

PRESS RELEASE

The information “To Sewer the Keys” is provided on behalf of Board of County Commissioners by the Wastewater Liaison, Charles “Sonny” McCoy.

To Sewer the Keys
A majority opinion of the Board of County Commissioners

Part I: Brief History of FKAA Projects

- **Key Largo** Revolted against FKAA project that culminated in death threats wasted millions of dollars and time and finally resulted in the creation of a new sewer board to take control of sewer Key Largo.

- **Little Venice** Originally FKAA estimated this project would cost \$6.5 million dollars. Seven years later, after the removal of several contractors, and cost over runs, the project is near completion. The cost of 967 EDU's: \$14.6 million.
A temporary treatment plant was constructed of expensive stainless steel on US 1 to serve until the central Marathon treatment plant was operational. It was constructed in a manner that does not allow it to be relocated to another area when the completed central plant renders it obsolete.

- **Marathon** is a glaring example of strained partnership, where FKAA's sewer RFP comes in over \$180,000,000 to sewer Marathon. Marathon's City's RFP comes in at \$70,000,000 to sewer Marathon. This is just one comparative analysis that demonstrates that something is wrong with FKAA's program. (see the documents at the County's website www.monroecounty-fl.gov under news and announcements section)

- **Duck Key** The County donated the sewer treatment facility on Duck Key to FKAA in the hopes of seeing sewer progress move forward- nothing tangible.

- **Long Key** In 2004, the county was asked to recommend the division of ten million dollars of state wastewater funds. In the Meeting of Mayors on October 13, 2004 the county recommended that Long Key's three plants be retired and included into a central system in Layton. In addition there was an appropriate, idle, treatment plant meeting the requirements that was available for use. The plan was efficient and cost effective. FKAA also agreed that this was the best way to proceed for sewer Key. (see the documents at the County's website www.monroecounty-fl.gov under news and announcements section)

- When it came time to put the project in motion, FKAA went with a single bidder whose proposed cost was much higher than what had been budgeted for the project. The contractor determined that the available idle treatment plant could not be used. There will now be four sewer plants on Long Key.
The cost of this project was so prohibitive that Outdoor Resorts (one of the smaller treatment plants set to manifold into the central plant) declined the "offer" to participate in the FKAA project. In a letter to the FKAA, Outdoor Facilities spells out the cost difference in participating in the FKAA project vs. meeting the 2010 standards on their own. The letter states,
"Your conceptual plan...with projected connection fees and operating costs for our community in excess of \$1,000,000 and \$200,000/year, respectively, give us pause."

“...by upgrading our existing sewage treatment plant, at an estimated cost of \$192,000, thereby increasing our operating cost to \$55,000 per year are much more sensible.” (see the documents at the County’s website www.monroecounty-fl.gov under news and announcements section)

The City of Layton is the only area that will be sewerred with the funding that was designated to consolidate all of Long Key.

Part II: The Problem with Partnership

- The County has been very supportive of the FKAA by providing millions in funding when asked, but basically having no other input in the process.
- A couple of years ago it was suggested that we jointly make decisions by having the county have their Administrator, Attorney, and it’s liaison Commissioner meet with FKAA’s Executive Director, Attorney, and it’s Liaison Member. There was one meeting and after a couple of months, the county requested another meeting; they were informed by FKAA that there would be no more of these meetings.
- The County asked that sewage treatment plants not be sited in view of US 1. FKAA placed their plants, including the latest one on Bay Point on US 1. The County has even passed a resolution requesting that no treatment plants be placed on US 1.
- The FKAA Board was quoted at their meeting declaring that either they (county) or we (FKAA) do it.
- We both can’t be responsible for sewerred the Keys. It is a question that either the County condone excessive and questionable contracts or forget our responsibility to the paying citizens. We now concur that it is counter-productive to disagree.
- Last year at a meeting in Key Largo, FKAA requested an additional \$1,300,000 for its Bay Point- Bluewater Key project. The County approved it. One month later, FKAA requested an additional \$1,000,000; and although it was not on the agenda, not advertised, did not have the consent of the BOCC to be placed on the agenda, it was approved.

Part III: Financing

- FKAA has bonding capability that can be secured by the monetary flow downstream of connection fees, user fees, and any state or federal grants or subsidies.
- The County has bonding capability, but will not have that monetary downstream of monies that will still flow to the FKAA’s assets.

- The absence of County bond funds will encourage FKAA to adopt imaginative, state of the art management approaches to sewerage and in the long run will accrue to the benefit of all our citizens. So we wish that these few reminders of flawed sewer projects will assist FKAA management to trim down and produce a sound, cost-effective program.
- The logical and prudent approach is that the entity that spends the money shall be the entity that borrows or otherwise obtains the money. This lends itself to accountability and care in the spending half of the equation.
- The County will now be able to utilize its bonding reserves for the purchase of environmentally sensitive lands and for workforce housing.

Dear Governor Bush,

Even though I already sent you an e-mail about this issue, I want to emphatically echo Representative Sorensen's words on HB 225. The original legislation giving the FKAA wastewater authority was passed before the city of Marathon incorporated. My city's residents never had the chance to make their voices heard at the time; since incorporation, they certainly have spoken to me. The vast majority of the people I've spoken with have requested / begged / pleaded that the city needs to be in control of its own wastewater projects.

Under the RFP for Marathon's sewers put out by the FKAA, the cost for sewerage a small island town of 11,000 residents came in at a staggering \$181 MILLION -- \$70 million above the estimate originally put forward. This was the final nail in the coffin for my Council -- even though HB 225 had not passed the House or Senate at that point, the Marathon City Council voted 5-0 to take over the wastewater authority for the city.

Since then, we have moved to hire our own wastewater engineering consultant firm that came in with a more realistic estimate of \$69.8 million to achieve the same goals that we all have in meeting the 2010 mandate. In addition, we have identified several projects that can be started as soon as October-November of this year. Getting shovels in the ground by May 31, 2006 is a condition of getting the \$7 million in state funding. Even more significant to me, I am term-limited out of office in March of next year. I will not leave office without seeing the start of our city's wastewater improvements; this is one of the most important legacies I can leave to those who will follow.

Now I ask of you what my constituents have continually asked of me: please allow us to realize the goals of self-determination we had when we incorporated. Let us begin the work that must be done.

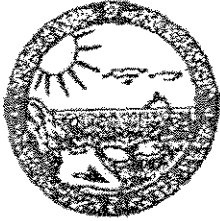
Please sign HB 225 into law.

Thank you for your consideration of this important issue.

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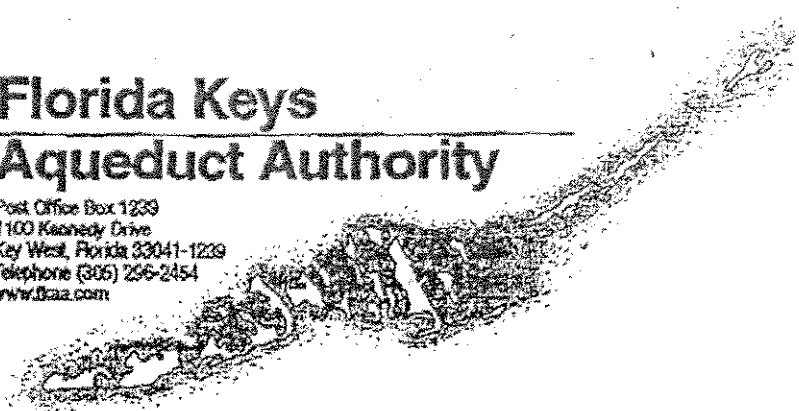
-John Bartus
Mayor, City of Marathon
10045-55 Overseas Hwy.
Marathon, FL 33050
(305) 743-0033
Cell: (305) 731-1177

ATTACHMENT I



Florida Keys Aqueduct Authority

Post Office Box 1239
1100 Kennedy Drive
Key West, Florida 33041-1239
Telephone (305) 296-2454
www.fkaa.com



Chairman
Key West

Mary L. Rice
Vice-Chairman
Marathon

Harry E. Cronin
Secretary/Treasurer
Key Largo

Elena Z. Herrera
Rockland Key

Rose Dell
Big Pine Key

James C. Reynolds
Executive Director

December 20, 2004

Commissioner Charles "Sonny" McCoy
530 Whitehead Street
Key West, FL 33040

Re: Stock Island Detention Center Wastewater Treatment Plant

Dear Sonny:

At the December 16th regular meeting of the FCAA Board of Directors, the Board discussed with staff the status of the Layton wastewater project and the viability of relocating the Sheriff's Stock Island wastewater treatment plant to Layton.

FCAA Staff met on-site with County Staff on September 30th to review the design of the system and the physical condition of the equipment. Staff advised the Board, that with some minor rehabilitation, the tanks could be re-used at Layton.

As you may be aware, we received one proposal from a Design/Build firm for the Layton project. The proposed cost is higher than Layton's budget and we are currently negotiating with the firm (Haskell) for a reduced cost. Certainly one of the cost-cutting measures that is being investigated is the use of the Sheriff's wastewater equipment in lieu of purchasing new. Staff was directed to vigorously pursue this option with the contractor.

I want to assure you that the FCAA Board of Directors is concerned with the cost of wastewater projects in the Keys and is committed to developing the most cost effective projects possible.

Sincerely,

FLORIDA KEYS AQUEDUCT AUTHORITY

Mrs. Mary L. Rice
for: Mrs. Mary L. Rice
Vice Chair
Wastewater Liaison

cc: Ken Sorensen, State Representative
FCAA Board of Directors
Monroe County BOCC

ATTACHMENT II



Outdoor Resorts at Long Key, Inc.

A Condominium

P.O. Box 816, 65521 Overseas Highway
Long Key, Florida 33001

Phone: (305) 664-4860 Fax#: 305 664-5268

"Welcome to Paradise"

October 25, 2004

Jim Reynolds, PE, Executive Director
Florida Keys Aqueduct Authority
PO Box 1239
Key West, FL 33041-1239

Re: City of Layton and FKAA Wastewater System

Dear Mr. Reynolds,

Thank you for attending our Board Meeting on Oct. 16, 2004.

Your conceptual plan to install a central sewage treatment plant to serve all residents on Long Key, with projected connection fees and operating costs for our community in excess of \$1,000,000 and \$200,000/year, respectively, give us pause.

The recommendations outlined in the Monroe County Sanitary Wastewater Master Plan, Volume 1, Section 7, which indicates Outdoor Resorts should meet the 2010, BAT standards by upgrading our existing sewage treatment plant, at an estimated cost of \$192,000, thereby increasing our operating cost to \$55,000 per year, are much more sensible.

For this reason, we decline your offer to participate in this project.

If we may be of any assistance in the future, please do not hesitate to contact us.

Sincerely Yours,

Medardo Espinosa,
President, Board of Directors

cc Mr. Norman Anderson, City of Layton
Monroe County, Board of County Commissioners
Dave Rogel, Esq.

ATTACHMENT III