

MINUTES

Key Largo Wastewater Treatment District (KLWTD)

Board of Commissioners Meeting



August 9, 2006
98880 OVERSEAS HWY, KEY LARGO, FL 33037

The Key Largo Wastewater Treatment District Board of Commissioners met for a regular meeting on August 9, 2006 at 5:00 PM. Present were Commissioners Gary Bauman, Charles Brooks, Norman Higgins and Chairman Claude Bullock. Also present were General Manager Charles F. Fishburn, District Counsel Thomas Dillon, District Clerk Carol Walker and all other appropriate District Staff.

The Pledge of Allegiance was led by Chairman Bullock

Approval of Agenda

The agenda was approved with the following changes: Staff requested that an item explaining the Assessment Review Process and one for the Application for Grant funds be added to the agenda. Commissioner Brooks requested that Resolution No. 25-07-06, District Counsel Thomas Dillon Billing Proposal, and the request to the County for Mitigation funds be moved into Bulk Items. He also requested that the new item dealing with the Assessment Review Process be moved to the front of the agenda. Commissioner Brooks also requested that the Regional Treatment Plant Process presentation be moved up to come after the public hearing.

The agenda was approved by consensus.

District Counsel Thomas Dillon and Financial Officer Martin Waits outlined the procedure for a property owner to appeal their 2006 Assessment. They reviewed the forms, process and procedures for both residential and commercial properties.

Public Hearing on Resolution No. 28-08-06, Assessment Resolution

Public Hearing opened.

The following persons addressed the Commission: Michael Bloom, Hollywood, FL Attorney for Captain Jax's RV Resort and Marina, Doug Prew 102401 Overseas Hwy, Margaret Warnaar, 101680 Overseas Hwy, Meredith Cline, 33 So. Exuma Road, Bernie Eidam, 101551 Overseas Hwy, Bill Langstaff, 334 Mahogany Dr, James Crawford, 93 Ocean Shores Drive, and N J Marinaro. The public expressed concern over being charged for the sewer two years before they are able to hook up. Concern was expressed over the condition of the roadways after construction. It was requested that the public be

kept more informed as to what is happening in their neighborhood and that the hearing be held in the winter when more people are in Key Largo. Commercial concerns covered the method used for calculating their cost. A suggestion was made that a survey be sent out to the neighborhoods that are finished.

Chairman Bullock requested that Mr. Bloom give a copy of his statement to the District Counsel for his review and then he will be scheduled for presentation on the agenda at a future meeting.

Public Hearing Closed

Attached as Exhibit "A" is Mr. Bloom's statement in full and Exhibit "B" is Ms. Cline's statement in full.

RESOLUTION NUMBER NO. 28-08-06

A RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT AMENDING AND RESTATING PRELIMINARY ASSESSMENT RESOLUTION (RESOLUTION 26-06-06) RELATING TO THE CONSTRUCTION AND FUNDING OF WASTEWATER COLLECTION, TRANSMISSION, AND TREATMENT FACILITIES WITHIN THE DISTRICT; ESTABLISHING THE TERMS AND CONDITIONS OF PROPOSED SPECIAL ASSESSMENTS TO FUND THE FACILITIES AND THE METHOD OF THEIR COLLECTION; ESTABLISHING PROCEDURES FOR CORRECTION OF ERRORS AND OMISSIONS IN ASSESSMENT ROLLS; AND PROVIDING AN EFFECTIVE DATE.

Motion: Commissioner Brooks made a motion to approve the Resolution No. 28-08-06. Commissioner Bauman seconded the motion.

Vote on Motion

Member	Yes	No	Other
Commissioner Bauman	X		
Commissioner Brooks	X		
Commissioner Higgins	X		
Commissioner Tobin			Absent
Chairman Bullock	X		

Motion passed 4 to 0

Regional Treatment Plant Process Presentation

Bill Lynch and Robert Borneman from Arcadis gave a presentation on the SBR (Sequencing Batch Reactor) process.

Mr. Lynch pointed out that there are three manufacturers of the equipment for the SBR process which would allow for a more competitive bidding process.

Commissioner Brooks asked if chemicals will be used in the SBR process. Mr. Borneman explained that lime for pH adjustment and alum for phosphorus removal will be used.

There was a discussion of the layout of the plant site as presented in the agenda package.

Commissioner Brooks asked the cost of the Islamorada option. Mr. Lynch said that the total \$23.7 million includes the Islamorada Option plus the larger well.

Commissioner Brooks then questioned the involvement of MWH with Arcadis on the KLWTD Regional Treatment Plant. Mr. Lynch agreed that Arcadis will be 100% responsible for their product.

There was a short discussion with District Counsel Thomas Dillon on the options open to the District on expanding the plant site.

Motion: **Commissioner Brooks made a motion to approve using the SBR process for the 2.3 MGD plant. Commissioner Higgins seconded the motion.**

Vote on Motion

Member	Yes	No	Other
Commissioner Bauman	X		
Commissioner Brooks	X		
Commissioner Higgins	X		
Commissioner Tobin			Absent
Chairman Bullock	X		

Motion passed 4 to 0

Nicklaus Mullick, attorney for the Marriot stated that they are very concerned over the amount of their assessment. Mr. Mullick will be contacting the District in the future to discuss the assessment procedure.

Commissioner's Items

N/A

Bulk Items

Minutes of KLWTD Meeting on July 26, 2006

Pending Payments List

RESOLUTION NO. 25-08-06

RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT TO WAIVE THE WASTEWATER SYSTEM DEVELOPMENT CHARGE FOR JOHN PENNEKAMP CORAL REEF STATE PARK AND TO ACCEPT A VACUUM STATION EASEMENT ON PARK PROPERTY

District Counsel Thomas Dillon's Billing Proposal

Request to the County for Mitigation Funds

Motion: **Commissioner Bauman made a motion to approve the Bulk Items. Commissioner Higgins seconded the motion.**

Vote on Motion

Member	Yes	No	Other
Commissioner Bauman	X		
Commissioner Brooks	X		
Commissioner Higgins	X		
Commissioner Tobin			Absent
Chairman Bullock	X		

Motion passed 4 to 0

Engineers Report*Monthly Status Report***Treatment Plant**

Commissioner Brooks said that we have such a large list and we keep talking about the same thing over and over again and there is no progress. We got changes in BLC's but half those not yet made the changes and you go down further where apparently you got nitrogen problems. I am doing this as questions and statements for the record so they will be in the minutes. Still not in operating in compliance with the AWT requirements. Can you elaborate? Mr. Castle said yes, they are nitrifying which means the ammonia is being treated but that creates nitrates and they are not fully de-nitrifying so they are exceeding their total nitrogen discharge limits. He has seen some occurrences of their TSS limits. Commissioner Brooks asked about the fecal coliform. Mr. Castle said that he does not recall that Haskell is in violation on their fecal coliform but they could be when we get more flows because that contact chambers is short circuiting. That is an issue; he understands that the baffles are there to be put in so that should be addressed shortly. Mr. Castle stated that we would probably want a conference call with Will and with Fluidyne and just get an updated status on where they are moving with the process control. We did get the O&M Manuals which is a plus and they were in pretty good shape, we got the record drawing straightened out pretty well, we are going to get a revised set for the plant, the collection system is good. We are making some progress. We are finishing up some of the punch list items. Hopefully it will continue on a little bit faster track. Commissioner Brooks asked that if you have fecal coliform discharge limits, does that mean we are dumping solids down the well. Mr. Castle said that no, fecal coliform is a bacteria indicator that is present in human feces. They use it has an indicator organism. If that is there that means that it is not disinfected and killed there may still be viable pathogenic organism being injected in the well, it is not a solid. It is not the bacteria that we talk about in the bio-bath, its pathogens.

Mr. Fishburn reviewed the lateral connection report.

Financial Officer's Report*Build Out and Financing Operations Forecast*

Financial Officer Martin Waits reviewed the financing projection for the District. (See Exhibit "C".)

Consolidated Salary Budget for FY 2007

Mr. Waits presented the Preliminary FY 2007 Salary Budget.

Commissioner Bauman asked who decided to give an average of 10% salary increase for FY 2007. Mr. Fishburn stated that he gave the number to Mr. Waits.

The Board Members stated that they would like to understand the logic that Mr. Fishburn is using for issuing raises. The Board requested that the Salary Budget be brought back to the next Board meeting with salary ranges for all employee jobs and the Manager's individual pay raise's and where they are going to be applied. Mr. Fishburn tells the board their unanimous request for in depth details on salary increases "is ridiculous and stupid." Mr. Fishburn further elaborates "if you want to tell me how to run the district than hire somebody else". Commissioner Brooks counter points Mr. Fishburn's comments about the boards request for more information being ridiculous and stupid. Chairman Bullock requested that if parts of the pay increases are "Cost of Living" increases he would like to see them identified as that.

Wastewater Service Budget and Five Year Projection for FY 2007

Mr. Waits re-introduced the FY 2007 Budget Process schedule. He also reviewed the Wastewater Service budget with the Board. The Board requested that they be educated on what it takes to run a facility like the District.

FY 2007 Preliminary Capital Budget and the Five Year Spending Projections

Mr. Waits reviewed the Capital Budget and Five Year Spending Projections. The KLT and KLP projects will be completed in FY2006. The North Components project, which includes Basins A & D, is budgeted for 80% completion in FY 2007. In accordance with the Facilities Plan, the South Transmission Line is also budgeted for construction in FY 2007. The remaining nine (9) collection basins are shown in FY 2008 and beyond as projected in the Facilities Plan.

Mr. Waits requested that if the Commissioners please review the numbers between now and the next meeting and if they have any questions or request to contact him because a proposed budget will be brought back to the next meeting.

Legal Report

Application for Grants Funds

District Counsel Thomas Dillon explained that the request is asking for the whole \$18 million.

Commissioner Bauman suggested that the memo read that the District will accept \$18 million over one or years in two payments.

Commissioner Brooks stated that if the BOCC follows the recommendation from Mr. Willi then the District will only be given \$6 million. BOCC Commissioner McCoy is recommending giving the District \$8.5 million.

Motion: **Commissioner Books made a motion to approve the Application for Grant Funds as presented. Commissioner Higgins seconded the motion.**

Vote on Motion

Member	Yes	No	Other
Commissioner Bauman	X		
Commissioner Brooks	X		
Commissioner Higgins	X		
Commissioner Tobin		Absent	
Chairman Bullock	X		

Motion passed 4 to 0

General Manager's Report**Commissioner's New Items and Roundtable*****BOCC Meeting***

Commissioner Bauman suggested that the District back up be sent to the BOCC before the meeting. Mr. Dillon will offer to work with the County Attorney's office to amend the Inter-Local Agreement as appropriate to accept any monies the BOCC gives the District. The Board will contact the BOCC Commissioners about the funding. Any Board members that are available will attend the BOCC meeting.

Adjournment

The KLWTD Board adjourned the Board Meeting at 8:37 PM.

The KLWTD meeting minutes of August 9, 2006 were approved on August 23, 2006.

Claude M. Bullock

Chairman Claude Bullock

EXHIBIT "A"

LAW OFFICES OF
MICHAEL S. BLOOM, P.A.
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4340 SHERIDAN STREET
HOLLYWOOD, FLORIDA 33021

Michael S. Bloom
Attorney-At-Law
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Certified Family and Dependency Court Mediator

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August 10, 2006

**Carol Walker
Key Largo Wastewater Treatment District
98880 Overseas Highway
Key Largo, FL 33037**

**SENT VIA FEDERAL EXPRESS
TRACKING NO. 7921 7705 8628**

Re: Captain Jax RV Resort and Marina / Kings Kamp
Our File Number: 06-2983

Dear Carol:

As per the Commission's request at the hearing conducted yesterday, I am enclosing a copy of the presentation speech which I had prepared on behalf of my clients. As you know, due to the time constraints imposed by the Commission, I was unable to present all of the issues which are of concern to my clients. Please forward a copy of the enclosed to each of the Commissioners as well as to Mr. Dillon so that they may review and give appropriate consideration to the issues raised therein.

In light of the unanimous passage of the resolution, I anticipate that further individual meetings will be required between myself and Mr. Dillon or other staff members since there are serious issues related to the assessment which remain unresolved at this time. Accordingly, I would request that you or an appropriate staff member contact me at your earliest convenience so that we may discuss how best to proceed at this time.

I look forward to working with you, the District staff and its legal counsel in resolving the remaining issues in a prompt and mutually satisfactory manner.

Very truly yours,

~~MICHAEL S. BLOOM, P.A.~~

By:

Michael S. Bloom, Esq., for the firm

enclosure

c: Client

Good afternoon. My name is Michael Bloom.

I would like to thank the district for giving me this opportunity to discuss the proposed wastewater service plan and associated assessments on behalf of my clients, Gino and Cathy Angella, and their children, Tony, Maria and Gino Jr. My clients operate a travel park and campground under the names of Captain Jax RV Resort and Marina and Kings Kamp. These parks have been family owned and operated by my clients for more than twenty years.

The reason that I am here today is to state my clients objections regarding the method of assessment which the district is proposing under the pending resolution. Before I tell you my clients objections, I would like to first state that my clients do understand the necessity and benefit that the establishment of a wastewater treatment plant would confer on their fellow property owners. My clients further understand that the cost of such a project is substantial and that one of the burdens of property ownership is to share in such capital improvement costs. To this extent, my clients are prepared to contribute their fair share of such costs.

However, my clients do have an objection with regard to the method of establishing the Equivalent Dwelling Units or EDUs. The proposed assessment notice which has been forwarded to all property owners provides for a specific formula for the calculation of EDUs for clients such as mine which are designated as "Commercial Accommodation Tax Parcels". This formula, on its face, would be a fair and equitable manner of establishing the number of EDUs on a parcel

were in not for the caveat at the end of the formula which provides for a minimum assignment of one EDU per Commercial Accommodation Tax Parcel. While the idea of a single parcel of land being deemed as not less than one EDU certainly makes sense on its face, it does not make sense when you look at how the underlying calculation is made. It is my client's position that the assignment of a minimum of one EDU per "Commercial Accommodation Unit" results in a substantially higher charge than is either fair or reasonable. In fact, our position is that such an assignment of EDUs and the resulting assessment may further be violative of Florida law.

There are a few definitions which need to be collectively reviewed to understand the problematic nature of the District's plan. Florida Statute §189.420 which became effective on June 21, 2000 provides, in part, that "the Assessment shall not be based on the assertion that the facility is comprised of residential units. Instead, facilities regulated under Chapter 513 shall be assessed in the same manner as a hotel, motel or other similar facility." While the intent of this statute is clearly one of non-discrimination among different classes of property owners, the fact that all similarly situated property owners are discriminated equally does not make the assessment valid. Under the current proposal, the District is seeking to assess my clients, and others who are similarly situated, under a plan which establishes a minimum number of EDUs per "Commercial Accommodation Unit". The definition of "Commercial Accommodation Unit" is then defined as "a hotel room, motel room, mobile home space, RV park space and tenting camp space that is made available for rent to customers of a Commercial Accommodation."

The final definition to consider is that of a Residential Tax Parcel, which simply means a single unit designated or intended for one family occupancy. I have reviewed these definitions over and over again and have re-read §189.420 and am unable to reconcile them when considered together. There seems to be no difference in the establishment of EDUs between a development comprised of fifty residential units and a RV or campground comprised of fifty sites. In either event, regardless of actual consumption, fifty EDUs would be assigned to the property. This clearly flies in the face of §189.420 since you are levying an assessment on each unit just the same as you would a residential unit. One tent site is no different than one home, one home is no different than one hotel room, and one RV site is no different than one-half of a duplex unit. All are considered to be one EDU. You cannot take a cat, teach it to bark and then call it a dog. However you look at it, they are what they are. In this case, they are all a single EDU without distinction of the true nature of the property. This proposal violates Florida Statute §189.420 in that it is treating my client's facility as if it were a residential unit, the precise conduct which is barred by the statute.

In May of 2000, a similar idea was contemplated and the establishment of EDUs was proposed on a base of 167 gallon daily flow as being deemed to be one EDU. Interestingly enough, that proposal remains the same today as it was more than six years ago. The problem is that the flaws that existed six years ago continue to exist today. An article in the July 8, 2005 issue of The Reporter stated that "the majority of commercial accounts would have fewer than 10 EDUs." Therefore, the idea apparently developed to find a way to transfer the costs to these low volume

users. The answer that developed and has been presented by the District is to force these low volume users to subsidize a disproportionately large share of the costs of this project. Once again, let me reiterate that my clients are not opposed to paying certain costs. Their objection, as most people would agree, is that each person or entity should only have to pay their fair share - nothing more and nothing less.

I'd like to now take a look at the practical implications that this proposal has. In the case of Captain Jax RV Resort and Marina, they will be billed a minimum base charge of 56 units, one for each of the sites for which they are licensed with the State. This results in a monthly charge of \$1,881.60 plus the water meter usage charge. In the past, my client's peak consumption for both Captain Jax and Kings Kamp, which includes 115 units total, was approximately 6,000 gallons per day at its highest peak. If the assessment of EDUs were based on the usage of category G, an Improved Non-Residential Parcel, my client would have approximately two EDUs. However, under this proposal, they would be assessed for 115 EDUs for their two properties. In other words, they are being assessed for approximately 5,750 percent of their actual EDUs under the District's arbitrary minimum EDUs being imposed.

Another issue which raises concerns to my client is the method of connection. In the instances of individual units, such as single family homes, the District is establishing a flat fee charge of \$2,150 for connection to the wastewater system regardless of the actual cost of same. In the case of non-residential tax parcels, the charge becomes a minimum charge of \$2,150 but may be

higher. This method of pricing does not allow my clients, or any other owners of Non-Residential Tax Parcels to know the full extend of the assessment or its associated costs until the time of connection to the wastewater system. Furthermore, it is our understanding that while individual residential units will be directly connected to the system as part of these charges, the same will not be true for Non-Residential Tax Parcels such as those of my clients who will be responsible for connection costs from the public facility onto each individual site. Accordingly, my clients will be forced to incur additional substantial connection expenses which may be burdensome and unjust. More importantly, the property owners have no options in this regard since the connection to the system is mandatory. In The Reporter article dated July 8, 2005, Mr. Dillon was quoted as saying that "we need to have discussions with each [park] to find out what's best for them and us." Unfortunately, these discussions have not occurred and the situation has now become dire for my clients and, I would suspect, for many other residents and business owners in the Key Largo area.

Lastly, I would like you to consider the timeliness of these assessments. As I previously stated, this proposal is one which has been under consideration for several years. Unfortunately, the time for imposing this financial burden on homeowners and businesses alike could not be worse. The property owners of this state are facing rising tax bills, rising energy prices and a statewide insurance crisis. Individual consumers are now being faced with insurance costs which are double or triple what they were only a year or two earlier. On the commercial side, many businesses are being forced to consider going without insurance because the costs have risen so

much. Now, on top of all of this, you are asking the property owners of Key Largo to incur a substantial expense which will appear on their tax bills just three months from now. There must be better alternatives than what we have now and I urge you to look for them for the betterment of Key Largo and for the protection of its residents.

I sincerely hope that you will take these concerns and objections into consideration when determining what is best for not only for the Key Largo Wastewater Treatment District but also for the residents of Key Largo and for the business owners and operators who strive to make living in the area both affordable and enjoyable. In the end, whether it is the local fisherman or my clients providing reasonably priced camping and RV facilities to both tourists and local residents alike, somebody has to bear the costs of what is being proposed. Unfortunately, if this proposal is enacted as currently drafted, many of the people who can least afford the additional expense will likely have to absorb them in one form or another since they will ultimately have to pass through to the consumer.

In conclusion, I would respectfully request that you consider deferring a final decision on this matter until such time as the District has had an opportunity to meet with the persons or entities comprising the larger consumption users to the system. My clients believe, as I'm sure many others due, that those who receive the greatest benefit of these infrastructure improvements should also bear the greatest cost of same. We all understand that there is nothing to be gained by rushing to judgment in commencing a project which has been years in the planning, only to

find it bogged down in a legal challenge brought in response to a well intentioned but ill conceived plan. The best course of action will be patience, diligence and cooperation so that all parties can be satisfied with the result.

Thank you for your time and consideration.

EXHIBIT "B"

Dear Commissioners-

As requested and promised, here is the full text of the presentation I had prepared as Public Input for the August 9th board meeting.

In advance, thank you for taking the time to read it in full. I hope it brings you inspiration and a few smiles.

Meredith

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Good afternoon. My name is Meredith A. Cline (Alternate Key #1663549) and I am NOT a newlywed. I am, however, the President/Director/Representative from Ocean Isle Estates subdivision at Mile Marker 106.5.

And, I referenced the original Newlywed Game just as I did when I was the only quote-unquote "civilian" to go before the Florida Keys Aqueduct Authority a few years ago when the basic rate was increased from water still runs deep.

Now, what does all this have to do with a Game Show? Host Bob Eubanks once asked of the competing couples, "What is your favorite bill?"

One spouse responded that it was her cheapest bill.

Good answer.

As reflected in my water bill tracking sheet since 1989, my least expensive ongoing bill is the one from FKAA which averages \$15.00 a month. But, this charge is soon to be flushed away into a wasteland other than TV!

I've heard, read and the powers-that-be have stated that the monthly charge could be \$60.00 in addition to the \$389.97 amortized yearly charge (to economize wordage, let's round it up to \$390.00) or the one to two thousand dollar charge to run the lines to my house.

And, I have to make a decision by November as to whether or not I want to pay the lump sum of \$4,970! I do not want to pay four thousand, nine..or let's just round that off to \$5,000.00 for potty's sake!

Your former Chair told me earlier this year that Ocean Isle Estates would not be sewered until 2008.

Two years! Number Two!

Two weeks ago, I called the District office and asked the same question in order to get a better handle on the situation and update the timeline.

The District Staff would not even give me a definitive year. I received the nebulous response that it depends on when the bid goes out, the contractor, yada, yada, yada.

So, I phoned a sitting Water Board Commissioner to see if I could glean more direct information. He said that digging in Ocean Isle Estates could begin as early as January of 2007. But, completion would most likely be in 2008.

Hereâ€™s my questionâ€¦

Would you want to pay for something and be bulldozed into making a decision possibly two years before receiving the service?

And, to add insult to injury, the poor mail delivery people had to honk the horn then scurry up steps and driveways to hand deliver in driving rains your Intent by certified mail because you donâ€™t trust us and fear weâ€™ll ignore you.

WE HAVE NO CHOICE! Itâ€™s going to appear on our November property taxes come Hell or high water!

The \$4.64 certified mail charge could have been better spent by informing us that septic tanks over 10 years old cannot be converted to cisterns and properly educating us and those who are already holding community workshops on the subject or by helping us find reliable, reasonable, rock bottom in price plumbers for group hookups.

Why donâ€™t you spend the money on helping to expedite the completion date of repairing and replacing the main water line between Mile Markers 93 and 98? Even if my neighborhood was hooked up tomorrow like Key Largo Trailer Village already is, according to the Aqueduct Authority spokespeople, itâ€™s inevitable that numerous â€œbreaksâ€ are going to happen.

Did you read the Editorial in the July 26th issue of The Free Press? Do you know that I had already written to County Commissioner Patton about this unacceptable situation and presented Motions to the Island of Key Largo Federation of Homeowner Associations Executive Committee 3 months ago about the â€œbreaksâ€œ and the wholly inadequate and even nonexistent Boil Water Alerts?

These are rhetorical questions Iâ€™d like to briefly argue. First, let me lay the ground rulesâ€¦

You, The District, are You. Abbreviated, you are DOU.

I am Me, the People, or PEE.

PEE: Give us a Break! No, not that kind.

DOU: We need the money!

PEE: So do I. I have medical bills and thousands of dollars of hurricane damage and donâ€™t get me started about the broken oven, air conditioner, refrigerator, blown out tire and shattered sliding glass door. Iâ€™m trying to conserve water by utilizing a rain barrel I received through the Monroe County Extension Service, storing up watery flushes, not running water when I brush my teeth, and letting my plants and trees die rather than watering them during droughts and dry times.

DOU: We need the funding!

PEE: Why donâ€™t you come up with a creative way to make My money work for you and for me? Put it in a fund or escrow and let it earn interest to reduce future charges at least before the tap is finally turned on? Compromise.

DOU: No. Show me the money!

PEE: Thereâ€™s a county ordinance to avoid pooling because puddles attract mosquitoes and create ditches in

which people trip. I've sadly been battling my neighbors for years because codes are not being enforced on the right-of-ways. Have you thought of improving pavement and easement drainage after you tear up our streets, cause more injuries, bites and headaches for a year or two and then have your contractor return everything to status quo?

DOU: That's the price you have to pay and if you don't, you'll be penalized.

PEE: Alright, okay. I give up. I surrender. In afraid, What goes around may really come around this time. Oh, well, THE END!

Please, chew on this thought. It's difficult to swallow even after acknowledging that you have to adhere to state laws and regulations and relay unpleasant realities and dedicated hours upon hours of work that you have not mustered up more wherewithal to reduce the exorbitant costs for a central wastewater system. As sympathetic human beings and neighbors in the same boat, please do not accept hook, line and sinker the figures presented thus far. Be creative. Be tenacious. Find the grants. Cap inflation. Reduce costs. Earn interest on the monies collected and apply it so charges can be reduced.

I'm just thanking my lucky stars that you didn't base the residential consumption rate on usage over the past 3 years because I had a water main leak that cost me a few months of \$200.00 water bills. Then, the leak disappeared for a year then returned for another bout that cost me a thousand times my normal consumption. Plus, I had to fix the break for over \$1,000.00!

So, let me water it down for you. Or, maybe I should wet myself down---

Piss Poor Planning On Your Part, Does Not Constitute An Emergency on Mine.

Except I have no other option. No #1. No #2. No Whiffs, Ends or Butts-B-U-T-T-S.

Thanks for allowing me to Vent and Going With The Flow, so to speak.

meredith

Meredith A. Cline
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KLWTD BUILD-OUT FINANCING PROJECTION

(\$ 000's)

<u>Component Projects</u>	<u>EDU's Served</u>	<u>Facilities Plan Cost</u>	<u>Source of Funding Grants</u>	<u>SRF Loans</u>	<u>Estimated SRF Loan Capacity</u>	<u>Capacity Excess/ (Shortfall)</u>	<u>Cumulative Excess/ (Shortfall)</u>
Completed Projects:							
Basin E - KLTV / KLP	727	\$ 13,000	\$ 11,839	\$ 1,161	\$ 4,396	\$ 3,235	
Approved Projects:							
North Components							
Treatment Plant	-	22,659	17,100	5,559	-	(5,559)	
North Transmission Line	2,400	2,895	2,895	-	12,750	12,750	
Basin A	688	8,755	-	8,755	4,576	(4,179)	
Basin D	637	9,161	-	9,161	4,310	(4,851)	
	3,725	\$ 43,470	\$ 19,995	\$ 23,475	\$ 21,637	\$ (1,838)	\$ 1,397
Complete Northern Half:							
Basin E - Balance	235	3,228	-	3,228	1,481	(1,747)	
Basin B	1,487	14,579	-	14,579	7,980	(6,599)	
Basin C	862	10,778	-	10,778	4,625	(6,153)	
	2,584	\$ 28,585	\$ -	\$ 28,585	\$ 14,085	\$ (14,500)	
Extend To Southern Half:							
South Transmission Line	-	\$ 4,290	-	\$ 4,290	-	\$ (4,290)	\$ (17,393)
Complete Southern Half:							
Basins F & G	3,826	21,446	-	21,446	19,409	(2,037)	
Basins H, I, J, K	3,125	47,928	-	47,928	15,785	(32,143)	
	6,951	\$ 69,374	\$ -	\$ 69,374	\$ 35,194	\$ (34,180)	\$ (51,573)
Total All Projects	13,987	\$ 158,719	\$ 31,834	\$ 126,885	\$ 75,312	\$ (51,573)	

EXHIBIT "C"

KLWTD BUILD-OUT OPERATING FORECAST

REVENUES
&
EXPENSES

GRANT REQUIREMENT

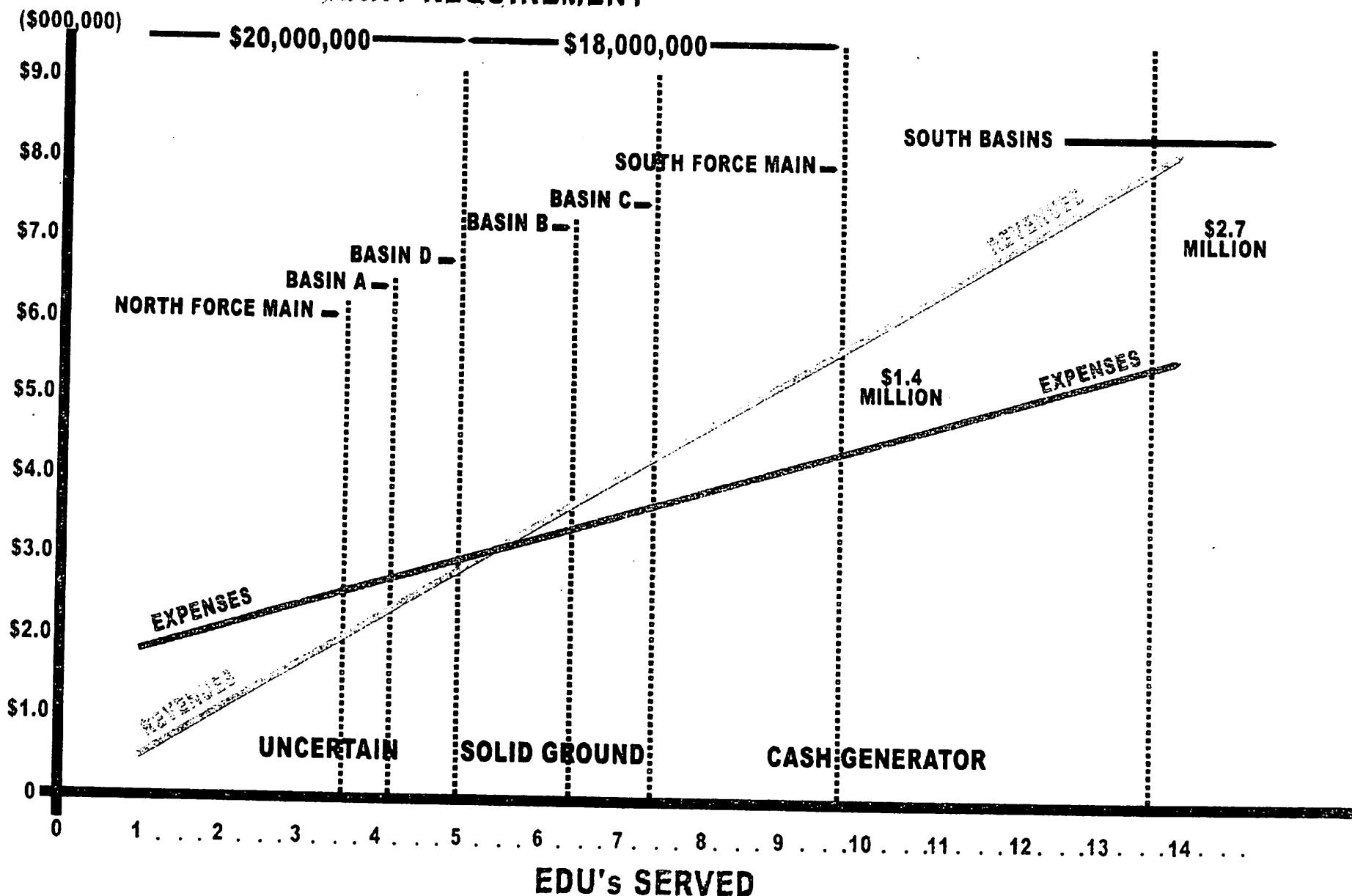


EXHIBIT "C"