Key Largo Wastewater Treatment District
Board of Commissioner's Meeting
Tuesday, May 3, 2016
4:00 PM

AGENDA

Board of Commissioners Meeting
103355 Overseas Highway
Key Largo, FL 33037

A. CALL TO ORDER

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

BOARD MEMBERS:

David Asdourian	Chairman
Andrew Tobin	Vice Chairman
Robert Majeska	Commissioner
Norman Higgins	Commissioner
Stephen Gibbs	Commissioner

DISTRICT STAFF:

Paul Christian	General Manager
Ray Giglio	General Counsel
Katherine Jackson	District Clerk

MISSION STATEMENT:
"The Mission of the Key Largo Wastewater Treatment District is to preserve and protect the delicate ecosystem of the Florida Keys while providing exceptional customer service."

Please mute cell phones

After each report, staff will give a verbal update and be available for questions

D. AGENDA ADDITIONS, CORRECTIONS OR DELETIONS

1. Approval of Agenda — *Action*

E. RECOGNIZE DISTRICT STAFF

F. PUBLIC COMMENT

G. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

1. Minutes of April 19, 2016 — *Action*

H. CONSTRUCTION REPORT

1. Monthly Construction Report
2. Vacuum Station "E" Tank Rehabilitation – Temporary Collection Tank — *Action*

I. OPERATIONS REPORT

J. ENGINEER'S REPORT

K. ADMIN / CUSTOMER SERVICE REPORT

L. COMMISSIONER'S ITEMS

1. Senior Staff Salaries (Commissioner Tobin)

M. GENERAL MANAGER'S REPORT

N. LEGAL REPORT

1. Draft Language to Amend District Charter Section 7. Governing board; compensation, expense reimbursement
2. Procedures for Cancellation of Board Meetings

O. BUDGET AND FINANCE REPORT

1. CAFR Presentation/Financial Audit Results for FY2015 (Mr. Tony Grau)
2. Recommended Changes to Purchasing Policy
3. 2nd Quarter FY16 Financial Report
4. District's Banking Services

P. ROUNDTABLE DISCUSSION

Q. ADJOURNMENT

PLEASE TAKE NOTICE AND BE ADVISED, that if any interested person desires to appeal any decision of the KLWTD Board, with respect to any matter considered at this meeting, such interested person will need a record of the proceedings, and for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. Persons with disabilities requiring accommodations in order to participate in the meeting should contact the District Clerk at 305 451-4019 at least 48 hours in advance to request accommodations.

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date: May 3, 2016

Agenda Item Number: G-1

Agenda Item Type: Information / Presentation

Agenda Item Scope: Review / Discussion

Recommended Action: Action

Department: Admin /Customer Service

Sponsor: Katherine Jackson

Subject:

Minutes of April 19, 2016

Summary of Discussion:

Staff to present the minutes of the previous board meeting to the Board for approval.

Reviewed / Approved		Financial Impact	Attachments
Operations:	_____	$ 0.00	1. Minutes of April 19, 2016
Administration:	_____		
Finance:	_____	Funding Source:	
District Counsel:	RWL		
District Clerk:	KMJ	Budgeted:	
Engineering:	_____	N/A	

Approved By: _____ **Date:** 4/29/2016

General Manager

Key Largo Wastewater Treatment District
103355 Overseas Hwy, Key Largo, FL
Tuesday, April 19, 2016

MINUTES

The Key Largo Wastewater Treatment District Board of Commissioners met for their regular scheduled meeting at 4:00 PM on April 19, 2016. Present were Chairman David Asdourian and Commissioners Andrew Tobin, Robert Majeska, Norman Higgins and Stephen Gibbs. Also present were General Manager Paul Christian, General Counsel Ray Giglio, Ed Castle with Weiler Engineering, District Clerk Katherine Jackson and other appropriate District Staff.

Maintenance and Collections Supervisor Mike Dempsey led the Pledge of Allegiance.

AGENDA ADDITIONS, CORRECTIONS, OR DELETIONS

- Commissioner Gibbs added a discussion of commissioner's duties under Commissioner's Roundtable.
- Commissioner Majeska added three items:
  - Discussion of reuse water under Engineer's Report;
  - Discussion of protocol for cancelling meetings under Commissioner's Items;
  - Legislation change for commissioner's pay under Commissioner's Items.

APPROVAL OF AGENDA

Motion: **Commissioner Majeska made a motion to approve the agenda as amended and Commissioner Higgins seconded the motion. The motion passed without objection.**

PUBLIC COMMENT

Name and Address	*Subject*
Dennis Caltagirone 73 Silver Springs Drive	General Comments on KLWTD
Sue Heim Key Largo	District's Banking Services

Public Comment: Dennis Caltagirone suggested to the Board that the community get involved in the District's dedication of the new administration building to Representative Ken Sorensen.

APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

Minutes of April 12, 2016

Motion: Commissioner Gibbs made a motion to approve the Minutes of April 12, 2016, Commissioner Majeska seconded the motion.

Vote on Motion

Commissioner Gibbs –	Aye
Commissioner Majeska –	Aye
Commissioner Higgins –	Aye
Commissioner Tobin –	Aye
Chairman Asdourian –	Aye

Motion Passed: 5 to 0

ENGINEER'S REPORT

Reuse

Commissioner Majeska asked Mr. Ed Castle preparing an estimate of costs associated with preparing the plant to sell the reuse water. He indicated that he would like the estimate to breakout the cost of constructing a pipeline speperately.

The Board directed Mr. Castle to investigate the financial impact of enabling the plant to sell reuse water and staff answered questions from the Board.

ADMIN / CUSTOMER SERVICE REPORT

Code Compliance List – April 2016

Mr. Rob Bulkiewicz presented the April 2016 code compliance list to the Board and answered questions from the Board.

Billing EDU Reduction – Harmony Healing Center INC – AK#1103861

Mr. Rob Bulkiewicz presented an EDU billing reduction for AK#1103861 and answered questions from the Board.

Motion: Commissioner Gibbs made a motion to approve the Billing EDU Reduction from 2.9 EDU to 1.3 EDU for Harmony Healing Center INC – AK#1103861 and Commissioner Majeska seconded the motion.

Vote on Motion

Commissioner Gibbs –	Aye
Commissioner Majeska –	Aye
Commissioner Higgins –	Aye
Commissioner Tobin –	Aye
Chairman Asdourian –	Aye

Motion Passed: 5 to 0

COMMISSIONER'S ITEMS

Protocol to Cancel Meetings (Commissioner Majeska)

Commissioner Majeska requested that General Counsel Ray Giglio give an opinion on the proper protocol that should be followed when the Board wishes to cancel a regularly scheduled meeting. Mr. Giglio advised the Board that since the Board formally approved and published the schedule of BOC meetings, it would appear that Board action is required to cancel a scheduled meeting. He acknowledged that one possible solution might be for the Board to authorize the Chairman or the General Manager to cancel meetings when there was nothing of importance on the agenda. However, he expressed a concern about how the public would be given proper notice of such a cancellation and about whether the discussions that would take place prior to the cancellation of such a meeting could possibly stray into dangerous territory, in light of the Sunshine Law's prohibition against Board members privately discussing substantive matters that might foreseeably come before that board for action.

The Board directed Mr. Giglio to research whether the Board can authorize the Chairman or the General Manager to cancel scheduled meetings.

Legislation Change for Commissioner's Pay (Commissioner Majeska)

Commissioner Majeska asked that the Board further consider changing the legislation governing how commissioners are paid changing to a monthly pay schedule rather than per meeting. The Board requested that this item be added to a future meeting for discussion.

BUDGET AND FINANCE REPORT

District's Banking Services

Public Comment: Ms. Sue Heim suggested to the Board that the District should receive more banking proposals to be more informed.

Finance Manager Connie Fazio presented a memo to the Board outlining a proposal from Centennial Bank. Mr. Paul Christian informed the Board that the District would earn actual interest revenue in place of the current earnings credit allowance which is only usable by the District to offset fees. Mr. Christian further informed the Board that staff will bring this item back at a future meeting. Staff and Centennial Bank Representative Stephanie Scuderi answered questions from the Board.

ROUNDTABLE DISCUSSION

Commissioner's Duties (Commissioner Gibbs)

Commissioner Gibbs withdrew this item.

Roundtable

Commissioner Majeska requested that Mr. Paul Christian comment on Dennis Caltagirone's suggestion that the funding or artwork for the Rep. Ken Sorensen memorial be donated to the District by the community. Mr. Paul Christian stated the he would like direction from the Board as

to the type of memorial that the Board would like to display and informed the Board that he would like the dedication ceremony to be held in May 2016.

Mr. Christian further advised the Board that the District should avoid receiving "donated funds" from the public for this project.

ADJOURNMENT

The Meeting was adjourned at 5:05 PM.

_____

David Asdourian, Chairman

_____

Katherine Jackson, Clerk

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date: May 3, 2016

Agenda Item Number: H-1

Agenda Item Type: Information / Presentation

Agenda Item Scope: Review / Discussion

Recommended Action: Discussion

Department: Construction

Sponsor: Chuck Adams

Subject:

Monthly Construction Report

Summary of Discussion:

Operations Manager Chuck Adams has provided an update on the status of KLWTD current and planned construction projects.

Reviewed / Approved		Financial Impact	Attachments
Operations:	CBA	$ 0.00	1. April Construction Update
Administration:			
Finance:		Funding Source:	
District Counsel:		Grant(s)	
District Clerk:		Budgeted:	
Engineering:		N/A	

Approved By: _____ **Date:** 4/29/2016

General Manager

Key Largo Wastewater Treatment District
103355 Overseas Highway, Key Largo, FL 33037
Post Office Box 491, Key Largo, FL 33037
Phone (305) 451-4019 • www.klwtd.com

Memo

To: KLWTD Commissioners

Cc: Paul Christian, General Manager

From: Chuck Adams, Operations Manager

Date: April 2016

Re: Monthly Construction Report

Below is a list of current and planned construction projects with status updates.

Current Construction Projects

Project	Current Status	Bid Date	Contract Start	Contract end	Expended to Date	Total Project Estimate
Grinder Pump Installation Program	100% of on-site installations complete Pending Telemetry & Surveys	11/21/13	5/24/14	03/31/16	$1,144,954	$1,749,633
SCADA Upgrade	In process at Aqua-Aerobics	-	10/21/15	5/31/16	$2,355	$108,640
Chemical Storage and Feed System	Plan implementation to be presented at future Board meeting; Labor RFP published 4/19/16	6/14/16	-	-	-	$429,860
WWTP Blower Upgrades	Contract awarded to Wharton-Smith	9/8/15	TBD	TBD	TBD	$1,681,110
Vacuum Station "E" Tank Replacement (Rehabilitation)	Proposals received 4/27/16	TBD	TBD	TBD	$1,570	$228,550

Project Specific Notes

1. Grinder Pump Installation Program:

a. All on-site installations are completed.
b. Final Survey contract awarded to Zurwelle-Whittaker.
c. Location maps received from Water Resources Technologies, Inc. for grinder pump telemetry.

2. SCADA Upgrade

a. Delivery of the SCADA computers from Aqua-Aerobics is on schedule for the end of May.
b. Change Order No. 1 to be presented at future Board meeting.

3. Chemical Storage and Feed System

a. Plan implementation to be presented to the Board at a future meeting.
b. Piggyback Agreement with Carl Eric Johnson, Inc. and Hillsborough County was executed 3/15/16
c. Request for Proposals for labor published on DemandStar 4/19/16 with a 6/14/16 deadline for proposals.

4. WWTP Blower Upgrades

a. Project has been awarded, contract price $1,681,110
b. Purchase Order 16-499680 to Aerzen USA Corp was approved by the Board on 2/1/16 for the direct purchase of the blowers.
c. Purchase Order 16-499696 to Champion Controls, Inc. was approved by the Board on 3/1/16 for the direct purchase of the Controls and VFD/OCP Panels.

5. Vacuum Station "E" Tank Replacement (Rehabilitation)

a. Non-destructive testing has been completed.
b. Staff has determined that Vacuum Station "E" Tank can be rehabilitated.
c. Purchase order for temporary collection tank to be presented to the Board at a future meeting.
d. Proposals for Vacuum Station "E" Tank Rehabilitation project received and reviewed 4/27/16. The sole responsive bidder was Wharton-Smith, Inc. for $218,750.

Respectfully Submitted,

Chuck Adams
Operations Manager

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date: May 3, 2016

Agenda Item Number: H-2

Agenda Item Type: Information / Presentation

Agenda Item Scope: Review / Discussion

Recommended Action: Action

Department: Construction

Sponsor: Chuck Adams

Subject:

Vacuum Station "E" Tank Rehabilitation - Temporary Collection Tank

Summary of Discussion:

Staff recommends the acceptance and requests the Board authorize the General Manager to negotiate and execute a contract with Bilfinger Water Technologies, Inc. temporary collection tank for the existing tank modifications at Vacuum Station "E" for $12,050.

Reviewed / Approved		Financial Impact	Attachments
Operations:	OB	$ 12,050.00	1. Bilfinger Water Technologies, Inc. Agreement
Administration:		Expense	2. Purchase Order No. 16-499738
Finance:		Funding Source:	
District Counsel:		Assessment Revenue	
District Clerk:		Budgeted:	
Engineering:		Yes	

Approved By: _____ **Date:** 4/29/2016

General Manager

March 30, 2016

Key Largo Wastewater Treatment District
P.O. Box 491
Key Largo, FL 33037

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4217 N Old US Hwy 31
Rochester, IN 46975
USA

Phone +1 574 223 3980
Fax +1 574 223 5566
airvac.water@bilfinger.com
www.water.bilfinger.com

Global Business Unit - Vacuum Technology

Trademarks of reliable technology: AIRVAC®

Ref: Temporary Collection Tank

Attn. Paul Christian

Dear Mr. Christian,

We can offer the District a temporary collection tank for the existing tank modifications at Station E for $5,000.00.

Shipping cost to KLWTD will be $3,525.00.

The temporary collection tank should be returned to Bilfinger Water Technologies, Inc. at our facilities in Rochester, Indiana two months after its delivery. KLWTD would be responsible for the return freight cost of $3,525.00. We will make the arrangements with our carrier.

The District is resposible for flushing the collection tank and inspecting the inside of the tank for any remaining contents. Upon return of the tank it will be inspected and if the tank is failed to be flushed an additional $500.00 will be invoiced for this service.

The District is responsible to protect this equipment from damage while in its possession and to carry hurricane insurance.

Off-loading and reloading will be the responsibility of the District.

KWRU is also working on a project at their facility in Stock Island. They might be able to schedule their project shortly after this project has been completed. If this occurs arrangements will be made by Bilfinger Water Technologies, Inc. to have the equipment picked up and delivered to Stock Island. The tank should be cleaned prior to being picked up. The District would save the return freight cost.

The temporary collection tank will consist of the following items:

3,000 gallon, Temporary Collection Tank. – Painted carbon steel.
A 7' wide by 18' long steel platform will be provided under the collection tank. No deck plate. The platform will extend past the end of the tank to allow sewage pumps to be mounted. This is for other projects where the existing sewage pumps are not utilized.
(4) 10" incoming vacuum mains with isolation valves.
(1) 30" vacuum gauge mounted on collection tank. – No gauges for incoming vacuum lines.

BILFINGER

The temporary collection tank will consist of the following items:

(1) 8" butterfly valve with electric actuator and battery backup. On top of tank to isolation the vacuum pumps.
(1) RF admittance probe with 150 ft. of cable. 4/20ma -- This wire is to be routed away from other high voltage wiring and should not be cut or spliced. Excess wire should be rolled up into a coil.
(2) conductance probes. – Ground and high level alarm – back up.
(1) 4/20 ma vacuum transmitter. – SMC model
Conductance probes, vacuum transmitter and butterfly valve and battery backup wiring, wired to a junction box on top of collection tank.
(2) 1" hose – 100 ft. long – Equalizing lines.

The (4) 10" plug valves are going to be shipped in a crate. These will need to be mounted to the tank upon arrival. All assembly hardware is provided. These valves are to be removed and placed back inside the crate for the return trip. We do not want the weight of these valves on the tank during transport.

TERMS AND CONDITIONS

Payment terms and conditions form part of this offer and are attached.
Payment terms are 100% of the invoiced amount, net 30 days from the date of shipment.
No Retainage allowed.
Any order submitted pursuant to this quotation shall not result in a contract until it is accepted and acknowledged in writing by Bilfinger Water Technologies, Inc.

- Our price for the equipment packages is F.O.B. destination, See freight cost listed above.
- Our price does not include sales tax, or any other tax, if applicable.
- Any special shipping arrangements will require additional freight cost.
- Any deletion of items listed will increase the price of the balance of our package.
- A 20% restocking fee will be charged for any item returned.
- The purchaser is responsible for all freight charges for items being returned.

Pricing is good if the following conditions are met:
- Purchase order received and all equipment shipped by December 31, 2016.

Future orders/shipments of equipment will be at the sales price in effect at the time of shipment.

If you have any questions concerning this scope letter, please contact me at 574-223-3980, Ext. 3861. Our Regional Sales Manager Mr. Dave Elias can be reached at 813-855-6297, Ext. 3737.

Sincerely,

Ronald H White

Ron White
Bilfinger Water Technologies Inc.

cc: Mark Jones, David Elias, Rich Naret, Denny Moss

Bilfinger Water Technologies, Inc.
SALES TERMS AND CONDITIONS

1. **ENTIRE AGREEMENT, MODIFICATIONS** – The terms, conditions and specifications contained in this agreement ("Terms") constitute the entire agreement between the parties for the provision of goods by Bilfinger Water Technologies, Inc. ("SELLER") at any time. No change in, addition to, or waiver of the Terms will be a binding obligation on SELLER unless approved in writing by its authorized representative. SELLER'S receipt, acknowledgement and/or acceptance of CUSTOMER'S purchase order form will not modify these Terms or become part of SELLER'S agreement to the extent it contradicts these Terms. SELLER is a material supplier and is not a party to CUSTOMER'S agreement with owner or others. CUSTOMER agrees to pay SELLER without reference to CUSTOMER'S contract with owner or others. It is understood the CUSTOMER has the ultimate obligation to pay SELLER on the terms and within the time period set forth herein, regardless of CUSTOMER'S payment status from the owner or others. If any provision of this agreement is held to be invalid or enforceable, the balance of this agreement will remain in force.

2. **TITLE AND RISK OF LOSS** – TITLE of the goods herein described shall pass to CUSTOMER upon full payment of said goods and any prior outstanding debt.

   RISK OF LOSS passes to CUSTOMER upon delivery of said goods at SELLER'S plant. Such title to and risk of loss of said goods will not pass to CUSTOMER in any other way, notwithstanding any agreement to the contrary, including, but not limited to, any agreement to pay freight, express or other transportation or insurance charges.

3. **PAYMENT AND PRICES** – SELLER may, at its option, require CUSTOMER to pay for all goods at the time the order is placed or require CUSTOMER to obtain an irrevocable letter of credit in favor of SELLER from an issuer acceptable to SELLER. In the event SELLER does not require advance payment or require such letter of credit, payment by CUSTOMER will become due thirty (30) days from the date of SELLER'S invoice covering a particular shipment. Time is of the essence with respect to CUSTOMER'S payment obligations. CUSTOMER may only rely on the accuracy of wiring instructions provided by the SELLER if they have been signed by two SELLER employees. No retainage or other deductions shall be made from such payments. Pro-rata payments shall become due with partial shipments. In the event of failure by CUSTOMER to make any payment when due, SELLER may decline to make further shipments until such default is cured. In the alternative, SELLER may elect to continue to make shipments despite the continuance of such default, but such election by SELLER will in no way constitute a waiver of such default nor affect SELLER'S legal remedies thereof. CUSTOMER assumes full responsibility, including reporting and payment, of all taxes, however designated, or other governmental charges arising out of, levied or based upon, or in connection with the sale of the goods herein described, including state and local privilege, sales and use, or excise taxes based on gross revenue or any taxes or amount in lieu hereof paid or payable by SELLER in respect of the foregoing, exclusive however, of taxes paid on net income. In no event will any charges for engineering services imply a conveyance of any design and/or manufacturing rights as to the goods, unless such conveyance is expressly set forth in a separate written agreement signed by authorized representatives of both parties. In the event that CUSTOMER fails behind in payment, SELLER, without prejudice to any other right or remedy available to SELLER, shall, at its sole discretion, be entitled to: (i) terminate the Contract and/or suspend any further deliveries to CUSTOMER and/or (ii) charge the CUSTOMER interest on any unpaid portion of the purchase price at twelve percent (12%) per annum. Furthermore, the defaulting CUSTOMER shall bear all costs arising in connection with the recovery of the invoiced sums outstanding, including costs of reminders and seeking information, collection expenses, and reasonable attorney's fees.

4. **SECURITY INTEREST** – CUSTOMER hereby grants to SELLER a purchase money security interest in all goods purchased by CUSTOMER from SELLER until CUSTOMER has paid for such goods in full. CUSTOMER hereby authorizes SELLER to file UCC-1 financing statements in accordance with applicable law to perfect its security interest granted herein.

5. **WARRANTIES** – (A) Provided that CUSTOMER subjects Equipment only to operating conditions specified by CUSTOMER when the order is placed, if any, and operates it in accordance with SELLER'S written operating instructions, if any, SELLER warrants Equipment sold pursuant hereto to be free of defects in material and workmanship for a period of 1 year after the date Equipment is delivered. The above warranty does not apply to: (i) used Equipment or Equipment that has been repaired or worked over; (ii) Equipment that has been modified or subjected to improper handling, storage, installation, operation or maintenance by CUSTOMER, including use of unauthorized replacement parts; (iii) component parts not manufactured by SELLER, whether purchased by SELLER or furnished by CUSTOMER, such parts being subject to any applicable manufacturer's warranty; (iv) parts requiring replacement because of normal wear and tear; (v) design on those jobs where SELLER prepared drawings, lists or bills of material from designs furnished by others; and (vi) models or samples furnished to CUSTOMER as illustrations only of general properties of equipment. This warranty will not apply if CUSTOMER, on request by SELLER, does not return the defective part to SELLER for inspection, freight prepaid. (B) SELLER'S liability for breach of this warranty is expressly limited to the repair or replacement, at its sole option, of any Equipment or parts of Equipment which prove to be defective during the warranty period. All parts repaired or replaced hereunder shall be repaired or replaced F.C.A. SELLER'S Plant.

6. **LIMITATION OF LIABILITY** – **SELLER and BUYER** each agree to protect, defend, indemnify and hold harmless each other and each other's parents, subsidiaries, affiliates and their successors and assigns, and the officers, directors, employees of each, from and against all claims, demands and causes of action of

every kind and character without limit and without regard to the cause or causes thereof or the negligence or fault, active or passive, of any party or parties including the sole, joint or concurrent negligence of the other party and any theory of strict liability arising in connection herewith in favor of the other party's employees, invitees or subcontractors or their employees on account of bodily injury, death or property damage. To the fullest extent permitted by law, SELLER shall indemnify and hold harmless CUSTOMER from and against claims, damages, losses and expenses arising out of, or resulting from, performance of Equipment under this agreement, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to, or destruction of, tangible property (other than the Equipment itself), but only to the extent caused by the negligent acts or omissions of SELLER. SELLER shall not have a duty to defend. SELLER agrees to defend CUSTOMER only to the extent the claims relate to bodily injury or property damage arising solely (principally) from SELLER'S Equipment. SELLER'S duty to indemnify CUSTOMER for expenses, including attorney's fees, is limited to that portion of any expenses attributable to the negligence or intentional acts of SELLER. SELLER WILL NOT BE LIABLE FOR PROSPECTIVE PROFITS OR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES INCLUDING WITHOUT LIMITATION, FACILITY DOWNTIME, LOSS OF PROFIT OR BUSINESS INTERRUPTION WHETHER ANY SUCH CLAIM OR LAWSUIT BE BASED ON TORT, CONTRACT OR OTHERWISE. IN NO EVENT WILL RECOVERY OF ANY KIND AGAINST SELLER BE GREATER THAN THE PURCHASE PRICE OF THE SPECIFIC GOODS SOLD WHICH CAUSED THE ALLEGED DAMAGE.

7. **CATASTROPHIC LOSSES** – Notwithstanding anything to the contrary contained herein, CUSTOMER hereby agrees to assume the liability for the following specified types of losses or events: (1) reservoir or underground damage, including loss of any mineral substance, or water or the wellbore itself; (2) control of a wild well, underground or above the surface; and (3) pollution, including clean-up and control of the pollutant or contamination.

8. **CLAIMS** – Within twenty (20) days after tender of delivery to or receipt by CUSTOMER of any shipment and before any part of such goods (except for reasonable test and inspection quantities) has been changed from its original condition, CUSTOMER will inform SELLER in writing if said goods are found defective in any respect. Failure to so inform SELLER or use of said goods (except for reasonable test and inspection quantities) will be conclusive that SELLER has satisfactorily performed.

9. **MODIFICATION AND CANCELLATION** – SELLER reserves the right to reject any order made by CUSTOMER, including changes. Changes to an order may be subject to price adjustments. Custom orders and orders designed specifically for CUSTOMER cannot be cancelled once the construction material has been ordered and/or production has begun. Cancelled orders will incur charges for materials ordered, design and manufacturing time to the point of cancellation.

10. **PATENT INFRINGEMENT** – If the goods herein described are to be manufactured by SELLER based on specifications or drawings furnished by CUSTOMER, CUSTOMER agrees to indemnify and hold harmless SELLER, its successors and assigns, against any and all loss, damage, or injury arising out of a claim or suit for alleged infringement of any letter patent granted by the United States or any foreign government relating to the goods herein described. CUSTOMER agrees that in such event it will assume the defense of any and all such suits and pay all expenses incidental thereto.

11. **TERMINATION** – This agreement may be terminated immediately by SELLER if CUSTOMER is unable to meet its financial obligations as they come due or in the case of proceeding under bankruptcy against the CUSTOMER, or if receivers for CUSTOMER are appointed or applied for or if any assignment for the benefit of creditors is made by CUSTOMER. This agreement will otherwise remain in full force and effect continuously until either party cancels with a minimum of thirty (30) days written notice to the other party.

12. **FORCE MAJEURE** – SELLER will not be liable for any loss or damage of any nature whatsoever incurred or suffered as a result of any failures or delays in performance due to any cause or circumstances beyond its control, including but not limited to any failures or delays in performance caused by any strikes, lockouts, or labor disputes, fires, acts of God or the public enemy, riots, incendiaries, interference by civil or military authorities, compliance with the laws of the United States of America or with the orders or policies of any governmental authority, delays in transit or delivery on the part of the transportation companies or communication facilities, or failures of sources of materials. In the event of a shortage of goods, SELLER reserves the right to allocate available goods among all of its customers in its own discretion.

13. **EXPORT OR IMPORT LICENSE** – CUSTOMER will procure at its expense any export or import licenses required for any of the material included in the Quotation. For any goods being exported from the United States, CUSTOMER agrees to comply fully with all applicable economic sanctions and export control laws and regulations. CUSTOMER shall not – directly or indirectly – sell, provide, export, re-export, transfer, divert, loan, lease, consign, or otherwise dispose of any equipment, product, services, software, source code, technical data, or technology received from SELLER to or via any person, entity, or destination, or for any activity or end-use restricted by laws or regulations of the United States or any other applicable jurisdiction (including nuclear, missile, chemical or biological weapons proliferation, military, or money laundering activities) without obtaining all required government authorizations. CUSTOMER recognizes and agrees to comply with Bilfinger Water Technologies' policy to not support the use of its products for any operations in any country so prohibited under the export laws and regulations of the United States. As may be requested by Bilfinger Water Technologies, CUSTOMER shall provide Bilfinger Water Technologies with the relevant end-use, end-user and country of end-use information with respect to the goods, software or technology to be supplied hereunder. Based on and in reliance on such information, Bilfinger Water Technologies will supply such goods, software or materials in compliance with applicable law including that of the United States of America (U.S.). Bilfinger Water Technologies cautions and CUSTOMER acknowledges that any change in end-use, end-user or country of end-use (including a shipment between countries other than the U.S.) may be restricted or prohibited by applicable law, whether it is of the U.S. or other country.

14. **ANTI-CORRUPTION** – CUSTOMER represents and warrants that it and all of its affiliates and agents shall act in accordance with the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, as amended ("the Convention"), and the Convention's Commentaries (collectively "the OECD Principles"), and shall comply with all applicable laws implementing the OECD Principles (including the U.S. Foreign Corrupt Practices Act of 1977, as amended), as well as any applicable local laws related to anti-corruption, anti-kickbacks, and anti-money laundering.

15. **DEFINITIONS** – "CUSTOMER" means the person or company to whom the quotation is submitted. The "Quotation" means techno-commercial offer to which these terms and conditions are attached. The "Contract" means the contract/order formed upon acceptance by the purchaser of the quotation and these terms and conditions.

16. **QUOTATION** – The Quotation is subject to withdrawal or variation by Bilfinger Water Technologies, at any time prior to acceptance in writing by CUSTOMER.

17. **PRICES AND VARIATION** – Unless otherwise stated in writing, the quoted prices are net, in U.S. Dollars based upon labor and material cost at the date of quotation. The quotation is for supply of goods to be provided by Bilfinger Water Technologies for the CUSTOMER or purchased from another manufacturer. The prices quoted are calculated on the basis of the prices charged by the SELLER, the rate of exchange, duty, freight, insurance, clearance, and other similar charges, as applicable, ruling at the date of quotation and any increase therein shall be to the account of the CUSTOMER. The prices quoted for the goods manufactured by Bilfinger Water Technologies are subject to rise and fall for variation in the cost of labor, material, or overhauls after the due date of quotation, unless otherwise specified in writing.

18. **DISPUTE RESOLUTION** – The laws of the state of Minnesota shall govern the validity, construction, interpretation, and effect of this agreement, without regard to its choice of law rules. The parties irrevocably consent to the personal jurisdiction of the state and federal courts of the state of Minnesota for any and all disputes arising out of or in connection with this agreement and expressly waive any defense of forum non conveniens.

19. **ALTERATION** – The above terms and conditions may be modified by the SELLER from time to time in writing and such variations shall be binding on the CUSTOMER for any subsequent orders.

THE AUTHORIZED REPRESENTATIVES OF THE PARTIES HAVE EXECUTED THE CONTRACT IN DUPLICATE UPON THE DATE INDICATED BELOW:

FOR SELLER

Name: Clint Hawn

Signature: _____

Title: Plant Manager

Date: 4/12/2016.

FOR CUSTOMER

Name:

Signature: _____

Title: General Manager

Date: 4-8-16

BILFINGER WATER TECHNOLOGIES

www.water.bilfinger.com

Purchase Requisition

Number: 16-499738

Requested Date: 04/07/2016

Required Date: 04/07/2016

Requested By:

Department: COLL3

Preferred Vendor:
0008
Bilfinger Water Technologies
Dept. 3482
P.O. Box 123482
Dallas, TX 75312-3485

Ship To:
KEY LARGO WASTEWATER
TREATMENT DISTRICT
98880 OVERSEAS HWY
Key Largo, FL 33037

Req. Description: Rental for a temporary collection tank
KLWTD will flush the collection tank prior to it being returned. Failure to flush the Tank will result in the additional fee of $500.00 per the quote.

KLWTD will carry hurricane insurance on the equipment while it is at their facilities in Key Largo.

Quantity	Units	Description		Unit Price	Amount
1		Temporary Collection Tank 401-5900-630.000.00-2016-001	5,000.00	5,000.00	5,000.00
2		Shipping Fees 401-5900-630.000.00-2016-001	7,050.00	3,525.00	7,050.00
				Total:	12,050.00

Approved By _____ **Date** _____

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date: May 3, 2016

Agenda Item Number: L-1

Agenda Item Type: Information / Presentation

Agenda Item Scope: Review / Discussion

Recommended Action: Discussion

Department: Commissioner's Item

Sponsor: Commissioner Tobin

Subject:

Senior Staff Salaries

Summary of Discussion:

Reviewed / Approved		Financial Impact	Attachments
Operations:	_____	$	
Administration:	_____		
Finance:	_____	Funding Source:	
District Counsel:	_____		
District Clerk:	_____	Budgeted:	
Engineering:	_____	N/A	

Approved By: _____ **Date:** 4/29/2016

General Manager

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date: May 3, 2016

Agenda Item Number: N-1

Agenda Item Type: Information / Presentation

Agenda Item Scope: Review / Discussion

Recommended Action: Discussion

Department: Legal

Sponsor: Ray Giglio

Subject:

Draft Language to Amend District Charter Section 7. Governing board; compensation, expense reimbursement

Summary of Discussion:

General Counsel to present the draft language changes of Section 7 of the District Charter.

Reviewed / Approved		Financial Impact	Attachments
Operations:	_____	$ 0.00	1. Exhibit "A"
Administration:	_____		
Finance:	_____	Funding Source:	
District Counsel:	RW RE		
District Clerk:	_____	Budgeted:	
Engineering:	_____	N/A	

Approved By: _____ **Date:** 4/29/2016

General Manager

Exhibit "A"

CHAPTER 2017-XXX

House Bill No. XXXX

An act relating to the Key Largo Wastewater Treatment District, Monroe County; amending chapter 2002-337, Laws of Florida, as amended; revising provisions relating to compensation for the governing board; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Section 7 of Section 1 of chapter 2002-337, Laws of Florida, as amended by Chapter 2013-268, Laws of Florida, is amended to read:

Section 7. Governing board; compensation, expense reimbursement.— The members of the governing board shall receive as compensation for their services a fee of ~~$300~~ $?,???.00 per ~~meeting, not to exceed three meetings per~~ month. The amount of compensation shall be adjusted annually, effective October 1 of each year, based upon the United States Department of Commerce, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers. In addition, each board member shall be reimbursed for expenses as provided in section 112.061, Florida Statutes.

Section 2. This act shall take effect upon becoming a law.

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date: May 3, 2016

Agenda Item Number: N-2

Agenda Item Type: Information / Presentation

Agenda Item Scope: Review / Discussion

Recommended Action: Discussion

Department: Legal

Sponsor: Ray Giglio

Subject:

Procedures for Cancellation of Board Meetings

Summary of Discussion:

General Counsel to present findings on the procedure for cancellation of Board meetings.

Reviewed / Approved		Financial Impact	Attachments
Operations:	_____	$ 0.00	1. Memo from Ray Giglio
Administration:	_____		
Finance:	_____	Funding Source:	
District Counsel:	RWL		
District Clerk:	_____	Budgeted:	
Engineering:	_____	N/A	

Approved By: _____ **Date:** 4/29/2016

General Manager

Key Largo Wastewater Treatment District
103355 Overseas Highway, Key Largo, FL 33037
Post Office Box 491, Key Largo, FL 33037
Phone (305) 451-4019 • Fax (305) 453-5807 • www.klwtd.com

Ray Giglio, General Counsel
Phone (305) 451-4019 Ext. 406 Cell (305) 340-9198
ray.giglio@klwtd.com

April 27, 2016

From: Ray Giglio, General Counsel

To: Commissioners; Paul Christian, General Manager

QUESTIONS PRESENTED:

1) Whether it is a violation of the Sunshine Law for Commissioners to privately discuss whether a meeting should be cancelled.

2) Whether the Board can authorize the Chairman or the General Manager to cancel scheduled meetings.

SHORT ANSWER:

1) No. As long as Commissioners limit their discussion to the question of whether the meeting should be cancelled and do not discuss substantive issues which may come before the Board in their consideration of whether the meeting should be cancelled.

2) Yes. As long as the public is given proper reasonable notice of such a cancellation.

BACKGROUND:

There have been times when there are very few items on the agenda for a meeting of the KLWTD Board of Commissioners. Commissioners have asked whether, in such a case, it would be proper for two or more Commissioners to discuss cancelling the meeting; and whether the

Board can authorize the Chairman or the General Manager to cancel a scheduled meeting if they determine that there are too few items on the agenda to justify having a meeting.

DISCUSSION:

The Sunshine Law prohibits board members from discussing matters that foreseeably will come before their board for action. Generally speaking, "matters" means "substantive matters." The consensus of opinion appears to be that, for the most part, "scheduling" (e.g. setting up emergency meetings or cancelling meetings) is not "substantive." It is procedural--more in the nature of "housekeeping."

Private discussions about cancelling a meeting.

As appears from an April 23, 2003 Florida Attorney General Advisory Legal Opinion given to the Fort Walton Beach City Clerk, a copy of which is annexed hereto[1], the Attorney General has indicated that as long as Commissioners limit their discussion to the question of scheduling (e.g. whether a meeting should be cancelled) and do not discuss substantive issues, there is no Sunshine Law violation.

However, there is always the possibility that a discussion of whether the meeting should be cancelled might stray into discussions of the actual matters that are on the agenda. That could be construed as a discussion of a substantive issue and would conflict with the Sunshine Law.

Prohibition against discussing matters that might come before the Board for action.

In addition, as a special district, the KLWTD is required to adopt and publish an annual schedule of its meetings. Because the Board formally adopted and published its annual schedule of meetings, it would appear that Board action is required to cancel a scheduled meeting.[2]

Because it appears that KLWTD requires Board action to cancel a scheduled meeting, notwithstanding the attached Fort Walton Beach AG opinion, I still have a concern that such a cancellation might fall within the definition of "a matter that will come before the Board for action." That suggests that, in an abundance of caution, best practice would be for Commissioners not to discuss such matters in private.

---

[1] This is the only AG opinion or case I have been able to find that deals with this issue.

[2] Unlike Fort Walton Beach in the attached AG opinion, where the City Charter establishes a procedure for scheduling a special meeting.

Authorizing the Chairman or the GM to cancel meetings

However, as we have previously discussed, a possible solution might be for the Board to authorize the Chairman and/or the General Manager to cancel meetings when he/they determine that the agenda contains too little (or too little of importance) on to justify holding a meeting.

I have voiced the concern that such a delegation of authority might create additional sunshine issues. e.g. If the Chairman or GM were delegated the power to cancel a meeting, would they be acting as the Board; and would they then have to comply with the sunshine law with respect to the decision-making process leading up to the cancellation.

After discussing this concern with the Attorney General's office, I have concluded that this would not be a sunshine problem. Such a delegation would appear to be proper. And again, that view is consistent with the attached AG opinion regarding Fort Walton Beach.

Notice requirements.

If the Board were to decide to give the Chairman and/or GM the authority to cancel meetings, it would still have to address the issue of how the public would be given proper timely notice of such a cancellation. In addition, the Board would have to give the Chairman and/or GM specific standards and parameters for when and how to exercise that authority.

Public Policy

Lastly, there is the over-arching issue of whether such a delegation of authority to cancel meetings is a good idea and is good policy.

Ray Giglio

General Counsel
Key Largo Wastewater Treatment District

(305) 340-9198
ray.giglio@klwtd.com

Florida Attorney General
Advisory Legal Opinion

Number: INFORMAL
Date: April 23, 2003
Subject: Sunshine Law, calling of meetings

Ms. Helen Spencer
Fort Walton Beach City Clerk
Post Office Box 4009
Fort Walton Beach, Florida 32549

RE: GOVERNMENT IN THE SUNSHINE LAW-MEETINGS-MUNICIPALITIES-charter requirements for calling public meeting. s. 286.011, Fla. Stat.

Dear Ms. Spencer:

You have written to ask about the validity of a charter provision of the City of Fort Walton Beach in light of the Government in the Sunshine Law, section 286.011, Florida Statutes.

Initially, I must advise you that this office cannot interpret or otherwise comment upon the charter provisions of a municipality.[1] This office provides legal advice and opinions on questions of state law.[2] Questions relating to local legislation will be referred to the attorney for the local government agency for his or her consideration and advice. However, in an effort to be of some assistance to you, I offer the following informal comments.

Section 286.011, Florida Statutes, the Government in the Sunshine Law, requires all meetings of a public board or commission to be open to the public. Subsection (2) of that statute provides that "[t]he minutes of a meeting of any such board or commission of any such state agency or authority shall be promptly recorded, and such records shall be open to public inspection."

In considering the application of section 286.011, Florida Statutes, the courts have held that it is the entire decision-making process which is covered, not merely those meetings where the final vote is taken.[3] As the court in *Times Publishing Company v. Williams* stated:

"Every step in the decision-making process, including the decision itself, is a necessary preliminary to formal action. It follows that each such step constitutes an "official act," an indispensable requisite to "formal action," within the meaning of the act."[4]

I would note that section 5 of the Charter of the City of Fort Walton Beach provides that a special meeting of the city council "shall be called by the clerk upon written request of the mayor, city manager or three members of the council." Notice of meetings is required to be provided by this provision and "[a]ll meetings of the council and of the committees thereof shall be open to the public [.]" The charter provision makes city council meetings open to the public and requires that notice of such meetings be given to the public. Thus, it would appear that the charter provision satisfies the requirements of the Government in the Sunshine Law.

The Sunshine Law does not address who may call meetings, rather this is left to the discretion of local governments. The Charter of the City of Fort Walton Beach provides that regular meetings shall be held at specified times and that special meetings may be called as described therein. I see no violation of the Government in the Sunshine Law in the calling of a special meeting of the council by three members of that body. The members must, however, be mindful not to discuss substantive issues which may come before the council in their consideration of whether a special meeting is necessary.

I trust that these informal comments may be helpful to you. Additional questions about the Charter for the City of Fort Walton Beach and its application should be addressed to the city attorney for his or her consideration and advice.

Sincerely,

Gerry Hammond
Assistant Attorney General

GH/tgk

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[1] *See* Department of Legal Affairs Statement Regarding Opinions (copy enclosed).

[2] Section 16.01(3), Florida Statutes.

[3] *See, e.g., City of Miami Beach v. Berns,* 245 So. 2d 38 (Fla. 1971); *Board of Public Instruction of Broward County v. Doran,* 224 So. 2d 693 (Fla. 1969), *Hough v. Stembridge,* 278 So. 2d 288 (Fla. 3d DCA 1973).

[4] 222 So. 2d 470, 473 (Fla. 2d DCA 1969).

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date: May 3, 2016

Agenda Item Number: O-1

Agenda Item Type: Information / Presentation

Agenda Item Scope: Review / Discussion

Recommended Action: Discussion

Department: Finance

Sponsor: Finance Dept.

Subject:

CAFR Presentation/Financial Audit Results for FY2015

Summary of Discussion:

Tony Grau of Grau and Associates will present the KLWTD CAFR (Comprehensive Annual Financial Report) and the financial audit results for Fiscal Year 2015

Reviewed / Approved		Financial Impact	Attachments
Operations:	_____	$	KLWTD Comprehensive Annual Financial Report for FY2015
Administration:	_____		
Finance:	CFerris	Funding Source:	
District Counsel:	_____		
District Clerk:	_____	Budgeted:	
Engineering:	_____	N/A	

Approved By: _____ **Date:** 4/29/2016

General Manager

Key Largo Wastewater Treatment District

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2015

Key Largo Wastewater Treatment District
Comprehensive Annual Financial Report
For the Fiscal Year ended September 30, 2015

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Key Largo Wastewater Treatment District
Comprehensive Annual Financial Report
For the Fiscal Year ended September 30, 2015

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Key Largo Wastewater Treatment District
103355 Overseas Highway, Key Largo, FL 33037
Post Office Box 491, Key Largo, FL 33037
Phone (305) 451-4019 • www.klwtd.com

April 19, 2016

Honorable Chairman,
Members of the Board of Commissioners, and
Citizens of Key Largo

The comprehensive annual financial report of the Key Largo Wastewater Treatment District, Florida for the fiscal year ended September 30, 2015, is submitted herewith pursuant to Florida Statute Chapter 218.39 and Chapter 189.436(3) governing audit requirements for special districts.

This report consists of management's representations concerning the finances of the Key Largo Wastewater Treatment District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Key Largo Wastewater Treatment District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Key Largo Wastewater Treatment District's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Key Largo Wastewater Treatment District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Key Largo Wastewater Treatment District's financial statements have been audited by Grau & Associates, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Key Largo Wastewater Treatment District for the fiscal year ended September 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Key Largo Wastewater Treatment District's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

In addition to meeting the requirements set forth above, the independent audit was also designed to meet the requirements of Chapter 10.550, Rules of the Auditor General. These standards require the independent auditor to report not only on the fair presentation of the basic financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. The report is presented in the compliance section of this report.

In accordance with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Key Largo Wastewater Treatment District's MD&A can be found immediately following the independent auditor's report on the basic financial statements.

The financial and accounting structure of the District consists of a single enterprise fund. The District is an Independent Special District authorized by Chapter 2002-337, Florida Statutes, enacted May 23, 2002. The principal function of the District is to provide for the design, construction and operation of wastewater treatment facilities to serve the island of Key Largo, an unincorporated portion of Monroe County, Florida. The District complies with the operating and reporting requirements of Chapter 189, Florida Statutes as applicable to Special Districts.

The District develops an annual budget to provide for the operations and capital programs of the District. A draft budget is developed by management and presented to the Board of Commissioners for review, revision and ultimate approval. The budget is adopted by the Board of Commissioners, by resolution, for the upcoming fiscal year of October 1st through September 30th.

The District's mission is part of larger state and national initiatives to save the Everglades and Florida Bay eco systems for the benefit of future generations. In Key Largo, and typically all the Florida Keys except Key West, the disposal of domestic sewage has been historically handled by septic tanks and cesspits. Many commercial operations utilize small package sewage treatment plants. Florida statute 99-395 mandated the district establish goals which included the introduction of advanced wastewater treatment (AWT) and disposal infrastructure to serve all residents and commercial operations of Key Largo by July, 2010. This was later amended by the legislature in 2010 and the deadline for Advanced Wastewater Treatment standards required by the Statue 99-395 was extended to 2015.

Over 13,000 individual parcels of land exist on Key Largo. The District designed, engineered and constructed a main transmission line and associated collection systems to provide vacuum based collection services to the District's entire service area excluding properties where it was cost prohibitive to do so. This project was completed and placed into service in during fiscal year 2011, which was 4 years earlier than the extended deadline. The completion of this project concluded the construction of the District's basic wastewater infrastructure throughout its entire service area, however, those unique properties that were unable to be provided with vacuum based collection services were given the option of joining the District's grinder pump project that started in fiscal year 2013, and was completed before the 2015 deadline. This project will provide approximately 163 parcels with grinder pump based collection services.

The District also designed, engineered and constructed a 2.3 million gallon per day advanced wastewater treatment plant to provide service to the District's entire service area. This project was completed in October of 2010. However, during fiscal year 2012 the District was able to sell 1.104 million gallons annual average daily flow of plant capacity to the Village of Islamorada for $10,176,000. During fiscal year 2014 the District began construction on expanding the 2.3 million gallon per day treatment plant to a 3.45 million gallon per day plant in order to accept this additional daily flow, and this project was still in progress at September 30, 2015. In FY2015, the District purchased real estate for the administrative headquarters building. In September 2015, the District signed a contract for renovations to the building, with a move-in date during FY2016.

The preparation of this comprehensive annual financial report for the Key Largo Wastewater Treatment District was made possible by the dedicated efforts of all members of the District's staff. Each staff member has our sincere appreciation for the contributions made to this report.

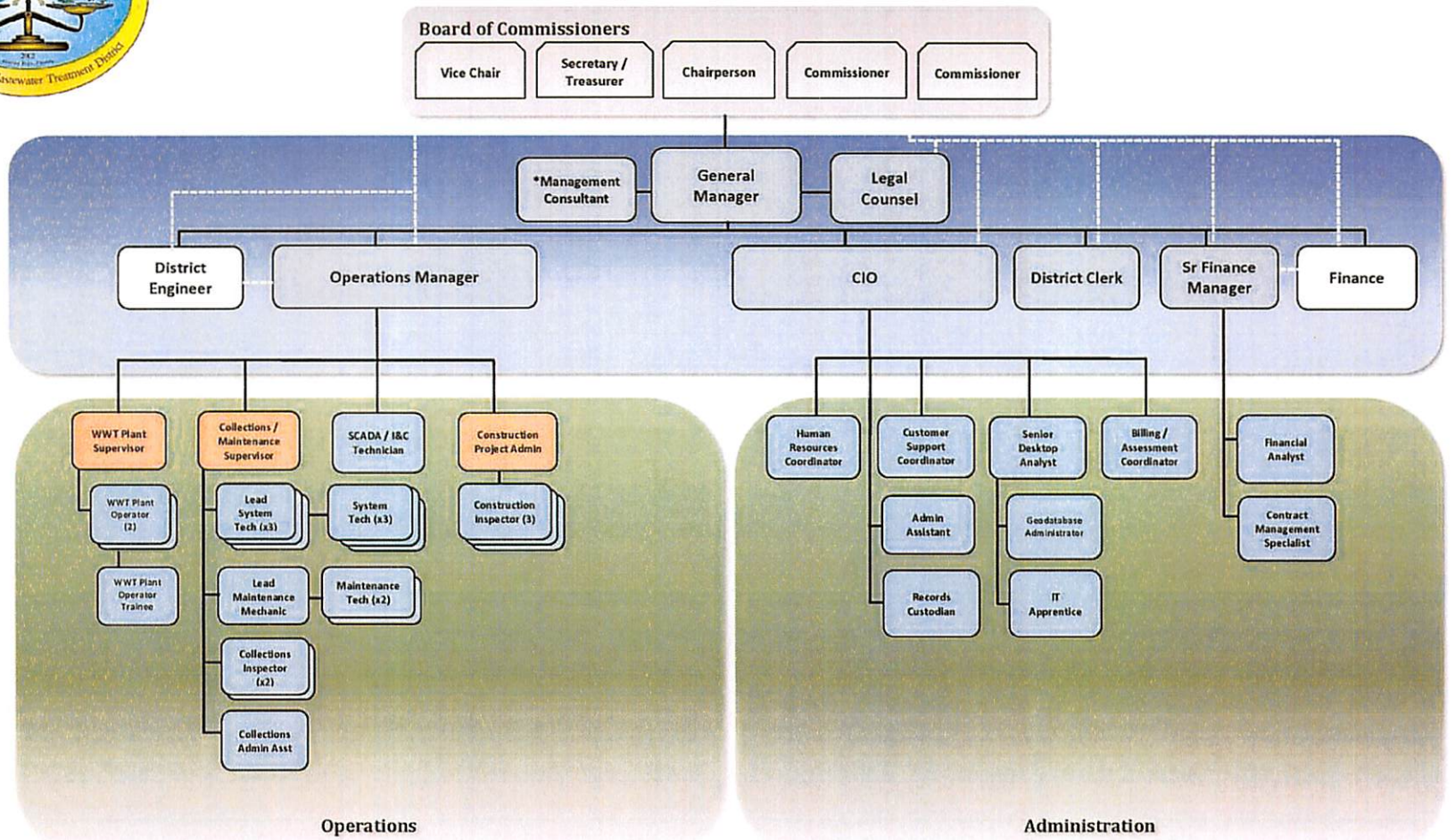
In closing, without the leadership and vision of the Board of Commissioners, preparation of this report would not have been possible.

Paul Christian, General Manager

Peter Rosasco, CPA

Peter Rosasco, Finance Director

Key Largo Wastewater Treatment District
Organizational Chart



*First quarter FY15 only

September 5, 2014

Key Largo Wastewater Treatment District
List of Principal Officials

Board of Commissioners

FY 2015	FY 2016
David Asdourian, Chairman	David Asdourian, Chairman
Andrew Tobin, Vice Chairman	Andrew Tobin, Vice Chairman
Steve Gibbs, Commissioner	Steve Gibbs, Commissioner
Robert Majeska, Secretary/Treasurer	Robert Majeska, Secretary/Treasurer
Norman Higgins, Commissioner	Norman Higgins, Commissioner

District Management

Paul Christian, General Manager

Peter Rosasco, CPA, Finance Director

Connie Fazio, Senior Finance Manager

Katherine Jackson, Clerk to the Board

Charles Adams, Operations Manager

Rob Bulkiewicz, Chief Information Officer

District Counsel

Ray Giglio

District Engineer

The Weiler Engineering Corp.
R. Jeff Weiler P.E., President
Edward R. Castle, Project Manager

Financial Section

Grau & Associates
CERTIFIED PUBLIC ACCOUNTANTS

2700 North Military Trail ▪ Suite 350
Boca Raton, Florida 33431
(561) 994-9299 ▪ (800) 299-4728
Fax (561) 994-5823
www.graucpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Key Largo Wastewater Treatment District
Key Largo, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Key Largo Wastewater Treatment District, Key Largo, Florida ("District") as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The introductory section, statistical section, and budgetary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations,* and is also not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory, statistical sections and budgetary information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated April 19, 2016, on our consideration of the District's compliance with the requirements of Section 218.415, Florida Statutes, as required by Rule 10.556(10) of the Auditor General of the State of Florida. The purpose of that report is to provide an opinion based on our examination conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Grau & Associates

April 19, 2016

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Management's Discussion and Analysis

KEY LARGO WASTEWATER TREATMENT DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

On behalf of the Key Largo Wastewater Treatment District, Key Largo, Florida (District), management presents this narrative overview and analysis of financial activities of the District to readers of the District's financial statements for the fiscal year ended September 30, 2015. We are including this discussion and analysis in order to provide the reader with a better understanding of the District's overall financial position. This narrative should be considered in conjunction with the additional information contained in the introductory transmittal letter and the District's financial statements which follow in this section.

Overview of Operations

The District was formed as a special district with the election of inaugural commissioners on November 5, 2002, as provided in Chapter 2002-337, Florida Statutes. The District's mission includes the introduction and operation of advanced wastewater treatment and disposal infrastructure to serve all residents and commercial operations on the unincorporated island of Key Largo by the year 2010.

The District's activities in FY2003 and FY2004 were focused on administrative responsibilities associated with organization of a new public utility and on implementing a demonstration project to serve 760 residential and commercial customers in the Key Largo Trailer Village and Key Largo Park communities. Contracts to design and build a demonstration project consisting of a 0.183 mgd (million gallons per day) wastewater treatment plant and to install collection systems serving 850 EDU's (equivalent dwelling units) were awarded. Administrative expenses totaling approximately $675,000 were funded by Monroe County grants and MSTU ad valorem tax revenues. Project costs totaling $1,253,232 were funded by federal, state and local grants.

In FY2005 and FY2006 the District commenced construction of the Key Largo Trailer Village and Key Largo Park demonstration project, initiating service to customers in May, 2006. The District also focused on the expansion of service to serve the northern half of the island by initiating the design and engineering of the North Components project. This project consists of expansion of the treatment plant from 0.183 to 2.30 mgd (million gallons per day) treatment plant to ultimately serve the entire island with a single regional treatment facility, construction of a main transmission line serving the northern half of the island, and installing vacuum collection systems in the four northern service areas. Construction of the North Transmission force main was initiated in July, 2006. Contracts for design and engineering of the regional treatment plant and the collection systems serving 3,700 EDU's associated with the North Components project were also awarded.

In FY2007 and FY2008 the District focused on construction of the North Components project. A north transmission force main was completed. Construction in all four northern service area collection systems was undertaken (Basins A, B, C, and D), and construction of the 2.3 mgd treatment plant expansion was initiated in October, 2008. The District also initiated design and engineering of a South Components project consisting of a transmission line to serve the southern half of the island and installation of vacuum collection systems in seven southern service areas (Basins E – K).

In FY2009, construction of the North Components collection systems was essentially completed. Expansion of the regional treatment plant continued with completion of a 3,700 ft. deep well and all treatment tanks. Construction of the South Components project was initiated in Basins E and F.

Beginning in 2005, the District has pursued a policy of levying special assessments on all parcels to be benefited by new construction 1-2 years preceding service availability. The assessments on the benefiting property owners are intended to recover a portion of the cost of the improvements. Each parcel owner had the choice to pay the assessment in full or as a non ad valorem tax over a 20 year period.

Overview of Operations (Continued)

In FY2011 the District completed its 2.3 mgd (million gallons per day) regional treatment plant and placed it into service. This facility is currently meeting Advanced Wastewater Treatment Standards (AWT). In FY2012 the vacuum collection system was completed and all areas, north and south are in full operation. The grinder pump project that commenced during FY2012 continued on through FY2016. The grinder pump project will provide centralized sewer service to properties were it was cost prohibitive to provide a vacuum based collection system. In FY2012 the District entered into an interlocal agreement with the Islamorada Village of Islands to treat its wastewater, and sell treatment plant capacity space of 1.104 million gallons of average daily flow. In FY2014 the District began receiving flows from Islamorada for treatment.

The District's Single Enterprise Fund

The District uses proprietary fund accounting to record and report its results of operation as a single enterprise fund. This method of accounting is used when an entity charges customers for the services it provides.

Activities in the first three years of the District's existence were directed entirely toward the design, engineering and construction of facilities. Operation of the District as a true enterprise through the delivery of sanitary sewer services for its first customers for a fee commenced in May, 2006.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave)

District's Net Position

Total assets of the District at September 30, 2015, were $183,706,747 and total liabilities amounted to $90,439,581. Total net position of the District was $93,267,166. For the prior year, total assets of the District at September 30, 2014, were $189,863,389 and total liabilities amounted to $101,394,781 and total net position of the District was $88,468,608.

Total current assets of $15,828,874 at September 30, 2015 consisted of approximately $886,004 in billings due from customers and unrestricted cash and cash equivalents of $9,362,638. Restricted current assets included cash and cash equivalents of $4,851,501 restricted for debt service and reserves for future repairs and replacements, and $676,361 due from other governments. For the prior year, total current assets of $17,703,438 at September 30, 2014 consisted of $735,231 in billings due from customers and unrestricted cash and cash equivalents of $13,412,876. Restricted current assets included cash and cash equivalents of $3,305,131 restricted for debt service and reserves for future repairs and replacements, and $175,716 due from other governments.

District's Net Position (Continued)

Total noncurrent assets at September 30, 2015 of $167,877,873 consisted essentially of $55,095 in prepaid expense and other assets, $34,522,422 in assessments levied but not received, $133,300,356 in land, equipment, and infrastructure net of accumulated depreciation owned by the District. In the prior year, total noncurrent assets at September 30, 2014 of $172,159,951 consisted essentially of $53,355 in prepaid expenses and other assets, $40,964,905 in assessments levied but not received, and $131,141,691 in land, equipment, construction in progress, and infrastructure net of accumulated depreciation owned by the District.

Total liabilities at September 30, 2015 of $90,439,581 included $277,057 due to vendors for goods and services rendered $479,546 due to construction contractors for contracts and retainage payable, $298,006 in accrued interest expense, $54,702,806 in loans payable, of which $4,186,250 is due next year, and $34,522,422 for assessments levied but not yet received. In the prior year, liabilities at September 30, 2014 of $101,394,781 included $346,797 due to vendors for goods and services rendered $392,401 due to construction contractors, $772,123 in accrued interest expense, $58,329,190 in loans payable, and $40,964,905 for assessments levied but not yet received, and $449,188 in advance payments towards the Village's share of the treatment plant expansion project.

Key components of the District's net position are reflected in the following table:

Key Components of Net Position

	September 30, 2015	2014
Current and other assets	$ 50,406,391	$ 58,721,698
Capital assets, net of depreciation	133,300,356	131,141,691
Total assets	183,706,747	189,863,389
Current liabilities	5,240,859	5,137,711
Long-term liabilities	85,198,722	96,257,070
Total liabilities	90,439,581	101,394,781
Net position		
Net investment in capital assets	78,118,004	72,420,100
Restricted	4,553,495	2,533,008
Unrestricted	10,595,667	13,515,500
Total net position	$ 93,267,166	$ 88,468,608

District Revenues, Expenses, and Changes in Net Position

The District's net position increased by $4,798,558 during FY2015; from $88,468,608 on September 30, 2014 to $93,267,166 on September 30, 2015. Total revenues for the period were $15,838,166 and total expenses for the period were $11,039,608. For the prior year, total revenues for the period were $13,955,781 and total expenses for the period were $12,112,616.

For FY2015, operating revenues consisted of $9,024,977 in charges to customers for services and related fees. Non-operating revenues consisted of $4,603,764 in assessments, $18,860 in interest income and a $795,356 in grant income. For FY2014, operating revenue consisted of $8,648,563 in charges to customers for services and related fees. Non-operating revenues consisted of $4,808,534 in assessments, and $243,242 in interest income, and a $195,762 in grant income.

District Revenues, Expenses, and Changes in Net Position (Continued)

During the year ended September 30, 2012, Islamorada Village of Islands (the "Village") purchased wastewater treatment plant capacity of 1.104 million gallons of average daily flow, or 32% of plant capacity. The Village took the option of financing $9,158,400 of this purchase over 9 years at 4% interest payable in monthly installments of $101,117.61 commencing on June 1, 2013. $1,017,600 was paid on the agreements effective date, along with a $482,400 deposit on construction work to the treatment plant that must be completed to accommodate the agreement. In order to accommodate this agreement the District will be expanding its plant capacity from 2.3 mgd to 3.45 mgd. During FY14 the Village paid off the remaining balance due on the financing of the plant capacity purchase. The District applied the funds received toward an existing State Revolving Fund loan as an extra principal payment. The District also recognized revenues of $1,395,209 of the construction deposit from the Village for the 32% share of the plant expansion project.

Key elements of the change in net position are reflected in the following table:

Change in Net Position

Fiscal Year Ended September 30,

	2015	2014
Operating activities:		
Charges for services	$ 9,024,977	$ 8,648,563
Cost of sales	(3,434,263)	(3,063,570)
Administration	(1,933,311)	(1,755,937)
Other	(175,224)	(262,912)
Depreciation	(4,003,065)	(3,975,919)
Net operating (loss)	(520,886)	(409,775)
Nonoperating activities:		
Grant revenue	795,356	195,762
Assessments	4,603,764	4,808,534
Interest income	18,860	243,242
Other income	1,395,209	59,680
Other	-	(11,985)
Interest expense	(1,493,745)	(2,971,624)
Bond issuance costs	-	(70,669)
Net nonoperating activities	5,319,444	2,252,940
Change in net position	4,798,558	1,843,165
Net position, beginning	88,468,608	86,625,443
Net position, ending	$ 93,267,166	$ 88,468,608

Capital Assets and Project Plan

The District adopted a master facilities plan in March, 2006 to construct wastewater collection transmission and treatment facilities to serve the entire island of Key Largo. The wastewater transmission and treatment facilities project was substantially completed and in service at the end of fiscal year 2011. The remaining project is the connection of approximately 163 properties where it was cost prohibitive to provide vacuum based collection services.

These properties require a grinder pump based collection system. Work on the grinder pump project commenced during fiscal year 2012 and is still in progress through September 30, 2015. The District has also been working on the treatment plant expansion project to increase the treatment plant capacity from a 2.3 mgd capacity to 3.45 mgd. This project is necessary to accommodate for the wastewater flows that the District will be receiving from the Village.

Capital Debt

At September 30, 2015 the District had $153,438,423 invested in land, infrastructure, equipment, and construction in progress. Depreciation of $20,138,067 has been taken, which resulted in a net book value of $133,300,356. More detailed information about the District's capital assets is presented in the notes to the financial statements.

The District's capital debt decreased by $3,626,384 during the current fiscal year, primarily due to the annual debt service payments. More detailed information about the District's capital debt is presented in the notes to the financial statements.

Economic Factors and Next Year's Budget

The unemployment rate for Monroe Country was 3.3% at November 2015, which is an increase from a rate of 3.2% a year ago. The rate still compares favorably to the state's average unemployment rate of 4.9%.

Assessed property values in the District's service area increased in 2015; however, the District has no taxing authority, and no District revenue is derived from or dependent upon ad-valorem taxation. Therefore, this increase in property value should have no significant effect on the current or future financial performance.

During Fiscal year 2016, the District will complete the grinder pump properties project. This project will allow the District to provide centralized sewer service to properties where it was not fiscally feasible to provide vacuum collection services. The District will also be working on finishing the treatment plant expansion from a 2.3 million gallon per day capacity to a 3.45 million gallon per day capacity, and will begin a blower upgrade project, to accommodate for the wastewater flows that the District will be receiving from Islamorada.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, landowners, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the financial resources it manages and the stewardship of the facilities it maintains. If you have questions about this report or need additional financial information, contact the Key Largo Wastewater Treatment District's Finance Department at 103355 Overseas Highway, Key Largo, Florida, 33037.

Basic Financial Statements

KEY LARGO WASTEWATER TREATMENT DISTRICT
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

ASSETS	
Current assets:	
Unrestricted:	
Cash and cash equivalents	$ 9,362,638
Accounts receivable	886,004
Inventories	27,617
Prepaid expenses	24,753
Total unrestricted current assets	10,301,012
Restricted:	
Cash and cash equivalents	4,851,501
Due from other governments	676,361
Total restricted current assets	5,527,862
Total current assets	15,828,874
Noncurrent assets:	
Prepaid and other assets	55,095
Assessments	34,522,422
Capital assets:	
Land	2,012,494
Construction in progress	5,054,646
Depreciable assets	146,371,283
Less accumulated depreciation	(20,138,067)
Total capital assets, net	133,300,356
Total noncurrent assets	167,877,873
Total assets	183,706,747
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	277,057
Payable from restricted assets:	
Accrued bond interest payable	298,006
Contracts and retainage payable	479,546
Current portion of long term debt	4,186,250
Total current liabilities	5,240,859
Noncurrent liabilities:	
Unearned revenue	34,527,097
Loans payable	50,516,556
Deposits	25,000
Compensated absences	63,715
Other post employment benefits	66,354
Total noncurrent liabilities	85,198,722
Total liabilities	90,439,581
NET POSITION	
Net investment in capital assets	78,118,004
Restricted for debt service	1,847,003
Restricted for other	2,706,492
Unrestricted	10,595,667
Total net position	$ 93,267,166

See accompanying notes to financial statements

KEY LARGO WASTEWATER TREATMENT DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Operating revenues:	
Charges for services	$ 8,592,159
Other service fees	432,818
Total operating revenues	9,024,977
Operating expenses:	
Costs of sales and services	3,434,263
Administration	1,933,311
Other	175,224
Depreciation	4,003,065
Total operating expenses	9,545,863
Operating income (loss)	(520,886)
Nonoperating revenues (expenses):	
Grant revenues	795,356
Assessments	4,603,764
Interest income	18,860
Other income	1,395,209
Interest expense	(1,493,745)
Total nonoperating revenues (expenses):	5,319,444
Change in net position	4,798,558
Total net position - beginning	88,468,608
Total net position - ending	$ 93,267,166

See accompanying notes to financial statements

KEY LARGO WASTEWATER TREATMENT DISTRICT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Cash flows from operating activities:	
Receipts from customers and users	$ 8,874,204
Payments to employees	(2,321,247)
Payments to suppliers	(3,256,025)
Net cash provided (used) by operating activities	3,296,932
Cash flows from capital and related financing activities:	
Grants and other intergovernmental	1,698,321
Assessments	4,159,251
Payments on bank loans	(1,210,903)
Payments and fees on loan from other government	(2,415,481)
Interest payments	(1,967,862)
Acquisition and construction of capital assets	(6,082,986)
Net cash provided (used) by capital and related financing activities	(5,819,660)
Cash flows from investing activities:	
Investment earnings	18,860
Net cash provided (used) by investing activities	18,860
Net increase (decrease) in cash and cash equivalents	(2,503,868)
Cash and cash equivalents (including restricted), October 1	16,718,007
Cash and cash equivalents (including restricted), September 30	$ 14,214,139
Reconciliation of operating (loss) to net cash provided (used) by operating activities:	
Operating (loss)	$ (520,886)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:	
Depreciation expense	4,003,065
(Increase)/Decrease in accounts receivable	(150,773)
(Increase)/Decrease in inventory	13,851
(Increase)/Decrease in prepaid	6,523
Increase/(Decrease) in accounts payable	(69,740)
Increase/(Decrease) in other post employment benefits	10,996
Increase/(Decrease) in compensated absences payable	3,896
Total adjustments	3,817,818
Net cash provided (used) by operating activities	$ 3,296,932

See accompanying notes to financial statements

KEY LARGO WASTEWATER TREATMENT DISTRICT
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – REPORTING ENTITY

The Key Largo Wastewater Treatment District, Key Largo, Florida ("District") is an autonomous independent Special District and political body formed in 2002 by the Legislature of the State of Florida by House Bill 471, enacted as Chapter 2002-37, Laws of Florida, for the purpose of carrying out the planning, acquisition, development, operation, and management of a wastewater management system within the District's boundaries in Key Largo, Monroe County, Florida. This responsibility was transferred from the Florida Keys Aqueduct Authority ("FKAA") to the District pursuant to an Interlocal Agreement dated February 26, 2003 between the District, Monroe County, and FKAA. The District is governed by a five member Board of Directors which are elected in a nonpartisan election.

The financial statements were prepared in accordance with Governmental Accounting Standards Board ("GASB") Statements. Under the provisions of those standards, the financial reporting entity consists of the primary government, organizations for which the District is considered to be financially accountable and other organizations for which the nature and significance of their relationship with the District are such that, if excluded, the financial statements of the District would be considered incomplete or misleading. There are no entities considered to be component units of the District; therefore, the financial statements include only the operations of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District operates as a proprietary fund type, specifically an enterprise fund. The District's financial statements are presented on the full accrual basis of accounting and conform to accounting principles generally accepted in the United States of America. The focus of a proprietary fund is the measurement of economic resources. Under this method revenues are recorded when earned and expenses are recorded when the liability is incurred, and all assets and liabilities associated with the entity are included on the balance sheet. The generally accepted accounting principles applicable to proprietary funds are similar to those applicable in the private sector.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The operating revenues of the District are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Deposits and Investments – The District's cash and cash equivalents are considered to be cash on hand and demand deposits (interest and non-interest bearing).

The District has elected to proceed under the Alternative Investment Guidelines as set forth in Section 218.415 (17) Florida Statutes. The District may invest any surplus public funds in the following:

a) The Local Government Surplus Trust Funds, or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act;
b) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency;
c) Interest bearing time deposits or savings accounts in qualified public depositories;
d) Direct obligations of the U.S. Treasury.

Securities listed in paragraph c and d shall be invested to provide sufficient liquidity to pay obligations as they come due.

The District records all interest revenue related to investment activities in the respective funds and reports investments at fair value.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories – Inventories at September 30, 2015 represent chemicals on hand carried at their historical cost.

Prepaids – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Restricted Assets – Restricted assets represent cash and other assets whose use is restricted by legal requirements, amounts set aside to meet sinking fund requirements and reserves for future repairs and replacements.

Capital Assets – Capital assets include property, plant, equipment and wastewater system. The District maintains a $750 threshold and estimated useful life of more than one year for additions to equipment. The remainder of capital assets with a value in excess of $5,000 and an estimated useful life of in excess of two years are capitalized. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized but expensed as incurred. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment – field and plant equipment	7-10
Equipment – vehicles	5
Infrastructure and building	30-40

The District's wastewater system was completed in sections. Depreciation begins when the section is completed and placed in service.

Long-term Obligations – The long-term debt of the District is reported as a liability in the statement of net position.

Compensated Absences – It is the District's policy to permit employees to accumulate earned but unused sick leave and vacation leave benefits. Sick leave may be accumulated up to 40 hours and vacation leave up to 8 hours per month for employees with the District under 5 years, and 12 hours per month for employees with the District over 5 years. New employees earn vacation time but are not able to use it until after the six months probationary period. All sick and vacation leave is accrued when earned in the government-wide and proprietary fund financial statements.

Other Postemployment Benefits (OPEB) – Effective October 1, 2009, the District adopted GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The effect of this adoption was to establish uniform reporting standards for benefit plans associated with postemployment benefits other than pensions, and to change the measurement, recognition, and display of OPEB expense and related liabilities (assets), note disclosures, and required supplementary information (RSI) in annual financial reports of governmental entities. Implementation of this statement had no effect on fiscal years prior to fiscal year 2010. See Note 7, Other Postemployment Benefits (OPEB), for more information on the District's OPEB Plan.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources – Deferred outflows of resources represent a consumption of net position that applies to future reporting period(s). For example, the District would record deferred outflows of resources on the statement of net position related to debit amounts resulting from current and advance refundings resulting in the defeasance of debt (i.e. when there are differences between the reacquisition price and the net carrying amount of the old debt).

Deferred inflows of resources represent an acquisition of net position that applies to future reporting period(s). For example, when an asset is recorded in the governmental fund financial statements, but the revenue is unavailable, the District reports a deferred inflow of resources on the balance sheet until such times as the revenue becomes available.

Revenue Recognition – Revenues that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue.

Assessments are non-ad valorem assessments on parcels served within the District. The assessments were levied in phases one to two years before the related infrastructure for the area was completed. The assessments may be paid in one lump sum or allocated over a 20 year period. For assessments paid over a 20 year period, interest will be the lesser of the District's borrowing rate or 8% per year. There is no penalty for prepayments or deferred payments. The fiscal year for which annual assessments are levied begins on October 1 with discounts available for payments through February 28 and become delinquent on April 1. The District's annual assessments are billed and collected by the County Tax Assessor/Collector. The amounts remitted to the District are net of applicable discounts or fees and include interest on monies held from the day of collection to the day of distribution. The assessments were levied to fund a portion of the costs of the infrastructure being constructed to benefit parcels served and are reported as nonoperating revenues.

The portion of assessments receivable due and earned within the current fiscal period is considered to be revenue of the current period. The remainder is recorded as unearned revenue in the statement of net position.

Fund Equity/Net Position - Net position is the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position in the government-wide financial statements are categorized as net investment in capital assets, restricted or unrestricted. Net investment in capital assets represents net position related to infrastructure and property, plant and equipment. Restricted net position represents the assets restricted by the District's debt covenants or other contractual restrictions. Unrestricted net position consists of the net position not meeting the definition of either of the other two components.

The District first uses restricted resources, followed by unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and changes therein, and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

NOTE 3 – DEPOSITS AND INVESTMENTS

Cash and investments amounts restricted for specific use by outside parties at September 30, 2015 are as follows:

Restricted for debt service on loans	$ 2,145,009
Restricted for repair,replacement, and windstorm damage	2,706,492
	$ 4,851,501

Deposits

The District's cash balances were entirely covered by federal depository insurance or by a collateral pool pledged to the State Treasurer. Florida Statutes Chapter 280, "Florida Security for Public Deposits Act", requires all qualified depositories to deposit with the Treasurer or another banking institution eligible collateral equal to various percentages of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held. The percentage of eligible collateral (generally, U.S. Governmental and agency securities, state or local government debt, or corporate bonds) to public deposits is dependent upon the depository's financial history and its compliance with Chapter 280. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

Custodial credit risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. The District has no formal policy for custodial risk.

Credit risk – For investments, credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Concentration risk – The District places no limit on the amount the District may invest in any one issuer.

Interest rate risk – The District does not have a formal policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

The District did not have investments at September 30, 2015.

NOTE 4 – CAPITAL ASSETS

The table below summarizes the capital activity for the fiscal year ended September 30, 2015.

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,780,804	$ 231,690	$ -	$ 2,012,494
Construction in progress	3,481,673	4,290,263	(2,717,290)	5,054,646
Total capital assets, not being depreciated	5,262,477	4,521,953	(2,717,290)	7,067,140
Capital assets,being depreciated:				
Buildings	433,430	432,968	-	866,398
Vacuum and treatment facilities	32,519,242	-	-	32,519,242
Collection system	108,195,499	3,864,055	(8,400)	112,051,154
Equipment	866,044	68,445	-	934,489
Total capital assets, being depreciated	142,014,215	4,365,468	(8,400)	146,371,283
Less accumulated depreciation for:				
Buildings	(82,185)	(15,810)	-	(97,995)
Vacuum and treatment facilities	(4,498,720)	(1,065,837)	-	(5,564,557)
Collection system	(11,096,291)	(2,773,240)	-	(13,869,531)
Equipment	(457,805)	(148,179)	-	(605,984)
Total accumulated depreciation	(16,135,001)	(4,003,066)	-	(20,138,067)
Total capital assets, being depreciated, net	125,879,214	362,402	(8,400)	126,233,216
Total capital assets, net	$ 131,141,691	$ 4,884,355	$ (2,725,690)	$ 133,300,356

In connection with the District's wastewater treatment project, the District has entered into various contracts with engineers and contractors to construct the collection system and treatment plant. At September 30, 2015 the District had commitments of $1,051,410 with respect of unfinished capital projects.

For the year ended September 30, 2015, no interest costs relating to construction were capitalized. The interest costs incurred and charged to expense was $1,493,745 for the year ended September 30, 2015.

NOTE 5 – INTERLOCAL AGREEMENTS

On May 22, 2012, the District entered into an interlocal agreement with Islamorada Village of Islands ("Islamorada") for wastewater services. Under the terms of the agreement, the District will provide wastewater treatment and disposal services to Islamorada for a period of 30 years. The fee charged to Islamorada is $4.65 per thousand gallons and adjusted in accordance with true-up provisions in the agreement. Wastewater treatment and disposal services commenced during June, 2014. Total revenue earned relating to wastewater services provided to Islamorada during the year ended September 30, 2015 totaled $399,699. Furthermore, Islamorada purchased capacity from the District and has also agreed to pay for its proportionate share of plant capacity upgrades that the District will construct. The District charged Islamorada $10,176,000 for the purchase of capacity and received an initial payment of $1,017,600 with the remaining $9,158,400 due to be received in monthly installments over a period of ten years with interest charged at 4.0% beginning in June of 2013. During the year ended September 30, 2014, Islamorada paid off the entire amount owed for its purchase capacity in the amount of $8,874,627. In connection with the plant capacity upgrades, the District received an initial deposit of $482,400 from Islamorada to fund Islamorada's proportionate share of the plant capacity upgrades. The deposit will be applied towards Islamorada's share of the plant capacity upgrades as costs are incurred and projects are completed. During the year ended September 30, 2015, $442,709 of the deposit was applied towards Islamorada's share of the plant capacity upgrades which depleted the entire deposit in addition $952,500 was received during the year bring the total amount paid plant capacity upgrades to $1,395,209 which is included under other income.

NOTE 5 – INTERLOCAL AGREEMENTS (Continued)

Florida Keys Water Quality Improvement Program

On October 31, 2014, the District entered into an interlocal agreement with the City of Marathon ("City"), Florida, and the Village of Islamorada ("Village"), Florida, to reallocate future grant revenue related to the United States Army Corps of Engineers' Florida Keys Water Quality Improvement Program ("FKWQIP"). The original FKWQIP agreement authorized grant reimbursements to the District, City, and Village in a total amount of $100,000,000. Under the original agreement, the District was eligible to receive $28,291,194 in grant reimbursements, of which it had received $15,906,470 as of September 30, 2014. During the current fiscal year the District received $500,000 of funding which increased the total amount received to $16,406,470. The interlocal agreement increased the remaining amount the District is eligible to be reimbursed for from $12,384,724 to $12,751,600.

NOTE 6 – LONG-TERM DEBT

State Revolving Fund Loans

As of September 30, 2015, the District has entered into four revolving loan agreements with the State of Florida Department of Environmental Protection Clean Water State Revolving Fund Loan program to finance its wastewater utility capital projects. Under the terms of the loan agreements pledged revenues shall be the gross revenues, together with system development charges, and annual wastewater assessments, derived yearly from the operation of the sewer system after payment of operating and maintenance expenses and any yearly payment obligation of any senior debt obligations. Each loan shall be repaid in 40 semiannual payments. Through September 30, 2015 the District has borrowed a total of $57,818,739 under these agreements, including capitalized interest. As of September 30, 2015 repayments have begun on all loan agreements. The breakdown as of September 30, 2015 of the total amounts authorized, the fixed weighted average interest rate, the estimated semi-annual payment amount and the amounts drawn to date on each loan is as follows:

SRF Loan Agreement	Total Loan Authorized Amount	Interest Rate	Semi-Annual Payment Amount	Total Obligation September 30, 2015
WW46401P	$ 22,670,199	2.41% - 2.68%	$ 779,480	$ 18,208,946
WW464010	32,077,094	2.49% - 2.92%	1,059,290	16,191,118
WW464020	891,422	2.56%	29,190	556,602
WW464030	2,180,024	2.68%	73,049	1,937,922
Total	$ 57,818,739		$ 1,941,009	$ 36,894,588

Series 2013 and 2014

On December 19, 2013, the District issued $10,000,000 of Utility Revenue Refunding Bond Series 2013 due October 15, 2027, with a fixed interest rate of 2.70%. On January 6, 2014, the District issued $10,000,000 of Utility Revenue Refunding Bond Series 2014 due October 15, 2027, with a fixed interest rate of 2.70%. The Bonds were issued to refund a portion of the District's outstanding Utility Revenue Bond Series 2010 (the "Refunded Bonds"), and pay certain costs associated with the issuance of the Bonds. Interest and principal is to be paid quarterly on each October 15, January 15, April 15 and July 15.

The financing documents allow for the prepayment of the principal balance in whole on a scheduled payment date with a 1% prepayment premium. Extraordinary prepayments are also allowed in part once a year, on a payment date, specifically from grant and loan proceeds with no prepayment premium.

The District shall establish and collect fees and charges for the product services and facilities of its system to provide in each fiscal year net revenues, pledged system development charges, wastewater connection fees and any other special assessment proceeds, equal to at least 110% of the annual debt service becoming due in such fiscal year. The District is in compliance with those requirements of the Bonds at September 30, 2015.

NOTE 6 – LONG-TERM DEBT (Continued)

Long-term debt transactions

Changes in long-term liability activity for the fiscal year ended September 30, 2015 were as follows:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
State Revolving Loan WW46401P	$ 18,823,745	$ -	$ 614,799	$ 18,208,946	$ 1,094,456
State Revolving Loan WW464010	17,856,201	-	1,665,083	16,191,118	1,708,658
State Revolving Loan WW464020	599,899	-	43,297	556,602	44,413
State Revolving Loan WW464030	2,030,224	-	92,302	1,937,922	94,793
Series 2013 Bonds	9,508,839	-	605,405	8,903,434	621,918
Series 2014 Bonds	9,510,282	-	605,498	8,904,784	622,012
Compensated absences	59,819	6,826	2,930	63,715	-
Total loans payable	$ 58,389,009	$ 6,826	$ 3,629,314	$ 54,766,521	$ 4,186,250

The District's schedule of future debt service requirements is as follows:

	Total		
Year ending September 30,	Principal	Interest	Total
2016	$ 4,186,250	$ 1,408,005	$ 5,594,255
2017	4,297,102	1,297,145	5,594,247
2018	4,410,901	1,183,346	5,594,247
2019	4,527,718	1,066,529	5,594,247
2020	4,647,634	946,613	5,594,247
2021-2025	22,096,493	2,857,364	24,953,857
2026-2030	10,323,311	553,916	10,877,227
2031-2032	213,397	5,745	219,142
	$ 54,702,806	$ 9,318,663	$ 64,021,469

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

The District provides post-employment healthcare insurance coverage to eligible individuals pursuant to the requirements of State law.

Eligibility - Eligible individuals include all regular, full-time employees of the District who retire from active service and are eligible for retirement or disability benefits under one of the pension plans sponsored by the District. Under certain conditions, eligible individuals for healthcare coverage also include spouses and dependent children.

Explicit Benefit Cost Sharing – Retiree and Dependents - Retirees must pay 100% of the monthly premium as determined by the insurance carrier. The premium varies depending on whether the retiree elects single or spouse / family coverage.

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Plan Description (Continued)

Implicit Benefits - Employees are permitted to continue coverage under the plans offered by the District in retirement by paying 100% of the cost of the premium for the continued coverage. This arrangement creates an implicit cost and liability for the District because the premium charged for these retirees is the same as the premium charged for active employees, who are younger than retirees on average. Since the same premiums are charged to active employees and retirees, and the District is unable to obtain age-adjusted premium information for the retirees, GASB 45 requires the district to calculate age-adjusted premiums for the purpose of projecting future benefits for retirees.

Surviving Spouse Benefit - Surviving beneficiaries continue to receive access to the District's medical coverage after the death of the retired employee as long as they pay the required premiums

Disability Retirement Benefits - There are two types of disability retirement available to employees of the District: (1) in-line-of-duty disability retirement and (2) regular disability retirement. To qualify for either type of disability retirement, members must be totally and permanently disabled to the extent that they are unable to work in any job for any employer. In-line-of-duty disability benefits are available to members on their first day of employment. To be eligible for regular disability retirement, members must complete eight years of creditable service with the District.

Post Employment Benefits - Currently, 0 retired employees receive health benefits from the District. Future retirees will contribute 100% for coverage.

The District recognizes the cost of providing health insurance annually as expenses in the Statement of Revenues, Expenses and Changes in Net Position as costs are incurred. For the year ended September 30, 2015, the District recognized $0 for its share of insurance premiums for currently enrolled retirees.

The District's annual other post-employment benefit (OPEB) cost (expense) for its plan is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes In the District's net OPEB obligation:

Normal Cost	$	6,953
Supplemental Cost		8,221
Interest		301
Annual Required Contribution (ARC)		15,475
Interest on Net OPEB Obligation		2,214
Adjustment to ARC		(6,693)
Annual OPEB Cost (Expense)		10,996
Actual Benefit Payments		-
Increase in Net OPEB Obligation		10,996
Net OPEB Obligation - September 30, 2014		55,358
Net OPEB Obligation - September 30, 2015	$	66,354

NOTE 7 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

The district's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations were as follows:

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
September 30, 2011	$ -	0%	$ -
September 30, 2012	23,043	0%	23,043
September 30, 2013	18,004	13.3%	41,047
September 30, 2014	19,414	14%	55,358

As of October 1, 2014, the most recent valuation date, the plan was 0% funded. The accrued liability for benefits was $69,351 and the value of assets was $0, resulting in an unfunded accrued liability (UAL) of $69,351. The covered payroll (annual payroll of active employees covered by the plan) was not available, and the ratio of the UAL to the covered payroll was not applicable. Valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the accrued liabilities for benefits.

Methods and assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the District and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2014 valuation, the Projected Unit Credit cost method was used. The assumptions included a 4.00% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of (2.95%) initially, 9.00% in the second year and reduced by decrements to an ultimate rate of 5.00% after 10 years. The UAL is being amortized on an open basis. The remaining amortization period at September 30, 2015 was 9 years.

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts and errors and omissions. During fiscal year 2015, the District maintained liability and errors and omissions insurance through the Preferred Governmental Insurance Trust (PGIT), coverage may not extend to all situations. There have been no claims from these risks that exceeded commercial insurance coverage over the past three years.

NOTE 9 – SUBSEQUENT EVENTS

Loan Payments
Subsequent to fiscal year end, the District prepaid $3,300,000 of the State Revolving Fund Loan number 464010.

Grant Award
On March 11, 2015, the District was awarded a $17,000,000 grant from the State of Florida Department of Environmental Protection to be applied toward the construction of the wastewater system improvements. During the current fiscal year the District executed an interlocal agreement with Monroe County whereby the grant was assigned to Monroe County in exchange for the amount being repaid over a 10 year period with zero interest. As required for enforceability the courts validated the agreement subsequent to year end.

Required Supplementary Information

KEY LARGO WASTEWATER TREATMENT DISTRICT
SCHEDULE OF FUNDING PROGRESS
OTHER POST EMPLOYMENT BENEFIT PLAN
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL), Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as Percent of Covered Payroll
October 1, 2013	$ -	$ 68,347	$ 68,347	N/A	$ -	N/A N/A
October 1, 2014	-	87,360	87,360	N/A	-	N/A N/A
October 1, 2015	-	69,351	69,351	N/A	-	N/A N/A

Supplementary Information

KEY LARGO WASTEWATER TREATMENT DISTRICT
SCHEDULE OF REVENUES AND EXPENSES (BUDGETARY BASIS) – BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts Original & Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OPERATING REVENUES:			
Wastewater Service Revenue	$ 9,154,331	$ 8,592,159	$ (562,172)
Other revenues	-	432,818	432,818
Total operating revenues	9,154,331	9,024,977	(129,354)
OPERATING EXPENSES:			
Department:			
Administrative	2,403,651	1,922,315	481,336
Collections & Maintenance	1,637,532	1,560,895	76,637
Treatment Plant	2,162,753	1,873,368	289,385
Construction	-	175,224	(175,224)
Total operating expenses	6,203,936	5,531,802	672,134
Budgetary basis operating income (loss)	2,950,395	3,493,175	542,780
NON OPERATING REVENUES (EXPENSES):			
Assessments	4,332,974	4,355,618	22,644
SDC Prepayments	175,000	248,146	73,146
Investment income	17,500	18,860	1,360
Other income	1,747,618	1,395,209	(352,409)
Capital outlay	(10,141,558)	(6,170,131)	3,971,427
Debt service transfer	(5,710,495)	(5,120,131)	590,364
Grant income	7,582,500	795,356	(6,787,144)
Cash on hand	853,441	-	(853,441)
Transfer to capital reserve	(800,000)	-	800,000
Surplus to operating reserve	(50,087)	-	50,087
Transfer to insurance deductible reserve	(20,000)	-	20,000
Total non operating revenues (expenses)	(2,013,107)	(4,477,073)	(2,463,966)
Budgetary basis income (loss)	937,288	(983,898)	(1,921,186)
OPEB Expense	-	(10,996)	(10,996)
Debt service principal	-	3,626,386	3,626,386
Depreciation	-	(4,003,065)	(4,003,065)
Capital asset additions	-	6,170,131	6,170,131
GAAP basis change in net position	$ 937,288	$ 4,798,558	$ 3,861,270

Statistical Section

This part of the District's comprehensive annual financial report represents information as a context for understanding what the information in the accompanying financial statements and notes to the basic financial statements says about the District's overall financial health.

Financial Trends:
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity:
These schedules contain information to help readers assess the factors affecting the District's ability to generate revenues.

Debt Capacity:
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to incur additional debt in the future.

Demographic and Economic Information:
These schedules offer demographic and economic indications to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time with other agencies.

Operating Information:
These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

Sources: Unless otherwise indicated, information in these schedules is derived from the comprehensive annual financial reports for the respective years.

KEY LARGO WASTEWATER TREATMENT DISTRICT
NET POSITION BY COMPONENT

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Net investment in capital assets	$ 78,118,004	$ 72,420,100	$ 57,918,010	$ 56,848,024	$ 43,200,732	$ 27,621,330	$ 19,230,593	$ 19,774,464	$ 15,622,110	$ 12,709,020
Restricted	4,553,495	2,533,008	7,236,276	6,366,921	15,658,154	38,133,096	27,257,778	12,839,163	6,962,626	1,024,411
Unrestricted	10,595,667	13,515,500	21,471,157	20,916,652	12,714,887	158,199	(63,417)	(146,530)	111,033	(8,635)
Total net position	$ 93,267,166	$ 88,468,608	$ 86,625,443	$ 84,131,597	$ 71,573,773	$ 65,912,625	$ 46,424,954	$ 32,467,097	$ 22,695,769	$ 13,724,796

KEY LARGO WASTEWATER TREATMENT DISTRICT
CHANGE IN NET POSITION

	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Operating revenues:										
Charges for service	$ 9,024,977	$ 8,648,563	$ 8,259,561	$ 7,982,364	$ 4,750,891	$ 814,061	$ 705,935	$ 603,047	$ 516,765	$ 84,022
Ad valorem taxes		-	-	-	-	-	653,289	843,001	787,643	681,289
Total operating revenues	9,024,977	8,648,563	8,259,561	7,982,364	4,750,891	814,061	1,359,224	1,446,048	1,304,408	765,311
Operating expenses:										
Cost of sales and services	3,434,263	3,063,570	2,739,794	2,443,119	1,435,715	732,969	707,200	428,281	381,279	68,691
Administration	1,933,311	1,755,937	1,762,678	1,579,319	1,262,205	839,941	676,191	636,691	558,753	540,336
Professional and other	175,224	262,912	138,631	174,844	178,168	147,290	175,484	392,859	240,709	208,382
Depreciation	4,003,065	3,975,919	3,915,064	3,790,497	3,475,347	387,419	376,540	371,420	188,327	3,994
Total operating expenses	9,545,863	9,058,338	8,556,167	7,987,779	6,351,435	2,107,619	1,935,415	1,829,251	1,369,068	821,403
Total operating income (loss)	(520,886)	(409,775)	(296,606)	(5,415)	(1,600,544)	(1,293,558)	(576,191)	(383,203)	(64,660)	(56,092)
Nonoperating revenues (expenses):										
Grant revenue	795,356	195,762	-	-	500,000	13,439,479	4,825,358	2,224,498	907,829	2,095,394
Intergovernmental	-	-	-	11,678,229	1,457,479	3,704,411	4,107,049	2,448,767	5,518,395	791,699
Assessments	4,603,764	4,808,534	5,026,498	5,295,038	5,570,211	5,757,448	5,225,617	5,298,845	2,474,159	661,671
Forgiveness of debt	-	-	-	-	-	-	-	-	-	1,023,821
Other	-	(11,985)	-	4,185	-	-	-	-	-	-
Other income	1,395,209	59,680	-	-	-	-	-	-	-	-
Interest income	18,860	243,242	169,382	21,810	47,837	108,259	795,171	204,565	174,233	13,268
Gain (loss) on sale of assets	-	-	4,536	(1,850,125)	-	-	-	-	-	-
Interest expense	(1,493,745)	(2,971,624)	(2,409,964)	(2,585,898)	(2,502,009)	(2,228,368)	(419,147)	(22,144)	(38,983)	-
Bond issuance costs	-	(70,669)	-	-	-	-	-	-	-	-
Total nonoperating revenues	5,319,444	2,252,940	2,790,452	12,563,239	5,073,518	20,781,229	14,534,048	10,154,531	9,035,633	4,585,853
Change in net position	$ 4,798,558	$ 1,843,165	$ 2,493,846	$ 12,557,824	$ 3,472,974	$ 19,487,671	$ 13,957,857	$ 9,771,328	$ 8,970,973	$ 4,529,761

KEY LARGO WASTEWATER TREATMENT DISTRICT
REVENUES BY SOURCE

Fiscal Year	Operating		Total Operating Revenue	Nonoperating					Total Non-Operating Revenue	Total Combined Revenue
	Sewer Service	Ad valorem		Grants	Intergovernmental	Assessments	Interest	Other		
2015	$ 9,024,977	$ -	$ 9,024,977	$ 795,356	$ -	$ 4,603,764	$ 18,860	$ 1,395,209	$ 6,813,189	$ 15,838,166
2014	8,648,563	-	8,648,563	195,762	-	4,808,534	243,242	59,680	5,307,218	13,955,781
2013	8,259,561	-	8,259,561	-	-	5,026,498	169,382	4,536	5,200,416	13,459,977
2012	7,982,364	-	7,982,364	-	11,678,229	5,295,038	21,810	4,185	16,999,262	24,981,626
2011	4,750,891	-	4,750,891	500,000	1,457,479	5,570,211	47,837	-	7,575,527	12,326,418
2010	814,061	-	814,061	13,439,479	3,704,411	5,757,448	108,259	-	23,009,597	23,823,658
2009	705,935	653,289	1,359,224	4,825,358	4,107,049	5,225,617	795,171	-	14,953,195	16,312,419
2008	603,047	843,001	1,446,048	2,224,498	2,448,767	5,298,845	204,565	-	10,176,675	11,622,723
2007	516,765	787,643	1,304,408	907,829	5,518,395	2,474,159	174,233	-	9,074,616	10,379,024
2006	84,022	681,289	765,311	2,095,394	791,699	661,671	13,268	1,023,821	4,585,853	5,351,164

KEY LARGO WASTEWATER TREATMENT DISTRICT
EXPENSES BY FUNCTION

Fiscal Year	Operating Expenses				Total Operating Expenses	Total Non-Operating Expenses	Combined Expenses
	Cost of Sales and Service	Administration	Contractual and Other	Depreciation			
2015	$ 3,434,263	$ 1,933,311	$ 175,224	$ 4,003,065	9,545,863	$ 1,493,745	11,039,608
2014	3,063,570	1,755,937	262,912	3,975,919	9,058,338	3,054,278	12,112,616
2013	2,739,794	1,762,678	138,631	3,915,064	8,556,167	2,409,964	10,966,131
2012	2,443,119	1,579,319	174,844	3,790,497	7,987,779	4,305,186	12,292,965
2011	1,435,715	1,262,205	178,168	3,475,347	6,351,435	2,502,009	8,853,444
2010	732,969	839,941	147,290	387,419	2,107,619	2,228,368	4,335,987
2009	707,200	676,191	175,484	376,540	1,935,415	419,147	2,354,562
2008	428,281	636,691	289,652	371,420	1,726,044	125,351	1,851,395
2007	381,279	558,753	240,709	188,327	1,369,068	38,983	1,408,051
2006	68,691	540,336	208,382	3,994	821,403	-	821,403

KEY LARGO WASTEWATER TREATMENT DISTRICT
MONTHLY RATE STRUCTURE

	Base Charge (EDU)	Flow Charge (1,000 Gal.)	Average Monthly Service Fees			
			Residential	Non-Residential	Accounts	EDU's
2015	$ 33.60	$ 5.27	$ 458,674	$ 268,133	9,449	14,251
2014	33.60	5.27	454,580	251,894	9,260	14,144
2013	33.60	5.27	462,464	257,970	9,085	14,110
2012	33.60	5.27	449,623	251,267	9,124	14,097
2011	33.60	5.27	271,035	138,334	6,107	10,085
2010	33.60	5.27	56,915	6,894	1,256	1,470
2009	33.60	5.27	45,842	6,743	655	1,023
2008	33.60	5.27	42,710	5,605	657	1,023
2007	33.60	5.27	43,760	2,400	656	681
2006	33.60	5.27	19,509	286	426	435

KEY LARGO WASTEWATER TREATMENT DISTRICT
SYSTEM DEVELOPMENT CHARGE STRUCTURE

	Fee Structure			Assessment		
	Capacity Charge (EDU)	Connection Charge (Each)	Low Pressure Equipment & Lateral Connection	Residential	Non-Residential	Total
2015*	$ -	$ -	$ -	$ -	$ -	$ -
2014*	-	-	-	-	-	-
2013	2,950	2,250	3,300	332,375	170,340	502,715
2012	2,950	2,250	3,300	1,325,510	273,400	1,598,910
2011*	-	-	-	-	-	-
2010*	-	-	-	-	-	-
2009	2,950	2,250	-	12,579,702	2,860,780	15,440,482
2008	2,950	2,250	-	14,941,820	8,412,311	23,354,131
2007	2,850	2,200	-	16,439,222	4,354,407	20,793,629
2006	2,820	2,150	-	11,790,338	7,906,212	19,696,550
2005	2,700	2,070	-	4,527,049	266,641	4,793,690

KEY LARGO WASTEWATER TREATMENT DISTRICT
RATIO OF OUTSTANDING DEBT

	Loans	Assessed Property Value	Percentage of Assessed Value	Pledged Revenue
2015	$ 54,702,805	$ 4,064,563,117	1.3458%	$ 13,195,923
2014	58,329,191	3,794,887,898	1.5370%	13,321,671
2013	75,043,966	3,556,651,483	2.1100%	13,263,687
2012	75,835,590	3,223,256,011	2.3528%	12,935,426
2011	90,881,354	3,208,230,358	2.8328%	10,184,823
2010	80,049,168	3,802,498,273	2.1052%	6,571,509
2009	41,212,198	3,479,137,002	1.1846%	5,931,552
2008	7,953,334	4,464,565,476	0.1781%	5,901,892
2007	3,193,855	4,818,870,865	0.0663%	2,990,924
2006	1,206,982	4,306,056,741	0.0280%	745,693
2005	1,014,285	3,375,533,340	0.0300%	-

KEY LARGO WASTEWATER TREATMENT DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS

	Assessed Property Value	Estimated Resident Population	
		Key Largo District	Monroe County
2015	$ 4,064,563,117	10,433	73,090
2014	3,794,887,898	10,433	74,044
2013	3,556,651,483	10,500	73,560
2012	3,223,256,011	10,405	72,897
2011	3,208,230,358	10,433	73,090
2010	3,802,498,273	11,019	73,460
2009	3,479,137,002	10,909	72,243
2008	4,464,565,476	12,886	76,081
2007	4,818,870,865	14,078	79,942
2006	4,306,056,741	14,655	83,219
2005	3,375,533,340	14,340	81,433

KEY LARGO WASTEWATER TREATMENT DISTRICT
DISTRICT EMPLOYEES BY FUNCTION

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Executive (Commissioners)	5	5	5	4	5	5	5	5	5	5
Administration	11	11	13	7	7	6	6	4	4	5
Operations	16	18	16	20	24	6	5	4	4	2
Construction	3	4	4	6	7	18	13	9	5	2
	35	38	38	37	43	35	29	22	18	14

KEY LARGO WASTEWATER TREATMENT DISTRICT
OPERATING INDICATORS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Number of Employees	35	38	38	37	43	35	29	22	18	14
Number of Customers	9,449	9,260	9,085	9,124	6,107	2,683	655	657	656	426
Collection Main (feet)	427,000	427,000	427,000	426,161	426,161	386,000	190,000	72,000	45,000	41,000
Transmission Main (feet)	120,000	120,000	120,000	119,801	119,801	100,000	27,000	27,000	27,000	7,000
Number of Vacuum Pits	3525	3505	3500	2550	2548	2000	1240	470	320	219
Number of Vacuum Stations	7	7	7	7	6	5	2	1	1	1
Average Daily Flow (gallons)	1,363,000	1,210,000	1,019,000	912,000	679,000	450,000	47,320	49,800	46,000	21,000
Peak Daily Flow (gallons)	1,974,000	1,780,000	1,450,000	1,749,000	1,010,000	525,000	66,000	58,550	58,000	32,000

KEY LARGO WASTEWATER TREATMENT DISTRICT

MISCELLANEOUS STATISTICAL INFORMATION

Date of Formation	November 19, 2002
Form of Government	Independent Special District
Board Elections	Non-partisan
Equivalent Dwelling Units (EDU's)	14,300 (Estimate)
Geographic Size	14.4 Square Miles
Water System	Supplied by the Florida Keys Aqueduct Authority
Electric Service	Provided by the Florida Keys Electric Co-op
Sanitary Sewage	Provided by the Key Largo Wastewater Treatment District

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Key Largo Wastewater Treatment District
Key Largo, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of Key Largo Wastewater Treatment District, Key Largo, Florida ("District") as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our opinion thereon dated April 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Brown & Associates

April 19, 2016

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Commissioners
Key Largo Wastewater Treatment District
Key Largo, Florida

Report on Compliance for Each Major Federal Program

We have audited Key Largo Wastewater Treatment District, Key Largo, Florida ("District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended September 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Distict's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Brown & Associates

April 19, 2016

KEY LARGO WASTEWATER TREATMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Federal Agency Pass-through Entity, Federal Program	CFDA/ CSFA Number	Agency or Pass-through Number	Expenditures
MAJOR PROGRAM			
Department of Defense			
Florida Keys Water Quality Improvement Program	12.113	N/A	$ 500,000
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 500,000

See accompanying notes to schedule of expenditures of federal awards

KEY LARGO WASTEWATER TREATMENT DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Key Largo Wastewater Treatment District and is presented on the accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

KEY LARGO WASTEWATER TREATMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

SECTION 1 - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	*Unqualified Opinion*	
Material weakness(es) identified?	____ yes	__X__ no
Significant deficiency(ies) identified not considered to be material weakness?	____ yes	__X__ none
Noncompliance material to financial statements noted?	____ yes	__X__ no

Federal Awards Programs

Internal Control over major federal awards programs:		
Material weakness(es) identified?	____ yes	__X__ no
Significant deficiency(ies) identified not considered to be material weakness?	____ yes	__X__ no

Type of auditor's report issued on compliance for major federal awards *Unqualified Opinion*

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a). ____ yes __X__ no

Identification of major federal awards programs and state financial assistance

Federal	CFDA No.
Public Assistance Grants	12.113

Dollar threshold used to distinguish between Type A and Type B programs: $ 300,000

Auditee qualified as low risk auditee for audit of federal awards program? __X__ yes ____ no

SECTION II - FINDINGS – FINANCIAL STATEMENT

None

SECTION III - FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM

None

SECTION V - FINDINGS – PRIOR YEAR

None

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE REQUIREMENTS OF SECTION 218.415, FLORIDA STATUTES, REQUIRED BY RULE 10.556(10) OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Board of Commissioners
Key Largo Wastewater Treatment District
Key Largo, Florida

We have examined Key Largo Wastewater Treatment District, Key Largo, Florida's ("District") compliance with the requirements of Section 218.415, Florida Statutes, in accordance with Rule 10.556(10) of the Auditor General of the State of Florida during the fiscal year ended September 30, 2015. Management is responsible for District's compliance with those requirements. Our responsibility is to express an opinion on District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on District's compliance with specified requirements.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the fiscal year ended September 30, 2015.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, management, and the Board of Commissioners of Key Largo Wastewater Treatment District, Key Largo, Florida and is not intended to be and should not be used by anyone other than these specified parties.

Grau & Associates

April 19, 2016

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MANAGEMENT LETTER PURSUANT TO THE RULES OF THE AUDITOR GENERAL FOR THE STATE OF FLORIDA

Board of Directors
Key Largo Wastewater Treatment District
Key Largo, Florida

Report on the Financial Statements

We have audited the accompanying basic financial statements of Key Largo Wastewater Treatment District, Key Largo, Florida ("District") as of and for the fiscal year ended September 30, 2015, and have issued our report thereon dated April 19, 2016.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General.

Other Reports and Schedule

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other Matters based on an audit of the financial statements performed in accordance with *Government Auditing Standards;* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated April 19, 2016, should be considered in conjunction with this management letter.

Purpose of this Letter

The purpose of this letter is to comment on those matters required by Chapter 10.550 of the Rules of the Auditor General for the State of Florida. Accordingly, in connection with our audit of the financial statements of the District, as described in the first paragraph, we report the following:

I. **Current year findings and recommendations.**
II. **Status of prior year findings and recommendations.**
III. **Compliance with the Provisions of the Auditor General of the State of Florida.**

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, as applicable, management, and the Board of Commissioners of Key Largo Wastewater Treatment District, Key Largo, Florida and is not intended to be and should not be used by anyone other than these specified parties.

We wish to thank Key Largo Wastewater Treatment District, Key Largo, Florida and the personnel associated with it, for the opportunity to be of service to them in this endeavor as well as future engagements, and the courtesies extended to us.

Grau & Associates

April 19, 2016

REPORT TO MANAGEMENT

I. CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None

II. PRIOR YEAR FINDINGS AND RECOMMENDATIONS

None

III. COMPLIANCE WITH THE PROVISIONS OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

Unless otherwise required to be reported in the auditor's report on compliance and internal controls, the management letter shall include, but not be limited to the following:

1. A statement as to whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report.

   There were no significant findings and recommendations made in the preceding annual financial audit report for the fiscal year ended September 30, 2014.

2. Any recommendations to improve the local governmental entity's financial management.

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported for the fiscal year ended September 30, 2015.

3. Noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance.

   There were no such matters discovered by, or that came to the attention of, the auditor, to be reported, for the fiscal year ended September 30, 2015.

4. The name or official title and legal authority of the District are disclosed in the notes to the financial statements.

5. The financial report filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes agrees with the September 30, 2015 financial audit report.

6. The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes.

7. We applied financial condition assessment procedures and no deteriorating financial conditions were noted as of September 30, 2015. It is management's responsibility to monitor financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same.

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date: May 3, 2016

Agenda Item Number: O-2

Agenda Item Type: Information / Presentation

Agenda Item Scope: Review / Discussion

Recommended Action: Discussion

Department: Finance

Sponsor: Connie Fazio

Subject:

Recommended Changes to Purchasing Policy

Summary of Discussion:

Staff will present the recommended changes to the District's purchasing policy.

Reviewed / Approved		Financial Impact	Attachments
Operations:	_____	$	1. Proposed Revisions to District Procurement Policy 2. Summary of Procurement Policies, Procedures and Requirements (06-13-2014 rev)
Administration:	_____		
Finance:	CFazio	Funding Source:	
District Counsel:	_____		
District Clerk:	_____	Budgeted: N/A	
Engineering:	_____		

Approved By: _____ **Date:** 4/29/2016

General Manager

PROPOSED REVISIONS TO DISTRICT PROCUREMENT POLICY

ISSUES ADDRESSED:

1. **Changes to Policy and Procedure for procurements between $1,001.00 and $10,000.00.**

2. **Clarification of Policy and Procedure with respect to "Sole Source" procurements.**

3. **Clarification of Policy and Procedure with respect to procurement of Professional Services.**

CURRENT POLICY AND OVERVIEW OF PROPOSED REVISIONS:

1. **Procurements between $1,001.00 and $10,000.00**

A. Current Policy. As appears from the attached KLWTD *Summary of Procurement Policies, Procedures and Requirements* (06-13-2014 rev), it is the current District policy and procedure that for procurements between $1,001.00 and $10,000.00, there is no requirement for formal or informal bidding procedures, and purchases can be made on the open market.

However, within this range, a minimum of three (3) written quotes from at least three (3) different persons, firms, or vendors must be obtained and submitted with the Purchase Order; unless the purchase involves: an emergency situation; a single manufacturer; or standardized equipment. In those special circumstances, a memo must be submitted with the Purchase Order documenting why the quotes could not be obtained.

B. Issue. Given the requirements of the KLWTD and current prices of goods and services, a great many purchases are over the $1,000.00 threshold. There appears to be no good reason to require (3) written quotes from at least (3) different persons, firms, or vendors and this procedure has proven to be unnecessarily burdensome. It appears that the interests of the District would be better served if the policy were changed as proposed below.

C. Proposed Revision. The District's Procurement Policies and Procedures shall be revised as follows:

- **a. The range between $1,001.00 and $10,000.00 shall be divided into 2 categories**
  - **i. Between $1,001.00 and $5,000.00**,
    1. It shall not be necessary to obtain quotes;
    2. Purchases may be made on the open market; and

3. No purchase order shall be required.

ii. **Between $5,001.00 and $10,000.00,**

1. At least three (3) verbal quotes must be obtained.
2. A memo documenting the vendors contacted and the quotes received must be included in the file.

b. **In the range between $10,001.00 and $35,000.00,**

1. At least three (3) written quotes must be obtained.
2. The required quotation memo or written quotes must be provided to the Finance Department as part of the documentation that accompanies either the Purchase Order or the Check Request that authorizes payment for the purchase.
3. The originating department will also retain the necessary documentation within their files to demonstrate compliance with these procedures.

c. **In the range between $35,001.00 and $300,000,**

1. For non-emergency supplies, services, or construction, the District will formally solicit proposals and/or sealed bids
2. Where practicable, bids or proposals should be solicited from at least (3) qualified firms, persons, or vendors

2. "Sole Source" procurements.

A. Current Policy. As noted above the attached KLWTD *Summary of Procurement Policies, Procedures and Requirements* (06-13-2014 rev) makes it clear that insofar as practicable, all purchases shall be based on a procedure designed to achieve the best value for the District; e.g. oral quotes, written quotes, or formal competitive solicitations; however, **competitive solicitations are not necessary in situations involving special services, or market conditions where purchases are clearly and legitimately limited to a single (sole) source of supply**.

The District's Counsel has provided written policy guidelines establishing that:

a. A "Sole Source" purchase means that only one supplier (source), to the best of the requester's knowledge and belief, and based upon thorough research, (i.e. conducting a market survey), is capable of delivering the required product or service.

b. A "Sole Source" purchase can be utilized where similar types of goods and services may exist, but only one supplier, for reasons of expertise, and / or standardization, quality, compatibility with existing equipment, specifications, or availability, is the only source that is acceptable to meet a specific need.

c. A "Sole Source" purchase is a method of acquisition. It is not to be used to avoid competition.

d. Where a "Sole Source" purchase is to be made, the requester must prepare documentation in the form of a "Sole Source" letter detailing the reasons and justifications for the Sole Source" purchase.

B. Issue. These guidelines have not been formally incorporated into the District's Procurement Policies and Procedures.

C. Proposed Revision. **The District's Procurement Policies and Procedures shall be revised to reflect the existing informal procedures and guidelines**.

3. **Procurement of Non-CCNA Professional Services.**

A. Current Policy. The hiring of non-CCNA professionals is not subject to competitive bidding and is not covered by the KLWTD Procurement Policy. It is, however, the long-standing policy and practice of the District that non-CCNA professionals are only hired by the District Board after an extensive review of qualifications and suitability.

The Florida Attorney General has ruled that "[i]n the absence of any statutory requirement, a public body has no legal obligation to let a contract under competitive bidding or to award the contract to the lowest bidder…" (AGO 071-366) (See also AGO84-29, and 63 C.J.S. Municipal Corporations.)

Consequently, as there are no constitutional provisions, statutes, ordinances, or District resolutions that require the KLWTD to competitively solicit the procurement of Non-CCNA Professional Services, the District may contract for such services in any manner that is not arbitrary or capricious. (AGO 84-29. See, Volume Services Division v. Canteen Corp., 369 So.2d 391 (2 D.C.A.Fla., 1979). See generally, 64 Am.Jur.2d Public Works and Contracts s 34, Cf., s 287.055, F.S.)

B. Issue. The District's Procurement Policies and Procedures do not address the issue of procuring non-CCNA Professional Services or the fact that procuring such non-CCNA Professional Services is not subject to the District's Procurement Policies and Procedures.

C. Proposed Revision. The District's Procurement Policies and Procedures shall be revised to reflect the existing procedures and the fact that procuring such non-CCNA Professional Services is not subject to the District's Procurement Policies and Procedures.

KEY LARGO WASTEWATER TREATMENT DISTRICT

Summary of Procurement Policies, Procedures and Requirements

PROCUREMENT METHOD	DOLLAR AMOUNT	PROCUREMENT REQUIREMENTS		APPROVAL LEVEL REQUIRED	DOCUMENTATION REQUIRED
Petty cash	<$25	No requirement for formal or informal bidding procedures. Purchases can be made on the open market.	For these purchases, it is not necessary to obtain quotes. Purchases can be made (by cash, check or credit card) after making a reasonable attempt to insure that the District is getting a good value and a competitive price for items purchased	Custodian of Petty Cash	Receipts. Administered in accordance with KLWTD Petty Cash Policy
Credit Card, Expense Report, or Invoice	$0 to $1,000			Managers/Supervisors	Receipts. Administered in accordance with KLWTD purchasing card policy, as applicable
	$1,001 to $10,000		For these purchases, regardless of payment method (i.e. Credit Card, Expense Report, or Invoice), a minimum of three (3) written quotes from at least (3) different persons, firms, or vendors must be obtained and submitted with the Purchase Order. If three (3) quotes cannot be obtained (e.g. because of an emergency, single manufacturer, standardized equipment, not responsive vendors, etc.) a memo must be submitted with the Purchase Order documenting why the quotes could not be obtained.	General Manager or Chief Information Officer [In the event of a declared emergency, the purchase may be approved by the General Manager, the Operations Manager or the Chief Information Officer without requirement of obtaining quotes or a Purchase Order.]	Purchase Orders are required for non-emergency procurement of equipment, materials, supplies, and services. Proper records of expenditures (e.g. all supporting invoices, receipts, etc.) must be kept and must contain enough detail to be used for auditing purposes

Formal bid or minimum of three written quotes	$10,001 to $25,000	At the discretion of the General Manager, either formal competitive bidding or the solicitation of (3) written quotes as above. If not formally bid, GM must file report with Board of Commissioners		Key Largo Wastewater Treatment District Board of Commissioners	Formal bid documentation. Purchase Order. Three quotes or other documentation allowed by procurement policy. All supporting invoices, receipts, etc
Proposals and/or sealed bids.	$25,001 to $300,000	For non-emergency supplies, services, or construction, the District will formally solicit proposals and/or sealed bids	Where practicable, bids or proposals should be solicited from at least (3) qualified firms, persons, or vendors		Formal competitive bidding procedure, in accordance with procurement policy.
Competitive bid and award.	$300,001> (or $75,001> for electrical work)	For non-emergency construction work, the District will competitively bid and award all contracts to qualified licensed contractors			Contracts must be awarded in accordance with Section 255.20, Florida Statutes

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date: May 3, 2016

Agenda Item Number: O-3

Agenda Item Type: Information / Presentation

Agenda Item Scope: Review / Discussion

Recommended Action: Discussion

Department: Finance

Sponsor: Finance Dept.

Subject:

2nd Quarter FY2016 Financial Reports

Summary of Discussion:

Fiscal Year 2016 Quarterly (through March 2016) Finance Reports for review.

Reviewed / Approved

Operations: _____

Administration: _____

Finance: CF

District Counsel: _____

District Clerk: _____

Engineering: _____

Financial Impact

$

Funding Source:

Budgeted: Yes

Attachments

2nd Qtr Balance Sheet/ Statement of Net Position

2nd Qtr Revenue and Expense Report/Budget to Actual

Approved By: _____ **Date:** 4/29/2016

General Manager

STATEMENT OF NET POSITION / BALANCE SHEET FOR KEY LARGO WASTEWATER TREATMENT DISTRICT
PERIOD ENDING 03/31/2016

GL Number	Description	Balance
*** Assets ***		
Cash		
401-0000-101.000.01	BB&T R&R Fund 9681	2,708,524.93
401-0000-101.000.02	BB&T Debt Service Acct 9673	1,745,009.23
401-0000-101.000.03	BB&T Payroll Acct 9665	267,356.57
401-0000-101.000.04	BB&T Assessment Acct 9657	1,424,817.16
401-0000-101.000.06	BB&T General Operating 9549	1,652,244.47
401-0000-101.000.10	Community Assessment Acct- 3609	1,377,317.96
401-0000-101.000.11	First State Assessment Act-3292	2,381,663.41
401-0000-101.000.13	BB&T: Money Rate Savings - 5806	2,410,029.55
	Cash	**13,966,963.28**
Accounts Receivable		
401-0000-115.000.01	Accounts Receivable	526,066.68
	Accounts Receivable	**526,066.68**
Fixed Assets		
401-0000-162.900.00	Buildings	432,968.28
401-0000-166.900.00	Equipment & Furniture - Office & Field	96,180.76
401-0000-166.900.01	Equipment & Furniture - Computer	115,684.08
401-0000-166.900.02	Equipment & Furniture - Tools	53,595.23
401-0000-166.900.03	Equipment & Furniture - Plant Office/Lab	37,295.44
401-0000-166.900.04	Equipment & Furniture - Main Office	44,811.92
401-0000-166.900.05	Equipment & Furniture - Plant Equipment	225,455.46
401-0000-170.900.00	Collection Facilities	112,917,643.47
401-0000-170.900.01	Treatment Facilities	32,081,937.56
401-0000-170.900.02	Leasehold Improvements	11,026.63
401-0000-170.900.03	Vehicles	354,684.92
401-0000-170.950.00	Accumulated Depreciation	(20,138,066.76)
	Fixed Assets	**126,233,216.99**
Other Assets		
401-0000-141.000.00	Inventory - Chemicals	11,446.91
401-0000-141.100.01	Inventory - Pipe	1,091.61
401-0000-141.100.02	Inventory - Fittings	15,619.11
401-0000-155.000.00	Prepaid Insurance	21,000.00
401-0000-156.000.00	Deposits	59,095.00
401-0000-161.900.00	Land	2,012,494.19
401-0000-169.900.00	Construction In Progress	5,054,646.12
	Other Assets	**7,175,392.94**
	Total Assets	**147,901,639.89**

***** Liabilities *****

Accounts Payable		
401-0000-202.000.00	Accounts Payable	164,878.44
	Accounts Payable	**164,878.44**
Liabilities-ST		
401-0000-205.000.00	Retainage Payable	287,195.97
401-0000-208.000.01	Islamorada Good Faith Deposit	25,000.00
401-0000-208.000.02	Islamorada Deferred Insurance Surcharge	4,675.41
401-0000-229.000.00	Health & Optional Withholdings	5,587.78
401-0000-231.000.00	Workers Compensation Insurance	(2,637.38)
	Liabilities-ST	**319,821.78**
Liabilities-LT (over 1 year)		
401-0000-203.900.00	SRF Loan - KLNC 01P	17,665,237.16
401-0000-203.900.01	SRF Bonded Loan - KLNC 010	12,042,312.93
401-0000-203.900.02	SRF Loan - KLP 020	534,536.24
401-0000-203.900.03	SRF Loan - KLSC 464030	1,890,840.84
401-0000-203.900.05	BB&T 2013 Bond	8,594,566.44
401-0000-203.900.06	BB&T 2014 Bond	8,595,869.98
	Liabilities-LT (over 1 year)	**49,323,363.59**
Other Liabilities		
401-0000-210.900.00	Accrued Compensated Absences	63,715.23
401-0000-237.000.00	Other Post Employ Benefit (OPEB) Liab	66,354.00
	Other Liabilities	**130,069.23**
	Total Liabilities	**49,938,133.04**

***** Fund Balance *****

	Ending Fund Balance	**97,963,506.85**

UNAUDITED REVENUE AND EXPENDITURE REPORT FOR KEY LARGO WASTEWATER TREATMENT DISTRICT
PERIOD ENDING 03/31/2016
% Fiscal Year Completed: 50.00

GL NUMBER	DESCRIPTION	MONTH ACTIVITY FEBRUARY 2016 INCR (DECR)	MONTH ACTIVITY MARCH 2016 INCR (DECR)	YTD BALANCE 03/31/2016 NORM (ABNORM)	2015-16 ADOPTED BUDGET	% BDGT USED Expected: 50%
Fund 401 - GENERAL FUND						
Revenues						
Dept 0000-Non-Departmental						
401-0000-325.100	Non Ad Valorem Assessments	177,977.17	144,203.46	3,402,125.47	4,082,244.00	83.34
401-0000-343.500	Wastewater Service Revenue	552,821.89	892,823.59	4,015,801.15	8,550,000.00	46.97
401-0000-343.550	Islamorada WW Svc. Related Rev.	36,018.90	42,142.95	222,761.41	877,110.00	25.40
401-0000-343.600	Monroe County ILA	0.00	0.00	1,000,000.00	1,000,000.00	100.00
401-0000-361.100	Interest Income	1,469.09	1,664.25	9,995.30	17,500.00	57.12
401-0000-369.900	Miscellaneous Revenues	7,428.68	984.62	10,370.93	0.00	100.00
Total Dept 0000-Non-Departmental		**775,715.73**	**1,081,818.87**	**8,661,054.26**	**14,526,854.00**	**59.62**
Dept 5900-CONSTRUCTION						
401-5900-325.100	SDC Prepayments	23,860.45	14,465.00	88,422.72	175,000.00	50.53
401-5900-332.000	Islamorada ILA-Capital Project Portion	0.00	0.00	0.00	777,548.00	0.00
401-5900-334.350	DEP Grant Income	100,943.00	0.00	100,943.00	1,028,533.00	9.81
401-5900-389.000	Cash on Hand	0.00	0.00	0.00	3,275,601.00	0.00
Total Dept 5900-CONSTRUCTION		**124,803.45**	**14,465.00**	**189,365.72**	**5,256,682.00**	**3.60**
TOTAL Revenues		**900,519.18**	**1,096,283.87**	**8,850,419.98**	**19,783,536.00**	**44.74**
Expenditures						
Dept 0000-Non-Departmental						
401-0000-581.000	Transfer to Repair & Replacement Fund	0.00	0.00	0.00	820,000.00	0.00
401-0000-720.000	Debt Service	3,373,049.09	0.00	5,799,117.40	8,894,248.00	65.20
401-0000-720.100	Less: Current Year Principal Reductions	(3,347,080.93)	0.00	(5,379,441.22)	0.00	100.00
Total Dept 0000-Non-Departmental		**25,968.16**	**0.00**	**419,676.18**	**9,714,248.00**	**4.32**
Dept 5130-ADMINISTRATIVE						
401-5130-120.000	Payroll-Administration	62,390.05	62,449.03	368,112.44	845,936.00	43.52
401-5130-120.511	Payroll-Board Meeting Compensation	5,226.00	6,030.00	34,214.40	72,360.00	47.28
401-5130-130.000	Temporary/Part-Time	0.00	0.00	0.00	4,400.00	0.00
401-5130-210.000	Payroll Taxes	5,095.04	5,161.12	30,240.90	70,586.00	42.84
401-5130-220.000	Retirement Program	2,828.32	2,878.97	17,319.11	55,098.00	31.43
401-5130-230.000	Group Health Premiums	8,008.10	8,057.05	39,955.22	142,107.00	28.12
401-5130-230.001	Employee Benefit Administration Fees	30.00	105.00	255.00	2,000.00	12.75
401-5130-240.000	Workers Compensation Insurance	168.38	170.52	2,475.30	3,906.00	63.37
401-5130-250.000	Unemployment Compensation	0.00	0.00	0.00	20,000.00	0.00
401-5130-311.000	Professional Services	105.00	105.00	3,739.20	12,320.00	30.35
401-5130-311.002	FKAA Billing Services	6,633.96	15,560.66	55,555.58	135,000.00	41.15
401-5130-311.003	Tax Collector Fees	0.00	0.00	0.00	11,000.00	0.00
401-5130-311.004	Utility Rate Consultant	0.00	0.00	0.00	32,000.00	0.00
401-5130-311.005	Professional Services - Tax Roll Svc	0.00	0.00	0.00	2,500.00	0.00
401-5130-311.006	Professional Services - Engineering	0.00	0.00	0.00	20,000.00	0.00
401-5130-311.007	Professional Svcs- Public Relations	0.00	0.00	0.00	6,000.00	0.00
401-5130-311.008	Prof Svcs- Admin Office Relocation	0.00	0.00	0.00	10,000.00	0.00
401-5130-312.000	Lobbyists	11,934.57	3,380.00	49,823.11	96,000.00	51.90
401-5130-313.000	Legal - Litigation Reserve	0.00	0.00	0.00	20,000.00	0.00
401-5130-313.001	Legal - Outside Counsel	0.00	1,200.00	9,757.42	20,000.00	48.79
401-5130-320.000	Accounting and Audit Svcs	7,505.00	22,140.00	40,175.00	99,250.00	40.48
401-5130-341.000	Software & License Renewals	284.15	10,000.00	22,046.76	33,700.00	65.42
401-5130-400.000	Travel, Training, Education & Meetings	1,147.45	1,246.73	18,573.25	51,000.00	36.42
401-5130-410.000	Communications	4,604.99	6,213.57	28,265.48	53,900.00	52.44
401-5130-411.000	IT Maintenance	12,946.38	4,439.08	27,346.01	112,500.00	24.31
401-5130-420.000	Postage & Delivery Expense	607.94	259.27	3,431.21	6,000.00	57.19
401-5130-430.000	Water (Utility)-District Office	55.83	52.91	251.27	600.00	41.88
401-5130-432.000	Facility Cleaning	520.00	520.00	3,359.23	0.00	100.00
401-5130-435.000	Electricity	384.10	424.76	3,009.59	9,000.00	33.44
401-5130-440.000	Rents & Leases	3,752.78	0.00	22,516.68	16,000.00	140.73
401-5130-450.000	Insurance	64,115.00	5,811.00	310,809.00	350,000.00	88.80

Numbers shown are as of 4/26/16; transactions applicable to this period not yet received may change future reports

GL NUMBER	DESCRIPTION	MONTH ACTIVITY FEBRUARY 2016 INCR (DECR)	MONTH ACTIVITY MARCH 2016 INCR (DECR)	YTD BALANCE 03/31/2016 NORM (ABNORM)	2015-16 ADOPTED BUDGET	% BDGT USED Expected: 50%
401-5130-460.000	Repairs & Maintenance	198.00	1,102.51	2,695.30	4,600.00	58.59
401-5130-470.000	Copier Expense	0.00	322.40	1,660.71	4,800.00	34.60
401-5130-480.000	Advertisements	357.60	0.00	1,902.50	10,000.00	19.03
401-5130-491.000	Storm Supplies	0.00	0.00	0.00	2,000.00	0.00
401-5130-492.000	Bank Fees	0.00	0.00	0.00	500.00	0.00
401-5130-493.000	Low Income Assistance	0.00	0.00	0.00	10,000.00	0.00
401-5130-510.000	Office Supplies & Special Printings	1,694.73	3,503.26	12,525.94	26,000.00	48.18
401-5130-520.000	Employee Uniforms / Clothing	0.00	139.96	399.88	1,500.00	26.66
401-5130-520.007	Regulatory, Permit & Recording Fees	0.00	0.00	704.20	7,500.00	9.39
401-5130-520.010	Fuel: Vehicles	0.00	0.00	123.16	1,000.00	12.32
401-5130-521.000	Board: Travel, Admin, Office Supplies	292.77	47.39	5,874.19	7,500.00	78.32
401-5130-540.000	Dues & Subscriptions	210.00	678.51	2,265.51	5,100.00	44.42
401-5130-640.000	Capital Outlay - Furnishings	6,632.23	5,693.11	12,325.34	20,000.00	61.63
401-5130-641.000	Capital Outlay - Vehicles	0.00	0.00	0.00	20,000.00	0.00
401-5130-645.000	Capital Outlay: Computer Equipment	0.00	0.00	1,212.92	10,000.00	12.13
Total Dept 5130-ADMINISTRATIVE		**207,728.37**	**167,691.81**	**1,132,920.81**	**2,443,663.00**	**46.36**
Dept 5351-PLANT						
401-5351-120.000	Payroll-Plant	24,904.61	25,653.79	159,354.80	339,495.00	46.94
401-5351-210.000	Payroll Taxes	1,886.34	1,943.62	12,119.81	25,971.00	46.67
401-5351-220.000	Retirement Program	1,013.68	1,011.99	6,287.60	20,370.00	30.87
401-5351-230.000	Group Health Premiums	4,804.86	4,827.11	23,601.66	67,575.00	34.93
401-5351-240.000	Workers Compensation Insurance	756.18	776.32	4,649.41	11,645.00	39.93
401-5351-311.000	Professional Services	3,960.00	4,158.00	19,404.00	51,480.00	37.69
401-5351-311.006	Professional Services: Engineering	3,441.25	5,960.00	35,052.75	126,980.00	27.60
401-5351-341.000	Software & License Renewals - Wonderwear	0.00	0.00	0.00	7,000.00	0.00
401-5351-400.000	Travel, Training, Education & Meetings	1,657.50	162.72	2,868.70	8,750.00	32.79
401-5351-420.000	Postage & Delivery Expense	1,296.75	1,263.57	7,205.06	16,500.00	43.67
401-5351-430.000	Water- Plant	1,320.28	347.05	7,362.79	10,000.00	73.63
401-5351-432.000	Facility Cleaning	880.00	880.00	4,400.00	0.00	100.00
401-5351-435.000	Electricity - Plant	21,463.86	26,085.68	146,725.87	325,000.00	45.15
401-5351-460.000	Repairs & Maintenance	6,339.14	10,354.67	43,476.83	130,000.00	33.44
401-5351-470.000	Copier Expenses	209.22	1,186.73	2,223.10	3,000.00	74.10
401-5351-491.000	Storm Supplies	0.00	0.00	0.00	2,000.00	0.00
401-5351-510.000	Office Supplies	279.03	128.37	1,215.60	4,500.00	27.01
401-5351-511.000	Safety Supplies	615.14	189.09	1,763.68	5,000.00	35.27
401-5351-520.000	Employee Uniforms / Clothing	168.00	512.85	2,727.46	3,500.00	77.93
401-5351-520.001	Lab Services (sample analysis)	3,411.00	3,875.00	20,842.50	45,000.00	46.32
401-5351-520.002	Sludge Handling	0.00	0.00	139,727.35	442,000.00	31.61
401-5351-520.003	Chemicals	26,700.66	29,517.08	181,424.90	520,655.00	34.85
401-5351-520.004	Lab Supplies	5,683.77	(1,047.42)	8,522.56	18,000.00	47.35
401-5351-520.005	Supplies & Tools (plant operations)	8,146.23	1,402.78	23,973.50	85,000.00	28.20
401-5351-520.006	Immunizations	0.00	0.00	0.00	500.00	0.00
401-5351-520.007	Regulatory/ Permit Fees	0.00	0.00	0.00	1,500.00	0.00
401-5351-520.010	Fuel: Equipment	54.62	83.58	885.80	20,000.00	4.43
401-5351-540.000	Dues & Subscriptions	0.00	30.00	380.00	1,000.00	38.00
401-5351-630.000	Capital Outlay - Groundskeeping	0.00	0.00	0.00	20,000.00	0.00
401-5351-640.000	Capital Outlay:Equipment	0.00	0.00	0.00	22,000.00	0.00
401-5351-640.003	Capital Outlay: Plant Security System	2,255.00	0.00	2,255.00	85,000.00	2.65
Total Dept 5351-PLANT		**121,247.12**	**119,302.58**	**858,450.73**	**2,419,421.00**	**35.48**
Dept 5352-COLLECTIONS						
401-5352-120.000	Payroll-Collections & Maintenance	53,281.30	53,145.78	343,987.61	767,605.00	44.81
401-5352-210.000	Payroll Taxes	4,058.43	4,035.91	26,134.81	58,669.00	44.55
401-5352-220.000	Retirement Program	1,723.74	1,853.99	10,628.92	46,056.00	23.08
401-5352-230.000	Group Health Premiums	8,728.83	8,791.13	46,329.39	147,129.00	31.49
401-5352-240.000	Workers Compensation Insurance	1,638.58	1,626.87	10,248.42	26,329.00	38.92
401-5352-311.000	Professional Services	0.00	0.00	500.00	12,000.00	4.17
401-5352-311.006	Professional Services: Engineering	8,318.50	4,667.50	55,480.25	73,980.00	74.99
401-5352-400.000	Travel, Training, Education & Meetings	3,817.32	2,458.37	12,954.93	15,500.00	83.58
401-5352-430.000	Water	260.60	197.31	1,299.14	2,375.00	54.70
401-5352-432.001	Solid Waste	448.00	471.00	2,929.79	12,500.00	23.44
401-5352-435.000	Electricity	17,955.84	18,116.91	115,224.56	264,750.00	43.52
401-5352-460.000	Repairs & Maintenance	20,626.40	42,394.56	96,974.04	172,000.00	56.38
401-5352-491.000	Storm Supplies	0.00	0.00	0.00	2,000.00	0.00
401-5352-510.000	Office Supplies	309.72	21.59	2,449.01	4,000.00	61.23
401-5352-511.000	Safety Supplies	624.10	973.30	3,593.80	5,000.00	71.88
401-5352-520.000	Employee Uniforms / Clothing	1,530.00	336.00	7,425.32	7,500.00	99.00

GL NUMBER	DESCRIPTION	MONTH ACTIVITY FEBRUARY 2016 INCR (DECR)	MONTH ACTIVITY MARCH 2016 INCR (DECR)	YTD BALANCE 03/31/2016 NORM (ABNORM)	2015-16 ADOPTED BUDGET	% BDGT USED Expected: 50%
401-5352-520.005	Supplies & Tools (inc.cleaning supplies)	8,975.78	10,747.84	31,805.25	30,000.00	106.02
401-5352-520.006	Immunizations	232.00	0.00	477.50	1,500.00	31.83
401-5352-520.008	Lateral Extensions	393.38	(2,875.48)	(0.03)	0.00	100.00
401-5352-520.010	Fuel	1,662.60	1,567.32	11,808.47	38,500.00	30.67
401-5352-520.011	Tools	2,873.52	550.34	6,451.80	20,000.00	32.26
401-5352-540.000	Dues & Subscriptions	206.75	(99.00)	107.75	9,600.00	1.12
Total Dept 5352-COLLECTIONS		**137,665.39**	**148,981.24**	**786,810.73**	**1,716,993.00**	**45.82**
Dept 5900-CONSTRUCTION						
401-5900-120.000	Payroll-Construction	6,532.35	6,396.08	39,572.87	121,517.00	32.57
401-5900-210.000	Payroll Taxes	488.36	477.93	2,972.68	9,296.00	31.98
401-5900-220.000	Retirement Program	352.55	344.37	1,997.22	7,291.00	27.39
401-5900-230.000	Group Health Premiums	880.89	885.34	4,316.18	20,869.00	20.68
401-5900-240.000	Workers Compensation Insurance	119.56	116.93	706.98	814.00	86.85
401-5900-311.006	Professional Services - Engineering	8,351.25	4,841.25	52,085.72	195,025.00	26.71
401-5900-400.000	Travel, Training & Education	0.00	0.00	198.00	5,000.00	3.96
401-5900-460.000	Repairs & Maintenance	179.14	0.00	228.79	2,000.00	11.44
401-5900-490.000	Small Tools & Equipment	0.00	0.00	0.00	5,000.00	0.00
401-5900-510.000	Office Supplies	0.00	0.00	741.36	1,250.00	59.31
401-5900-520.000	Employee Uniforms / Clothing	28.00	28.00	170.00	1,250.00	13.60
401-5900-520.010	Fuel: Vehicles	0.00	0.00	0.00	3,000.00	0.00
401-5900-525.000	Vehicle Expense	94.27	63.35	556.40	2,500.00	22.26
401-5900-630.000	Capital Outlay: Infrastructure	198,297.37	40,623.09	515,148.02	2,861,612.00	18.00
401-5900-650.002	Sludge Handling System	0.00	36,119.73	292,979.43	131,037.00	223.59
401-5900-650.003	Service Connection Revisions	19,550.00	6,600.00	39,934.00	60,000.00	66.56
401-5900-650.004	Unique Properties	0.00	0.00	2,259.18	0.00	100.00
401-5900-650.999	Vacuum Stations - SCADA Upgrade IT	0.00	0.00	2,355.00	61,750.00	3.81
Total Dept 5900-CONSTRUCTION		**234,873.74**	**96,496.07**	**956,221.83**	**3,489,211.00**	**27.41**
TOTAL Expenditures		**727,482.78**	**532,471.70**	**4,154,080.28**	**19,783,536.00**	**21.00**
Fund 401 - GENERAL FUND:						
TOTAL REVENUES		**900,519.18**	**1,096,283.87**	**8,850,419.98**	**19,783,536.00**	
TOTAL EXPENDITURES		**727,482.78**	**532,471.70**	**4,154,080.28**	**19,783,536.00**	
NET OF REVENUES & EXPENDITURES		**173,036.40**	**563,812.17**	**4,696,339.70**	**0.00**	

Key Largo Wastewater Treatment District
Board of Commissioners Meeting
Agenda Item Summary

Meeting Date: May 3, 2016

Agenda Item Number: O-4

Agenda Item Type: Information / Presentation

Agenda Item Scope: Review / Discussion

Recommended Action: Discussion

Department: Finance

Sponsor: Finance Dept.

Subject:

District's Banking Services

Summary of Discussion:

The District has received a proposal for banking services from Centennial Bank. This proposal would represent a significant savings to the District while increasing interest revenue.

Reviewed / Approved		Financial Impact	Attachments
Operations:	_____	$ 24,466.00	Memo
Administration:	_____	Income	Centennial Bank Proposal
Finance:	CF	Funding Source:	
District Counsel:	_____	Interest Income	
District Clerk:	_____	Budgeted:	
Engineering:	_____	Yes	

Approved By: _____ **Date:** 4/29/2016

General Manager

Key Largo Wastewater Treatment District
98880 Overseas Highway, Key Largo, FL 33037
Post Office Box 491, Key Largo, FL 33037
Phone (305) 451-4019 • Fax (305) 453-5807 • www.klwtd.com

Memo

To: Key Largo Wastewater Treatment District Board of Commissioners

From: Finance Department

CC: Paul Christian, General Manager

Date: 4/29/2016

Re: Recommended Changes for KLWTD Banking Services Provider

Based upon a recent proposal received from Centennial Bank, staff recommends moving a significant portion of our banking services to Centennial Bank.

Currently, the District has the following bank accounts:

- Four accounts with BB&T Bank which accumulate earnings credit allowances*.
- Two accounts with BB&T Bank which earn interest at the rate of 0.15% annually.
- One account with Center State (Community Bank) which earns interest at the rate of 0.19% annually
- One account with First State Bank which earns interest variably based upon market condition (this rate has historically averaged to about 0.33% annually) **

*The earnings credit allowances that accumulate on the four BB&T accounts is *like* interest. However, the accumulated earnings credit allowance can only be used to offset BB&T fees. Because of this earnings credit, the District is not currently paying any banking fees on those accounts but also is not earning interest revenue.

Centennial Bank has worked with the District for some time to earn our banking business and recently submitted an aggressively priced proposal for their banking services which includes an interest rate of 0.30% (30 basis points) annually. The interest would be calculated on <u>all</u> funds kept in Centennial accounts.

A comparative analysis was conducted by staff comparing fees charged and offset by earnings credit on non-interest bearing accounts with BB&T combined with actual interest bearing accounts with BB&T to fees charged and actual interest earned with Centennial. While the analysis showed that the District would incur activity fee expenses with Centennial Bank estimated at $400 per month (approximately $4,800 annually). The District would earn interest over the same period of about $3,000 per month.

*** First State interest was reported on original memo incorrectly as 3.0%. The correct annual interest is 0.33%.*

By moving all current BB&T and Center State accounts to Centennial Bank, and keeping an average balance of $12,000,000 with Centennial Bank, KLWTD's annual interest revenue would increase by approximately $24,466. (estimated at $31,170 with Centennial Bank vs. current combined interest of BB&T and Center State accounts of $6,704). The District's account with First State Bank account will remain open and active.

A review of our Utility Revenue Refunding Bonds, Series 2013 and Series 2014 covenants show no requirement to maintain a deposit account with BB&T Bank. An email confirmation from BB&T Governmental Finance was obtained that supports this information.

After thorough research, we have determined that it would be in the District's best interest to move all of the District funds that are currently in the BB&T Bank and Center State Bank accounts to Centennial Bank.

Respectfully submitted,

Connie Fazio

Connie Fazio
Senior Finance Manager

Bank Account Fee Comparison BB&T Bank & Centennial Bank

BB&T Bank Fees: (Using January 2016 Activity Analysis)				Centennial Bank Fees Comparison (Proposed Fees based on Actual Jan.2016 Activity)	
BB&T Svc Description:	**Monthly Activity Volume:**	**Cost Per Unit:**	**Activity Cost:**	**Centennial Bank Service Description:**	**Activity Cost:**
Deposit Account Usage Fee ($.1333/$1K)		$0.13	$854.31	No Comparable Transaction Fees	
Account Maintenance	4	$20.00	$80.00	Account Maintenance	$40.00
Checks Paid & Other Debits	107	$0.19	$20.33	Checks & Other Debits	$10.90
Credits Posted	3	$0.80	$2.40	Deposits and Other Credits	$0.30
Total ACH Originated Items	193	$0.14	$27.02	No Comparable Transaction Fees	
ACH Received Debit	9	$0.19	$1.71	ACH Debits Posted	$0.90
ACH Received Credit	5	$0.80	$4.00	ACH Credits Posted	$0.50
Corporate Call Non Rep Wire	3	$25.00	$75.00	Incoming Wire Transfers	$45.00
CMOL ACH File	4	$12.00	$48.00	No Comparable Transaction Fees	
Onsite Deposit Monthly Fee	1	$49.95	$49.95	Remote Deposit Capture - Monthly	$50.00
Remote Deposit Items Other	1	$0.13	$0.13	Remote Deposited Items	$2.00
ACH Return Notice	12	$3.00	$36.00	No Comparable Transaction Fees	
ACH Monthly Maintenance	1	$45.00	$45.00	ACH Monthly Maintenance	$25.00
CMOL Positive Pay Payee Items	95	$0.08	$7.60	Items Originated	$17.37
ACH Notification of Change	12	$3.00	$36.00	ACH Return Items and NOC's	$72.00
CMOL Business Banking Fee	3	$35.00	$105.00	No Comparable Transaction Fees	
Funds Transfer Debit	2	$4.00	$8.00	No Comparable Transaction Fees	
CMOL Positive Pay Maintenance	2	$50.00	$100.00	Positive Pay - Monthly Fee	$75.00
CD ROM Maintenance	2	$25.00	$50.00	Images on CD ROM	$70.00
Total BB&T Monthly Activity Fees:		**TOTAL:**	**$1,550.45**	**Total Centennial Monthly Activity Fees:**	**$408.97**

BB&T Bank Fees: (Using January 2016 Activity Analysis)			Centennial Bank Fees Comparison (Proposed Fees based on Actual Jan.2016 Activity)		
Total Fees	$	1,550.45	Total Fees	$	408.97
Total Earnings Credit Allowance	$	1,031.27	Total Earnings Credit Allowance	$	-
Net Fees Payable	$	519.18	Net Fees Payable	$	408.97
Interest Earned	$	713.64	Interest Earned	$	3,006.47
Net (Fees due) / Interest Earned	$	194.46	Net (Fees due) / Interest Earned	$	2,597.50

KEY LARGO WASTEWATER Treatment District

Banking Services Proposal

CENTENNIAL BANK

my100bank.com

A Home BancShares Company

Member FDIC

Delivered: March 9, 2016

my100bank.com
A Home BancShares Company

Paul Christian
Connie Fazio
Jennifer Johnson
Key Largo Wastewater Treatment District
98880 Overseas Highway
Key Largo, FL 33037

March 10, 2016

Dear Paul, Connie and Jennifer:

On behalf of everyone at Centennial Bank, thank you for allowing us the opportunity to describe the value Centennial Bank can bring to your banking relationship.

Maximizing Yield with a Strong Partnership

We discussed combining two sets of accounts, streamlining seven accounts held at your current institutions (six plus one) into four accounts.

- Two Assessment accounts and the General Operating merge into one account;
- Renewal Replacement and Interest Bearing Savings merge into one account;
- Payroll continues to stand alone, and
- Debt Service stands alone.

As requested, we have assumed the Assessment Sweep account (3292) will stay with the current institution.

The following proposal reflects the goals of not paying any fees and earning more on District funds than your current situation contributes. Other than streamlining the accounts through the consolidation discussed above, the services and "look" of the Centennial Bank banking relationship will mirror your current situation.

Using the January balances and activity analysis statement, we recommend an interest rate of 30 basis points on all funds - $13 million using the January 2016 data. An earnings credit of approximately five (5) basis points will be used to offset activity fees, and the incremental annual percent yield will be approximately 25 basis points.

On average balances of $13.4 million,
KLWTD would earn approximately $33,500 annualized –
more than 300% improvement in net interest earned on District funds.

Layered on top of this hard dollar incremental value, you will find Centennial Bank to not only be in the District service area and a customer of the District, Centennial Bank participates and supports the communities of Key Largo and throughout Monroe County. From the board of Key Largo Rotary to the Board of Trustees for the Community College, the secretary of the Elks to a seat at the table with the County Affordable Housing Advisory Council, Centennial Bankers are involved, engaged and entrenched in our local community. Centennial Bank believes in our community and we pursue relationships built on common goals and dialog. To that end, we commit to participating in annual reviews of account activity, balances and the interest rate based on evolving needs for the District and future service offerings from Centennial Bank.

Service

We look out for our customers –
that is the philosophy behind our quality control and relationship management.

We empower our front line branch teams with decision-making abilities. Decisions are made on site, not with a telephone call to someone outside of the area.

We strive to WOW each customer with world-class service, respect, and personality.
It is part of our success – the main driver of our growth is referrals from current customers – people appreciate our service.

Bank with the Best

As a publicly traded company, our financials are transparent. And the market likes what it sees.

For the third consecutive year, Home BancShares earned the Raymond James Community Bankers Cup Award. The Raymond James Community Bankers Cup awards recognize the top 31 community banks with assets between $500 million and $10 billion based on various profitability, operational efficiency, and balance sheet metrics. Of the more than 300 community banks across the United States analyzed for the awards, Home BancShares ranked in the top 10 of the Cup winners.

Last year, SNL Financial released their list of the top 25 best performing regional banks in the nation with less than $10 billion in assets. Competing against thousands of institutions, not only did HomeBancshares make the top 25, we are proud to say we made the top three.

No other bank in Monroe County can say that not one, but two globally recognized names in banking agree that Home Bancshares is simply one of the country's best performing companies, running one of the country's best-performing banks.

That, along with a Five-Star Bauer rating, means there are no questions about the financial strength of Centennial Bank. Centennial Bank represents not only Strength, but Trust and Confidence. Customer referrals continue to be the strongest driver of our growth – having grown at a double-digit pace for each of the last three years, we know we have our customers' trust and confidence.

From our start as Marine Bank in 1995, we have maintained many of the key founding directors and leadership through today. This ensures our decisions are made here in the Keys, by local people with relationships, experience and insight into our communities. The Board meets weekly to evaluate and pursue lending opportunities, and monthly to discuss issues of governance. Three of our directors also sit on the board of our holding company, making certain our regional interests and concerns are well-represented in Home Bancshares (NASDAQ: HOMB) corporate discussions.

A list of our directors follows:

Centennial Bank,
Board of Directors
South Florida Region

John Allison
- Chairman of the Board, Home Bancshares
- Founding Director, Home Bancshares
- Founding Director, Marine Bank
- Key Colony Beach homeowner for nearly 30 years

Dale Bruns
- Director, Home Bancshares
- Director, Centennial Bank, South Florida
- Key Colony Beach homeowner for nearly 25 years

Thomas Longe
- Director, Home Bancshares
- Director, Centennial Bank, South Florida
- President & COO, The Trianon Companies
- Resident of Naples for over 22 years

Scott Oropeza
- Chairman of the Board, Centennial Bank, South Florida
- Partner, Oropeza & Parks, Certified Public Accountants
- Lifelong resident of Key West

Jerry Mayette
- Director, Centennial Bank, South Florida
- Founding Director, Marine Bank
- Retired commercial fisherman
- Lifelong resident of Marathon

Joseph Roth, III
- Director, Centennial Bank, South Florida
- President, Regan Insurance
- Lifelong resident of Islamorada

Edward Wotitzky
- Director, Centennial Bank, South Florida
- Partner, Wotitzky & Wotitzky
- Lifelong resident of Punta Gorda

Teresa J. Condas
- Regional President, South Florida
- Director, Centennial Bank, South Florida
- Nearly 40 years in banking
- 15-year resident of Marathon

Not just a Bank, a Partner

We want to be your bank, but more importantly, we want you to feel we are your partner. Centennial Bank brings a spirit of collaboration and partnership to all of our relationships – we like to get creative with how we support our customers.

Our success is predicated on your success. At Centennial Bank, it is all about you.

No other bank wants
the Key Largo Wastewater Treatment District's banking relationship
more than Centennial Bank.

Thank you again for the opportunity to describe the benefits that would come with a Centennial Bank banking relationship. We have no doubt you will be pleased with the choice. We look forward to your questions and discussion.

Thank you again for your consideration. We look forward to your questions.

Sincerely,

Teresa Condas
President, South Florida
305.676.3002

Stephanie Scuderi
SVP/Director of Business Development, South Florida
305.394-4822

Addendum

Described below are outlined points regarding the management of checking accounts (including banking supplies, payroll direct deposit, night depository and payroll)

- Centennial Bank will provide a starter kit, which includes first order of checks, endorsement stamp and deposit tickets at no charge.
- Centennial Bank will provide 24 hours a day/7 days a week internet banking services at no charge with free bill pay service.
- Centennial Bank will provide a daily courier service at no charge
- Centennial Bank will provide unlimited zipper deposit bags at no charge.
- Our Cash Management product accepts and processes standard NACHA formatted ACH files and allows you to create ACH files for direct deposit of employee payroll, direct deposit and vendor payments if desired. ACH credit and debit files can be sent in advance as early as 30 days and as late as one day.
- Direct deposits to employee accounts held with Centennial Bank will be made into the employee accounts by 8am on payday. Those deposits going to accounts at other institutions will post at the discretion and timing dictated by those institutions.
- Through Cash Management, Centennial Bank will provide wire transfer services. Wire Transfers incoming will be available for investment that evening. You may also initiate wire transfers through a branch representative, if desired.
- Centennial Bank's Cash Management system also allows:
    - User security which controls multiple user access
    - Report writing
    - E-Mail alerts
    - Account updates in real time
- Centennial Bank will cash all checks issued by the District at no charge.
- Centennial Bank will offer VIP checking accounts to all volunteers and employees of the District. We look forward to presenting the benefits of this account.
    - Free checks
    - Free Automatic Nationwide ATM access (no fees, no receipt necessary)
    - Free instant issue debit card
    - Free Online Banking and Bill Pay Service
    - No minimum balance and no monthly service charge
    - One free overdraft per year
- A Monthly statement will include:
    - Beginning and ending balances;
    - Daily balances;
    - Check number, date paid, and amount paid in check number sequence;
    - Cancelled check images – Centennial Bank check processing is handled via image transmission. The Federal Reserve no longer returns actual checks to Centennial Bank;
    - Credits and miscellaneous debits will be listed separately from cancelled checks including wire transfers;
    - Monthly statements will be for a full calendar month and will reflect all debit and credit activity arranged by date;
    - The statements will be delivered electronically within three (3) working days from the statement date;
    - The bank will provide images of all debit and credit memos in date order on a monthly basis.

Centennial Bank offers a business credit card program. Limits and rate would be subject to application and review.