The Key Largo Wastewater Treatment District Board of Commissioners met for a regular meeting at 4:03 PM. Present were Commissioners Susan Hammaker, Norman Higgins, Claude Bullock, Andrew Tobin, and Chairman Gary Bauman. Also present the General Manager Charles F. Fishburn, District Counsel Thomas Dillon, Acting District Clerk Synthia Trakul, and other appropriate District Staff.

The Pledge of Allegiance was led by Chairman Bauman.

APPROVAL OF AGENDA
Commissioner Tobin requested that Item 10 (Cold Spot Report) and Item 12 (Deep Well Oversight Change Order) be moved to the front of the agenda.

Motion: Commissioner Higgins made a motion to approve the agenda as amended. Commissioner Tobin seconded the motion.

Vote on Motion

<table>
<thead>
<tr>
<th>Member</th>
<th>Yes</th>
<th>No</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman Bauman</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Hammaker</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Higgins</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Tobin</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Bullock</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Motion passed 5 to 0

PUBLIC COMMENT
The following persons addressed the Commission: Dr. Wells, Key Largo, stated he is not sure the District did an independent study for alternate systems. He would like a second opinion.

GENERAL MANAGER’S REPORT
*Deep Well Oversight Change Order*
District Counsel, Tom Dillon, explained that Arcadis would like a lump sum contract. He pointed out under what circumstances they would be able to increase the compensation.
Chairman Bauman, and Commissioners Tobin and Higgins do not like the contract as presented.

David Smith, from Arcadis, explained what the contract covered.

Ed Castle, Weiler Engineering, reviewed his memo about the contract. He recommended going out for proposals but he is not recommending against the Arcadis contract due to the need to expedite the well.

Chairman Bauman would like the time changed to 300 days, and the inclusion of a time sheet.

**Motion:** Commissioner Hammaker made a motion to approve the Arcadis Work Authorization No. 2 with the changing of the days from 280 to 300 and striking “if the time and expense allows if used” and the inclusion of the requirement of time sheets. Commissioner Bauman seconded the motion.

### Vote on Motion

<table>
<thead>
<tr>
<th>Member</th>
<th>Yes</th>
<th>No</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman Bauman</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Hammaker</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Higgins</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Commissioner Tobin</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Commissioner Bullock</td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Motion failed 2 to 3

**ENGINEER’S REPORT**

*Cold Spot Report*

Ed Castle went over his written report. Please see Exhibit “A”. He will report on the package plants at a later date.

**COMMISSIONER’S COMMENTS**

*Part Time Office Help*

Commissioner Higgins stated that he has been in the office many times and it is very hectic and there is a need for administrative support.

Chairman Bauman explained that Commissioner Higgins should go through the proper channels.

*Future Purchase of Property*

Commissioner Higgins said that the District should purchase property on US 1 for an administration office. Commissioner Hammaker stated that the plant should be considered. Charles Fishburn stated that the current rental is a great deal. He also stated the top floor of the plant could be used as a conference room

The Board directed staff to check on space at the Murray Nelson Center.
Whether to require Manager to obtain Board approval to increase compensation above a certain amount/percent.
Commissioner Tobin asked that this item be brought back as an action item.

Chairman Bauman and Commissioner Hammaker would like to wait until after the elections to decide this issue.

Commissioner Tobin would like an experienced Board to decide the issue.

Fl. Keys Water Quality Improvements Program Representative
Chairman Bauman reported that the purpose of the meeting is to be updated on how the Coral Reef is doing. The representative has to do a lot of homework. He will brief the new representative.

Certified Letters to Condo Owners
Commissioner Bullock asked why the Condominium Owners and not just the Condominium Association were sent certified letters.

Thomas Dillon, District Counsel explained that the owners are the ones that are assessed, not the association. It is a District policy to send out the letters certified to have a record of service.

BULK ITEMS
Minutes of September 16, 2008
Pending Payments

Motion: Commissioner Higgins made a motion to approve Bulk Items, contingent upon the availability of funds for the pending payments. Commissioner Tobin seconded the motion.

Vote on Motion

<table>
<thead>
<tr>
<th>Member</th>
<th>Yes</th>
<th>No</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman Bauman</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Hammaker</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Higgins</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Tobin</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Bullock</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Motion passed 5 to 0

Assessment Appeal Key Largo Fisheries

Motion: Commissioner Higgins made a motion to approve the Assessment Appeal for Key Largo Fisheries. Commissioner Bullock seconded the motion.

Vote on Motion

<table>
<thead>
<tr>
<th>Member</th>
<th>Yes</th>
<th>No</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman Bauman</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Hammaker</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
ENGINEER’S REPORT
Mr. Castle reviewed his submitted written report. Sunset Waterways had two pits that failed but have been repaired.

FINANCIAL REPORT
Public Funds Deposit Accounts
Mr. Waits reviewed the security of the Districts funds deposited in Public Funds Accounts. He explained if the bank fails other public funds banks would cover us. Please see Exhibit “B”, a letter from the Chief Financial Officer of the State of Florida.

LEGAL COUNSEL REPORT
N/A

GENERAL MANAGER’S REPORT
Basin I, J, & K Engineering Selection
Charles Fishburn told the Board that staff will bring back a recommendation for the Basins I, J, and K Engineer.

Medical Insurance Update
Mr. Fishburn explained the delay in finding new insurance coverage. He asked for a three month extension on insurance payments for staff.

Motion: Commissioner Higgins made a motion to approve covering three months of insurance at the new rate. Commissioner Bullock seconded the motion.

Vote on Motion

<table>
<thead>
<tr>
<th>Member</th>
<th>Yes</th>
<th>No</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman Bauman</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Hammaker</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Higgins</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Tobin</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commissioner Bullock</td>
<td>X</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Motion passed 5 to 0

ADJOURNMENT
The KLWTD Board adjourned the Board Meeting at 6:22 PM.
The KLWTD meeting minutes of Oct. 7, 2008 were approved on October 21, 2008.

Chairman Gary Bauman

Vice Chairman

Carol Walker, CMC
District Clerk
Key Largo Wastewater Treatment District  
Engineering Status Report  
Cold Spots  
Period Ending 9/25/08

Atlantic Boulevard

A single residence exists on Atlantic Boulevard. There is a drainage ditch and pipe that separates it from the central sewer system. It will require an individual system.

Loquat Drive

A single residence exists on Loquat Drive. Due to the distance from it to the Atlantic Boulevard residence and the central sewer system, an individual system will be required.

Gulfstream Shores & Knowlson Colony

Gulfstream Shores and Knowlson Colony are adjoining subdivisions on County Road 905 approximately 1½ miles northeast of the central sewer system. They are located in Ocean Isle Estates. Knowlson Colony consists mostly of Hammock vegetation with 14 single-family residences mixed in. Gulfstream Shores has 30 single-family residences and has more cleared areas. These two subdivisions are mostly privately owned. Currently 10 of these are 2010 compliant. Of the remaining 34, 21 will require individual systems and the remaining 13 can be tied into 3 separate cluster systems.

Ocean Reef Shores

Ocean Reef Shores is a sparsely populated neighborhood, located approximately 2 miles northeast of the central sewer system on County Road 905. The subdivision consists of 18 privately owned and 6 State owned residences. None of the residences are known to have 2010 compliance systems. 10 will require individual systems and the remaining 14 can be tied into 4 separate cluster systems.

Elbow Light Club & JHT Subdivision

Elbow Light Club and JHT Subdivision, located approximately 3.2 miles northeast of the central sewer system on County Road 905, consist of three single-family residences. Only one is 2010 compliant. Due to the distance between the other two, each will require an individual system.

Prepared for the KLWTD Board by:  
Michael W. Hatfield, PE, Vice President, Director of Civil Engineering
11175 County Road 905

11175 County Road 905, located approximately 4.7 miles northeast of the central sewer system, is a single-family residence that is not currently 2010 compliant. It will require an individual system.

Waste Management Transfer Station

Waste Management Transfer Station, located approximately 4.4 miles northeast of the central sewer system on County Road 905, has an existing BioMicrobics FAST system which will require some modification to bring it into compliance with 2010 standards.

Sea Critters

Sea Critters, located approximately 6.2 miles northeast of the central sewer system on County Road 905, has two existing office trailers that will require an individual system.

Madeira Village

Madeira Village, located approximately 6.9 miles northeast of the central sewer system on County Road 905, consists of four single-family residences. Due to the distance between residences each will require an individual system.

Manatee Bay/Cross Key

Manatee Bay/Cross Key is located approximately 6.1 miles northwest of the central sewer system on the Overseas Highway. There are three existing treatment facilities including two FDEP plants and one DOH system. At Cross Key Marina there is an existing .005 MGD permitted extended aeration treatment plant that appears to be in poor condition and does not have the room for expansion to a BAT facility. An RV park has an existing DOH compliant system that we were unable to locate during the site visit. This system when located will likely prove to be too small to accomplish the goal of serving this entire area. At the Manatee Bay Club there is an existing .0095 MGD permitted treatment facility that has 45,000 gallons of aeration capacity. This facility has some leakage issues that need to be investigated. If this facility is structurally sound and the leaks are sealed I believe that this facility could be upgraded to BAT and provide 2010 compliant treatment for this entire area. Flow data has been requested from the FKAA by the KLWTD.

Gilberts/Anchorage

Gilberts/Anchorage is located approximately 1.5 miles northwest of the central sewer system at Jewfish Creek on the Overseas Highway. There are three FDEP treatment plants located in this area. Gilberts is located just north of the Jewfish Creek drawbridge which effectively cuts it off from the other two facilities. This is a .010 MGD extended aeration facility, located directly on the water front, with minimal aeration capacity and an add-on chlorine contact basin. The concrete tanks have been leaking and a repair “skirt” of concrete has been added around the perimeter of the tanks. The concrete on top

Prepared for the KLWTD Board by:
Michael W. Hatfield, PE, Vice President, Director of Civil Engineering
of the tanks is cracking and spalling and is generally in poor condition. We would recommend design and permitting of a new BAT facility for Gilberts that could be located away from the waterfront. The old plant could treat the sewage while the new system is constructed. The Anchorage Resort is located on the south side of the bridge directly adjacent to Marly’s restaurant. The Anchorage’s treatment facility is a .010 MGD extended aeration treatment facility located in the corner of the parking lot. Buildings have been built right up to the edge of the concrete plant. This facility is in fair to poor condition and has absolutely no room for expansion. Marly’s restaurant has a .008 extended aeration facility with 15,900 gallons of aeration capacity. It is a steel plant that appears to be in fair to good condition and has a small amount of room around it for expansion. This facility could be converted to BAT and possibly serve this property as well as the Anchorage property.

In Summary, the existing treatment facilities at Manatee Bay and Marly’s Restaurant need to be further evaluated for structural integrity and leakage. If the outcome of this investigation is positive and the review of the FKAA water flow data shows that the wastewater needs can be met, these two facilities could be redesigned as BAT facilities and serve their respective areas. Gilbert’s plant should be replaced with a 2010 compliant system to serve that area because there is no economical way to transport the sewage across the Waterway to treat it in conjunction with Marly’s and the Anchorage Resort.

Other Technical Issues

The above summaries and their associated costs outlined below are dependent on several factors.

The individual systems will require a perpetual easement that allows the District to build and maintain the system. Individual homeowners will be required to provide electricity unless the District installs a separate District-owned electric service and meter for the on-site system. Due to lot size and/or the lack of sufficient pervious area to place the drainage field, approximately half of the systems will require an injection well for effluent disposal. Some savings could be realized by combining the effluent from two close systems into one well. While the wells are more expensive initially, the O&M costs for well systems are significantly lower.

In the areas where cluster systems are proposed, either one home will have to let the system be placed on their property or a vacant parcel of land will be required. Most of the vacant land is owned by the State of Florida. All the homes within the area designated for a cluster system will have to participate in the program. Again a perpetual easement will be required. It is recommended that a separate electrical meter be installed at these locations to operate the systems. Some piping will be required to connect each home. In some instances an individual pump may be required if a gravity connection cannot occur. In some instances it would be best to place the cluster system within the existing road R-O-W. As DOH does not permit facilities in R-O-W, it would require a variance for the DOH.
**Estimated Costs**

Individual Systems (37) – The anticipated average cost per unit is $29,700. This includes the purchase and installation of each system.

2-Unit cluster system (2) – The anticipated cost per system is $56,092. This includes the purchase and installation of each system including necessary piping.

3-Unit cluster system (1) – The anticipated cost per system is $56,092. This includes the purchase and installation of each system including necessary piping.

4-Unit cluster system (2) – The anticipated cost per system is $121,848. This includes the purchase and installation of each system including necessary piping.

5-Unit cluster system (1) – The anticipated cost per system is $107,529. This includes the purchase and installation of each system including necessary piping.

7-Unit cluster system (2) – The anticipated cost per system is $158,285. This includes the purchase and installation of each system including necessary piping.

Waste Management Upgrade (1) – The anticipated cost to upgrade the existing system is approximately $15,775.

Engineering Cost for CR 905 design, permitting and construction phases is $97,537

Weiler is currently evaluating the costs for the WWTP upgrades for Cross Key and Jew Fish Creek areas.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CR 905 cost</td>
<td>$2,048,283</td>
</tr>
<tr>
<td>Total initial cost per EDU</td>
<td>$28,448</td>
</tr>
<tr>
<td>Anticipated O&amp;M cost per EDU</td>
<td>$114/month</td>
</tr>
</tbody>
</table>

*Prepared for the KLWTD Board by:*
*Michael W. Hatfield, PE, Vice President, Director of Civil Engineering*
Glossary of Terms

- **AWT** – Advanced Wastewater Treatment. This is the level of treatment required by the year 2010 for all WWTPs in the Keys with capacities of 0.100 MGD or greater. This corresponds to levels of 5 mg/l CBOD, 5 mg/l TSS, 3 mg/l TN and 1 mg/l TP
- **BAT** – Best Achievable Treatment. This is the level of treatment required by the year 2010 for all wastewater treatment systems in the Keys with capacities of less than 0.100 MGD, including on-site treatment units. This corresponds to levels of 10 mg/l CBOD, 10 mg/l TSS, 10 mg/l TN and 1 mg/l TP
- **CBOD** – Carbonaceous Biochemical Oxygen Demand. This is a measurement of the level of organic pollutants (food) in wastewater
- **DOH** – Monroe County Department of Health
- **EDU** – Equivalent Dwelling Unit. The amount of flow associated with one residential unit.
- **FDEP** – Florida Department of Environmental Protection
- **FKAA** – Florida Keys Aqueduct Authority
- **GPD** – Gallons Per Day
- **I&I** – Inflow & Infiltration. Inflow is non-sewage water, typically rain water, that enters a sanitary sewer system through lids on structures such as manholes. Infiltration is non-sewage water, typically groundwater or rain water that has soaked into the ground, that enters a sanitary sewer system through cracks and joints in buried pipes and structures.
- **MGD** – Million Gallons per Day
- **mg/l** – milligrams per liter (same as parts per million). This is the unit of measurement typically used to report the concentration of pollutants in wastewater
- **R-O-W** – Right-of-Way
- **SSOCOF** – Sunshine State One Call of Florida, the state agency that coordinates underground utility construction. Anyone who intends to dig must call SSOCOF to request locates. SSOCOF then relays the construction information to all members in the construction area with instructions to mark the location of their underground utilities in the work area prior to the start of construction.
- **SRF** – State Revolving Fund. A source of low-interest loans for utility planning and construction
- **TN** – Total Nitrogen. This is a measurement of the level of nitrogenous pollutants in wastewater
- **TP** – Total Phosphorus. This is a measurement of the level of phosphate and organic phosphorus pollutants in wastewater
- **TSS** – Total Suspended Solids. This is a measurement of the level of particulate matters in suspension in wastewater
- **WWTP** – Wastewater Treatment Plant
KEY LARGO WASTEWATER TREATMENT DISTRICT
COLD SPOT COMPLIANCE-KEY LARGO CITY AREA

ATLANTIC BOULEVARD IS A SINGLE FAMILY RESIDENCE. A SINGLE SYSTEM WILL BE REQUIRED FOR 2010 COMPLIANCE.

LOQUAT DRIVE IS A SINGLE FAMILY RESIDENCE. A SINGLE SYSTEM WILL BE REQUIRED FOR 2010 COMPLIANCE.
GULFSTREAM SHORES CONSISTS OF 32 SINGLE FAMILY RESIDENCES. AREA 1 CONSISTS OF 12 RESIDENCES THAT CAN SHARE 2 CLUSTER SYSTEMS. AREA 2 CONSISTS OF 20 RESIDENCES, 8 OF THESE RESIDENCES ARE CURRENTLY 2010 COMPLIANT. OF THE REMAINING 12 RESIDENCES, 4 APPEAR TO BE CLOSE ENOUGH TO SHARE 1 CLUSTER SYSTEM. THE REMAINING 8 RESIDENCES WOULD APPEAR TO BE SINGLE SYSTEMS. SEE THE FOLLOWING 2 SHEETS FOR MORE DETAIL OF AREA'S 1 AND 2.
AREA 1 CONSISTS OF 12 RESIDENCES THAT CAN SHARE 2 CLUSTER SYSTEMS. RESIDENCES NUMBER 1-5 COULD BE CLUSTERED INTO ONE SYSTEM ON LOT A. (5) RESIDENCES NUMBER 6-12 COULD BE CLUSTERED INTO ONE SYSTEM ON LOT B. (7)
AREA 2 CONSISTS OF 20 RESIDENCES.
RESIDENCES NUMBER 1, 2, 7 & 8 COULD CLUSTER INTO ONE SYSTEM ON LOT C. (4)
RESIDENCES NUMBER 6, 9, 10, 12, 13, 15, 17 & 18 ARE CURRENTLY 2010 COMPLIANT. (8)
RESIDENCES NUMBER 3, 4, 5, 11, 14, 16, 19 & 20 WOULD APPEAR TO BE SINGLE
SYSTEMS. IF SOME CASES, 2 RESIDENCES COULD SHARE ONE INJECTION WELL
FOR EFFLUENT DISPOSAL INSTEAD OF 2 DRAINFIELDS. (8)
KNOWLSON COLONY CONSISTS OF 15 SINGLE FAMILY RESIDENCES (9)

RESIDENCES NUMBER 1-5, 10-12 & 15 WILL REQUIRE SINGLE SYSTEMS (2)

RESIDENCES NUMBER 6 AND 13 ARE CURRENTLY 2010 COMPLIANT (2)

RESIDENCES NUMBER 7-9 & 14 COULD BE CLUSTERED INTO ONE SYSTEM (4)
OCEAN REEF SHORES CONSISTS OF 24 SINGLE FAMILY RESIDENCES.
AREA 1 CONSISTS OF 12 RESIDENCES. 7 RESIDENCES COULD BE GROUPED INTO
3 CLUSTERS OF 3, 2 & 2 RESIDENCES. THE REMAINING 5 RESIDENCES IN AREA 1
WOULD BE SINGLE SYSTEMS WITH THE POSSIBILITY OF 3 SHARING ONE INJECTION
WELL FOR EFFLUENT DISPOSAL INSTEAD OF 3 SEPARATE DRAINFIELD'S.
AREA 2 CONSISTS OF 12 RESIDENCES. 7 RESIDENCES COULD BE CLUSTERED
INTO ONE SYSTEM. THE REMAINING 5 RESIDENCES IN AREA 2 WOULD BE
SINGLE SYSTEMS WITH THE POSSIBILITY OF 4 SHARING ONE INJECTION WELL
FOR EFFLUENT DISPOSAL INSTEAD OF 4 SEPARATE DRAINFIELD'S. SEE THE
FOLLOWING 2 SHEETS FOR MORE DETAIL OF AREA'S 1 AND 2.
Aera consists of 12 residences.

- Residences number 7, 8, 9, and 12 could be single systems with the possibility of one injection well for effluent disposal (5).
- Residences number 6, 7, 8, 9, and 12 could be one system between the two lots (2).
- Residences number 4 and 5 could share one system between the two lots (2).
- Residences number 10 and 11 could share one system between the two lots (2).
- Residences number 1, 2, and 3 could cluster into one system on Lot A (3).
Area 2 consists of 12 residences. Residences number 6-12 could cluster into one system on Lot B. (7) Residences number 1-5 would be single systems with the possibility of lots 1-4 sharing one injection well for effluent disposal. (5)
BOW LIGHT CLUB & JHT SUBDIVISION CONSISTS OF 3 SINGLE FAMILY RESIDENCES. RESIDENCE NUMBER 2 IS CURRENTLY 2010 COMPLIANT. (1) RESIDENCES NUMBER 1 & 3 WOULD BE SINGLE SYSTEMS. (2)
Deira Village consists of 4 single family residences. All 4 residences will have single systems due to distance between residences and lack of clear property. Residences 2 & 3 will probably need to use injection wells for effluent disposal due to ground material around property.
WASTE MANAGEMENT TRANSFER STATION HAS AN EXISTING FAST AEROBIC SYSTEM WHICH WILL REQUIRE MODIFICATION TO ACHIEVE 2010 COMPLIANCE.

SEA CRITTERS HAS TWO EXISTING OFFICE TRAILERS THAT WILL REQUIRE A SINGLE SYSTEM TO ACHIEVE 2010 COMPLIANCE.
January 14, 2008

To whom it may concern,

The Bureau of Collateral Management (BCM) has received inquiries from several Florida governmental units about the protection of their funds under the state’s public deposits program. We want to provide information to all interested parties about the program and how Florida public deposits are protected from loss. Please review the following information and then feel free to contact our office if you have questions or need any clarification.

Chapter 280, Florida Statutes (F.S.) governs Florida public deposits. Section 280.17, F.S. details the specific responsibilities of a public depositor. If these statutory responsibilities are met then the deposits placed in any qualified public depository (QPD) are protected from loss, without limit. These responsibilities are noted below.

- Use a QPD for any funds placed on deposit. This would include, but not be limited to, checking, savings, and money market deposit accounts as well as certificates of deposit.
- For each deposit account established at a QPD, complete and retain as a record the Public Deposit Identification and Acknowledgement form.
- File the Public Depository Annual Report to the Chief Financial Officer each year.

BCM wants Florida’s public depositors to understand that the protection of their deposits at QPDs is predicated on meeting their statutory responsibilities and is not based on either the amount or type of collateral pledged to our office by QPDs participating in the public deposits program. Should a QPD fail and be subject to liquidation, any public depositor that has met its statutory responsibilities would be protected from loss in the following manner.

- The applicable amount of deposit insurance would be paid by the FDIC.
- If a public depositor suffered a loss due to uninsured public deposits, our office would then liquidate the collateral pledged to our office by the failed QPD in order to provide funds for the payment of such losses. BCM has a perfected security interest in a QPD’s collateral via the Collateral Control Agreement that each QPD’s board of directors has adopted as a condition of joining the program.
- If the liquidation of the failed QPD’s collateral was not sufficient to pay all public depositor claims, then all QPDs participating in the public deposits program would be assessed an amount of money, proportional to the amount of public deposits they have on deposit, in order to cover any remaining loss to public depositors. Our authority in this area derives from the Contingent Liability Agreement that each QPD’s board of directors has adopted as a condition of joining the program. Each QPD is potentially liable for any losses to public depositors that may occur as the result of another QPD’s failure.

Section 280.13, F.S. establishes the type of securities that are eligible to be pledged to the BCM. As previously mentioned, these assets are a part of the overall security for the public deposits program.
Additionally, each QPD has a vested interest in BCM administering the public deposits program as effectively as possible. BCM does so through the assignment of required collateral pledge levels, the required and regular reporting of public deposits, and of course the required pledge or deposit of eligible collateral. BCM has the authority to limit a QPD’s permitted public deposits, to increase collateral pledge levels, to limit the type of collateral BCM will accept, and to request a QPD’s withdrawal from the program if necessary. We make such decisions each quarter of the year based on independent bank rating services, on the financial analysis we conduct on a QPD’s financial statements, on information gathered from state and federal banking regulators, and on such other information that might be available to us.