

MINUTES

Key Largo Wastewater Treatment District (KLWTD)

Board of Commissioners Meeting



April 19, 2006
98880 OVERSEAS HWY, KEY LARGO, FL 33037

The Key Largo Wastewater Treatment District Board of Commissioners met for a regular meeting on April 19, 2006 at 5:00 PM. Present were Chairman Glenn Patton, Commissioners Gary Bauman, Andrew Tobin, Charles Brooks, and Claude Bullock. Also present were General Manager Charles F. Fishburn, District Counsel Thomas Dillon, District Clerk Carol Walker and all other appropriate District Staff.

The Pledge of Allegiance was led by Chairman Patton and a moment of silence was observed in remembrance of the late Board of County Commissioner Murray Nelson.

Approval of Agenda

Commissioner Bauman requested that the Pending Payment list be placed in Bulk Items and he would like to have it moved there at all times unless there is something unusual in the pending payments.

General Manager Charles F. Fishburn requested that item 9 be replaced with the resolution for the SRF Loan.

Agenda was approved by consensus.

Public Comment: The following persons addressed the Commission; None

Public Hearing

This appeal has been requested by Critters of the Keys, Inc., d/b/a Keys Kritters, and concerns the non-ad valorem assessment on the Tax Parcel at 100636 Overseas Highway.

Carol Walker, Board Clerk, swore in the witnesses.

District Counsel Thomas Dillon explained to Mr. Robert Majeska that generally if he wanted to appeal the decision of the administrative body then he would need a verbatim transcript of the proceedings. If Mr. Majeska does not have a court reporter at the meeting his ability to appeal a decision by the Board may be limited or curtailed. Mr. Majeska waived his right to have a court reporter at the hearing.

Mr. Majeska explained that he changes about 1100 gallons of water a week in the aquarium and ponds and the water will not be going into the sewer. His business uses one sink and one bath room for employees. The business also sells about 500 fish every weekend and each fish leaves the store in a bag of water. Mr. Majeska stated that he has requested a second water meter and is on a waiting list.

Mr. Majeska requested that his assessment be based on two EDU's.

Commissioner Tobin asked if Mr. Majeska based his savings on going from four EDU's to two EDU's or from two and a half EDU's to two EDU's. Mr. Majeska stated that his numbers here based on going from four EDU's to two EDU's.

District Counsel Thomas Dillon summarized the evidence as follows: The bases for the assessment charge was 2.8, the calculation uses the highest three consecutive months period.

Mr. Dillon distributed exhibits D-1, D-2 and D-3 (see attachments). Mr. Dillon read the following:

- F. The Assessment established by this Resolution has been the subject of considerable research into the projected needs of the District for capital funding, the various possible methods of determining the amount of System Development Charges for the apportionment of Capital Costs among the properties to be assessed. Among other things, the Board contracted with Public Resources Management Group, Inc. ("PRMG") to conduct a study and make recommendations as to wastewater rates and SDC's. On or about May 31, 2005, PRMG delivered to the Board the results of its study in a document entitled "Financial Forecast and Wastewater Rate Analysis." The Board held a public hearing on July 3, 2005 to receive public comments on the proposed wastewater rates and SDC's.
- G. As a result of these efforts, on July 20, 2005, the Board accepted the PRMG recommendations, and adopted a method of calculation of SDC's to be imposed against real property located within the Assessment Area. The amounts to be collected as SDC's total about 40% of the Capital Cost of District Wastewater Management Facilities constructed, and to be constructed, by the District and allocated to the Tax Parcels covered by this Resolution.
- H. At that time, the Board established a special classification for Laundromats for the purpose of calculating SDC's. The District determined that, for that purpose only, a Laundromat is to be counted as having one EDU. This determination was based

on the Board's finding that the vast majority of Laundromat customers are either residents of the District or guests at hotels, motels, and other guest accommodations within the District and that the SDC's to be paid on account of those residences and guest accommodations will be sufficient to provide capacity for sewage generated by Laundromats.

- I. The method for calculating SDC's for residential and non-residential customers is a fair and reasonable apportionment of costs among the properties to be assessed under this Resolution.

Mr. Dillon explained that these are the standards that the assessments are to be judged. The Board found that the use of metered water consumption was a fair way to allocate the construction of wastewater improvements. The method for determining EDU's for commercial property is to use the metered water consumption for the highest three consecutive months in the three calendar years prior to the year of assessment. The assessment was calculated by the District Financial Officer Martin Waits and was found to be 2.8 EDU's.

Key Kritters makes three contentions in support of his request for a reduction in his assessment. First, he has aquariums and ponds with a capacity of about 4,500 gallons and because of the way the waters is prepared for the tanks, evaporation and water loss when fish is sold the water loss is about 2,200 gallons weekly that does not enter the wastewater system (8,800 gallons a month). Key Kritters water bill (exhibit D-2) show only five months of usage of at least 8,800 gallon a month. Mr. Dillon believes that the documentation does not support Mr. Majeska's estimates. Second, Key Kritters presented water bills from December 2003 through May 2005 but that is not the period used by the District. The District does not use average flow it uses the highest three consecutive months. If Mr. Majeska used the highest three consecutive months the assessment would come out to 2.77 rounded to 2.8. Third, Mr. Majeska said that the exception for Laundromats is unfair. Mr. Dillon asked the Board to look at exhibit D-3 on the second page at the top paragraph (iii) which shows that the Board found that Laundromats shall be counted as one EDU, after extensive discussion, finding that charging Laundromats assessments on metered consumption would impose a great burden on the persons who could least afford it. Mr. Dillon reported that in drafting the resolution he had consulted with Chris Tabor, an outside Counsel, on the lawfulness of having a special classification for Laundromats and he had advised it is lawful.

In conclusion Mr. Dillon said that the documentary evidence provided by Key Kritters does not support Mr. Majeska position.

The Board requested that Mr. Majeska come back with more rigorous records of water use and loss.

Motion: Commissioner Bauman made a motion to approve continue the Public Hearing to June 7, 2006. Commissioner Tobin seconded the motion.

Vote on Motion

Member	Yes	No	Other
Commissioner Bauman	X		
Commissioner Brooks	X		
Commissioner Bullock	X		
Commissioner Tobin	X		
Chairman Patton	X		

Motion passed 5 to 0

Presentation*Cyfnfyf Solutions Website Design*

Paul Ramkissoo of Cynfyn Solutions gave a presentation on what the company could do for the District's web site and reviewed the proposal that was given to the Board in the agenda package.

Motion: Commissioner Tobin made a motion to authorize the Manager to enter into a contract with Cyfnfyf Solution for a business analysis and development plan with a limit of \$1,000. Commissioner Bullock seconded the motion.

Vote on Motion

Member	Yes	No	Other
Commissioner Bauman		X	
Commissioner Brooks	X		
Commissioner Bullock	X		
Commissioner Tobin	X		
Chairman Patton	X		

Motion passed 4 to 1

Holland and Knight Legislative Representation

David Whitestone of Holland and Knight gave a presentation on what they could do as legislative representative for the District (see exhibit "A").

After Board discussion staff was requested to come back with a plan of action from Holland and Knight as to what they would do for the District.

Commissioner Items*Commissioner Sorensen*

Commissioner Bauman reported that he had talked to Congressman Sorensen about State and Federal Legislative Representatives. Congressman Sorensen was supportive of the District using a legislative representative. He was concerned with, based on the current budget, getting personal service from Holland and Knight. Congressman Sorensen felt that the District should start at the State level and fund County legislative representatives to help get federal funding.

Commissioner Bauman asked the Board to review the resume for Louis Betz to help obtain State monies.

Motion: Commissioner Tobin made a motion to authorize the Manager to spend up to \$2,000 for a legislative representative in Tallahassee for the remaining legislative session. Commissioner Bauman seconded the motion.

Vote on Motion

Member	Yes	No	Other
Commissioner Bauman	X		
Commissioner Brooks	X		
Commissioner Bullock	X		
Commissioner Tobin	X		
Chairman Patton	X		

Motion passed 5 to 0

Rules and Regulations

Commissioner Brooks said that the Rules and Regulation have been a goal of his that he has wanted to accomplish since the District started. He feels that it is an embarrassment to everyone in the room. Commissioner Brooks explained that Chairman Patton's program to use the Log Change Forms was a good one but it did not work because no one participated in it. Everything fell on Chairman Patton and District Counsel Thomas Dillon. Commissioner Brooks said that he was concerned with spending attorney dollars on things that can be done by the Staff.

Commissioner Brooks stated that what the District now has is a draft document and he would like to get it completed. He feels that the District should have one document that lays out the ground rules on how to treat people in Key Largo. The current document does not show all of the rule changes and should not be relied upon as an accurate document. Commissioner Brooks asked the Board when they are going to commit to come up with a document that will be called "Rules and Regulations".

Chairman Patton asked staff when they would be bringing back the document for approval.

District Counsel Thomas Dillon explained that he has records of everything that has been passed. He was asked to keep track of the items and he has. No one asked him for copies of anything. He will have a draft of a final revised document for the first meeting in May for review.

Chairman Patton requested that Commissioner Brooks be informed of all of the meetings concerning the Rules and Regulations.

Commissioner Tobin does not think that the District should have rules that are complicated and comprehensive. He explained that the Board can make laws by passing statutes or the Board can adjudicate certain cases.

Staff will bring back a revised draft for the Board's review.

Bulk Items*Minutes of April 5, 2006*

Motion: Commissioner Bauman made a motion to approve the Bulk Items.
Commissioner Tobin seconded the motion.

Vote on Motion

Member	Yes	No	Other
Commissioner Bauman	X		
Commissioner Brooks	X		
Commissioner Bullock	X		
Commissioner Tobin	X		
Chairman Patton	X		

Motion passed 5 to 0

Financial Officer's Report*Pending Payments List*

Martin Waits, Finance Officer presented the pending payments list.

Motion: Commissioner Tobin made a motion to approve the Pending Payments List of April 19, 2006 contingent upon the availability of funds. Commissioner Bauman seconded the motion.

Vote on Motion

Member	Yes	No	Other
Commissioner Bauman	X		
Commissioner Brooks	X		
Commissioner Bullock	X		
Commissioner Tobin	X		
Chairman Patton	X		

Motion passed 5 to 0

FY 2006 Budget vs. Actual

Financial Officer Martin Waits reviewed the report that had been furnished to the Board in the agenda package. He pointed out that the FY2006 budget assumed that the treatment plant would begin operations in mid-December. Budgeted expenditures for the plant operating expenses are only now beginning

RESOLUTION NUMBER NO. 17-04-06

A RESOLUTION OF THE KEY LARGO WASTEWATER TREATMENT DISTRICT APPROVING, ADOPTING, AND RATIFYING, A LOAN AGREEMENT WITH THE STATE OF FLORIDA, DEPARTMENT OF ENVIRONMENTAL PROTECTION STATE REVOLVING FUND, AND MAKING CERTAIN COMMITMENTS IN CONNECTION WITH THE LOAN AGREEMENT.

Motion: Commissioner Bauman made a motion to approve the Resolution No. 16-04-06. Commissioner Bullock seconded the motion.

Vote on Motion

Member	Yes	No	Other
Commissioner Bauman	X		
Commissioner Brooks	X		
Commissioner Bullock	X		
Commissioner Tobin	Absent		
Chairman Patton	X		

Motion passed 4 to 0

Legal Report

Bid Opening

District Counsel Thomas Dillon reported that the Bids for the North Transmission Line, Phase I, will be opened at 3 PM on April 20, 2006.

Mr. Dillon advised the Board that there has been a change in the Florida Prompt Pay Act that now requires payment no later than twenty five days after a receipt of a proper invoice and late payments are subject to mandatory interest and attorney fees.

Engineers Report

Monthly Status Report

Staff Engineer Margaret Blank reviewed the progress of the District's projects. The construction in Key Largo Park is essentially finished and they are working on flushing the lines. Asphalt patching has been completed in phases one and three and they are currently working in phase two. The treatment plant went into operation on April 12, 2006.

Lateral Connection Report

Staff Engineer, Margaret Blank presented an updated report on the amount of passed inspections.

Road Restoration

Staff Engineer, Margaret Blank reported that Mr. Castle reported that ADB is performing in accordance to the details and specifications. She reported that District Counsel Thomas Dillon stated something similar. Ms. Blank explained that she had done a cost estimate to do an overlay and it would cost about \$400,000 extra. The overlay of 1000 feet on Lakeshore Drive would be about \$23,000. Some of the overlays maybe expanded to smooth out the pavement.

Staff was directed to invite David Koppel from Monroe County to the next meeting to talk about road paving.

Commissioner Bauman was excused from the meeting at 9:06 PM.

General Manager's Report

ACOE Meeting

Commissioner Brooks explained that none of the monies from the ACOE has been distributed. He is concerned with the email saying that they are going to start over. He said that the ACOE is always looking for input but never coming back with any information. The way that Commissioner Brooks sees things is that the District is not going to be getting any funding for at least a year.

General Manager Charles F. Fishburn stated that he thinks the District should be asking "Where is our \$500,000", which was based on the current project. The ACOE paper work does not fit the projects in the Keys.

Commissioner Tobin was excused from the meeting at 9:37 PM.

Commissioner Bullock asked if the District has ever gotten an application from the ACOE for the funds. Mr. Waits said that the District has never received an application.

General Manager Charles F. Fishburn explained that he feels that the committee should control the meetings.

Commissioner Brooks would like to ask Shelly Turlock if the ACOE has the \$500,000 in their bank account currently so that they could write a check on it tomorrow. Ms. Turlock should be told that the Northern Component is the District's project. It should also be determined that if the District accepts the \$500,000 from the ACOE if it would restrict getting anymore federal money for other projects. There should be a distinction made between the District's Projects and the District's Plan.

Commissioner Bullock said that he could report to the ACOE that the District is very unhappy with the procedures.

Chairman Patton stated that the Board supports Commissioner Bullock as he represents the District. Commissioner Brooks suggested the Commissioner Bullock tell everyone at the meeting how frustrated the District is with the ACOE process and ask how the other entities feel about the process to see if a consensus can be formed with the other PDT members. Then it can be asked "What can be done about the process and how can the community have a tighter control over the meeting" and get feed back from the ACOE.

Commissioner's New Items and Roundtable

Nothing at this time.

Adjournment

The KLWTD Board adjourned the Board Meeting at 9:47 PM.

The KLWTD meeting minutes of April 19, 2006 were approved on June 7, 2006.

Claude M. Bullock

Chairman



Carol Walker, CMC
Board Clerk

Key Largo Wastewater Treatment District
Final Assessment Resolution

3. Plan, develop, purchase or otherwise acquire, construct, reconstruct, improve, extend, enlarge, equip, repair, maintain, and operate any wastewater management system and facilities within the territorial limits of the District;
 4. Assess and impose ad valorem and non-ad valorem assessments upon the lands in the District, as provided by the Key Largo Wastewater Treatment District Act and the Uniform Assessment Collection Act; and
 5. Do all acts or things necessary or convenient to carry out the powers expressly granted in the Key Largo Wastewater Treatment District Act.
- B. On or about December 29, 2004, the Board adopted a resolution expressing its intent to use the Uniform Method of Collecting Non-Ad Valorem Assessments.
- C. Thereafter, the District entered into written agreements with the Property Appraiser and the Tax Collector in connection with the assessment and collection of non-ad valorem assessments.
- D. The District has entered into contracts for the design and construction of Wastewater Management Facilities to serve the District, including the portion of the District described in this Resolution as the Assessment Area, and these Wastewater Management Facilities will be capable of providing wastewater management services in the 2006 Fiscal Year.
- E. Construction and operation of the Wastewater Management Facilities will provide a special benefit to real property located within the Assessment Area by providing access to the sewer system, eliminating the present need for onsite sewage treatment and disposal facilities on the real property located within the Assessment Area, eliminating existing illegal and inadequate onsite sewage treatment and disposal facilities on the real property located within the Assessment Area, and preventing further pollution of the ground water and surface waters under, on, and adjacent to the real property within the Assessment Area.
- F. The Assessment established by this Resolution has been the subject of considerable research into the projected needs of the District for capital funding, the various possible methods of determining the amount of System Development Charges for the apportionment of Capital Costs among the properties to be assessed. Among other things, the Board contracted with Public Resources Management Group, Inc. ("PRMG")

Key Largo Wastewater Treatment District
Final Assessment Resolution

to conduct a study and make recommendations as to wastewater rates and SDC's. On or about May 31, 2005, PRMG delivered to the Board the results of its study in a document entitled "Financial Forecast and Wastewater Rate Analysis." The Board held a public hearing on July 3, 2005 to receive public comments on the proposed wastewater rates and SDC's.

- G. As a result of these efforts, on July 20, 2005, the Board accepted the PRMG recommendations, and adopted a method of calculation of SDC's to be imposed against real property located within the Assessment Area. The amounts to be collected as SDC's total about 40% of the Capital Cost of District Wastewater Management Facilities constructed, and to be constructed, by the District and allocated to the Tax Parcels covered by this Resolution.
- H. At that time, the Board established a special classification for Laundromats for the purpose of calculating SDC's. The District determined that, for that purpose only, a Laundromat is to be counted as having one EDU. This determination was based on the Board's finding that the vast majority of Laundromat customers are either residents of the District or guests at hotels, motels, and other guest accommodations within the District and that the SDC's to be paid on account of those residences and guest accommodations will be sufficient to provide capacity for sewage generated by Laundromats.
- I. The method for calculating SDC's for residential and non-residential customers is a fair and reasonable apportionment of costs among the properties to be assessed under this Resolution.
- J. The use of the Uniform Assessment Collection Act is a convenient and secure method to ensure collection of all SDC's to be collected by the District. Use of this method will enhance the ability of the District to borrow funds at reasonable rates in order to further develop and expand the Wastewater Management Facilities.
- K. The Assessment established by this Resolution is imposed by the District, and not Monroe County. Any activity of the Property Appraiser or Tax Collector in connection with this Resolution and the non-ad valorem assessment shall be solely ministerial.

KLTV / KLP COMMERCIAL SDC CALCULATIONS

Owner Of Record	RE Number(s)	FKAA Customer Detail			Max. 3 mos. ADF	EDU's		System Development Charge		
		Name / Address	Contract	Meter No.		Max. 3 mos.	Avg. 3 mos.	Capacity	Connection	Total
✓Marker 100 LLC 100210 Overseas Hwy Key Largo, FL 33037	524820 ✓	Florida Keys Orthopedic	5260032257	43780418	1600	9.6	3.0	\$25,920	\$2,070	\$27,990 ✓
	V 524830 ✓	100200 Overseas Hwy								
	V 524840 ✓									
	V 524850 ✓									
	V 87368 ✓									
✓RCGT INC 7950 Asheville Highway Spartanburg, SC 29303	524770 ✓	North Lake Foods	5260029531	39441960	2067	12.4	8.3	33,480	2,070	35,550 ✓
	V 524760 ✓	DBA Waffle House Rest								
	V 524900 ✓									
✓Key Largo Ace Hardware Inc 405 Laguna Ave Key Largo, FL 33037	524920 ✓	Marine Bank 1002800/S Hwy	5260035495	47074289	707	4.2	1.0	11,340	2,070	13,410 ✓
✓✓Sconset Inn Inc. 1235 Polpis Rd Nantucket, MA 02554	524660 ✓	Keys Hospital Foundation Mariners Hospital James S. Lupino PA Fla Keys Orthopedic Fla Keys Orthopedic Kessler Rehab Of Fla Inc Assoc in Orthopedics & Sports Kessler Rehab Of Fla Inc	5260037009 5260037008 5260037007 5260037006 5260037005 5260037004 5260037003 5260037002	62086395 48763507 49193378 48763506 48763508 48763510 48763505 48763477	347 213 0 327 140 60 0 53 1140					
						6.8	3.3	18,431	2,070	20,501 ✓
						4.0	2.0	10,671	2,070	12,741 ✓
✓District Advisory Bd of FL District Ch Nazarene P.O. Box 800 Key Lago, FL 33037	C 525020 ✓	Church of the Nazarene	5260023507	44155169	660					
	C 525030 ✓	MM 100.5								
	C 524630 ✓									
	C 524640 ✓									
	C 524650 ✓									
✓CB Schmitt Real Estate Co 11100 Overseas Hwy Marathon, FL 33050	524480 ✓	CB Schmidt Real Estate Co, Inc 100430 O/S Hwy	5260024475	58516213	357	2.1	1.2	5,670	2,070	7,740 ✓
✓Smith John H & Edith A P.O. Box 363 Key Largo, FL 33037	524450 ✓	Mrs E Smith 100460 O/S Hwy	5260022414	58516331	770	4.6	3.3	12,449	2,070	14,519
✓RTH Investments P.O. Box 50034 Arlington, VA 22205	524440 ✓	Linda Perloff 100460 O/S Hwy	5260023817	48103474	20	1.0	1.0	2,700	2,070	4,770
✓Brandel Kim & Rona Abramson 326 Little Miss Muffet Lane Key Largo, FL 33037-3909	524250 ✓	Brandell 1 Rock Harbor Drive	5260028290	48764082	107	1.0	1.0	2,700	2,070	4,770

Ex D-2

Owner Of Record	RE Number(s)	FKAA Customer Detail			Max. 3 mos. ADF	EDU's		System Development Charge		
		Name / Address	Contract	Meter No.		Max. 3 mos.	Avg. 3 mos.	Capacity	Connection	Total
X Kasimis Vasilki 202 Ocean Drive Key Largo, FL 33037	524270 ✓	George Agelis DBA Tower of Pizza 100600 O/S Hwy	5260013270	46118714	1603	9.6	5.7	25,920	2,070	27,990
X Critters Of The Keys 100636 Overseas Hwy Key Largo, FL 33037	524280 ✓	Jack E. Grosvenor 100640 Overseas Hwy	5260020322	48103507	463	2.8	1.6	7,560	2,070	9,630
X Green Monte 88110 Overseas Hwy Islamorada, FL 33036	524300 ✓	Rene A Bilbao Dr Fred Peacock Remedy Health Food Inc Southern Floor Tiles Inc	5260043487 5260043484 5260043486 5260043485	36562006 34820370 45472379 35475675	273 320 110 103 806	4.8	2.3	13,031	2,070	15,101
X Green Monte 88110 Overseas Hwy Islamorada, FL 33036	524310 ✓	Domestic Abuse Shelter Unique Marine Inc	5260043483 5260009345	46119058 49962485	310 560 870	Adjusted 1 EDU (max usage was 467) eliminating spurious data.				
X McDonald Ronald & Beverly 84 Rock harbor Drive Key Largo, FL 33037	525710 ✓	Ronald McDonald	5260030225	49963122	180	1.1	1.0	2,970	2,070	5,040
X Florida Conference Association of Seventh-Day Adventists P.O. Box 2626 Winter Park, FL 23790-2626	523920 ✓	KL Seventh Day Adventist Church	5260035046	46108264	180	1.1	1.0	2,970	2,070	5,040
X De Socarras Barry 100750 Overseas Highway Key Largo, FL 33037	523930 ✓	Barry D. Socarras 100750 O/S Hwy	5260013178	56587670	440	2.6	1.6	7,114	2,070	9,184
X Filipovic Miroljub 711 Largo Road Key Largo, FL 33037	523470 ✓	Miroljub Filipovic 100830 O/S Hwy	5260034322	46587068	313	1.9	1.0	5,060	2,070	7,130
X Tutt Darrell & Laura 16 Rainbow Drive Key Largo, FL 33037	523480 ✓	Auto Doctor of the Keys 100850 O/S Hwy	5260005695	38195451	190	1.1	1.0	2,970	2,070	5,040
X TRJ Investment Group LLC P.O. Box 2180 Windemere, FL 34786	087350 ✓	Scotty's Inc Store #91 Scotty's 600' So. Kay Dr.	5240024708 Fire Only	55878706 57452635	1287	7.7	5.1	20,790	2,070	22,860
X Wheaton Mardella A 504 Sound Dr Key Largo, FL 33037	459890 ✓	Key Largo Service Center US #1 West Side-Bayside	5190016474	62085936	477	2.9	1.5	7,830	2,070	9,900
								\$233,642	\$41,400	\$275,042

Ex D-2

Key Largo
Wastewater Treatment District

PO Box 491
Key Largo Monroe Co. Florida 33037
305-451-5105
www.KLWTD.net

Gen. Mgr. Chuck Fishburn - Clerk Carol Simpkins - Finance Dir. Martin Waits



Board of Commissioners

Charles Brooks
Gary Bauman
Andrew Tobin
Glenn Patton
Claude Bullock

Rules & Regulations Change Form

Date: July 14, 2005

Rule Change Log # 4

Agenda item # H.7, July 6, 2005 Discussion July 20, 2005 Action

Submitted by Commissioner Glenn Patton

KLWTD Com Glenn Patton - In my opinion, the PRMG Report has established a reasonable and fair System Development Charge the will be fair to both the residents and commercial properties in the District...As proposed below;

Present Rule KLWTD

Article IX Fees and Charges

Section 9.01 System Development Charge (SDC) (15)

Proposed Rule or Change

Article IX Fees and Charges

Section 9.01 System Development Charge (SDC) (15)

(15) The initial SDC for the Key Largo Wastewater Treatment District Service Area will be calculated as follows;

(i) For Residential Wastewater Service to a facility, the sum of:

- 1) \$1,700 per dwelling unit for the Wastewater Treatment Plant (WWTP) Capacity
- 2) \$1,000 per dwelling unit for the Force Main - Pipe Capacity
- 3) \$2,070 for connection to the Wastewater System

(ii) For Non-Residential Wastewater Service, the sum of:

- 1) \$1,700 per EDU for the Wastewater Treatment Plant (WWTP) Capacity
- 2) \$1,000 per EDU for the Force Main - Pipe Capacity

Ex D-3

- 3) \$2,070, or actual cost of connection, whichever is greater, for connection to the Wastewater System.
- (iii) For purposes of calculating SDC's, a laundromat shall be counted as one EDU, regardless of actual historic water consumption. A laundromat is a business that provides commercial self-service and non-self-service laundry facilities to the public, consisting of washing machines, dry cleaning machines, and clothing dryers, in any combination.
- (iv) Wastewater Service to hotels, motels, and facilities regulated under Chapter 513, F.S., and other similar facilities is Non-Residential Wastewater Service.
- (v) The initial SDC rates shall be increased annually according to the Consumer Price Index.

Financial Impact of Proposed Rule or Change – input by PRMG

The rate below is consistent with other SDC's in Monroe Co. Also, the total cost of providing a Wastewater system per EDU is \$10,000+, so the residential properties are getting a major improvement for less than 50% of the actual capital cost of the improvement.

Residential (not condo)

1 EDU

	PRMG Proposal
Connection/Collection System Charge	\$ 2,070
No. of Connections	1
Total Connection	\$ 2,070
Capacity Charge	\$ 2,700
Factor (EDUs based on flow)	1
Total Capacity Charge	\$ 2,700
Total Connection + Capacity	\$ 4,770

People Most Effected by Proposed Rule or Change

KLWTD Com Glenn Patton - In my opinion, the commercial properties in the District will be treated fairly, because they will be paying for the specific System Development components that they impact and use. The commercial properties will be paying for the WWTP capacity, the transmission/force main capacity and only the actual cost of the connection/collection system that is required to get their wastewater into the system...

	PRMG Proposal Proposed in this rule change	Charges based on EDUs Not proposed
Connection/Collection Charge	\$ 2,070	\$ 2,070
No. of Connections	1	182
Total Connection	\$ 2,070	\$376,740
	or Actual Cost of Connection	
Capacity Charge	\$ 2,700	\$ 2,700
Factor (EDUs based on flow)	182	182
Total Capacity Charge	\$ 491,400	\$ 491,400
Total Connection + Capacity	\$ 493,470	\$ 868,140

Precedent Affected by Proposed Rule or Change – input by

Other SDC's are similar in Monroe Co.

General Impact of Proposed Rule or Change

The following is a direct quote from the PRMG Report page 4-9...

Assessment program

To avoid burdening new customers with a large upfront payment of the combined system development charges, the KLWTD has expressed interest in developing a twenty-year assessment program. At each customer's discretion, in lieu of the upfront system development charges, an annual non-ad valorem assessment would be charged through the Monroe County Property Appraiser and billed as part of the annual property tax bill. Based on the estimated cost of borrowed funds for KLWTD, the annual assessment for a typical single-family residential customer would be approximately \$348.00 per year over a twenty-year period as calculated below:

Estimate of Annual Assessment

Capacity Charge	\$2,700
Extension Charge	<u>2,070</u>
Total	\$4,770

Annual Amortization [1]	\$328.08
Plus: Administrative Costs [2]	<u>6.56</u>
Subtotal	\$334.64
Adjustment for Allowable Discounts [3]	<u>13.39</u>
Total Annual Assessment Before Discount	
Discount	\$348.03
Assessment Amount per Month	<u>\$29.00</u>

[1] Based on 20 year amortization at 3.25% annual interest rate.

[2] Amount reflects estimated 2.0% administrative cost for preparation of assessment roll.

[3] Amount reflects inclusion of 4.0% to account for property owners paying tax bill early and receiving 4.0% discount.

Therefore, the monthly cost of the total system development charges for a typical single-family residential customer would be approximately \$29.00 per month over twenty years.

Legal Considerations – input by District Counsel

KLWTD Managers – Recommendation and Rationale