

Naples, Florida

October 2, 1986

LET IT BE KNOWN, that this is a continuation of the Meeting of September 24, 1986, of the Board of Supervisors of the Pelican Bay Improvement District held on this date at 4:30 P.M., in the Naples Federal Savings & Loan Building, Fifth Floor, 5801 Pelican Bay Boulevard, Naples, Florida, with the following members present:

PRESIDENT:	Salvatore C. Scuderi
SECRETARY:	William N. Butler
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. Harmon Turner, Consultant to the Board; Messrs. Byron Koste, Lou Hoegsted, and Tony Pires of Westinghouse Communities of Naples, Inc.; Mr. Mark Wiltsie, City of Naples, Assistant City Manager; Mr. Vince Riccobono of Post, Buckley, Schuh & Jernigan, Inc.; Mr. Tracy Bolesky, Attorney for the District; Messrs. John Petty and Robert Parmelee of the Pelican Bay Improvement District; Mr. Ramar Holtan and Jean Smith, Administrative Assistant.

AGENDA

1. Roll Call.
2. Citizens Comments.
3. Consideration of Office Space Requirements.
4. Discussion on Purchase of Bulk Treated Potable Water.
5. Consideration of Bid:
 - A. Wastewater Treatment Plant
6. Consideration of Bid:
 - A. City of Naples Interconnect
7. Supervisor's Requests and Audience Participation.
8. Adjournment.

ROLL CALL

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

CITIZEN'S COMMENTS

Mr. Moyer stated that a request had been received from Mr. Koste of Westinghouse Communities of Naples, Inc. regarding the vacation of an easement on property that is currently under Contract. Mr. Scuderi suggested that this request was inappropriate under Citizen's Comments. Mr. Koste then asked whether the Board would consider placing this item on the Agenda. After deliberation the Board concurred.

CONSIDERATION OF VACATION OF EASEMENT FOR THE GLEN

Mr. Koste explained that the Glen is a large parcel of land between the Grosvenor and the Stratford which is zoned for Group IV high rises. Mr. Koste advised that this parcel had recently been subdivided into a villa parcel, a garden apartment parcel and a high rise parcel. Mr. Koste stated that the garden apartment developer is trying to close on the property and obtain his permits from Collier County for this parcel and thus had asked for the vacation of an easement which provides the District with one of the access points to the berm. Mr. Koste explained that this

access previously separated System I from System II of the Water Management System, however these systems had now become one and access to the berm was no longer needed via this easement. He explained that Collier County needed to know the Board's thoughts regarding vacation of this easement so they could notify the Developer that they would be in a position to issue a Building Permit. Likewise, Mr. Koste explained, the Developer will not close with WCN until he finds out whether the County would issue him a Building Permit.

At a minimum, Mr. Koste requested the Board's conceptual approval of this vacation request so that WCN, in turn, could notify the customer of their conceptual approval.

Mr. Scuderi asked whether this vacation would in any way adversely affect the District. Mr. Moyer replied that District staff was in receipt of a letter from Mr. Koste which stated that Westinghouse Communities of Naples, Inc., "hereby commits to provide the District with an access easement to the District Water Management Berm of comparable capacity, utility and quality as that currently located in the area outlined....". He also stated that WCN would work with District staff in locating this easement. In summary, Mr. Moyer stated that he did not feel the vacation of this easement would be detrimental to the District, based upon Mr. Koste's representation.

Via a location map, Mr. Ward pointed out the existing access easement and stated that it is a road that provides access to the berm and vacation of the easement would not pose any problem to the District in the operation and maintenance of the berm; that District personnel could use

the other available access points.

Mr. Koste apologized to the Board for bringing this matter to their attention without first having had it scheduled on the regular Agenda but stated that since time was of the essence, he had no other choice and this was the reason for his letter which stated that WCN would work diligently with District staff to determine an acceptable location for a similar easement. He told the Board that if he received their conceptual approval of this easement vacation he would present the appropriate documents to them at the next meeting.

At this time, Mr. Koste asked for the Board's conceptual approval of the Vacation of Easement for the Glen, in order to represent to the buyer that even though the official vacation of easement had not been approved by the Board, they had agreed in concept to the vacation. President Scuderi, along with the Board, suggested they saw no problem with conceptual approval of the easement vacation.

CONSIDERATION OF OFFICE SPACE REQUIREMENTS

Mr. Moyer recalled for the Board that at the previous meeting concerns were raised regarding the term of the proposed Lease with the Sun Bank Building and the insurance and indemnifications clauses of the Lease. Mr. Moyer reported to the Board that the Sun Bank had agreed to a 3-year term for the Lease and had also agreed to delete the indemnification language which dealt with the District indemnifying them for their negligence. The Sun Bank also agreed to an escalation clause which at the end of two years could increase by no more than 10%. Thus, Mr. Moyer felt that all of the issues concerning the Board at the previous meeting had

Mr. Scofield asked Mr. Moyer to explain the \$195.00 per unit System Development Charges. Mr. Moyer explained that currently there are approximately 2,000 active units in Pelican Bay and the District will collect \$195.00/unit on all future connections to the Pelican Bay system. The District will hold this money, because whether the District is on the City System or the County System, the \$195.00/unit fee is the District's share of the System Development Charges. He further explained that if the County services Pelican Bay within the next five years, the County would receive the entire \$195.00 per unit for the System Development Charge and the City would receive none of the fees.

He explained that Paragraph 5 of Section 4.4 had been amended from 2,500 units to 8,000 units and this meant that if the District remained on the City system, the \$195.00/unit System Development Charge was locked into 8,000 units. Finally, he explained that Article 8 of the approved City Agreement reversed the indemnification language and via the Amendment, both the City and the District would be responsible for their own suits.

Mr. Moyer explained that City staff was in basic concurrence with the Addendum, however, stated that the Addendum had not yet gone before the City Council for approval. Thus, Mr. Moyer recommended that the Board let the District take the lead on the Agreement; for them to sign the Agreements if they approved of them and then let Mr. Wiltsie take the signed Agreements to the City for their approval. This would then conclude the negotiations with the City.

At this time, Mr. Scofield moved, seconded by Mr. Butler and

had been amended to state, "that the Agreement shall remain in full force and effect provided, however, that after two years from the date of the Agreement, the District shall have the right to cancel and terminate the Agreement upon thirty days notice to the City and if the District has adequate potable water supply, as determined by the District, the City shall have the right to terminate the Agreement". The City would be required to give the District one year's notice if they desired to terminate the Agreement. Also, Mr. Moyer informed the Board that the portion of Section 4.1 of the Agreement which referenced the District paying for a 16" watermain along Crayton Road from the intersection of Harbour Drive to Parkshore Drive had been deleted. Via the Addendum, the District would reimburse the City for the cost of the waterline, which is estimated to cost \$180,000 plus \$7,000 in administrative expenses. All of these costs would not be reimbursable to the District. Mr. Mark Wiltsie, the City of Naples Assistant Manager, stated that the City is currently undertaking an expansion program and constructing a 16" water main from the City's plant to Harbour Drive, which will increase the pressures in the Park Shore area. He also added that the extension of the 16" watermain from Harbour Drive to Parkshore Drive will provide the required pressures to Pelican Bay, thus, wherever the interconnect takes place the pressures would be available at the north end of the system.

Mr. Moyer stated that via the Amendment half of the costs for the system improvements would be refunded to the District by the County if the District were to purchase water from Collier County and if the District decided to remain on the City system, all of these costs would be refunded.

been addressed. Mr. Moyer reported, however, that since the last meeting, Naples Federal Savings & Loan had made a similar Lease offer and thus recommended that, at this time, the item be deferred until the next meeting at which time the Board could decide the better of the two offers. In conclusion, it was his opinion that the overriding plus to the Sun Bank proposal was that, if both offers were basically the same, the District offices are currently located in the Sun Bank Building and he felt there were certain advantages to being in close proximity to Westinghouse Communities of Naples, as the District uses their facilities and is in constant close contact with WCN personnel.

DISCUSSION ON PURCHASE OF BULK TREATED POTABLE WATER

Mr. Moyer recalled for the Board that copies of the District/County and District/City Agreements had previously been provided to the Board in their Agenda packages. At the previous meeting, the Board had expressed their concerns over certain language contained in the Agreement between the District and the City of Naples and he stated he felt that City and District staff had finally reached a meeting of minds regarding these issues of concern. The first concern had been that, in the original Agreement, at the end of two years the Agreement could be terminated by either the District or the City of Naples. The Board was concerned that if the District had no alternate water supply after two years and the City was the party to terminate the Agreement, the District would be without a source of potable water if the County was not in a position to supply water to the District. Mr. Moyer stated that in the Addendum to the Pelican Bay Improvement District/City of Naples Interconnection Agreement, this issue

approved unanimously, that the Agreement and the Addendum between the Pelican Bay Improvement District and the City of Naples be approved, as presented.

Mr. Moyer explained that the other part of the equation was the County's desire to service Pelican Bay if and when they get their system constructed. The current County Agreement states that at the end of two years, the District will connect to their system, the connection being made defined as West Boulevard at the south border of the District. The Agreement states that if the County cannot provide service to Pelican Bay in two years and the District stays on the City's system, any fees the City would impose on the District to continue the Agreement past the two year period would be deducted from whatever fees the District owed to the County during this two year to five year time period. In summary, the District has given the County via the Agreement five years to complete their system to service Pelican Bay. If they are unable to service the District within the two year period, any penalties incurred by the District would be deducted from the \$195.00/unit System Development Charge. Thus, there is a motivational aspect to the County to complete their work within the two year time frame.

In response to a question by Mr. Scofield, Mr. Moyer explained that the cost of the line from the edge of Pelican Bay to the plant site would be borne entirely by the District.

Mr. Moyer pointed out a change which had been made to the County/District Agreement; on Page 4 the County had stricken the word maintenance from the section dealing with the maintenance and calibration

of meters.

At this time, Mr. Moyer asked for the Board's conceptual approval of the PBID/County Agreement, i.e., the Agreement, in the form presented, was acceptable and the Board foresaw no major modifications to the Agreement.

Following this discussion, Mr. Scofield moved, seconded by Ms. MacAlister and approved unanimously, conceptual approval of the Agreement between the Pelican Bay Improvement District and Collier County.

Following this motion, Mr. Koste suggested that the psychology of executing the Agreement between the District and the County might work in the District's best interests if the Agreement was executed before it was presented to the County. In his opinion, if the Agreement was presented unsigned, the temptation for the County to change the Agreement would be greater. After discussion the Board concurred with these thoughts and Mr. Scofield moved, seconded by Ms. MacAlister and approved unanimously, that the Agreement between the Pelican Bay Improvement District and Collier County be approved.

AWARD OF BID FOR THE WASTEWATER TREATMENT PLANT

Mr. Moyer explained that since the last meeting District staff and their Engineers had been working diligently with the low bidder to identify certain parts of the system that could be deleted without adversely affecting the overall operation of the system and at this point in time, the Engineers were in a position to make a recommendation. He also said that the District had the monies available to build what the Engineer's were recommending.

Mr. Moyer stated that Post, Buckley, Schuh & Jernigan, Inc. had provided District staff with a recommendation of award and he provided the Board with a letter from PBS&J which outlined the items that had been deleted and the costs for each item. In response to a question by Mr. Scofield, Mr. Riccobono, of PBS&J told the Board that PBS&J had not prepared a formal Engineer's estimate for this project.

In response to a question by President Scuderi, Mr. Riccobono stated that the new Contract price had been agreed to by Metro Construction Co.

President Scuderi asked Mr. Bolesky if there was an impending legal problem regarding the bids for the Wastewater Treatment Plant. Mr. Bolesky told the Board that a protest of the bids had been filed by Harry Pepper & Associates. Mr. Scuderi asked Mr. Bolesky whether there was any merit to this protest. Mr. Bolesky replied that in the bid documents themselves, the District reserves the right to waive any technicalities. He stated that Harry Pepper's protest regarded a technical error in the bid; i.e. Metro Construction Co. had submitted, along with their bid, a company check rather than a cashier's check. He stated, however, that a cashier's check had been received by the Engineer's the following day but there had been a short period of non-compliance. Mr. Bolesky stated that the Board had the right, if they so desired, to waive this technicality or to put the Contract out for rebid. Mr. Bolesky further advised that Harry Pepper & Associates also had filed a complaint regarding the second low bidder of the project with regard to non-compliance in their submittal of the proper financial statements.

Mr. Butler asked Mr. Bolesky if he would further explain this issue for the Board. Mr. Bolesky told the Board that at the time bids are opened, the District requires a bid bond and this bid bond can take different forms. One of the forms is thru Surety; other forms are cashiers checks, bank drafts or certified checks. Mr. Bolesky explained that at the time the lowest bidder submitted his bid, he was technically in default because he submitted a Surety for \$150,000 when the actual amount of the Bid Bond he was required to submit was \$168,000. He explained that because of the lack of time for Metro Construction Co. to obtain the additional \$18,000, they had submitted a Company check for the additional \$18,000. The next day, however, they replaced their company check with a certified check. Mr. Bolesky advised the Board that Section 1B-15 of the Contract documents gave the Board the right to waive any technicalities if they do desired.

Mr. Scofield suggested that since both the low bidder and the second low bidder were in violation of the Contract documents, the project be rebid. Mr. Moyer explained that in previous discussions with the Engineers regarding this issue there would be time for the project to be rebid. Mr. Scofield also suggested that the specifications and drawings be changed to reflect the ongoing negotiations regarding the deletions for the project. Ms. Moll asked whether the District could afford the time to rebid the project. Mr. Moyer explained that if the Board decided to rebid the project, the construction time in the contract documents could be shortened to make up for the time lost in the bidding phase of the project. Mr. Riccobono, in response to a question by Ms. MacAlister, stated that he

did not think the bids would come in any lower after the project was rebid, as the original bid prices were very competitive prices, with only a 7% spread between the lowest and the highest bidder, and he advised that with the reduction in the scope of services, the prices might actually be slightly higher.

Ms. Moll also had a question regarding the reduction of the size of the tank to 1 MGD instead of the ultimate 2 - 2.5 MGD tank. She asked whether this meant that at some point in the future the District would have to build another tank. Mr. Riccobono explained that there will have to be another plant expansion at some point in the future and at that time the additional tank could be built.

Mr. Koste explained that the sizing of certain facilities at this time might actually benefit the District, as if Collier County decides to move ahead with their planned expansion, it might be economically advantageous for the District to tie into the County system during the next planned expansion stage. In summary, Mr. Moyer stated that the deletions to the Contract as proposed by District staff and PBS&J would not adversely affect the planned facilities.

Mr. Scofield asked why the degasifier and scrubber had been deleted from the Contract. Mr. Moyer explained that one of the alternatives the Engineer's had identified was that the hydrogen sulfide smell could be eliminated through the addition of chlorine. He stated that since a chlorine injector was a very inexpensive item, his idea, since the budget was so tight, was to go ahead and install the chlorination system and see if this solved the odor problem and if this didn't work, go back at

the end of the project with the remaining funds and install the degasifier. He told the Board that District staff was very sensitive to the odor issue and the matter would be handled. However, if in the short run, the injection of chlorine would solve the odor problem, it would save a rather large expenditure of funds.

In conclusion, Mr. Moyer told the Board that if the Contract were rebid, award of the Contract would not occur until early November.

At this time, Ms. MacAlister moved, seconded by Ms. Moll, with Mr. Scofield abstaining, that the bids for the construction of the Wastewater Treatment Plant be rejected and the District Engineers be authorized to rebid the project.

AWARD OF BID - CITY OF NAPLES INTERCONNECT

Mr. Moyer explained that this agenda item concerned the construction of the waterline from the City of Naples System to the District's Utility Treatment Plant.

Mr. Moyer advised that the low bidder for this project was Denco Construction Co., in the amount of \$234,378. The Bid Tabulation was distributed to the board for their review. Mr. Moyer indicated that Post, Buckley, Schuh & Jernigan, Inc. had reviewed the bids and the qualifications of Denco Construction Co. and recommended that the Board accept the low bidder.

Mr. Koste agreed that the low bid for the project was a fair price but disagreed with the fact that the qualifications of Denco were "good". In his opinion, Denco Construction Co., has in the past, been a problem to District staff as well as Westinghouse and the "happiest days

of both their lives" has been the day Denco left the job site. He wanted the Board to understand the lives of the District and WCN would to be miserable up to conclusion of this contract. He stated that although the work gets done, they have traditionally been difficult to work with.

Mr. Riccobono stated that since the work gets done and in the amount of time specified by the Contract documents there wasn't really much they could do to disqualify Denco Construction.

Ms. Moll asked whether it wasn't worth the \$3,000 difference between the first and second bidder to award the Contract to the second low bidder. Mr. Riccobono replied that there really wasn't that much difference between the first and second bidder, as the second low bidder had never worked in Pelican Bay and they were not that familiar with the firm. Mr. Scuderi asked why the Board should award Denco the work if they had been such a major problem. Mr. Bolesky stated that the District is not a private firm and since it is a public agency it has to accept the bids.

At this time, Mr. Scofield moved, seconded by Ms. MacAlister, with Ms. Moll voting nay, that Award of Contract for the construction of the City of Naples Interconnect be made to to Denco Construction Co., Inc., in the amount of \$234,378.

SUPERVISORS REQUESTS AND AUDIENCE PARTICIPATION

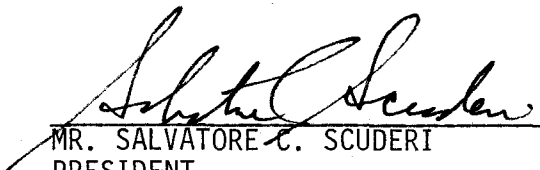
Mr. Scofield asked for Mr. Moyer to prepare a summary of the Cooper's & Lybrand Study showing a comparison of the rates between the District, the City of Naples and Collier County. He wanted to be assured that the District's rates were competitive with the City and County rates.

Mr. Moyer replied that he would be more than happy to perform

this analysis, however, when the District's rates were increased two years ago an analysis had been prepared which showed that for the average customer rates were comparable. He told Mr. Scofield that there was no way Pelican Bay, system wide, would ever be as cost effective in terms of its capital system as the City's, who has a much older system or the County and the reason being that Pelican Bay is unique in that it has a dual distribution system and someone had to pay for the extra set of lines. He also explained that the wellfield is located six miles from Pelican Bay and this had a bearing on the rates. Also, he advised that the original plant was a reverse osmosis plant which was more expensive than a standard lime softening plant. Thus, in Mr. Moyer's opinion, the rates were structured in such a manner as the users who benefit are not being overcharged, and that the connection fees are rather high due to the need to amortize the heavy capital costs that go into the system.

ADJOURNMENT

There being no further business to come before the Board, Mr. Scofield moved, seconded by Mr. Butler and approved unanimously that the meeting be adjourned. Time: 5:35 P.M.



MR. SALVATORE C. SCUDERI
PRESIDENT
PELICAN BAY IMPROVEMENT DISTRICT