MINUTES

Key Colony Beach Utility Board

Tuesday, June 16, 2026 – 3:30 PM

Marble Hall, 600 W. Ocean Drive, Key Colony Beach & via Zoom Conferencing

1. **Call to Order, Pledge of Allegiance, Prayer, & Rollcall:** The Key Colony Beach Utility Board was called to order by Chair Fred Swanson at 3:30 PM, followed by the Pledge of Allegiance, Prayer, and Rollcall. **Present**: Vice-Chair Ed Carey, Gil Gilbertson, Chair Fred Swanson, Liz Kohout Stevens, Joe Schmidt (via Zoom). **Also present:** Commissioner Tom Harding, City Administrator John Bartus, Administrative Assistant Par Darnall, Building Official Tony Loreno, Plant Operator Shane Ellis.

2. **Swearing-in of Newly Appointed Board Member Liz Kohout Stephens:** City Clerk Roussin administered the Oath of Office.

3. **Approval of Agenda** *(Additions, changes, and deletions can be made via one motion and a second to approve by majority vote)*

   There were no changes to the agenda, and Chair Swanson asked for a motion to approve.

   MOTION: Motion made by Vice-Chair Carey to approve. Gil Gilbertson seconded the motion.
   DISCUSSION: None.
   ON THE MOTION: Rollcall vote. Unanimous approval.

4. **Citizen Comments and Correspondence:** None.

5. **Approval of Minutes**
   a. 04-21-2026 Utility Board Meeting Minutes

   There were no changes to the minutes, and Chair Swanson asked for a motion to approve.

   MOTION: Motion made by Gil Gilbertson to approve. Vice-Chair Carey seconded the motion.
   DISCUSSION: None.
   ON THE MOTION: Rollcall vote. Unanimous approval.

6. **Items for Discussion & Recommendation of Approval**
   a. Discussion/Approval of the Draft FY 26/27 Utility Board Budget

   Chair Swanson introduced the agenda item and asked Commissioner Harding to elaborate. Commissioner Harding discussed the upcoming budget, including the timeline and process for budget preparation and approvals. Gil Gilbertson commented on the projected increase in sludge hauling costs. Commissioner Harding explained the process for evaluating actual spending against the approved budget, reviewing contractor expenditures, proposed work, and staff support. Commissioner Harding noted that the Miami-Dade CPI is currently 3.8 percent and that the increase used for the Florida Keys brings the guideline to 4.5 percent. He further stated that sludge hauling costs have increased significantly over the past two years. He shared a data analysis of sludge hauling since 2000 and provided historical context, including the impact of landfill issues in Miami-Dade County. Commissioner Harding explained his calculations for the remainder of the year, including population increases and storm-related system leakage. Commissioner Harding also discussed cost increases related to additional Utility Department staffing and the need to raise fees to budget appropriately. He suggested a $10 monthly increase and recommended revisiting potential increases for commercial properties. Commissioner Harding asked for feedback and suggestions and requested that the Board review potential projects included in the draft budget.

Commissioner Harding gave a presentation on the digester plant, the sludge dewatering process, and the overall process and potential costs of establishing a plant. He asked whether the City should consider building its own processing facility and provided additional comments on feasibility, the current process, and available space.
Gil Gilbertson asked about the increase in consulting costs. Commissioner Harding stated that the costs are primarily related to CPH and that most consulting fees are associated with grants and engineering consulting. Commissioner Harding asked for comments on commercial properties and whether rates should be increased by 13 percent to align with residential rates. Commissioner Harding further commented on possible locations within the wastewater plant and said the Board should first determine whether there is agreement to explore the concept. He also noted potential odor concerns and said the facility would need to be in a self-contained building. Chair Swanson spoke about the possibility of expanding into the boat trailer parking area. Commissioner Harding stated that feasibility would depend on available space and potential cost savings. He suggested preparing a conceptual business case and commented on possible water reuse and environmental benefits in addition to financial benefits. Gil Gilbertson noted that the Keys are hydrologic and stated that keeping water on the land could be beneficial. Chair Swanson asked that comments be put together for further review and asked City Administrator Bartus to report on related grants.

City Administrator Bartus reported on pending grants and an upcoming meeting about a potential agreement with other municipalities in the County. Mayor Foster confirmed that the Stormwater Grant had been awarded.

Joe Schmidt asked whether the City could dry sludge for other municipalities. Commissioner Harding confirmed that this could be explored and cited sludge-related work in Marathon and Big Pine Key.

There was no further discussion and Chair Swanson asked for a motion to approve the draft budget.

MOTION: Motion made by Vice-Chair Carey to approve the FY26/27 Draft Budget. Chair Swanson seconded the motion.
DISCUSSION: Chair Swanson commented on the need to continue to work on the draft. Commissioner Harding confirmed that further changes can be made. Chair Swanson commented on the high costs of emergency sludge hauling. Commissioner Harding gave further comment on the leak prevention process, relations to rain events, volume increases, and leak detection and repairs during the year.
ON THE MOTION: Rollcall vote. Unanimous approval.

Wastewater Plant Operator Shane Ellis provided additional comments on rain events, which increase volume, and on King's Tides, which, when combined with rain events, double the volume to consider when it comes to sludge hauling.

b. Review of April/May Sludge Hauling – See under a.

c. Discussion/Recommendation of Approval to Secure Engineering Studies for Limiting Potential Damage to the Wastewater Plant in the Event of a Tidal Surge

Chair Swanson introduced the agenda item and asked Gil Gilbertson to elaborate. After speaking with Plant Operator Shane Ellis, Gilbertson stated that the two most vulnerable buildings appear to be the MBR and ISAM buildings, both of which contain complex electronic equipment that could be damaged by saltwater intrusion. He discussed available engineering resources and advised Board members not to assume responsibility for areas outside their expertise. He recommended consulting an engineer or other qualified expert with appropriate insurance.
Gil Gilbertson further stated that the wastewater plant should be protected from damage during a major hurricane or tidal surge. He noted that if the plant were out of service, residents could be unable to live in the City for an extended period until repairs were completed. To mitigate that risk, he suggested that the Commission consider having an engineer work with Shane Ellis to evaluate vulnerabilities and identify the least expensive improvements

with the highest return on investment.

Vice-Chair Carey asked how long the plant had been down after Hurricane Irma. Commissioner Harding stated that the plant had been down for a few days due to minor flooding. He noted that a platform had been affected and that the generator helped bring the plant back online. He also stated that two lift stations were lost and that the MBR building was the most vulnerable, in addition to the lift stations.

Commissioner Harding noted that the tanks are not expected to move during a storm due to their weight. He stated that lift stations are already included on the list of items for review and that flood logs may be one of the most effective flood-protection measures. He commented that the plant performed relatively well after Hurricane Irma, but overtime and staff hours were very costly.

Chair Swanson stated that the Board should further consider what it intends to recommend before making a recommendation to the Commission. Chair Swanson also stated that he would follow up on the matter and bring the item back at a later meeting.

7. **City Staff Report:** City Clerk Roussin reported that the search for a Wastewater Plant Operator is ongoing.

8. **Sewer and Stormwater Grant Update:** Nothing further.

9. **Operator's Monthly Report**
   - **a.** May 2026
   - **b.** Maintenance Budget for re-use

   Plant Operator Ellis reported that the high nitrogen test results are trending downward and that a problem affecting the averages had been corrected, which should allow the averages to continue decreasing.

   Shane Ellis further advised that he has been in contact with Nuvonics about repairs to the ballasts and bulbs, which are not providing adequate disinfection. Commissioner Harding suggested approving on-site visits, if needed, to complete the repairs. Mayor Foster asked for clarification on the current risk to the plant.

   Dennis Coates, Shane Ellis' US Water Supervisor, explained the communication issues and the underlying problem. He stated that there is minimal disinfection risk and outlined the steps intended to resolve the issue. Mayor Foster asked about warranty work, noted the importance of understanding the issue, particularly in light of DEP concerns, and ensuring that the matter remains under control. Dennis Coates acknowledged the concern, agreed that resolving the issue is important, and committed to following up with Commissioner Harding the following day.

10. **Treasurer's Report**
    - **a. May 2026 Wastewater Financial Reports**
      - **1.** Balance Sheet
      - **2.** Income Statement
      - **3.** Discussion/Approval of Wastewater Warrant No. 0526 for $159,970.52
    - **b. May 2026 Stormwater Financial Reports**
      - **1.** Balance Sheet
      - **2.** Income Statement
      - **3.** Discussion/Approval of Stormwater Warrant No. 0426 for No. 0526 for $29,509.03

    Gil Gilbertson presented the Treasurer's Report and noted that, although not an accountant, the numbers appear similar to those previously reviewed. Chair Swanson stated that nothing stood out and asked for a motion to approve the Wastewater Warrant for $159,970.52.

    MOTION: Motion made by Vice-Chair Carey to approve. Gil Gilbertson seconded the motion.
    DISCUSSION: None.
    ON THE MOTION: Rollcall vote. Unanimous approval.

Chair Swanson asked for a motion to approve the May Stormwater Warrant in the amount of $29,509.03.

MOTION: Motion made by Gil Gilbertson to approve the Stormwater Warrant. Joe Schmidt seconded the motion.
DISCUSSION: None.
ON THE MOTION: Rollcall vote. Unanimous approval.

11. **Any Other Business**
    a. Review of Summer Schedule: The Board discussed their ability to attend upcoming meetings and confirmed an established quorum for the July meeting.

12. **Next Meeting:** July 21, 2026 – 10:00 AM – The Inn

13. **Adjournment:** The meeting adjourned at 4:32 PM.

Respectfully submitted,

Silvia Roussin
City Clerk

<u>ADOPTED</u>: July 21, 2026
Silvia Roussin
City Clerk

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