

Key Largo Wastewater Treatment District Board of Commissioners Meeting Agenda

4:00 PM Wednesday, March 26, 2003

Key Largo Civic Club

209 Ocean Bay Drive

Key Largo, Monroe County, Florida

Commissioners Present

Andrew Tobin, Chairman
Gary Bauman, Member
Cris Beaty, Member
Charles Brooks, Member
Jerry Wilkinson, Member

Staff Present

Robert Sheets, General Manager
David Miles, Chief Financial Officer
Amy Dukes, Legal Counsel, via telephone
Faith Doyle, Clerk

Guests Present

Dick Smith, Florida Department of Environmental Protection
Douglas H. Eckmann, Boyle Engineering
Charles Fishburn, Gartek Engineering
Robert E. Burt, Key Largo Trailer Village
Michael Longenecker, Boyle Engineering
Burke Cannon, IKLFHA
Patricia Carney, EPJV
Steve Gibbs, Reporter, Free Press
Tim Bergin, Keys Resident

A. Call to Order

Chairman Tobin called the meeting to order at 4:05 P.M.

B. Pledge of Allegiance

The pledge was replaced with and a moment of silence to observe the loss of the passing of those who have been killed in the war with Iraq.

C. Additions, Deletions or Corrections to the Agenda

Chairman Tobin stated that Ms. Patricia Carney representing the Corp of Army Engineers was present with information for the Board.

Chairman Brooks requested to have his item, the report on the status of the Evaluation Committee to be moved.

Action item number two, the Management Services Agreement with Government Services Group was moved to the April 9th meeting agenda.

Ms. Carney representing the Army Corp of Engineers was present to discuss the water quality initiative 100 million dollar grant. She stated there is a need for program management concerning the storm water and wastewater aspects of the program and that the Monroe County Master Plan was used as the basis for the draft document. The Program Management Plan (PMP) is purposed to be a check of what needs to be done and it includes the list what projects are included and their priority. To facilitate the process a Project Implementation Team was appointed, including Commissioner Charles Brooks. Ms. Carney stated that comments on the plan are needed from the KLWTD because this document will be used to implement the projects. Ms. Carney requested the document be reviewed for accuracy on all projects, just not the initial ones, to update the cost estimates and verify all other project information. The priority projects to be reviewed immediately included the KLTV and KLP.

Chairman Tobin asked if action was required from the Board at this meeting. Ms. Carney stated the Board and staff needs to review the KLWTD sections of the draft document and see if it is accurate and to indicate the plan to execute the projects, the number of projects that are underway, and future projects need to be verified. The initial project list includes approximately 100 million in funding to the region and was to be split up with 29 million going to Monroe County. The KLWTD portion was to be part of the County's 29 million and was to be given to priority projects and funded in the order of the stated priorities. Ms. Carney stated that if the Board disagrees with the project list, as presented discussion with the County would be needed. Ms. Carney has forwarded the draft PMP via e-mail to the Board/

Mr. Sheets stated concern because these projects are part of the budget plan and it would be difficult to revisit the master plan. Mr. Sheets stated that this was the first indication he had that this document existed. Ms. Carney stated that this needs to be prepared to get funding and that the first deadline has been missed. The initial deadline was February 12, 2003. Ms. Carney stated that the County has completed its review and that the KLTV and KLP project were removed from the County priority list. Ms. Carney added that the document could be amended and that not all funds are appropriated at once. An update from the KLWTD would help to secure funding for the KLWTD. Commissioner Bauman asked if the KLWTD information is in it the same priority order as the original legislation. Ms. Carney stated that she placed the KLWTD information into the document as best she could and if the KLWTD reviews it and verifies it is correct then that would be sufficient.

Chairman Tobin requested that Ms. Carney communicate with Robert Sheets, and that she please let Mr. Sheets know what the critical pages and issues are. If the Board were required to pass a resolution to amend the document it would be done as soon as possible. Ms. Carney stated that she would see if there could be another extension of the deadline.

Commissioner Brooks stated that as a member of the Intergovernmental Cooperation Team he has seen the draft document that the Army Corp of Engineers has prepared for the federal appropriations. Commissioner Brooks has reviewed it and believes the project priority list is accurate. Chairman Tobin requested that Commissioner Brooks as a member of the committee work with the General Manager to expedite this process. Discussion

ensued on the need to have this item re-approved by the Board, because it is part of the County Master Plan, which was previously approved by the KLWTD Board. Commissioner Brooks stated that the disbursement of the funds is more of an issue because it was changed to the unincorporated area of Key Largo instead of it being the KLWTD. County Commissioner Nelson is working for the whole 29 million to be appropriated for Key Largo, however it appears that it may only be 14% of the 29 million that would be appropriated to KLWTD.

Chairman Tobin requested that Commissioner Brooks be appointed to work with the General Manager for them to determine if this item could be done by the deadline and if it requires an amendment or any other official Board action at a future meeting.

Chairman Tobin asked for public comment on the issue. Burke Cannon of the Key Largo Federation of Home Owners stated that the split is important to them because the association represents 6,000 people. Mr. Burke is in possession of a letter of designation stating that KLWTD had the 29 million appropriations from the County. Mr. Cannon asked if it has changed. Ms. Carney stated that 29.3 million has been appropriated for the unincorporated area of the County and that 8.6 million goes to KLWTD based on priorities. Mr. Cannon stated that he would report the situation to his executive committee, adding that this issue needs to be addressed immediately and that the County must be pressed for the whole 29.3 million. Chairman Tobin agreed and added that it is a very important issue, especially because of the letter agreement that stated KLWTD was to be the recipient of the whole allocation and that now only a percentage of the 29.3 million is to be allocated.

Ms. Carney stated that the split is not arbitrary but is done on priorities from the County Master Plan, which the KLWTD has adopted. Ms. Carney does not believe it can be drastically changed. Chairman Tobin stated that the Board would take up the issue of splitting up of the 29 million dollar appropriation with the County. Chairman Tobin officially requested a two-week extension to review the document. Ms. Carney thanked the Board for their assistance and would inform the board as soon as possible if an extension were granted.

Mr. Sheets introduced Mr. David Miles, CFO who would be presenting financial information per the Management Services Agreement and would be responsible for all financial deeds and tasks. The Board welcomed him to the KLWTD staff.

D. Action Items

1. Presentation by the General Manager of the Work Plan for Developing and Implementation of a Non Ad Valorem Assessment Program for administrative and management costs

Mr. Sheets stated the item was presented at the request of the Board. The plan includes the cost to implement the tasks. Costs not included are drafting of first class notices if TRIM cannot be used and drafting of any necessary resolutions. The process can begin after the May 19th decision on the MSTU, however it may result in a time crunch.

Discussion ensued on the benefit to the residents of implementing the program, how much revenue would be generated and on identifying the properties to be assessed. It was suggested to table the item until the April 9, 2003 meeting.

Mr. Robert Burt a resident of Key Largo Trailer Village asked if the KLWTD has the authority to request Non-ad Valorem Assessments. Chairman Tobin stated that the KLWTD has the authority as a special district of the State. Mr. Burt stated that informed residents prefer the MSTU. Chairman Tobin suggested that residents appear at the BOCC 5/19/03 meeting where they would act on the KLWTD's request to implement and MSTU.

Mr. Burke Cannon representing the IKLFHA stated that the tier program may impact the assessment idea and that he personally supports the MSTU and voted for it.

Discussion ensued on the financial impact of an MSTU versus that of a special assessment on homeowners. Commissioner Brooks stated that the implementation of an MSTU would cost little but the reoccurring costs of a special assessment would become burdensome.

COMMISSIONER WILKINSON MOTIONED TO TABLE ITEM D-1 UNTIL THE APRIL 9, 2003 MEETING. COMMISSIONER BROOKS SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

2. Presentation by the General Manager of the Professional Consultant Services Agreement by and between KLWTD and Government Services Group, Inc.

COMMISSIONER WILKINSON MOTIONED TO TABLE ITEM D-2 UNTIL THE APRIL 9, 2003 MEETING. COMMISSIONER BROOKS SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

3. Presentation by the General Manager on the Consultants' Competitive Negotiation Act (CCNA) process

Mr. Sheets stated that the CCNA process was necessary and he described the process, adding that entering into a contract with engineers would not be a guarantee of work.

COMMISSIONER WILKONSON MADE A MOTION TO ADVERTISER FOR REQUESTS FOR QULIFICATIONS FOR ENGINEERING FIRMS. COMMISSIONER BAUMAN MADE A SECOND TO THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

4. Presentation by the General Manger of Amendment No. 1 to DEP Agreement LP0338 and KLWTD Resolution 2003-14

Mr. Sheets requested this be the last item presented because it would most likely generate lengthily discussion.

Mr. Sheets introduced Mr. Dick Smith, Project Manager for the Department of Environmental Protection (DEP) at 7:02 P.M. Mr. Sheets stated that Mr. Smith was present to answer any questions the Board had on Amendment No. 1 to Agreement LP0338.

Mr. Smith stated that 1.66 million dollars has been reserved for the KLTV and KLP projects however, the amendment presented must be approved by the KLWTD Board by March 31, 2003 and forwarded to the DEP along with an acknowledgment that the Board intends to proceed with the projects, subject to the constraints of the agreement. Mr. Smith stated that

a resolution, like 2003-14, would serve the purpose of acknowledging intent to proceed by the KLWTD Board.

Discussion ensued about what points of the amendment were negotiable. Mr. Smith stated that he could adjust the dates if the request was reasonable. Any substantive changes would need to be looked at by the DEP.

Commissioner Brooks asked if Resolution 2003-14 item 2 had been covered in the Interlocal agreement, which states the KLWTD would proceed with the projects. Mr. Smith stated that the amendment and resolution are required because the first submittal to the DEP is generally a rough draft and as more information becomes available the submittal needs to be updated to reflect it.

Discussion ensued on particular points of the amendment and resolution. Mr. Smith stated that once a revised project budget and resolution stating that the projects would proceed the dates in the agreement could be changed. The resolution is needed because the project costs have been received and the decision to proceed should be imminent. Mr. Smith stated that if the KLWTD were not willing to commit prior to the March 31, 2003 deadline the money would no longer be available.

- a. Approval of KLWTD Resolution 2003-14 resolving to proceed with project work for the Key Largo Park Project and the Key Largo Trailer Village Project

A motion was entertained to approve Resolution 2003-14 with item 2 being stricken. Discussion ensued and Chairman Tobin asked if the April 30, 2003 deadline was negotiable. Mr. Smith stated it could be. Chairman Tobin asked what the March 31 deadline constitutes. Mr. Smith stated it was the deadline that was agreed to by the Board in the original application to the DEP. Chairman Tobin reviewed the original agreement that was presented to him by Mr. Smith.

Mr. Sheets interjected that the changes requested are a revised project budget and project schedule to be forwarded when ready, however the amendment presented this evening requesting these items, and other modifications to the original agreement, must be approved by the KLWTD by March 31, 2003.

Commissioner Wilkinson stated the amendment mentions permitting the projects prior to March 31, 2003. Doug Eckman of Boyle stated that the permitting process has begun prior to the deadline.

Mr. Smith stated that the original agreement is a roadmap. The agreement can be changed by amendments and this is the first refinement of the agreement by revising the budget and selecting the contractor.

Further discussion ensued. Chairman Tobin requested clarification on what specifically the Board was amending on the project schedule. Commissioner Wilkinson asked if the award date could be changed to May 14, 2003. Mr. Smith stated that yes it could, that May 14, 2003 was acceptable, however then point number six, initiating the design build may need to be changed also. Mr. Smith cautioned that due to the budget process money left dormant could be re-appropriated.

Commissioner Brooks asked if the date could be pushed back to May 30, 2003. Mr. Smith stated that this would not be acceptable. Commissioner Brooks asked about other scheduled dates listed, such as the treatment plant being done by September of 2004, KLP by August 30, 2004 and the KLTV by January 2005. The dates were discussed and Mr. Smith stated that other dates could also be amended due to changes in the construction schedule. Commissioner Brooks suggested leaving Resolution 2003-14 item 1 as it is and change the date in item 2 to May 14, 2003. Mr. Smith would agree to this change and would change items 1 and 2 of the project schedule in the agreement to reflect this change.

Commissioner Beaty asked if the cost proposals are higher per EDU than the County's Master Plan EDU cost, and if so is there any chance to re-bid the projects to see if a lower cost could be achieved. Mr. Smith stated that re-bidding would constitute the KLWTD not being ready to go as required by the agreement. Mr. Smith added that re-bidding is not a viable option and if chosen by the Board would negate the present agreement.

Discussion ensued on the cost of an EDU and the most efficient use of the grant money.

Mr. Smith was asked what an efficient EDU cost would be in his opinion, or what should it cost for an EDU for wastewater. Mr. Smith stated that is variable for each situation. The market decides what is reasonable, but some areas pay up to \$14,000 in capacity fees compared to the \$2,700 that would be paid by Key Largo residents.

Chairman Tobin asked why did KLWTD have two different bidding procedures for projects that were closely related. Mr. Smith believes that the FCAA requested Boyle Engineering to use different methodologies because of time constraints and because the KLP project is only a collection system and the KLTV included collection, treatment and disposal, which takes longer and includes permitting. It was asked where the March 1, 2003 deadline came from. It was stated that Representative Sorenson listed it in the original request for appropriations.

Commissioner Wilkinson stated that the bottom line is that the cost of the system divided by the number of houses served would equate to \$23,000 per EDU. Mr. Smith stated the system was designed for 850 homes and it would be a burden up front to those who come on line first.

Chairman Tobin stated that after reviewing the original grant agreement he would strongly suggest that the amendment be worded differently and that the amendment is adding to the original agreement, which concerned him.

Mr. Smith stated that the amendment and resolution was to demonstrate the Board's willingness to go forward with the projects.

COMMISSIONER BAUMAN MADE A MOTION TO APPROVE RESOLUTION 2003-14 WITH THE REMOVAL OF ITEM 2 OF RESOLUTION 2003-14. COMMISSIONER BEATY SECONDED THE MOTION. ALL WERE IN FAVOR. THE MOTION WAS UNANIMOUSLY APPROVE.

b. Approval of Amendment No. 1 to DEP Agreement LP0338

COMMISSIONER BAUMAN MOTIONED TO APPROVE AMENDMENT NO. 1 OF DEP AGREEMENT LP0338 WITH THE CORECTIONS TO SECTION C OF A, THE PROJECT SCHEDULE, ITEM 1 AND 2 CHANGING THE STATED DATE FROM APRIL 30 TO NOT

LATER THAN MAY 14, 2003. BROOKS SECONDED THE MOTION FOR THE PURPOSE OF AMMENDING MR. BAUMAN'S MOTION TO INCLUDE THE KLP BIDS. THE CHAIRMAN CALLED FOR A ROLL CALL VOTE. THE ROLL CALL VOTE WAS AS FOLLOWS:

COMMISSIONER BAUMAN	YES
COMMISSIONER BEATY	YES
COMMISSIONER BROOKS	YES
COMMISSIONER WILKINSON	YES
CHAIRMAN TOBIN	NO

THE MOTION WAS APPROVED BY A VOTE OF FOUR IN FAVOR AND ONE NOT IN FAVOR.

5. Presentation by the Chief Financial Officer of the Pending Payments Schedule

Mr. David Miles presented the Pending Payments Schedule and asked if there were any questions prior to approving the payment schedule. Mr. Miles stated that \$7,500 had been paid for the insurance and that the binder had been received. Chairman Tobin requested copies of the insurance binder be provided to the Board members.

Commissioner Wilkinson stated that the travel expense listed for him were truly telephone calls, however, the reporting form did not include a section for requesting reimbursement for long distance phone calls. Mr. Miles stated that the form could be amended to reflect long distance phone charges.

a. Approval of the Pending Payments Schedule

Mr. Miles stated that per the Interlocal Agreement with FKAA and the County funds could be requested once the document had been approved. The first payment in the amount of 20% of the \$245,000 has been requested and would provide funds for April and May operations. Mr. Miles stated that the payroll documents required to generate the payroll for March had been forwarded to all Board members. Chairman Tobin requested that until his documents are on file his payroll be deferred until April so that all the current bills could be paid with the funds presently available. Mr. Miles recommends payment of the bills listed. Mr. Miles stated that the Gartek additional services invoices were not included but needs to be addressed. Mr. Miles requested the Board consider approving the recurring payables. Commissioner Wilkinson concurred. The Board discussed recurring payables further and decided to address the issue at a future meeting.

COMMISSIONER BROOKS MOTIONED TO APPROVE THE PENDING PAYMENTS SCHEDULE INCLUDING THE \$20,000 GARTEK INVOICE. COMMISSIONER WILKINSON SECONDED FOR DISCUSSION. Chairman Tobin stated that the Lewis, Longman and Walker payment notation stated that services rendered were through 3-1-03 and this is not accurate and that it should be 2-28-03. Mr. Miles stated he would amend the schedule to reflect the change as noted. Chairman Tobin addressed the GARTEK additional services request to Mr. Betancourt stating that the original contract had been approved, however, no additional services requests had been presented to the Board prior to an invoice being submitted. Mr. Betancourt stated that the original contract amount had nothing to do with the additional services and the he has been working since November without payment. Chairman Tobin asked Mr. Betancourt if he agreed that the approval of the

\$20,000 contract payment does not mean the Board approves of the additional services invoices. Mr. Betancourt stated that he understood the additional services have not been approved by the Board for payment. Chairman Tobin requested that with Legal Counsel approval an acknowledgment be signed stating that the additional services are separate from the \$20,000. Chairman Tobin requested his payroll amount be removed from the list as an amendment. **THE QUESTION WAS CALLED. CHAIRMAN TOBIN CALLED FOR A VOTE AND ALL WERE IN FAVOR. THE MOTION WAS APPROVED.**

Chairman Tobin called for a recess at 6:00 p.m.

Chairman Tobin reconvened the meeting at 6:10 p.m.

E. General Manager's Report

1. Status report on the DEP Grant Application Agreement No. LP0338

Please see above.

2. Status report on preparations for March 29, 2003 community meeting

Mr. Sheets stated that he and Mr. Sweat would attend the Key Largo Trailer Village Community Picnic to answer questions. Mr. Sheets noted that Mr. Sweat and Mr. Burt are scheduled to tour the Key Largo Trailer Village in preparation for the upcoming construction project.

3. Status report on the EPA Steering Committee, Water Quality Protection Program, Florida Keys National Marine Sanctuary

Mr. Sheets stated the information provided was to update the Board on the progress of the EPA Steering Committee. Mr. Sheets and Commissioner Brooks would be attending the meeting to be held on April 3, 2003.

4. Discussion of Key Largo Park project award

The Board deferred discussion on this item until the Commissioner Brooks presented his report on the Evaluation Committee.

F. Chief Financial Officer's Report

1. Discussion of FY2004 Budget Calendar

Mr. Miles suggested that the May 14, 2003 Board meeting include FY2004 budget discussions. Mr. Sheets suggested that a workshop that would be attended by a rate consultant to present various methodologies for budgeting be considered.

Commissioner Brooks asked if a special meeting for May 20th should be scheduled for the budgeting workshop and to discuss the outcome of the May 19th Monroe BOCC decision on the MSTU. Mr. Sheets stated that May 20th could be considered for a special meeting.

2. Discussion of the need for an External Auditor

Mr. Miles stated that the KLWTD was required by law to retain an external auditor and that the selection of an auditor would fall under the Consultants Competitive Negotiations Act (CCNA). Mr. Miles stated there was \$10,000 budgeted for an external auditor.

COMMISSIONER BROOKS MADE A MOTION TO ADVERTISE FOR AN EXTERNAL AUDITOR IN ACCORDANCE WITH THE CCNA. COMMISSIONER BAUMAN SECONDED THE MOTION. ALL WERE IN FAVOR AND THE MOTION WAS UNANIMOUSLY APPROVED.

G. Legal Counsel's Report

PLEASE SEE ABOVE

H. Engineer's Report

There was no report from the engineer.

I. Commissioner's Items

1. Status report on the Evaluation Committee from Charles Brooks

Commissioner Brooks stated that as Chair to the Committee it had meet several times and he is pleased with the progress being made. The Committee was charged with evaluating the technical proposal submitted for the design/build project for KLTv. After the technical proposals were ranked by the Committee and the summary scoring sheet read into the record the cost proposals were opened and read into the record. The cost proposals did not provide enough information and the Committee appointed a sub-committee of Mr. Fishburn and staff member Fred Mittle to develop a form to provide the Committee with more detail on the cost proposals. The Committee has not finished their work. The request for additional information has been forwarded the vendors. The Committee is considering asking for vendor presentation or interviews. Copies of the Evaluation Committee Summary Scoring Sheet and the KLTv Cost Proposal Tabulation Sheet were provided for the Board.

Commissioner Brooks stated that without the KLTv project award being complete the KLP project could not be awarded because of the funding issue. The bid tabulation for the KLP project that included the base bid and the three alternatives were provided for the Board for their information.

Commissioner Bauman asked if the KLP bid must be awarded to the lowest bidder. Mr. Smith of the FDEP stated that the lowest responsible bidder must be awarded the contract. Commissioner Bauman asked when the Committee would be submitting their recommendation to the KLWTD Board. Commissioner Brooks stated that tentatively April 9, 2003 was being looked at by the Committee. Discussion ensued on the need for the vendors to present to the KLWTD Board or to the Committee and the date a recommendation must be given to the Board.

Mr. Sheets stated that the Evaluation Committee is doing impressive work and should be recognized for it. Commissioner Brooks stated that the financial report given by David Miles was excellent and well presented.

J. Minutes – February 26 2003

No action was taken by the Board on this item; it will be included on the April 9, 2003 agenda.

K. Meeting Adjournment

COMMISSIONER BEATY MOTIONED TO ADJOURN THE MEETING. COMMISSIONER BAUMAN SECONDED THE MOTION. ALL WERE IN FAVOR. CHAIRMAN TOBIN ADJOURNED THE MEETING AT 8:10 PM.