BROOKS: What?

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

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

MR. EVANS: I am familiar with a lot of those terms. So to address what Glen was asking in terms of warranty and that sort of stuff which is three years on the plastic parts and this stuff on the equipment, I think Pete who is, and Walt, who are the contractors that will be legally bound by that purchase contract, have reviewed that and found it met all of the goals in terms of equipment issues and warranty issues and so on that were there. As far as the price being bumped up and out the window, you all asked me at that meeting and James Datish who was with Pittsburg at that time to guarantee what kind of levels we won't take advantage of you by now and by next year the price is doubled by the
pits. They have produced a document that said the prices will be here, here and here for the next few years and they outlined that too. In the price escalation they asked for a year after the proposal was originally priced up which says it was 200 upcharge in the chamber was in keeping with that document that was provided here. So nobody overstepped their bounds from my perspective in what they asked for here too. We have all seen our materials cost go out of orbit here with --

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

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

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

MR. MESSER: What we are saying Charlie is that we need to -- Jim, I think needs to look at that purchase order that was agreed upon and we need it and Pete said he was going to give it to him, we need to look at that, we need to see what the requirements are and it's going to take -- if we can get a copy we can read it tonight
and look at it and come up with a decision whether or not we can have it and if we can get it we can get back to Chuck tomorrow.

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

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

MR. TOBIN: Is there a reason why?

MR. KINSLEY: Not in particular Andy.

MR. TOBIN: Just an oversight?

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

MR. FISHBURN: If we go forward, there is no question in my mind that staff will have this kind of
purchase order or you won't hear anything more about this. In other words I wouldn't get into the details of this, this took quite a bit of time to hash out and that's the one thing that surprised me about their letter is the December 2nd purchase order. This is the basis for anything we do in my opinion.

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

After that it goes to the person who is selling us the goods. Before we had Roediger Pittsburg which was here in this country and could be reached. Now we have a player to be named later. And we don't know who that is going to be. We don't know if there is going to be anybody. Maybe Germany will do business directly. It
may have no commitment to do anything.

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

MR. FISHBURN: Jim Docherty. Identify yourself.

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

MR. KINSLEY: That RPI entered.

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

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

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

MR. DOCHERTY: No.

MR. TOBIN: You need to at least review that and
see whether or not it is reasonable and your company is willing to agree to it.

MR. DOCHERTY: Sure.

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

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

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

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

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

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

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

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

MR. PATTON: I think that we are not quite where we want to be with this. What I see is that I see staff and Roediger, Roevac, Jim you got to get together and
Higgins has to get together and negotiate a purchase order that you are all willing to approve, ASAP and with the shop drawings. I mean you guys got to go up there and you all got to agree that we have a purchase order that all parties are ready to move on and agree to with our legal counsel and everything and then submit -- come back to the board and as quickly as possible, at least from you guys, and then submit it back to us with all parties in agreement. I mean I'm surprised you haven't done that part of the homework already. You're ready to submit a contract but they are not ready to approve the purchase order. We are out hanging in the wind in a sense because the original October purchase order you guys worked really hard on --

MR. EVANS: It is not their order.

MR. PATTON: Pardon

MR. EVANS: It --

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

MR. EVANS: The goals of the project.

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

MR. KINSLEY: Again I don't disagree. The cleanest is if the same purchase order terms and conditions is
negotiated. It makes it that much more simple. That contract was prepared with the understanding that the board was going to be purchasing that equipment direct from the sales tech agents. The correspondence from the manager is we are not buying equipment, go get some equipment. That is, in summary that's the two letters that have been received from Chuck and so we went out and we got some equipment. We are ready to go. That's why we are here to inform you. Really it's Haskell's risk and it's DN Higgins' risk and we are confident we can provide you with a quality product.

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

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

MR. TOBIN: That's what I heard.

MR. KINSLEY: Let me say it again. Your manager said that our board has made a decision that it's too risky to purchase this direct, we are not buying the Roediger equipment, it's Haskell's responsibility to go provide suitable equipment. And why I came today, to tell you what we have done in response to that, the
things that are our concerns and how we address them. I agree with you it is much more simple that the original contract that was negotiated with Pittsburg is what is executed. That provides a reassurance to the board. But the board is not carrying nearly the risk anymore because they are not the person signing it. I'm the one that's carrying the risk.

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

MR. MESSER: Walt Messer here with DN Higgins. As far as the Roevac, Airvac we have, we have discussed this, we beat it to death. And I don't feel that Haskell or DN Higgins, we don't want to revisit that. We need to get the purchase order. We are going to look at it. We are going to go over it with Jim and we are going to look at it and come back and try to make this
change work. We want it to work with Roevac. And
that's what we want to do. And we need to make it
happen as quickly as --

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

MR. MESSER: And we understand that.

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

MR. MESSER: We do have a warranty --

MR. PATTON: We got to do that.

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

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

MR. MESSER: Again we want to go back and try to
get this but what we are trying to say is that we don't
want our expectations to get too high. We don't want
your expectations to get too high. We're going to look at this, we're going to see what we can do.

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

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

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

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

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

MR. MESSER: I agree with you Chuck.

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

MR. MESSER: You have a $4 million bond that I gave
Haskell and Haskell gave you $8 million bond.

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

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

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

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

MR. PATTON: The only thing that they need to do is
make some meetings or some kind of situation —

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

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

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

MR. FISHBURN: And Ed.

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

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

MR. BROOKS: I agree with your philosophy but my concern is in this world, and all we have to look at
some of the problems we have had in the Lower Keys with misunderstandings. And I hope this board wants to not have misunderstandings. The way I understand you put it in writing and you sign the contract so that there is not a misunderstanding.

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

MR. PATTON: Entertain Airvac?

MR. TOBIN: This question that he just posed.

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

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

MR. MESSER: It comes from me.

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

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

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

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

MR. MESSER: Then again --

MR. BROOKS: Our attorney --

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

MR. PATTON: Yeah, fine with me.

MR. TOBIN: Let's do it.

MR. BROOKS: Claude.

MR. BULLOCK: Yes.

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

MR. ELIAS: David Elias with Airvac.

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

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

MR. ELIAS: David Elias with Airvac. I'm a municipal market manager for Airvac. We -- our national sales office is in Tampa, Florida directly with manufacturer. We don't have a manufacturer's rep down here. For some reason I was asked to come in. I will answer any questions you all have regarding vacuum, what have you. I think I'm perfectly capable. We have dealt with DN Higgins. We are doing a project with them now. We can work with contractors but it's got to be a team concept. Obviously they are so far down the road I can't tell you whether what they have got in will work unless we take a cursory review because vacuum is a unique system and not many people in this room are that familiar with it.
We have been doing it 35 years here and have a lot of systems in but we have different design philosophies than Roediger Germany or Roevac or however you want to call it. Not to say their's can't work won't work. We have a specific design philosophy and parameters that we design our systems to. We know from our track record that they certainly work very effectively. So answer any -- I will answer any questions.

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

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

MR. BROOKS: Let me ask this question. What would Airvac be willing to do to work with our staff to give
you a more comprehensive idea where we are at?

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

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

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

MR. BROOKS: How long would that take?

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

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

MR. FISHBURN: Yeah. Like I said though, Dave is
speaking, if he's anxious to do that, in other words
with no, you know, the contractor obviously is adamant
about not going with Airvac and conceivably we are
wasting his time again.

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

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

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

MR. BROOKS: One of the biggest concerns --

MR. DILLON: What are the other concerns?

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

MR. MESSER: Yeah, you are trying to get
information from Airvac I think you need to get. We
have given you the information that we feel from our standpoint --

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

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

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

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

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

MR. MESSER: Roevac was cheaper.

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

MR. MESSER: They were easier to put in.

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

MR. MESSER: The cost.

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

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

MR. MESSER: The cost.
MR. PATTON: There is a bunch of technical issues.

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

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

MR. ELIAS: What other issues?

MR. BROOKS: Cost for one, right?

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

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

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

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

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

MR. ELIAS: Profile design based on how the pipe is in the ground, what slope, percent slope, how much lift
they have put in. It's all relative to the design of a vacuum. You don't know where they are working. You have to meet certain inverts. It has to be within our design parameters.

MR. BROOKS: Glen.

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

MR. ELIAS: Yes, sir.

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

MR. BROOKS: Okay. Andy.

MR. TOBIN: I'm just -- it's comfortable, it's nice
to know that we are not stuck and apparently we're not. So if for some reason we cannot do business with Roediger, Airvac, at this stage of our project, Peter, we could make the switch, it might cost us a little bit more money but it can be done. I presume Joe that you feel like we could make a switch.

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

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

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

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

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

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

MR. ELIAS: I'll look at it. Some of it -- and
there is some differences in the slopes. I mean you can raise it. There is other issues in there but saw tooth --

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

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

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

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

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

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

    MR. MESSER: Walt Messer with DN Higgins. Let me say one more thing. Again I think the warranty issues
are probably going to be, maybe some legal stuff too, but the warranty issues and I think you need to know being part of the board that Roediger Pittsburg gave us a blanket warranty which is their normal warranty. And that is what I offered to the board with the collection system. What was negotiated over and above that was negotiated with Haskell and the board and Pittsburg Roediger. So I haven't seen the purchase order, either.

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

MR. PATTON: Right.

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

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

MR. BROOKS: You would take out the Roediger's and give us all Airvac.
MR. MESSER: I'm not sure that that would be -- I would have to look at it at that point in time and see if that was available. If Germany is still there and I can get pits from them I'd stay with Germany.

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

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

MR. BROOKS: Okay.

MR. BULLOCK: And that doesn't change.

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

MR. FISHBURN: Staff.

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

MR. TOBIN: I'll second for discussion.
MR. BROOKS: Well I'm asking somebody to make the
motion.

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

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

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

MR. FISHBURN: Jeff Weiler.

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

MR. PATTON: That's inclusive.

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

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

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

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

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

MR. PATTON: He's got a mike.

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

MR. MESSER: On that purchase order?

MR. WEILER: Yes.

MR. FISHBURN: 1875.

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

MR. FISHBURN: You mean on our purchase order?

MR. WEILER: Charlie and Andy you recall Jerry sat up, made that long spiel it was technical. You made your decision to go with Roevac. Now they are proposing different pits and different valves. I don't know fellows. I have grave concerns Airvac is going to spend a lot of time and money, Roevac isn't going to spend a lot of time and money. I think what you are proposing
is for Roevac to get their lawyers to come up with a PO that is agreeable and we'll sign that and just forget about all the other things that were promised like they'd be here for us.

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

MR. TOBIN: I think you just got it.

MR. PATTON: That's what we need.

MR. CASTLE: Ed Castle. If I could clarify, just so you know, you were on the board a year and half ago or 14 months ago when going through the selection process. Weiler Engineering was always in favor of Airvac because of the history in the United States, the long term stability. And very important to me, since I had operated systems, waste water plants, the ability to help out and service the plants. I know we have Tom Evans and I have known him for a long time but I don't
know that he's got the experience under his belt operating a Roevac system that Airvac has operating an Airvac system. We had a failure, recently we had a problem with a PLC middle of the night Airvac was on the phone and plugged their phone line and PLC and trouble shot the problem for us. That's the kind of stuff that is very important to me in the future beyond the one year service period or the two year warranty. Whatever we get in the warranty, how will we be serviced in the long run. Without having a history and nobody established here has been doing that and continue doing it, I'm just real uncomfortable. That's the same position I was in a year ago. But anyway that was my spiel.

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

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

MR. PATTON: If that recommendation is don't go that way, this is not acceptable, then the board has something that they can really sink their teeth into. And this is also for Haskell, Peter and Walt for them to
have a meeting of the minds that this is, you know, what we are going to do here and then let's take the appropriate steps to go in that direction. And you got to -- I don't know all the legal ramifications of their contract because I mean it like opens the whole thing up to renegotiate almost it seems like to me. But, you know, I mean I would like to avoid that if I could.

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

MR. PATTON: Sounds very reasonable to me.

MR. BROOKS: Does that sound reasonable?

MR. ELIAS: Information regards to?

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

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

MR. BROOKS: And Chuck.

MR. FISHBURN: And staff by two weeks from now to
have the response back from Germany the day we all agree and if not then we --

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

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

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

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

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

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

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

MR. PATTON: He's the man.

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

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

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

MR. KINSLEY: Mr. Chairman, I have to tell you, I think it's highly unlikely that we'll come up with any
new information that will reflect on reliability of
Roediger and it's track record. It is what it is. I
don't know what they can give us. But it's really
unlikely they will give us anything we don't already
know.

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

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

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

MR. KINSLEY: Right.

MR. PATTON: And now it's not.

MR. KINSLEY: Pittsburg is not there.

MR. PATTON: Right.

MR. BROOKS: Let me ask this question if I may.
Since we really have two issues here, we have the issue
do we want to do business with a company -- I don't know
how to put this -- that on the surface does not seem as
reliable as another company? That would be the issue,
in other words in the selection process, are we going
with your engineer's recommendation that we have a
better history background with the American company as
opposed to the -- that would be one issue.

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

MR. FISHBURN: Tom makes a good point that I would
anticipate all we are going to be able to do in the next
two weeks is hammer out this purchase order. Nothing is
going to change with their presentation as far as
Roediger's strengths or weaknesses or the merit of the
product or vice versa. So you're right, if you don't
envision in a week from now or two weeks when we come back with a purchase order essentially similar to this, nothing is going to change in the next two weeks --

MR. TOBIN: Could we --

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

MR. BROOKS: Go ahead.

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

MR. TOBIN: Could we ask Peter, do you think Peter a week from now that you could give us an idea it is going to cost us 50 grand more to change or 100 grand more to change or 500,000. I think that would have a big impact, at least some idea, I think it would help if we knew what the bottom line was in making a change. If it is going to be exorbitantly expensive is one thing,
if it's not maybe we ought to defer to a more, like
Charlie said, at least on the surface, a more reliable
supplier. That would influence my vote. Is that out of
line to at least give us a ballpark?

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

What I wrote on here is to revolve Roevac PO and
Airvac review/change order request is really what I hear
you guys talking about. That requires some heavy
lifting on behalf of Airvac. That is really a David
call.
MR. ELIAS: We have been working on this for 10 years between the Keys Master Plan all the way through it. If you guys don't feel comfortable with that we would look at the profiles or work with them. We do a lot of design, if they have the ground profiles we could do it, look at it. We don't know what you have done stationwise. You know we have a little different pump size and things like that. We would certainly expedite it and do it. It wouldn't be that difficult. There is not that much linear feet of pipe. The valve pit issues, we already took a little look before, you might have to add one or two if they are shared too many. That's not a problem for them to be able to give you an idea costwise. For them to be able to give you a cost you have to get Walt involved to tell you installation wise. It shouldn't be difficult to do that. But I don't want to do anything until --

MR. PATTON: Charlie.

MR. BROOKS: Yes.

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

MR. BROOKS: I thought that is where you were going.
MR. PATTON: At this point I don't think it's premature. I don't see why we can't do things concurrently and come back with both situations in two weeks or sooner, you know, if staff recommends a situation.

It ain't going to happen sooner?

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

MR. PATTON: What is your recommendation?

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

MR. BROOKS: Claude have you changed your mind?

MR. PATTON: Based --
MR. BROOKS: Let him.

MR. PATTON: Go ahead.

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

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

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

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

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

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

MR. FISHMAN: He does it for free.

MR. BROOKS: Pro bono.

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

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

MR. PATERNITI: No.

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

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

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

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

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

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

MR. PATERNITI: I just want to bring up a point
since Chuck mentioned my name regarding the cost. It
started my thinking about a permit with the state and
how much of a change in decision they will allow before
you have to go for a modification. And that needs to be
looked at as well. We can make a call and determine
what that time frame would be.

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

MR. PATERNITI: I would hope so.

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

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

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

MR. ELIAS: As far as?

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

MR. ELIAS: I would like to work with Joe if we get
the document see where we are at, see what your gravity,
mini gravity, I would certainly, as we have done before
evaluate them even on this project.
MR. KINSLEY: The date that the board is discussing is two weeks David. I know you probably weren't prepared for this before you came today. What is your engineers' current workload? Is this something that can actually be done quickly?

MR. ELIAS: Yeah --

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

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

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

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

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

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

MR. BROOKS: Andy.

MR. TOBIN: That sounds good to me

MR. BROOKS: Claude.

MR. BULLOCK: Good.

MR. BROOKS: You got a unanimous on that.

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

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

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

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

MR. TOBIN: So staff has direction.

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

MR. BROOKS: No, definitely not.

MR. BULLOCK: I would ask a question on that. Where does that put you in two weeks if you continue to lay pipe?

MR. MESSER: It depends.

MR. BULLOCK: I mean he's the contractor he's the one that has to make it work.
MR. MESSER: It depends on how much rock and this
and that. We probably average 150 foot a day. Five
days another what 700 feet down the road.

MR. FISHBURN: 10 days.

MR. MESSER: 1500 feet down the road.

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

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

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

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

MR. TOBIN: Staff has direction.

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

(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.


KATHLEEN A. FEGERS, RPR
Court Reporter