



Key Largo Wastewater Treatment District Board of Commissioner's Meeting Agenda

5:00 PM Wednesday, March 3, 2004

**Key Largo Civic Club, 209 Ocean Bay Drive
Key Largo, Monroe County, Florida**

Board Members Present

Gary Bauman, Chairman
Cris Beaty, Member
Charles Brooks, Member
Andrew Tobin, Member (Comm. Tobin joined the meeting in progress at 5:20 p.m.)
Jerry Wilkinson, Member

Staff Members Present

Charles Sweat, Director of Operations, Government Services Group, Inc.
Tom Dillon, Board Attorney
Ed Castle, Board Engineer
Faith Doyle, Board Clerk

Guests Present

Will English, The Haskell Company
Luis M. Areos, Key Largo Resident
Steve Gibbs, Reporter for the Free Press
Burke Cannon, Key Largo Resident

A. Call to Order

Chairman Bauman called the meeting to order at 5:12 p.m.

B. Pledge of Allegiance

The pledge of allegiance was recited.

C. Additions, Deletions or Corrections to the Regular Meeting Agenda

Commissioner Wilkinson request a discussion concerning the paying of invoices from grant funds. The item was added as K3 with back provided by Comm. Wilkinson entitled SUSTAINABLE DISTRICT FISCAL VIABILITY.

D. Minutes – Draft Draft January 14, 2004, Draft February 4, 2004 and Draft February 18, 2004

Commissioner Beaty made a motion to approve the minutes of January 14, 2004. Commissioner Wilkinson seconded the motion. Chairman Bauman requested a roll call vote.

Commissioner Beaty	Yes
Commissioner Brooks	No
Commissioner Wilkinson	Yes
Commissioner Tobin	Not Present
Chairman Bauman	Yes

The motion was approved.

Commissioner Brooks made a motion to postpone action on the February 4, 2004 minutes and the February 18, 2004 minutes until the next meeting. Commissioner Beaty seconded the motion. All were in favor.

E. Public Comment

No one present wished to address the Board.

F. Legal Counsel's Report

Mr. Dillon presented the letter forwarded to Rep. Sorenson that included the financial impact statement. Mr. Dillon informed the Board that he had received an email receipt stating that the amendment had been received by Rep. Sorenson and that he would introduce it during the 2004 session.

G. Action Items

1. Approval of the Pending Payments List for February 25, 2004

Chairman Bauman brought the pending payments list to the floor for consideration. Commissioner Tobin asked about Payment No. 1 to Monroe County and if the first principle and interest payment is due per the agreement with Monroe County. Commissioner Wilkinson suggests holding the payment until paid invoices could be forwarded to Monroe County to offset this expense. He believes paid invoices should be considered as credits because the \$100,000 had been tax funds paid by the residents and the work being done is for the wastewater to be completed as required. Commissioner Wilkinson informed the Board that he had spoken with Mayor Nelson who requested an email concerning the issue be forwarded from the Board and he would then follow up on the idea of crediting the KLWTD for invoices paid. Commissioner Tobin believes the agreement should be honored and payment should be forwarded to avoid default. Commissioner Brooks agreed with Comm. Wilkinson because the original discussions were to have the \$100,000 be a grant, it should be held until the repayment issue is resolved. Discussion ensued. The Board requested a future agenda item requesting the County to consider forgiveness of the \$100,000.

Commissioner Wilkinson made a motion to approve the pending payments list with the exclusion of the Monroe County payment. Commissioner Brooks seconded the motion. All were in favor and the motion was approved.

H. General Manager's Report

Mr. Sweat requested the Board consider a letter from Haskell dated March 2, 2004 that indicated the change order had been redrafted per the concerns expressed by the Board. Mr. Kinsley stated that in November a change proposal for \$76,000 was approved unanimously by the Board. The design work began as indicated by the change order. Minor changes to the document were presented on 2-4-04. Commissioner Wilkinson's concerns on approximately \$2,800 of costs and the 5 % issue caused the item to be tabled. Mr. Kinsley outlined the response and noted it included concessions in the amount of \$1,950. Discussion ensued concerning the document. The issue of 5% mark up on indirect or direct costs were discussed. It was noted that expanded drawings that were not included in the original plan would be considered direct costs. Mr. Dillon stated that indirect and direct costs were not specified in the contract and he used the Florida construction guidelines for a basis. He recommended that the Board might want to approve the change order as presented and consider the costs as indirect. Mr. Kinsley offered to take out the questionable costs to get the item processed so that the designers, Brown and Caldwell could be paid. Comm. Tobin continued to question if the objections were conceded to and if approving the document would set precedent. Mr. Kinsley requested the document be signed as approved adding that he did not believe it would be setting precedent. It was noted that at the next design team meeting discussion of what is and is not direct and indirect costs would be done. Commissioner Brooks recalled 5% over the costs on change orders being discussed at the review meetings. Commissioner Brooks doesn't want to reopen the issue because cost plus 5% on change orders was in the contract. Commissioner Bauman suggested that Mr. Dillon research for the next design team meeting what direct and indirect costs are.

Commissioner Tobin made a motion to approve the change order with the additional deduction of \$1,080 and added "This change Order does not establish a precedent as to the manner in which the contractor may markup contract costs for change orders." Commissioner Brooks seconded the motion. Chairman Bauman requested a roll call vote.

Commissioner Beaty	Yes
Commissioner Brooks	Yes
Commissioner Tobin	Yes
Commissioner Wilkinson	No
Chairman Bauman	Yes

The 3% bonding cost was discussed and it was requested that the issue be clarified for the next change order. Commissioner Tobin asked for proof of how the insurance works so that there is a specific add on amount for design build contracts. Mr. Kinsley of Haskell agreed to do this. Mr. Dillon stated for clarification that the agreement was amended to state that precedent had not been set and that the final total was \$73,767.

1. Update on Strategic Planning

Mr. Sweat asked the Board to consider the 2-25-04 Memorandum from Mr. Sheets. He recommended the Board accept the Saturday schedule and entertain hiring Dr. Marlowe. Discussion ensued on the need for a facilitator, the cost of a facilitator and if the facilitator would be required at all workshops scheduled. Commissioner Tobin was not in favor. He believes the short-term issues need to be tackle first, such as employing an office secretary, a financial manager and a utility manager. Commissioner Wilkinson agreed that the district should be ready to go on its own by May 9 and that Mr. Sheets should be the facilitator under the terms of his contract he has the experience to set up an interim strategic plan from the master plan. Commissioner Beaty stated that the Saturday dates do not work with his schedule.

Commissioner Brooks reads from the memo and adds that he and others had requested workshops several times over the past year. He suggested holding a workshop as an advertised public meeting but to make decisions but to create consensus for setting action item for future agendas.

Chairman Bauman accepted public comment from Mr. Gibbs who stated that facilitated local meetings would be a good experience for the Board. Mr. Burk Cannon wants it to be in the public and added that a facilitator has the expertise to try to bring the Bard together in a common direction.

Chairman Bauman agreed the Board should start with a ½ day on the transition plan. He believes a facilitator is necessary and that the Board owes the citizens a clear statement of direction and a plan. Discussion continued.

Commissioner Brooks moved to set the first workshop meeting to be held on Saturday the 27th of March beginning at 1:00 p.m. at the Key Largo Civic Club if it is available. Commissioner Tobin seconded the motion. All were in favor.

Discussion concerning the use of facilitator continued. Chairman Bauman requested that the suggested facilitator contact each Board member. **Commissioner Brooks made a motion to direct staff to contact Dr. Herb Marlowe or other facilitators to contact each Board member prior to March 17, 2004, and to add an action item to the March 17, 2004 agenda to act on the attendance of a facilitator at the March 27, 2004 workshop. Commissioner Beaty seconded the motion. Chairman Bauman requested a roll call vote.**

Commissioner Beaty	Yes
Commissioner Brooks	Yes
Commissioner Tobin	Yes
Commissioner Wilkinson	Yes
Chairman Bauman	Yes

The motion was unanimously approved.

2. Update on conversation with Science Kilner of FEMA on a FEMA Grant Extension

Mr. Sheet's memo was presented to the Board. Mr. Sweat stated that the issue of requesting an extension would be addressed at the 3/10/04 design team meeting. Commissioner Wilkinson feels an extension should be requested immediately before the need becomes paramount. Commissioner Wilkinson stated that at least a six-month extension be requested. Discussion ensued on the need to initiate a request for an extension immediately or waiting.

It was the consensus of the Board to request a letter from The Haskell Company concerning the submission of the site plan and the conditional use application. Mr. Sweat stated he would draft and forward a letter.

3. Update on Initial Contact with Agencies Concerning Near Shore Water Monitoring and Testing

Mr. Sweat updated the board as per the memorandum adding that research would continue and the Board would be updated at future meetings.

Chairman Bauman recessed the meeting at 7:05 p.m.

Chairman Bauman reconvened the meeting at 7:15 p.m.

I. Engineer's Report

1. KLWTD Engineering Status Report for the Period Ending 02/24/04

Mr. Castle presented and reviewed the report. Dry line permitting was discussed and that the scheduling would be handled by the contractor. It was noted that the Board as the permittee would have to give its approval of any permit issued.

Commissioner Tobin asked if there was a time frame for action concerning the Calusa Campground Report. Mr. Castle stated that the next step would be to develop a connection policy and to provide acceptable options to the property owners. Discussion ensued. A meeting to accept public input was suggested prior to implementation of any connection policy.

It was suggested a letter be forwarded to the condominium association. Mr. Sweat suggested meeting with the condo board prior to a letter being sent. Commissioner Tobin thinks the Board should be the first contact and provide them with information and a copy of the study and invite them to attend the KLWTD meetings. It was the consensus of the Board to have a letter forwarded to the Calusa Campground Condominium Association by Mr. Sweat. The letter was to be signed by Chairman Bauman.

Chairman Bauman made a formal request for Mr. Dillon's attendance at the design team meetings. The Board discussed it with Commissioner Wilkinson commenting that he should attend at the hourly rate. Commissioner Brooks was not sure if there were enough legal issues to incur the expense for several hours. Chairman Bauman suggested Mr. Dillon stand by on the cell phone. It was noted that it is difficult to ascertain what is a legal issue. Commissioner Tobin stated that it would be of benefit to have Mr. Dillon attend. However Mr. Sweat as the Director of Operations should conduct the meetings.

J. Public Comment

Mr. Burk Cannon asked why public comment would be requested from Calusa if they would have to come on line by statute. Discussion ensued on the enforceability of mandatory connection ordinances. Discussion ensued on the issue of deciding if the expansion of the plant should be explored versus completing the KLP.

K. Commissioner's Items

1. Discussion of the Haskell Company suggested project manager – Chairman Bauman

It was noted that the contract stated the District has the right to approve a submittal suggesting a project manager. Mr. English was requested to have Mr. Kinsley forward a submittal for the Board's consideration at the March 17, 2004 meeting.

2. Discussion of Municipal Wastewater Appropriations Deadlines – Commissioner Tobin

The item was informational.

3. Discussion of SUSTAINABLE DITRICT FISCAL VIABILITY -- Commissioner Wilkinson

Discussion ensued on spending grant money versus MSTU funds. It was noted that grant money is restricted and MSTU funds are less restricted. Discussion ensued on the accounting issues and if Mr. Miles should be directed to pursue the issue of deducting administrative fees from the County \$100,000 loan. Commissioner Tobin suggested the Board enact a policy of 25% of project cost be considered overhead to be submitted for credit to the project cost. It was the consensus of the Board to have Mr. Miles research and recommend if this could be done. The Board requested that Mr. Miles attend the next meeting by phone.

L. Meeting Adjournment

Chairman Bauman adjourned the meeting at 8:02 p.m.