The Key Largo Wastewater Treatment District Board of Commissioners met for a Regular Meeting at 4:03 PM. Present were Chairman Robert Majeska, Commissioners Andrew Tobin, Susie Hammaker, Norman Higgins and Charles Brooks. Also present were the General Manager Margaret Blank, District Counsel Thomas Dillon, District Clerk Carol Walker, and other appropriate District Staff.

Commissioner Hammaker led the Pledge of Allegiance.

Chairman Majeska added an Odor Update report for every meeting. General Manager Margaret Blank, moved Item 5, Unique Properties, to the front of the agenda.

APPROVAL OF AGENDA

Motion: Commissioner Hammaker made a motion to approve the agenda as amended. Commissioner Brooks seconded the motion.

Vote on Motion

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Motion passed 5 to 0

BULK ITEMS

Minutes of Feb. 14, 2012

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

Vote on Motion

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Chairman Majeska  X
Commissioner Brooks  X
Commissioner Hammaker  X
Commissioner Tobin  X

Motion passed 5 to 0

PUBLIC COMMENT
Name: Claude Bullock, Key Largo
Name: David Asdourian, Key Largo
Name: Ted Blackburn, Islamorada
Name: Buddy Pinder, Islamorada

Subject: Grinder Pumps for properties with Gravity Connection.
Islamorada, tired of dealing with them
Islamorada
Thanked the District for their efforts

GENERAL MANAGER
Unique Properties
Rebecca Orozzo, K LWTD Engineer presented the report on SFR connecting to Force Main.

The Board discussed what services will be provided as part of the assessment.

FINANCIAL REPORT
Report of Cash, Revenues, and Expenditures
The report was presented and a discussion was held.

Motion: Commissioner Brooks made a motion to approve the Report of Cash, Revenues, and Expenditures of Feb. 21, 2012 contingent upon availability of funds. Commissioner Higgins seconded the motion.

Vote on Motion

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Motion passed 5 to 0

COMMISSIONER’S ITEMS
Islamorada
After a presentation from Ted Blackburn the Board discussed the Discussion Points received from Islamorada. Please see Exhibit “A” for Commissioner Brook’s Opinion Memo.

Motion: Commissioner Brooks made a motion to approve the following “At this time the District has no plans to install or construct reclaim water or reuse facilities at the treatment plant. If at some point in time in the future within the terms of the agreement the District determines to develop reclaim water for direct or indirect potable use, it shall discuss such plans with the
customer. To the extent that the net revenue over the cost of the provisions of such reclaim water is generated, this revenue shall be used to offset operating cost of the treatment plant for both the District and the customer.” Commissioner Hammaker seconded the motion.

Vote on Motion

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Motion passed 5 to 0

Motion: Commissioner Tobin made a motion to have a 90 Day deadline for an Inter-local Agreement with Islamorada, and to task General Manager Margaret Blank to come with a reasonable schedule for meetings with Staff and Attorney and that Islamorada agree to pay ½ of on-going expenses for legal and engineering with a cap of $25,000. Commissioner Hammaker seconded the motion.

Vote on Motion

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Motion passed 3 to 2

LEGAL CONSELR REPORT
Mr. Dillon reminded the Board that time is running out to file a claim against ARCADIS. The Board directed Ed Castle, Weiler Engineering, to renew his evaluation project on the ARCADIS work on the regional plant to determine whether there is a viable malpractice claim.

GENERAL MANAGER
Delayed Water Bill Report
Paul Christian, Administrative Services Manager, explained the impact of the delayed billing.

The item will be brought back for further discussion and action.

Customer Service Process
Item will be on next agenda.

ADJOURNMENT
The KLWTD Board adjourned the Board Meeting 8:06 PM.

KLWTD Board of Commissioners
Board Meeting
Feb. 21, 2012
The KLWTD meeting minutes of Feb. 21, 2012 were approved on March 6, 2012

Chairman

Carol Walker, CMC District Clerk
February 21, 2012

Village of Islands Council and Staff
KL WTD Board Members and Staff

Proposed Interlocal agreement version 9/5/2011
Page 17 of 34 paragraph 10 Reuse Water
Excerpt:

"At this time the district has no plans to install or construct reclaim water or reuse facilities at the treatment plant. If at some point in time in the future within the terms of the agreement the district determines to develop reclaim water for direct or indirect potable use, it shall discuss such plans with the customer. To the extent that the net revenue over the cost of the provisions of such reclaim water is generated, this revenue shall be used to offset operating cost of the treatment plant for both the district and the customer"

Commissioner Charles Brooks Opinion:
I noticed the councils spent an extraordinary amount of time regarding reuse/reclaim water. The above clause is clear. The district has discussed reuse water, actually it was requirement to consider it during development of the project, the district has steadfastly determine it is not a viable option. To date the district has not entertained any such option. Further there are logistical problems that prevent the district from considering reuse water because of the necessary real estate requirements.

It seems the continued village discussion of reuse water as an option in the Key Largo option is only delaying your process in negotiating a contract with Key Largo. It is important for the Council and the people of the village to understand that reuse is not an option in sending the sewerage to the Key Largo plant.

It's important for the village people to understand piping sewerage to Key Largo they will have to make the decision give up the economical and environmentally benefits of water reuse.

My Opinion Charles Brooks
Commissioner KL WTD
To: KL WTD Board & Staff
Islamorada Village Council & staff

During today's agenda KLWTD has an item about **PLANT CAPACITY**.

The excerpt below amplifies the dangers of making decisions on separate points without considering the interrelationships stipulated in other areas of the proposed contract. Margaret Blank has put together an excellent matrix concerning capacity. But in considering an agreement on this matrix without the other considerations stipulated in the proposal is a dangerous process. It also amplifies the need to move forward cautiously by considering all the interrelationships within the proposal.

The following excerpt from one version of the proposed ILA and this is only one such disjointed relational issue. The use of maximum annual average daily flow leaves out all consideration about peak factors. It puts the district in a dangerous situation of having to provide peak capacity flows that may be brought about by seasonal activities. The district would be forced to provide the structural capacity to treat peak flow periods to the customer without the benefit of the customer paying for the structural capacity of those peaks. Electric utilities have a peak factor in their billing mechanism to handle such situations. Unless we have a peak factor charge the district is putting itself at risk. This risk would not only be financial risk but perhaps treatment efficiency risk.

During this week David Asdourian and I sat down and covered all of Dave's highlights and comments concerning the proposed ILA. David had spent quite a bit of time going through the contract and marking up his comments and concerns, this is only one of many that further points out the need for the inter-relational connections on various points within the ILA proposal.

**Therefore: the district should institute a billing charge mechanism to charge the customer (Islamorada) for peak flow capacity.**

Excerpt: from page 6 paragraph b. September 5-k 2011 draft using ISLA's 8/17 document v. ,ith all changes accepted
INCLUDES ODOR AND ADDITIONAL CAPACITY PROVISION
AGREEMENT FOR WASTEWATER SERVICES

4. SERVICE.
   (b) agrees to provide Capacity Allocation for the treatment and disposal of Wastewater from Customer up to a maximum of annual average daily flow of 1.4 million gallons, in accordance with the terms of this Agreement and the standards of applicable laws, rules, regulations and District Policies. Through the first five years of the out—the Term of this Agreement, Customer shall have the option, in its sole and absolute discretion, to elect to add the Additional Capacity Allocation for an additional Capacity Allocation Charge of $1,500,000.00 payable by Customer within ninety (90) days of its election to add the Additional Capacity Allocation.

Prepared by Charles Brooks 3-6-12