

Naples, Florida, May 9, 1978

LET IT BE KNOWN, that the Pelican Bay Improvement District Board met in regular session at 4:30 P.M. in Building "F" of the Collier County Courthouse Complex with all members present;

PRESIDENT: Salvatore Scuderi
TREASURER: Viola Barclay
SECRETARY: Douglas Brown

Harmon Turner
Robert Diefenthaler

ALSO PRESENT: Carol Russell, Recording Secretary; Tracy Bolesky, Attorney for the Board; Messrs. Werner Buntemeyer, Byron Koste, Charles Penn, Robert McKinley, and Grover Ericksen (General Manager) of Coral Ridge-Collier Properties, George Varnadoe, Attorney of Smith, Young & Blue; and Fred Biery of Post, Buckley, Schuh & Jernigan.

AGENDA - PELICAN BAY

1. Call to order
2. Roll Call
3. Minutes of Prior Meetings
4. Engineer's Report
5. Old Business
6. New Business

CALL TO ORDER-ROLL CALL

The meeting was called to order. President Scuderi noted that all members of the Board were present.

MINUTES OF MEETING OF APRIL 12, 1978 - APPROVED AS CORRECTED

Mr. Harmon Turner explained that a list of corrections to the minutes of the meeting of April 12, 1978 had been presented to the recording secretary prior to the meeting. Mr. Bolesky also pointed out that he had stated that the Bond Validation Hearing was the 25th and the date should have been May 24th.

The corrections are as follows:

Page 458 Brian Kosta should be Byron Koste

Page 459 Brian Kosta should be Byron Koste
May 25th should be May 24th(in second from last line)

Page 463 Add to last line of second full paragraph.....
the irrigation system, the potable water system,
and the sewage system.

Page 463/4/5 Addendas - Should be Addenda
Addenda - Should be Addendum

Page 468 Add copy of "Budget Review" for the record.
Second last line should read ,Mr. Brown and carried.

Page 470 George Varnadoe should be Tracy Bolesky

Addendas to the Agreement including the Addenda
should read Addenda.....Addendum
Second last line ,Mr. Brown and carried.

Mr. Harmon Turner moved, seconded by Mr. Brown and carried,
that the minutes be approved with the suggested corrections.

ENGINEER'S REPORT

Mr. Fred Biery of Post, Buckley, Schuh & Jernigan explained to the Board that the "lead time", meaning the time period between ordering and receiving, for the Reverse Osmosis Treatment Plant equipment would be between five and six months. This could mean that the general contractor would be waiting for the equipment after the building itself was constructed, said Mr. Biery. Therefore, it is the recommendation of the engineers for the Board to advertise for bids from the equipment suppliers in order that the bids might be received and opened at the July meeting, he stated. While the bonds are being sold for the water/sewer improvements, this equipment can be ordered, bids can be put out for general contractors to do the remaining work and "then it will all fit together", said Mr. Biery. The final draft of the plans and specifications for the purchase of the Reverse Osmosis Treatment Plant equipment have been submitted to this Board and to the developer, he reported, and these were briefly reviewed. (Copy of plans in official file). Authorization to advertise for bids for the Reverse Osmosis equipment is needed today, said Mr. Biery.

Mr. Turner asked if the bid would be for the equipment to be delivered on site and also installed. Mr. Biery responded that two prices would be asked, one for the equipment delivered to the site and the other for the manufacturer to give a price for the installation. This is specialized equipment, said Mr. Biery, and normally the equipment supplier does the installation. Care must be taken in reviewing these bids also, stated Mr. Biery, as this type of equipment varies and perhaps a certain kind of equipment may have a high purchase price but have a very low operating and maintenance cost over a long

period of time and be the best equipment to have.

Mrs. Barclay asked if this equipment could be utilized if the District was denied the use of the water off-site. Mr. Biery replied that modifications would have to be made but that this equipment could be used. However, the Consumptive Use Permit will be obtained in June prior to the taking of these bids in July and it will be known at that time whether or not the District will be allowed to obtain water off-site, he said.

Mr. Harmon Turner stated that in order to have the equipment when needed, it would have to be ordered in advance of letting the contract for the building. Mr. Turner moved to authorize the engineers to advertise for bids for the delivery of the Reverse Osmosis Plant equipment, with an alternate bid for delivery and installation of said equipment when the building is available, otherwise to be known as Contract C-1. Motion was seconded by Mr. Brown and carried unanimously 5-0.

BOND COUNSEL PROPOSAL FOR WATER/SEWER BOND - ACCEPTED

Mr. Harmon Turner explained that a proposal received from Hawkins, Delafield & Wood for the Water Management Bond Program had been previously accepted by this Board. Another proposal has been received from bond counsel, said Mr. Turner, in connection with the Water/Sewer Bond Program which is separate from the Water/Management. The attorney's fee for this bond issue would be between \$20,000. \$25,000. he said. President Scuderi inquired as to whether or not this estimated fee was a reasonable figure. Mr. Buntmeyer replied that it definitely was.

Mr. Turner moved that bond counsel's proposal for the Water/Sewer Bond Issue be accepted, seconded by Mrs. Barclay and carried unanimously.

UPDATE ON CONSUMPTIVE USE PERMIT

The South Florida Water Management District staff has reviewed the Pelican Bay Improvement District's Consumptive Use Permit application and have found no technical problems with it, explained Mr. George Varnadoe, Attorney for the Developers. However, as it is known that legally the District does not have the authority to obtain water off-site, he stated, the SFWMD staff had planned to recommend denial of the application due to "no authority". Legislation is presently pending in the Legislature regarding this matter, said Mr. Varnadoe, and it had been hoped that said legislation would be passed in May allowing the District to obtain water off-site.

However, the legislation has not as yet been passed, he said, and the South Florida Water Management District will postpone this item to their June agenda and, hopefully, by that time, the legislation will be passed thereby enabling the Consumptive Use Permit to be approved.

CONSIDERATION OF ADDENDUM #2

Mr. Werner Buntmeyer explained that at the last meeting a proposed Addendum #2 to the Engineer's Agreement between the Board, the engineers and Coral Ridge-Collier Properties was presented to this Board. This agreement was in regard to the engineering for the first phase of the water/sewer lines, said Mr. Buntmeyer, with the total amount being \$57,200. Addendum #2 was not approved at the last meeting, he said, and pointed out that the wording in Paragraph F was objectionable. Mr. Buntmeyer read aloud the paragraph which states that the District agrees to pay simple interest on the amounts repaid in any given year, said interest not to commence until 3 years from date of this addendum. After

that, a surcharge of 5% would be charged until a maximum of 10% is reached, he explained.

First three (3) years	No dollar amount is payable
Third (3) & Fourth (4) year	5%

This wording is inconsistent, stated Mr. Buntemeyer, as the 5% interest should begin at the fourth year since the first three years are free. In addition, said Mr. Buntemeyer, the developers have decided upon other changes and read the following:

Fourth and fifth years	5%
Sixth and seventh years	6%
Eighth and ninth years	7%
Any funds after ninth year	8% which will be the top limit.

Mr. Robert McKinley, Comptroller for Coral Ridge-Collier Properties, was introduced by Mr. Buntemeyer. Mr. McKinley pointed out that Coral Ridge-Collier Properties is a public company with stockholders and management. When these funds are advanced, he said, this minimal amount of interest will give a basis for defending this advance to people and management. He also clarified that the interest to be paid in the proposed Addendum #2 was only on the principal being paid back in that year and not on the total balance outstanding.

President Scuderi asked why this interest could not be included in the sale price of the product. Mr. McKinley replied that this was not their method of operation and that Coral Ridge-Collier Properties prefers to make their profit on the sale of the product. Mr. Harmon Turner also commented that he had been working closely with the engineers and developers regarding this. He stated that when the engineers had developed the first finance program regarding the water/sewer, it appeared that it was not feasible because of the high rate that would have to be paid by the customers. Mr. Turner reported that he and Mr. Biery had discussed this with the developers in order to seek an alternate program which would be more financially feasible.

One of the alternates was for the developer to pay the cost of installing the water/sewer lines on the property underground and for the use of the developer's money, the District would be charged the minimal amount of interest mentioned earlier, said Mr. Turner, and by using this plan there will be a big savings to the customer. Mr. Buntemeyer also pointed out that this plan would help the developer accounting-wise by receiving these monies for the Accounts Receivable shown on their books when this money is loaned to the District.

After more discussion, Mr. Turner moved to approve Addendum #2 as corrected at this meeting, seconded by Mr. Brown and carried 3 to

2. Roll Call Vote:

Harmon Turner - Yes
Viola Barclay - No
President Scuderi - No
Robert Diefenthaler - Yes
Douglas Brown - Yes

A few moments later in the meeting, Mr. Varnadoe called to the attention of the Board that authorization for the President and Secretary to sign this Addendum #2 is needed.

Mr. Turner moved, seconded by Mr. Diefenthaler and carried 5-0 that the President and Secretary be authorized to sign same.

INVOICE #10

Mr. Turner reported that Invoice #10 has been received from the engineers in the amount of \$111,930.80 for water management and water/sewer work which has been done. The developers have agreed to advance the money to pay this invoice, stated Mr. Turner, and moved that Invoice #10 be approved and the developers authorized to pay same. Motion seconded by Mr. Brown. Before the vote was taken, President Scuderi voiced his objection to the letter dated April 26, 1978 to the Board of Supervisors from Mr. Biery, Engineer for the District, regarding Water and Sewer Utilities Systems Financing Plan - Developer Advances (Copy in official file). The vote was taken and motion carried unanimously.

OLD BUSINESS

TREASURER'S REPORT - APPROVED

Mr. Turner moved that the Treasurer's Report be approved, seconded by Mr. Diefenthaler and carried unanimously.

TREASURER'S REPORT
FOR THE PERIOD APRIL 13, 1978 THROUGH MAY 10, 1978
PELICAN BAY IMPROVEMENT DISTRICT
NAPLES, FLORIDA

	APRIL 13, 1978 TO MAY 10, 1978	YEAR TO DATE
CASH BALANCE - BEGINNING OF PERIOD	\$ 9,751.30	\$ 3,008.17
CASH RECEIVED:		
Coral Ridge Properties	-0-	18,500.00
	\$ 9,751.30	\$21,508.17
EXPENDITURES:		
Meeting Expense	\$ 500.00	\$ 4,000.00
Office Expense	8.05	82.68
Secretarial Expense	61.62	593.27
Attorneys Fees	4,315.00	10,996.76
Accounting Services	135.00	825.00
Classified Advertising	23.90	55.32
Travel Expense	39.09	286.50
Miscellaneous Expense	85.00	85.00
	\$ 5,167.66	\$16,924.53
CASH BALANCE - END OF PERIOD		
Cash in Bank	\$ 4,563.64	
Petty Cash	20.00	
	\$ 4,583.64	\$ 4,583.64

Respectfully Submitted,

VIOLA S. BARCLAY, TREASURER

BILLS APPROVED FOR PAYMENT

Mrs. Viola Barclay indicated that the following bills are being presented for approval, in addition to the travel vouchers:

Bill from Auditor	\$75.00
Board of County Commissioners	74.24
Naples Daily News	3.10

Mr. Turner moved that the bills be paid, seconded by Mr. Brown and carried 5-0.

NEW BUSINESS

Mr. Turner pointed out that soon the District will be receiving monies and stated that he felt that the District should have a manager or administrator to see that everything is "properly taken care of, properly paid and properly accounted for". Mr. Turner indicated that he would investigate and make a recommendation to the Board at the next meeting. Mr. Buntmeyer related that it would be helpful at the present time to have a manager, however, suggested ~~only~~ having someone part-time ^{within} for the next three or four months. Mr. Buntmeyer explained several of the requirements of a manager for the District.

President Scuderi noted that Gary Moyer, District Manager of ~~Coral Ridge Collier Properties~~ ^{Spring Improvement District} was perhaps a prospect for this position of Manager. Mr. Turner reported that this matter had been discussed with Mr. Moyer regarding the position of part-time Manager and that Mr. Moyer had been receptive to some consideration. Mr. Turner related that this would be discussed further with Mr. Moyer, as well as any other interested parties.

Mr. Diefenthaler moved that Mr. Turner be authorized to look into this and make a recommendation for a part-time manager at the next meeting, seconded by Mr. Brown and carried unanimously.

Before adjournment, President Scuderi expressed his objection to the action taken by the developer in contacting Mrs. Barclay in regard to her vote at the meeting of April 12, 1978 against Addendum #2.

Mr. Buntmeyer responded that this was a misunderstanding and was merely an attempt to explain and clarify some information.

Mr. Turner reported to the Board that he had given the developers a bill for \$300. for services for April.

Mr. Turner also reported that Mrs. Virginia Magri has requested authorization to purchase a new filing cabinet with supplies as the one presently in the Clerk's Office for the Pelican Bay District is filled.

Mr. Turner moved, seconded by Mrs. Barclay and carried unanimously, that Mrs. Magri be authorized to purchase a 4-drawer legal filing cabinet with supplies for the Clerk's Office in the amount of approximately \$150.00.

Meeting was adjourned at 5:55 P.M. by order of the Chair.

PELICAN BAY IMPROVEMENT DISTRICT BOARD

Salvatore Scuderi, President