

Naples, Florida August 23, 1982

LET IT BE KNOWN, that the Pelican Bay Improvement District met on this date in Regular Session at 4:30 P.M. in The Club at Pelican Bay, 707 Gulf Park Drive, Naples, Florida with the following members present:

PRESIDENT: Salvatore Scuderi
SECRETARY: Douglas Brown

Miles Scofield
Harmon Turner

TREASURER: Sylvia Moll - Absent

ALSO PRESENT: Gary Moyer, District Manager; James Ward, Assistant Manager; Messrs. Obley, Morris, Caldwell and Penn, Coral Ridge-Collier Properties; Messrs. Biery, Jordan and Eckert, Post, Buckley, Schuh & Jernigan; Robert Parmelee, Plant Supervisor, Pelican Bay Improvement District; George Varnadoe, Young, van Assenderp, Varnadoe & Benton; Tracy Bolesky, Attorney for The District and Jean Swindle, Administrative Aide.

AGENDA

1. ROLL CALL
2. APPROVAL OF MINUTES HELD JULY 23, 1982
3. OLD BUSINESS
 - A. EXECUTION OF RESOLUTION ADOPTING THE FY1983 WATER MANAGEMENT BUDGET
4. PUBLIC HEARING
 - A. CONSIDERATION OF RESOLUTION CALLING FOR A REFERENDUM ELECTION TO ESTABLISH A MILLAGE CAP WITHIN THE DISTRICT
5. CONSIDERATION OF WATER/SEWER FINANCING AGREEMENT FOR FY 1982
6. PRESENTATION OF RATE STUDY
7. PRESENTATION OF PRELIMINARY WATER/SEWER BUDGET FOR FY1983
8. ENGINEER REPORT
9. MANAGER'S REPORT
10. APPROVAL OF INVOICES
11. SUPERVISORS REQUEST AND AUDIENCE PARTICIPATION
12. ADJOURNMENT

Legal notice having been published in the Naples Daily News on July 30, 1982 and August 6, 1982, Public Hearing was held to consider a Resolution calling for a referendum election in order to establish a millage rate within the District. This Resolution will allow the District to have the ability to levy an ad valorem tax and will indicate the maximum millage rate permitted. Mr. Moyer stated that by law it is required that such a Resolution be passed by the Board of County Commissioners of Collier County and subsequently sent to the Supervisor of Elections. The Resolution calls for a maximum of 10 mills which is the generally accepted millage cap for "general purpose governmental" agencies. It does not mean that the District will levy the maximum of 10 mills but indicates the maximum that the District can levy. Following questions from the public and the Board, Mr. Turner moved, seconded by Mr. Brown and carried 4-0, with Ms. Moll absent, that the Public Hearing be closed.

Mr. Turner moved, seconded by Mr. Brown and carried 4-0, with Ms. Moll absent, that the Resolution calling for a Referendum Election to levy ad valorem taxes within the District, be approved and submitted to the Board of County Commissioners for the required action. Additionally, in the same motion, it was requested that Attorney Bolesky prepare a Resolution which indicates that the Board has adopted and approved the above-referenced Resolution calling for a Referendum Election and the President and Secretary authorized to sign same.

WATER-SEWER FINANCING AGREEMENT FOR FY 1982 BETWEEN CORAL RIDGE-COLLIER PROPERTIES AND PELICAN BAY IMPROVEMENT DISTRICT - APPROVED IN PRINCIPAL - PRESIDENT AND SECRETARY AUTHORIZED TO SIGN FOLLOWING FINAL APPROVAL BY DEVELOPER AND THE ATTORNEY FOR THE DISTRICT

Mr. Moyer presented for the Board's consideration a Water-Sewer Financing

ROLL CALL

President Scuderi called the meeting to order at 4:30 P.M. and asked the record show all members present except Treasurer Moll who was absent due to illness.

MINUTES OF JULY 23, 1982 - APPROVED AS CORRECTED

Mr. Turner moved, seconded by Mr. Brown and carried 4-0, with Ms. Moll absent, that the minutes of July 23, 1982 be approved with the following corrections:

Page 1053 - 6th line from the bottom of the page - should read "figure of \$140 to \$200 monthly rate this year."

Page 1059 - 8th line from the bottom of the page - should read "anticipated in the very first feasibility study of the system."

RESOLUTION LEVYING TAX WITHIN THE PELICAN BAY IMPROVEMENT DISTRICT FOR PAYMENT OF DEBT SERVICE AND MAINTENANCE COSTS FOR THE PERIOD OCTOBER, 1982 THROUGH SEPTEMBER 30, 1983 - ADOPTED - PRESIDENT AND SECRETARY AUTHORIZED TO SIGN SAME

Following Mr. Moyer's review of the Resolution levying the water management tax in the amount of approximately \$479,319 for 1,454 taxable acres within the District (said figure of approximately \$479,319 includes \$254,761 for total maintenance tax; \$196,596 for payment of debt service and \$27,962 for collections fees and applicable discounts), Mr. Turner moved, seconded by Mr. Brown and carried 4-0 with Ms. Moll absent, that the Resolution levying tax within the Pelican Bay Improvement District for payment of debt service and maintenance costs for the period October, 1982 through September 30, 1983, be adopted and the President and Secretary be authorized to sign same.

RESOLUTION CALLING FOR A REFERENDUM ELECTION TO ESTABLISH A MILLAGE CAP WITHIN THE PELICAN BAY IMPROVEMENT DISTRICT - ADOPTED - PRESIDENT AND SECRETARY AUTHORIZED TO SIGN SAME

Agreement for the Fiscal Year 1982 between Coral Ridge-Collier Properties and the District. He explained that on September 30, 1982, the District will complete its FY 1982 and as has previously been discussed, revenues will fall far short of projections. After a careful analysis, in order to meet bond obligations and cash requirements for FY 1982, the District will need approximately \$215,000. Coral Ridge-Collier Properties has agreed, under the proposed financing agreement, to prepurchase this amount of connection fees and by so doing, the District can consider the monies as revenue to its system and not an advance to fund a deficit position. Coral Ridge-Collier Properties will have the ability in the future to draw down "dwelling units" based upon the current connection fee schedule. The District will open an account in the name of the Developer for the amount of money referenced above and with each draw down the corresponding connection fee will be subtracted from the account's balance. Mr. Moyer identified the two changes that were incorporated in the revised copy of the proposed agreement as follows:

Paragraph #1 - second line - "the total sum not to exceed \$215,000.00.
Said sum shall be paid as follows:

- a) Not to exceed \$100,000 not later than August 25, 1982; and
- b) Not to exceed \$115,000 not later than September 24, 1982.

Paragraph #2 - first line and continuing - "In consideration of the foregoing payments, DISTRICT shall establish a prepaid connection fee account on behalf of CORPORATION with an initial balance equal to the payments made under Paragraph 1."

There was discussion which covered such points as the proposed Agreement being in accordance with the District's Bond Resolution; the Attorney's for the District confirmation that it is legally correct for the District to receive revenue from another source; the requirement that any future high rise connection fees are paid 100% up-front; Mr. Obley's statement that even though the proposed Agreement had been reviewed by the staff, he had not had an opportunity to complete his own personal review of the document and lastly, Attorney Bolesky's statement for the record that the Agreement will not violate

the covenants of the District's Bond Resolution.

At this time, Mr. Turner moved, seconded by Mr. Scofield and carried 4-0, with Ms. Moll absent, that the Water-Sewer Financing Agreement between Coral Ridge-Collier Properties and the District in the amount of approximately \$215,000.00 be approved in principal with the stipulation that following the Developer's and the Attorney for District's acceptance, the President and Secretary be authorized to sign same.

PRESENTATION OF RATE STUDY AND PRELIMINARY WATER/SEWER BUDGET FOR FY 1983

Mr. Fred Biery of Post, Buckley, Schuh & Jernigan presented the rate study his firm has just recently completed and stated the engineers had reviewed and analyzed current utility financial data supplied by the District's staff. Such data consisted of a revised development absorption schedule, revenue and expense projections for the next four fiscal years based on the new schedule and a breakdown of operating costs for the current fiscal year. The current operating costs were allocated to golf course irrigation, potable water, wastewater and residential irrigation. Also reviewed was the 1978 District financing plan which established the current utility rates and provided projected estimates of revenues and expenses according to the development absorption schedule at that time. An analysis was performed to evaluate the deviations of the 1978 projected data versus the actual and revised projections with the revised absorption schedule

The current water and wastewater rates were derived in 1978 and were proportional to 1979-1980 estimated flows and costs which were designed to provide about \$38 per month per equivalent residential connection (ERC). The \$38 rate was not designed to cover all costs and debt service of the utility system. With the small number of connections during the first few years of utility operation, a rate to cover all costs is unrealistic. Revenue from all

sources including meter charges and connection fees plus the rate revenue were projected to cover the costs of the system. As shown in the 1978 feasibility study the \$38 amount ^{would be} ~~was raised~~ to \$45 (18.4%) in FY 1983. At this point, the number of equivalent connections ^{is} ~~reached~~ ^{would reach} 1,000 and the estimated operating revenues plus interest income and meter fees ^{is} ~~covered~~ all expenses and debt service.

The revised absorption schedule shows a significantly reduced number of projected units from the 1978 feasibility study schedule. Measured in terms of equivalent residential connections as defined in the 1978 study, shows the current and projected development over the next three years are all less than half of the earlier projections. Likewise revenues, including connection, meter and operating are also cut in half. (All Schedules are included in the complete Rate Study which is on file in the District's office) This has a severe financial impact on the system. The 1978 feasibility study showed a breakeven operation in 1983 with the 18.4 percent rate increase. With the new absorption schedule and the current rates a breakeven operation will not occur prior to 1985.

Additionally, Mr. Biery reviewed the estimated costs of operations using the following percentages:

Golf Course	10%
Irrigation	20%
Wastewater	30%
Potable Water	40%

He stated the projected deficits are caused primarily by the lack of customers. Less than half of the number of ERC's are projected thru 1985 in the revised absorption schedule than the 1978 version. This affects both the connection fee revenue and the user fee revenue. The financial plan relies heavily on connection fee revenue in the initial stages of the District's development. After an adequate customer base is established, the system can be self

sustaining. The District's system will not have an adequate customer base prior to 1986 according to the revised absorption schedule nor will the connection fee revenue be sufficient to cover the shortfall.

To return the system to a sound financial condition the deficits must be reduced and/or eliminated within a reasonable time and surpluses must be generated to repay developer advances.

In closing Mr. Biery said it is felt that a reasonable goal would be to establish rates and charges to provide a surplus by the end of the FY 1985 of \$200,000 and in order to accomplish this goal the following charges and rates for the District's water and wastewater service are recommended:

USER RATES

<u>Monthly Rate</u>	<u>Minimum</u>	<u>Over Minimum</u>
Potable Water	\$13.25	\$ 2.65 per thousand
Wastewater	\$10.00	\$ 2.00 per thousand
Irrigation Water	\$ 1.64	\$ 0.41 per thousand
Golf Course	NA	\$ 0.12 per thousand

At this time, Mr. Moyer presented for the Board's consideration the preliminary FY 1982-83 Water and Wastewater Budget and stated whereas the rate study had been prepared from a conservative position, the preliminary budget carries a more optimistic attitude. During his review, Mr. Moyer explained the difference between the revised absorption schedule used in the preparation of the preliminary budget and the previously presented rate study. Using the higher absorption figure and the newly recommended user rates, the preliminary budget indicates that the District's system can be operated during the FY 1982-83 at a "break-even" figure.

Following discussion, Mr. Turner moved, seconded by Mr. Brown and carried 4-0, with Ms. Moll absent, that a Public Hearing be set for the September, 1982 meeting for both the Proposed Water-Sewer Budget for FY 1983 and the Proposed

User Rates.

ENGINEER'S REPORT

AUTHORIZATION TO BID LAS BRISAS PROJECT - APPROVED WITH STIPULATION

Mr. Jerry Eckert asked for authorization to go to bid for the almost completed Utility Service Design for the project, Las Brisas. He stated the design and specifications would be ready very shortly and if the authorization could be given at this meeting then the start of construction would not be delayed.

Mr. Turner moved, seconded by Mr. Brown and carried 4-0, with Ms. Moll absent, that the District Manager be authorized to go to bid for the project Las Brisas with the stipulation that such completed plans and specifications have the District's approval.

CERTIFICATES OF PAYMENTS - APPROVED AS PRESENTED

Mr. Brown moved, seconded by Mr. Scofield and carried 4-0, with Ms. Moll absent, that the following Certificates of Payments be approved for payment as presented:

<u>CERTIFICATE NO.</u>	<u>CONTRACTOR</u>	<u>AMOUNT</u>
Southeast Commercial Water/Sewer Study	No. 3 Post, Buckley, Schuh & Jernigan	\$ 140.49
Bridge-Way Utility Design	No. 2 Post, Buckley, Schuh & Jernigan	\$ 6,060.53
PBID Street Lighting Acct. Unit IV - Single Family	No. 3 Coral Ridge-Collier Properties	\$ 357.36
PBID Street Lighting Acct. Gulf Park Drive	No. 4 Coral Ridge-Collier Properties	\$ 1,517.28
	TOTAL AMOUNT ALL INVOICES	\$ 8,075.66

MANAGER'S REPORT

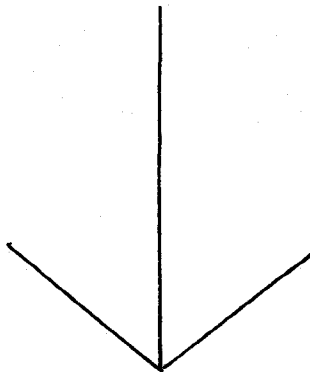
It was the consensus of the Board that the date of September 27, 1982 be verified as the time for the next Board meeting.

SUPERVISORS REQUEST AND AUDIENCE PARTICIPATION

Mr. Dave Caldwell gave a review of how Coral Ridge-Collier Properties are proceeding with their mitigation and ^{fill activities} ~~collectivities~~, stating that the ^{mitigation} ~~work~~ in the northwest fill area is 100% completed which ^{fulfills} ~~fulfills~~ one of the Developer's obligations under the permit. Secondly, in the Conservation Area south of Clam Pass which constitutes the County's 36 acre park, those activities necessary to create tidal ditches and tidal flat areas in the mangrove forest have, additionally, been completed. Continuing, Mr. Caldwell stated that in the fill area itself filling and clearing have been going on for approximately three months with the completion for this particular portion of the project being a long time in the future. Lastly, the Developer has started a parking lot for the County in conjunction with the five (5) acre park the Developer has previously dedicated to the County.

APPROVAL OF INVOICES

Mr. Scofield moved, seconded by Mr. Brown and carried 4-0, with Ms. Moll absent, that the following Water Management Operating Summary and Invoices be approved as presented:



PELICAN BAY IMPROVEMENT DISTRICT
OPERATING SUMMARY
WATER MANAGEMENT ACCOUNT

	BUDGET (PERIOD 7/01/82 THRU 7/31/82)	ACTUAL (PERIOD 7/01/82 THRU 7/31/82)	VARIANCE (PERIOD 7/01/82 THRU 7/31/82)	BUDGET (PERIOD 10/01/81 THRU 7/31/82)	ACTUAL (PERIOD 10/01/81 THRU 7/31/82)	VARIANCE (PERIOD 10/01/81 THRU 7/31/82)
MEETING EXPENSE:						
Supervisors Fees	\$ 500	\$ 500	-0-	\$5,000	\$5,000	-0-
Travel Expense	25	9	16	250	197	53
Legal Notice	12	19	(7)	121	112	9
PROFESSIONAL FEES:						
Engineering	541	541	-0-	5,410	5,410	-0-
Legal	1,000	1,590	(590)	5,500	3,890	1,610
Audit	-0-	-0-	-0-	2,250	2,250	-0-
Trustee	-0-	-0-	-0-	1,500	1,500	-0-
SYSTEM OPERATING EXPENSE						
Office	323	259	64	3,231	4,063	(832)
Payroll	4,363	4,750	(387)	44,682	30,078	14,554
PR tax & benefits	1,137	154	983	10,833	4,427	6,406
Transportation	200	75	125	9,065	8,727	338
Swale Maintenance	2,083	6,502	(4,419)	20,831	15,414	5,417
Water Quality	666	654	12	6,662	3,561	3,101
Insurance	967	-	967	2,896	4,000	(1,104)
Rights-of-Way Maint.	13,387	7,989	5,398	133,873	77,427	56,446
Water Connex & Use	2,668	418	2,250	26,683	4,536	22,147
Contingencies	88	-	88	2,963	525	2,440
Renewal & Replcmt	500	-	500	5,000	-	5,000
TOTALS	\$28,460	\$23,460	5,000	\$286,700	\$171,115	\$115,585

WATER MANAGEMENT INVOICES
JULY 1982

Naples Daily News (Legal Adv.)	\$ 18.82
Richardson & Assoc (ROW Maint)	7,988.92
UTS (Tel. service)	60.89
CR/CP (rent, utl & Postage)	187.49
Purolator (courier service)	10.95
Tom's Tractor Service (swale maintenance)	5,900.00
Lakes & Waterways (lake maint.)	499.00
PBID/WS account (ROW irr)	418.07
Tracy Bolesky (legal serv.)	1,590.00
Phillips Petrol.	37.20
Creel Ford Tractor (Mo-trim prts)	60.38
Coastline Equip (Mo-trim prts)	43.06
Big Cypress Service (Monitoring)	654.50

Pelican Bay Improvement District
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Mr. Turner moved, seconded by Mr. Scofield and carried 4-0, with Ms. Moll absent, that the following Water-Wastewater Operating Summary and Invoices be approved as presented:

PELICAN BAY IMPROVEMENT DISTRICT
 WATER - WASTEWATER
 OPERATING SUMMARY

	BUDGET (PERIOD 7/01/82 THRU 7/31/82)	ACTUAL	VARIANCE	BUDGET (PERIOD 10/01/81 THRU 7/30/82)	ACTUAL	VARIANCE
REVENUE:						
Connection Fees	\$31,250	\$14,110	(\$17,140)	\$262,355	\$171,686	(\$90,669)
Meter Use Fees	6,890	3,910	(2,980)	55,960	35,554	(20,406)
Water & Sewer Revenue	9,389	7,782	(1,607)	80,137	66,041	(14,096)
Irrigation Revenue	3,288	5,222	1,934	29,452	59,765	30,313
TOTAL REVENUES	50,817	31,024	(19,793)	427,904	333,046	(94,858)
OPERATING EXPENSES:						
Payroll	5,666	5,395	271	56,660	48,082	8,578
P/R Taxes & benefits	1,415	292	1,123	14,145	7,604	6,541
Engineering	875	5,893	(5,018)	8,750	18,786	(10,036)
Legal	500	-	500	5,000	2,506	2,494
Audit	-	-	-	2,250	2,250	-0-
Office & Billing	912	318	594	8,414	5,707	2,707
Insurance	-	-	-	5,596	5,805	(209)
Trustee	-	-	-	2,000	2,000	-0-
Electric	5,458	8,713	(3,255)	52,053	53,942	(1,889)
Chemicals	3,417	1,060	2,357	29,517	10,289	19,228
Transportation	814	67	747	10,573	8,462	2,111
Water Quality	417	440	(23)	4,165	4,385	(220)
Repairs & Maintenance	1,638	3,649	(2,011)	16,380	15,872	508
Contingencies	375	-	375	3,498	2,760	738
CAPITAL:						
Meters	5,560	-	5,560	32,716	17,742	14,974
Wellfield Purchase	-	-	-	16,367	16,367	-0-
TOTAL EXPENDITURES	\$27,047	\$25,827	\$ 1,220	\$268,084	\$222,559	\$45,525

Pelican Bay Improvement District
August 23, 1982

WATER - SEWER INVOICES
JULY 1982

United Telephone Service	\$60.89
Florida Power & Light Co. Service for wellfields and RO plant	\$5,232.95
UTS (ringdown numbers)	145.78
National Linen Service	101.40
Qualicom - Beeper Service	29.50
Sunshine Ace (RO plant supplies)	93.87
B&H Sales (RO Plnt supplies)	29.00
SW Electric Supply (RO plnt)	51.52
PB&S Chemical (Chemicals)	1,025.45
Builder's Mart (Plnt workbench)	101.43
CR-CP (½ rent, utl. pstg.)	111.26
Bob Dean Supply (repair well#2)	657.76
Bob Dean Supply (repair well #1)	860.99
Ashley Repair Service (J.Deere)	18.90
Bob Dean Supply (repair well #3)	889.17
Davis Meter Supply (valve box tool)	107.49
H&L Sales (J.Deere supplies)	61.94
Suburbia Systems (Air diffusers)	120.00
Suburbia Systems (ROplnt supplies)	8.50
FPL (RO plnt)	3,425.08
N.Trail Auto Prts. (ROplnt sup.)	48.86
Arroyo Process (PVC valve diaphram)	56.45
FPL (Booster Pump Station)	54.68
Phillips Petrol	37.20
Safety Equip Co. (Safety wear)	143.09
Wesco (materials for Irr pump)	160.66
J.N. Evironmental (W/W analysis)	110.00
PB&S Chemicals (Chemicals)	35.00
Missimer & Co (Wellfield monitorg)	330.00

ADJOURNMENT

There being no further business to come before the Board, Mr. Turner moved, seconded by Mr. Scofield and carried 4-0, with Ms. Moll absent, that the meeting be adjourned - Time: 6:00 P.M.


SALVATORE C. SCUDERI, PRESIDENT
PELICAN BAY IMPROVEMENT DISTRICT