

**ACTION MINUTES**

**ISLAMORADA, VILLAGE OF ISLANDS  
VILLAGE COUNCIL WORKSHOP**

**March 31, 2010**

**Founders Park Community Center  
87000 Overseas Hwy  
Islamorada, FL 33036**

**I. CALL TO ORDER/ROLL CALL:** Mayor Michael Reckwerdt asked for the roll call at 10:03 a.m. Present were: Mayor Michael Reckwerdt, Vice Mayor Don Achenberg, Council members: Robert Johnson, Ken Philipson and David Purdo. Also in attendance were: Village Manager Kenneth Fields, Village Attorney Nina Boniske; Village Clerk Beverly Raddatz, and all other appropriate Village personnel.

**II. PLEDGE OF ALLEGIANCE**

Mayor Reckwerdt led the Pledge of Allegiance.

**III. ITEMS FOR DISCUSSION**

**A. Council Direction Regarding Wastewater**

**1. North Plantation Key Phase I**

Mayor Reckwerdt introduced Village Manager Fields to give his presentation.

Village Manager Fields presented a PowerPoint report to the Council.

Mayor Reckwerdt asked for Council discussion.

Discussion ensued regarding the history of the Village's wastewater; whether to go with the Key Largo Wastewater Treatment District (KLWTD) or to consider onsite wastewater treatment plants; wastewater Bill 2018; whether KLWTD's election in November would affect the interlocal agreement with Islamorada; whether an interlocal agreement could be reached with KLWTD; whether the Council should revise or repeal the assessments; whether to continue to pay Hazen and Sawyer for their services; having a mission statement for wastewater; repairing the existing systems in Phase I in North Plantation Key; the need to raise local funding in order to receive state funding; the need to fix North Plantation Key Phase I immediately; if the Village loses the wastewater lawsuit how would the Village pay the assessments back to the residents; whether to move forward by regional areas but repair Phases I and II first; putting an Request for Proposal (RFP) for private firms in order to privatize the wastewater system; and whether to trust the Department of Environmental Protection (DEP) Secretary Sole's promises for funding.

Mayor Reckwerdt requested David Makepeace, Chair of the Water Quality Improvement Citizens Advisory Committee (WQICAC), to give a report.

Chairperson Makepeace gave his report to the Council.

Discussion continued regarding whether the WQICAC had been tasked to research onsite systems; concerns regarding onsite systems being compliant; WQICAC recommended to established an elected wastewater board; concerns regarding injecting millions of gallons of freshwater into a saltwater environment; setting a direction for wastewater; using assessment monies to put a main pipeline in for everyone and then work on individual neighborhoods; making residents who have several vacant lots side by side pay for individual assessments for each property instead of one unless they have unity of titles which would not allow them to develop the vacant lots how they want; WQICAC's request to establish an Independent Wastewater Board; onsite systems not meeting the 2010 requirements and having maintenance problems; and the costs of online systems versus the central wastewater system.

Village Manager Fields gave a brief status report on North Plantation Key Phase I and Phase II. He advised that the staff was researching financial options.

Village Attorney Boniske gave a brief status report on the pending litigation.

Discussion ensued regarding what was being done on the design for the condominium on Wrenn Street; the staff trying to preserve evidence of Phase I for the legal case; wanting Phase I repairs done by December 31, 2010 and directing staff to find funding or other alternatives; having staff working on a collective approach for Phases I and II; what the process was for purchasing wastewater items; fixing Phases I and II in order to give residents faith in the wastewater system; whether to fund repairs for Phases I and II from the General Fund instead of assessments; the contractor fixing Plantation Avenue and Canal Street; and whether paying for repairs for Phases I and II from the General Fund would raise taxes.

Cindy Lawson, Director of Finance and Administration, explained options to Council regarding wastewater system funding.

Village Manager Fields advised Council that repairs and new designs for North Plantation Key Phase I would be \$1.5 million.

Discussion continued regarding having North Plantation Key Phase I fixed immediately regardless of where the funding comes from; the staff putting the design and funding options for Phase I as part of the budget next year; why the repairs would take six months to complete; staff coming back with a faster design process and a report for funding options before the budget process begins; allowing the WQICAC to oversee the design and funding for North Plantation Key Phase I repairs; and trying to have CPH Engineers Inc. give a report at the Regular Village Council meeting on April 8, 2010.

Mayor Reckwerdt opened the Public Comment Section. The following addressed the Council: Larry Barr, Islamorada, FL; Chris Sante, Plantation Key, FL; Gary Nichols, Sr., Islamorada, FL; Larry Gabor, Plantation Key, FL; Steve Kurutz,

Islamorada, FL; Rod Halenza, Plantation Key, FL; Jim Bellizzi, Islamorada, FL; and Henry Pauraski, Islamorada, FL.

Mayor Reckwerdt recessed the meeting at 12:22 p.m. and reconvened the meeting at 1:02 p.m.

## 2. General Direction for Wastewater

Village Manager Fields gave a brief report on what the previous Council's direction was to staff regarding the wastewater system.

Discussion ensued regarding repairing North Plantation Key Phase I and II; Council giving staff direction regarding wastewater assessments; whether to continue with the KLWTD instead of onsite treatment plants in Islamorada; whether to assess regional areas their costs instead having a Village-wide assessment; completing the agreement with KLWTD; whether to complete a Village-wide design and land acquisition; not billing regional areas for the total costs without trying to find funding; the KLWTD trying to lower costs by selling reuse at lower rates to all customers; trying to average wastewater costs Village-wide instead of using the regional approach; using the assessments to bring the wastewater plant to full capacity; the need for a legislative decision of the law that the Village is operating on; whether to wait until the KLWTD's election results before signing an interlocal agreement with them; only proceeding with regional areas that the Village has money for; whether to wait until the residents of Islamorada adopt an Independent Wastewater Board as a referendum in November to see what the residents want; whether to reorganize the wastewater assessments; whether to have wastewater workshops every week or not; whether to do a RFP for privatizing wastewater; waiting until April 30<sup>th</sup> to see if Bill 2018 would be passed or not; and whether the Environmental Protection Agency (EPA) standards would agree to onsite systems being 2010 compliant.

Village Manager Fields advised Council that he could have a term-sheet with KLWTD by the April 22<sup>nd</sup> Regular Village Council meeting.

Discussion continued regarding whether to move forward with the KLWTD term-sheet; whether to move forward with the Village-wide design with only the grant funding; and to research aerobic systems to see if they would be the best way to go.

Village Attorney Boniske advised that legal has not been assigned to draft an interlocal agreement with KLWTD but only a business term-sheet. She also advised that a draft interlocal agreement would not be done by the April 22, 2010 Regular Village Council meeting.

It was the consensus of the Council to review a draft business term-sheet negotiations with KLWTD on April 22<sup>nd</sup> Regular Village Council meeting.

## 3. Wastewater Assessments

Village Manager Fields and Director of Finance and Administration Cindy Lawson gave their status report to Council.

Discussion ensued regarding the \$2.6 million that has been paid to outstanding contracts commitments which approximately equals the planning and assessment commitment and does not extend into the Village-wide assessment to date; an overview of the three litigation cases against the wastewater assessments; the wastewater assessments being deemed legal in the State of Florida; whether the wastewater assessments could be spent if it was under litigation because there has been no court orders to stop the spending of the wastewater assessments; State Revolving Fund (SRF) loans being held up due to the lawsuit but they could be moved forward with new language in the loan agreement; how long the SRF would hold their agreement with the Village; vacant lots being assessed without promising a service due to Building Permit Allocation System (BPAS); the process for appeals being publicly noticed; assessing for a given project for a regional area; whether to repeal the assessments; the methodology for the assessment being in question; whether a supermajority vote is necessary for wastewater projects; whether to run a central pipeline from Tavernier to include Windley Key or Upper Matecumbe Key; central pipeline being a benefit Village-wide because of the Army Corps of Engineering funding paying for the project; the costs rising if piping is done in phases instead of Village-wide; and whether to move forward with the central pipeline to KLWTD.

Mayor Reckwerdt opened the Public Comment Section. The following addressed the Council: Larry Barr, Islamorada, FL; Ken Wagner, Islamorada, FL; Rod Halenza, Plantation Key, FL; Don Smith, Plantation Key, FL; Ron Winget, Lower Matecumbe, FL; and Deb Gillis, Islamorada, FL.

Discussion ensued regarding using the assessment monies as needed for regional areas of the Village instead of spending Village-wide on a central pipeline.

Village Attorney Boniske gave a brief explanation of proposed Bill 2018.

Village Manager Fields advised that the amount of funding for the central pipeline may not be sufficient for 40% of the total flow needed and that the reason why staff recommended to Council a Village-wide design was to spend the Army Corps of Engineering funding by their deadline.

Discussion continued regarding using the current funding for the central pipeline as far into the Village as funding permits, to have staff bring a report regarding the flows from Upper Matecumbe versus Windley Key at a future meeting; to have staff bring back information to repeal the assessment, rework the assessment, or to create a new assessment document; and whether or not to design a Village-wide wastewater system.

Mayor Reckwerdt reopened the Public Comment Section. The following addressed the Council: Larry Barr, Islamorada, FL; Park Thornbush, Plantation Key, FL; and Deb Gillis, Islamorada, FL.

It was the consensus of the Council to have Village Manager Fields and Village Attorney Boniske to come back with options regarding the costs and processes of repealing or amending the assessments and to have an additional Village Council Workshop to discuss wastewater on Wednesday, April 14, 2010 at 1:00 p.m.

Discussion ensued regarding whether to have workshops on every other Wednesday or the Wednesday before the Thursday Regular Village Council meetings and to have

Village Manager Fields bring reports regarding Privatization of the Wastewater System and an Independent Wastewater Board to a future agenda.

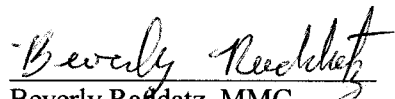
**IV. PUBLIC COMMENTS**

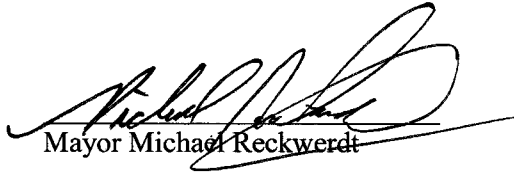
Mayor Reckwerdt opened the Public Comment Section. The following addressed the Council: Bill Fountain, Lower Matecumbe, FL; Deb Gillis, Islamorada, FL; Park Thornbush, Plantation Key, FL; and Judy Moeller, Islamorada, FL.

**V. ADJOURNMENT**

The meeting was adjourned at 3:35 p.m.

Respectfully submitted,

  
Beverly Raddatz, MMC  
Village Clerk

  
Mayor Michael Reckwerdt

Approved by Council on 22<sup>nd</sup> day of April 2010.