

Naples, Florida

May 15, 1985

LET IT BE KNOWN, that the Pelican Bay Improvement District met on this date in Regular Session at 4:30 P.M. in the Pelican Bay Community Center, 6251 Pelican Bay Boulevard, Naples, Florida, with the following members present:

PRESIDENT:	Salvatore C. Scuderi
SECRETARY:	Douglas G. Brown
TREASURER:	Sylvia A. Moll
	Sue E. MacAlister
	Miles Scofield

ALSO PRESENT: Mr. Gary L. Moyer, District Manager; Mr. James P. Ward, Assistant District Manager; Mr. Tracy Bolesky, Attorney for the District; Mr. Harmon Turner, Consultant to the Board; Messrs. Byron Koste, Lou Hoegsted, Tony Pires, David Caldwell, and Charles Penn, of Westinghouse Communities of Naples, Inc.; Messrs. Fred Biery and Kurt Frahn of Post, Buckley, Schuh & Jernigan, Inc.; Messrs. Jerry Provence and Joe Nahama of W.B. Johnson Properties, Inc.; Mr. Gil Fleischlacker of M.A. Mortenson Company; Mr. Ken Artlette representing Can-American Realty Corporation; Messrs. John Petty and Robert Parmelee of the Pelican Bay Improvement District; Messrs. Seymour Sekuler, Wells Martin, Jr., and Ramer Holtan, PBID Residents; and Jean Smith, Administrative Assistant.

AGENDA

1. Roll Call.
2. Approval of Minutes of the Meeting held April 17, 1985.

AGENDA (Continued):

3. PUBLIC HEARING
 - A. Consideration of the Fiscal Year 1986 Street Lighting Budget.
 - B. Consideration of the Resolution adopting the Fiscal Year 1986 Street Lighting Budget.
4. Acceptance of Grant of Easement.
 - A. Bay Villas, Lot 43.
5. Engineer's Report.
6. Manager's Report.
7. Confirmation of Invoices.
8. Supervisor's requests and audience participation.
9. Adjournment.

ROLL CALL

President Scuderi called the meeting to order at 4:30 P.M. and asked that the record show all members present.

MINUTES OF APRIL 17, 1985 - APPROVED AS SUBMITTED

Mr. Scofield moved, seconded by Ms. Moll and approved unanimously that the Minutes of April 17, 1985 be approved as submitted.

PUBLIC HEARING FOR CONSIDERATION OF THE FISCAL YEAR 1986 STREET LIGHTING BUDGET

Legal Notice having been published in the Naples Daily News on May 1 and May 8, 1985, as evidenced by the Affidavit of Publication presented for the record, a Public Hearing was held to consider the District's Street Lighting Budget for Fiscal Year 1986.

Mr. Moyer explained that a copy of the proposed Budget had been included in the Board's agenda packages for their review and consideration.

Mr. Moyer stated that the total Budget for Fiscal Year 1986 is anticipated to be \$180,665.00, which is composed of an Ad Valorem Tax Levy of \$130,783, interest income of \$4,118.67 and an unappropriated fund balance carryforward of \$45,762.97. The \$130,783.00 Ad Valorem Tax Levy is

slightly greater than last year and will result in an approximate millage rate for Fiscal Year 1986 of .54, as compared to a millage rate of .42, for Fiscal Year 1985. As a comparison, this means that on a home with an assessed valuation of approximately \$200,000, the taxes in 1985 were approximately \$8.00 and in 1986 will be approximately \$10.00, for street lighting. The major difference in this year's budget vs. last year's budget is the debt service. The District anticipates having to obtain an additional street lighting loan for the installation of street lights in the Unit IV, single family area. The debt service on this additional loan will increase the overall debt service of the street lighting system and therefore, will result in a budget increase to \$130,783.00.

At this time, Mr. Scuderi called for comments by the Public. There being no comments from the Public, Mr. Scofield moved, seconded by Mr. Brown and carried unanimously, that the Public Hearing be closed.

At this time, Mr. Scofield moved, seconded by Mr. Brown and carried unanimously, that the Street Lighting Budget for Fiscal Year 1986 be approved and that the President and Secretary be authorized to sign the Resolution approving and adopting the Street Lighting Budget for Fiscal Year 1986.

ACCEPTANCE OF GRANT OF EASEMENT - BAY VILLAS LOT 43

Mr. Moyer recalled for the Board that when Bay Villas was constructed, some of the water and sewer services fell outside of the dedicated easements. For the past year, the District has undertaken the task of having the individual homeowners grant to the District, the required easements. At present, there are two remaining easements which

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need to be obtained. The easement now being considered has been received within the past few weeks and is in similar form as the previously accepted easements. Mr. Moyer stated that this easement was prepared by the District's Engineer's, Post, Buckley, Schuh & Jernigan, Inc.

At this time, Mr. Scofield moved, seconded by Ms. MacAlister and approved unanimously, that the Easement for Bay Villas Lot 43 be accepted, as presented.

ENGINEER'S REPORT

Mr. Fred Biery of Post, Buckley, Schuh & Jernigan, Inc., presented a status report of the Master Plan for the Bond Issue. Mr. Biery told the Board that since last month's meeting, PBS&J and PBID staff have had a meeting with the South Florida Water Management District to discuss the possible alternatives for potential sources of water and have basically learned that there is an extremely limited possibility of obtaining any permits for the withdrawal of water from the shallow aquifer within the boundaries of Pelican Bay. This, in itself, eliminated several of the alternatives under consideration. He went on to explain that PBS&J is still evaluating the possibility of expanding and enlarging the existing wellfield; the possibility of utilizing the Floridan Aquifer, and also, is holding discussions with the City of Naples regarding supplying water under a bulk sale agreement. Mr. Biery went on to explain that PBS&J and PBID staff have set up a meeting with the Florida Department of Environmental Regulation, one of the primary reasons being, to discuss the disposal of reject water from the R.O. plant into conservation areas. If this field inspection proceeds as expected, by the end of May, PBS&J should have all

*J HAWTHORNE AQUIFER
IS UTILIZED*

of the technical input necessary to complete the Report and by the first of June should be in a position to arrive at a bottom line cost figure. Once this figure is determined, PBS&J will be in a position to confer with District staff on the financial capabilities of the District based upon the statements of new development schedules received from Westinghouse Communities of Naples. He explained that WCN has basically committed themselves to a much lower development schedule and that it will be very critical to look at the financing capabilities of the District as it relates to this new development schedule. Mr. Biery stated that the completed package will hopefully be presented to the Board, for their consideration, at the June meeting.

At this time, Mr. Biery presented the following Certificates of Payment for approval by the Board:

<u>CERTIFICATE NO.</u>		<u>CONTRACTOR</u>	<u>AMOUNT</u>
R.O. Plant Expansion Loan Proceeds	No. 21	Electra-Tronics, Inc.	2,875.00
R.O. Plant Expansion Loan Proceeds	No. 22	Electra-Tronics, Inc.	6,400.00
R.O. Plant Expansion Loan Proceeds	No. 23	Electra-Tronics, Inc.	6,400.00
Villa Lantana - Construction	No. 1	Arrow Utility Systems, Inc.	40,429.35
Contract D-14 Construction Ser.	No. 8	Post, Buckley, Schuh & Jernigan	3,652.00
PBID Bond Program Feasibility Report	No. 1	Post, Buckley, Schuh & Jernigan	2,302.74
PBID Bond Program Feasibility Report	No. 2	Post, Buckley, Schuh & Jernigan	4,017.70

TOTAL AMOUNT ALL INVOICES \$ 66,076.79

Following Mr. Biery's presentation, Mr. Scofield moved, seconded by Mr. Brown and approved unanimously, that the Certificates of Payment be approved, as presented.

MANAGER'S REPORT

Mr. Moyer explained that the only item he had under his Report was a continuing discussion on a request from the developers of the two hotels, the Ritz-Carlton and the Registry Hotel, to amend a portion of the District's rate structure as to when the minimum fees for water, sewer & irrigation are implemented on units under construction. He explained that administratively the District began a policy, approximately two years ago, of charging the minimum fees on all three services at the time the building permit was obtained. While stating that he could not speak for the Hotel representatives, the Hotel's have claimed that the current policy is not an equitable policy, and that since they are not using all three services during the construction period, they should only be billed for the services that are actually being utilized. He stated that District staff has given this matter a great deal of thought and consideration over the past two months, and has concluded that the Hotels have a valid complaint and that a fair and equitable solution to this complaint would be to charge the minimum fees only for the service that is being provided. He explained that a great deal of case law was studied and from a legal standpoint, this is a "gray area". To reiterate, Mr. Moyer felt that from an equity standpoint, District staff is of the opinion that the Developers of the hotels have a justified claim and he recommended to the Board that the policy be amended, and that effective from the date the claim was first made, January, 1985, forward, that these projects be billed at the minimum rates for the services actually being utilized.

Ms. Moll asked Mr. Moyer whether he could assure the Board that

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there has not been any recent developers who have paid these minimum fees as they now stand. Mr. Moyer replied that there has not been any Group III or Group IV projects, in the recent past, that have paid minimum fees for all three services during the construction period, except for some Group II units, some single family homes and one commercial building, the HMA Corporate Center.

Mr. Moyer went on to explain that the Ritz-Carlton Hotel has agreed, as a willingness of good faith to the Board, to pay the minimum fees on all three services from the time they obtained their building permit up to January 15, 1985; and that the adjustment in the minimum fees would take effect from January 15, 1985, forward.

Mr. Scuderi asked Mr. Moyer what changes the Board would have to make in order to institute this new policy. Mr. Moyer replied that if the Board concurred with this policy, he recommended that the policy be properly advertised and formally adopted by Resolution at the next meeting.

Mr. Scuderi also inquired as to what should be done about past users who have paid these minimum fees and whether they would be entitled to a refund. Mr. Moyer replied that he would recommend that the policy not be retroactive; that because PBID is a public utility system, the Board has the power to periodically adjust the rate structures as they deem necessary.

To reiterate, Mr. Scuderi stated that District staff was actually proposing that minimum fees should not be charged until the actual hook-up occurred for the services required. Mr. Moyer explained that this policy

was consistent with other County utility operating policies, i.e., Collier County, the City of Naples, etc.

Following further discussion, Mr. Scofield moved, seconded by Ms. Moll and approved unanimously, that the Board agrees in principle to amending the policy to more closely tie the minimum charges into the use of the service and that Mr. Bolesky be authorized to prepare the necessary documents required to formally adopt and amend this policy, by the next meeting.

CONFIRMATION OF INVOICES

Water/Sewer Operating Summary and Invoices for April 1985 - Approved As Presented

Ms. Moll moved, seconded by Mr. Brown and carried unanimously, that the Water/Sewer Operating Summary and Invoices for April 1985, be approved as presented.

Water Management Operating Summary and Invoices For April 1985 - Approved As Presented

Ms. Moll moved, seconded by Mr. Brown and carried unanimously, that the Water Management Operating Summary and Invoices for April 1985, be approved as presented.

SUPERVISORS REQUESTS AND AUDIENCE PARTICIPATION

Mr. Seymour Sekuler, a member of the Pelican Bay Home Owner's Association, asked the Board, what the "roll back" in the minimum fees meant to other developers in the past and asked whether other high rises in Pelican Bay had paid this fee. Mr. Moyer explained that when the Dorchester was built, the same policy existed that the Board had just acted upon. Mr. Sekuler then asked why the current fee structure was changed.

Mr. Moyer replied that two years ago, the Board adopted a policy as to when the minimum fees were collected; that currently all fees are collected up front, rather than phased, as in the past. This was enacted because the District was experiencing a cash flow problem, and the District needed the monies more quickly, in order to operate the system. Although the dollar amount remained the same, the time schedule for payment of these fees was changed, and the District began billing the monthly minimums at the time the Building Permit was obtained.

Mr. Sekuler also asked whether the Hotels knew, when they contracted to build here, that these fees were in effect. Mr. Moyer replied that representatives of the Hotel had indicated, to District staff, that they were unaware of this policy, but that he could not speak for the Hotels. Mr. Moyer, again, stated that he could not give a legal opinion, but that the policy should be looked at in the manner of what is fair and what is not fair. Mr. Moyer explained that there are two parts of the District's rate structure; one which is orientated to developers and builders and one which is oriented to the users of the system. By changing the minimum fee policy, the District now has to go back and look at the developer side of the rate structure and determine how this change affects the District's revenue. Mr. Moyer indicated that the District tries very hard to balance the equation between developers and users and he is of the opinion that the current rate structure is very fair and equitable to both sides.

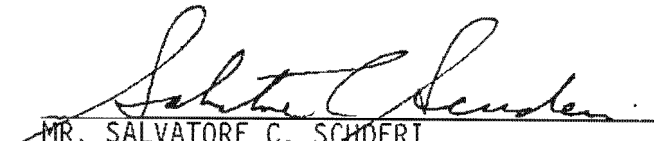
In conclusion, Mr. Scuderi stated that he felt it was important for PBID residents to know that the Ritz-Carlton Hotel was being required

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to pay minimum fees for water, sewer and irrigation services which did not serve the Hotel site, as water service from PBID was not available. Mr. Scuderi felt that this was the inequitable part of the policy and the reason for the change.

ADJOURNMENT

There being no further business to come before the Board, Mr. Brown moved, seconded by Mr. Scofield and carried unanimously, that the meeting be adjourned. Time: 5:00 P.M.


MR. SALVATORE C. SCUDERI
PRESIDENT
PELICAN BAY IMPROVEMENT DISTRICT

PELICAN BAY IMPROVEMENT DISTRICT
WATER/SEWER INVOICES
APRIL 1985

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Qualicom	W/S Portion March Beeper Service	14.75
Robert Parmelee	Film & Office Supplies	16.78
B-B Builders	R.O. Plant Supplies	80.41
Johnson Paints, Inc.	Paint & Materials - R.O. Plant Maintenance	1,612.32
Sunshine Ace Hardware	R.O. Plant Supplies	71.67
J.N. Environmental Services	Five (5) Bacteriologicals	50.00
State of Florida	Water Samples - Gross Alpha	20.00
Tamiami Ford	Repair 1981 Ford Courier	160.44
Westinghouse Communities of Naples, Inc.	W/S Portion April Rent & March Gasoline and Postage	380.35
B & H Sales	Meters & Meter Supplies	3,405.41
Curtin Matheson Scientific	Buffer Solution	358.48
Radio Shack	Transformer R.O. Plant	5.24
The Frame Up	W/S Portion Picture Frames	69.62
Mary Ann's Monogramming	Monogram Employee Uniforms	39.38
Richard Preston	Additional Due on Transformer - R.O. Plant	5.21
Florida Power & Light Co.	W/S Portion March Electric	9,588.90
Neptune Water Meter Co.	Meters & Meter Supplies	2,745.30
Jones Chemicals, Inc.	R.O. Plant Chemicals	1,224.30
The Shipping Station	Freight - Return Equipment To Flow Research & Samples To Orlando Lab.	11.59
Missimer & Associates	Wellfield Monitoring - March	330.00
J.N. Environmental Services	W/W Analyses - March & Laboratory Supplies	32.65
Technical Purification, Inc.	2 Drums Flocon	1,120.00
Pilot Freight Carriers	Freight Charges For Flocon	169.92
Hutchison Tire	Tires For Ford Courier #1	66.14
Carroll & Bolesky	Legal Services 2/28/85 Thru 3/26/85	1,455.80
Eric D. Stahlman Ent.	Repair Bike Path - Dorchester (Broken Water Valve)	75.00
IBM	W/S Portion Maintenance Agreement Displaywriter System - 10/25/84 Thru 6/30/85	370.61
Allied Fisher Scientific	Laboratory Equipment & R.O. Plant Supplies	266.00

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 WATER/SEWER INVOICES
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Sears, Roebuck & Co.	W/S Portion Refrigerator - R.O. Plant	191.95
Purolator Courier Corp.	W/S Portion Feb. & Mar. Courier Service	31.48
North American Telephone Coral Springs Improvement District	W/S Portion Mar. Long Distance W/S Portion Feb. Office Services & Billing Expenses 10/1/84 to 2/28/85	53.24 1,679.91
Michael Sons	Install Saddle & Corporation Stop At R.O. Site	76.00
Westinghouse Communities of Naples, Inc.	W/S Portion Aerial Photo Pelican Bay	22.84
Plastic Piping System	Backwash Valves	3,141.43
Florida Power & Light Co.	March Electric - Well #1	46.39
Weavers Office Supply	March Office Supplies	23.24
Jones Chemicals, Inc.	Chemicals R.O. Plant	849.30
Rhonda Archer	Accounting Manual	8.50
Phillips Petroleum	Fuel - Water/Sewer Inspection	39.72
United Telephone	W/S Portion March Telephone	248.81
Coral Springs Improvement District	W/S Portion Health & Dental Insurance April 1985	320.85
The Shipping Station	Freight - Return pH Meter To Orion	29.10

PELICAN BAY IMPROVEMENT DISTRICT
 WATER MANAGEMENT INVOICES
 APRIL 1985

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Richardson & Associates	March R-O-W Maintenance	14,209.50
Qualicom	W/M Portion March Beeper Service	14.75
Asgrow Florida Company	Fertilizer & Chemicals	330.45
Coast Pump & Supply	Irrigation Supplies	163.80
Westinghouse Communities of Naples, Inc.	W/M Portion April Rent & March Gas & Postage	380.35
The Frame Up	W/M Portion Picture Frames	69.61
IBM	W/M Portion Maintenance Agreement Displaywriter System - 10/25/84 Thru 6/30/85	370.60
Coastline Equipment Co.	Repair Mo-Trim	454.98
Carroll & Bolesky	Legal Services - 3/5/85 Thru 3/26/85	330.00
Allied Fisher Scientific	Detachable Cable For D.O. Meter	96.25
Florida Power & Light Co.	Crayton Road Sprinkler Clock - Mar.	9.09
Sears, Roebuck & Co.	W/M Portion Refrigerator - R.O. Plant	134.99
Purolator Courier Corp.	W/M Portion Feb. & Mar. Courier Service	31.47
North American Telephone	W/M Portion March Long Distance	53.25
Coral Springs Improvement District	W/M Portion February Office Services	40.81
Westinghouse Communities of Naples, Inc.	W/M Portion Aerial Photo Pelican Bay	22.84
United Telephone	W/M Portion March Telephone	155.30
Spectrum Laboratories	March Lake Samples	110.00
Coral Springs Improvement District	W/M Portion April 1985 Health & Dental Insurance	320.84
PBID W/S Account	March R-O-W Irrigation	1,963.54

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 PELICAN BAY IMPROVEMENT DISTRICT
 WATER AND WASTEWATER OPERATING SUMMARY
 April 1985

	<u>MONTH TO DATE</u>				<u>YEAR TO DATE</u>		
	<u>FISCAL YEAR 1985 BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>CHARGES FOR SERVICES</u>							
Connection Fees	\$ 349,995	7,940	3,140	(4,800)	49,902	370,868	320,966
Meter Use Fees	25,155	2,180	860	(1,320)	12,365	8,140	(4,225)
<u>USER REVENUE</u>							
Water	\$ 249,286	20,217	27,665	7,448	137,178	159,199	22,021
Sewer	163,538	12,772	19,590	6,818	86,461	111,936	25,475
Irrigation	180,723	14,950	15,889	939	102,207	124,327	22,120
<u>TOTAL REVENUE</u>	<u>\$ 968,697</u>	<u>58,059</u>	<u>67,144</u>	<u>9,085</u>	<u>388,113</u>	<u>774,470</u>	<u>386,357</u>
<u>PROFESSIONAL FEES</u>							
Engineering	\$ 12,000	0	0	0	3,000	3,000	0
Legal	6,000	500	1,459	(959)	3,500	7,069	(3,569)
Audit	3,000	0	0	0	3,000	3,000	0
Trust	2,000	0	0	0	2,000	2,000	0
<u>SYSTEM OPERATING EXPENSES</u>							
Office	12,586	907	1,192	(285)	9,349	9,493	(144)
Billing	4,556	379	1,639	(1,260)	2,655	2,517	138
Insurance	15,559	0	0	0	15,559	14,777	782
Payroll	91,443	7,034	5,412	1,622	52,755	41,887	10,868
Transportation	14,668	306	355	(49)	2,140	1,642	498
Water Quality	11,713	347	671	(324)	4,381	6,845	(2,464)
Repairs & Maintenance	64,000	5,333	2,129	3,204	37,334	20,989	16,345
Electric	115,584	9,616	9,635	(19)	66,528	54,403	12,125
Chemicals	24,413	2,045	3,722	(1,677)	13,820	15,615	(1,795)
Contingencies	10,000	0	0	0	0	0	0
<u>TOTAL EXPENSES</u>	<u>\$ 387,522</u>	<u>26,467</u>	<u>26,214</u>	<u>253</u>	<u>216,021</u>	<u>183,237</u>	<u>32,784</u>

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT
OPERATING SUMMARY
April 1985

	<u>FISCAL YEAR 1985 BUDGET</u>	<u>BUDGET</u>	<u>MONTH TO DATE EXPENSES</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>	<u>BUDGET</u>	<u>YEAR TO DATE EXPENSES</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
MEETING EXPENSE							
Supervisors Fees	\$ 6,000	500	500	0	3,500	3,500	0
Travel Reimbursement	300	25	26	(1)	175	126	49
Legal Notification	300	25		25	175	201	(26)
PROFESSIONAL FEES							
Engineering	10,000	0	0	0	2,500	2,500	0
Legal	6,000	500	330	170	3,500	4,477	(977)
Audit	3,000	0	0	0	3,000	3,000	0
Trust	1,500	0	0	0	1,500	1,500	0
SYSTEM OPERATING EXPENSE							
Office	11,885	907	1,050	(143)	7,681	7,736	(55)
Payroll	92,963	7,746	6,661	1,085	54,227	51,299	2,928
Transportation	3,668	306	89	217	2,142	891	1,251
Swale Maintenance	8,010	667	1,180	(513)	6,798	7,174	(376)
Water Quality	6,720	560	110	450	3,920	1,635	2,285
Insurance	5,529	0	0	0	5,529	4,346	1,183
Rights-Of-Way	208,496	17,501	16,157	1,344	118,931	106,413	12,518
Water Connection	19,580	0	0	0	5,169	5,169	0
Water Use	10,740	895	1,963	(1,068)	6,002	7,638	(1,636)
Renewal & Replacement	6,000	0	0	0	0	0	0
Contingencies	7,000	0	0	0	553	553	0
TOTAL EXPENSES	<u>\$ 407,691</u>	<u>29,632</u>	<u>28,066</u>	<u>1,566</u>	<u>225,302</u>	<u>208,158</u>	<u>17,144</u>