

Naples, Florida

April 15, 1987

LET IT BE KNOWN, that the Pelican Bay Improvement District met on this date in Regular Session at 4:00 P.M., in the Naples Federal Savings & Loan Building, Fifth Floor, 5801 Pelican Bay Boulevard, Naples, Florida, with the following members present:

PRESIDENT:	Miles Scofield
SECRETARY:	Sue E. MacAlister
TREASURER:	Sylvia A. Moll Ramer B. Holtan James D. Hake

ALSO PRESENT: Mr. Gary L. Moyer, District Manager; Mr. James P. Ward, Assistant District Manager; Mr. Tom Peek and Steve Means of Wilson, Miller, Barton, Soll & Peek; Mr. Harmon Turner, Consultant to the Board; Mr. Grady Minor of Grady Minor & Associates; Mr. Jack Leeman of Parker Naples, Inc.; Mr. William Schall, President of the Stratford Condominium Association; Mr. Tony Pires of Woodward & Woodward; Mr. John Petty of the Pelican Bay Improvement District; Mr. Jack McKenna of Westinghouse Communities of Naples, Inc.; Messrs. Jack Portman & James Dunwiddie, Representatives of the Pelican Bay Property Owner's Association and Jean Smith, Assistant Secretary.

AGENDA

1. Roll Call.
2. Approval of Minutes of the Workshop Meeting held January 13, 1987.

AGENDA (CONT.)

3. Approval of Minutes of the Meeting held March 18, 1987.
4. Approval of Minutes of the Workshop Meeting held March 27, 1987.
5. Consideration of Proposals from Bond Counsel.
6. Presentation of Fiscal Year 1986 Audited Financial Statement.
7. Consideration of Maintenance Agreement for On-Site Water & Sewer Facilities in Glencove.
8. Consideration of Water Management Easement Modifications for the Project Known as St. Maarten and St. Thomas.
 - a) Vacation of Existing Water Management Easement
 - b) Grant of Revised Water Management Easement.
9. Discussion on Replacement of Access Road through The Glen to the District's Berm.
10. Engineer' Report
 - a) Update on the Wastewater Treatment Plant Construction
11. Manager's Report.
12. Confirmation of Invoices and Requisitions.
13. Supervisor's Requests.
14. Adjournment.

ROLL CALL

Mr. Scofield called the meeting to order at 4:00 P.M. and asked the record show all members present. (Ms. MacAlister arrived at 4:10 P.M.)

MINUTES OF WORKSHOP MEETING OF JANUARY 13, 1987 - APPROVED AS AMENDED

Mr. Hake moved, seconded by Ms. Moll and approved unanimously, the Minutes of January 13, 1987, subject to the following corrections:

On Page 6, the first line of the second paragraph be amended to read, "In Conclusion, the Board requested Coopers & Lyrand to explore alternate ways of....."

On Page 6, the first line of the second paragraph which read, "Mr. Portman also questioned whether there had been a breach of Contract between WCN and the District for the construction of the water line to the Ritz", be deleted from the Minutes and the following sentence begin, "Mr. Portman stated"

MINUTES OF THE MARCH 18, 1987 MEETING - APPROVED AS AMENDED

Mr. Hake moved, seconded by Ms. Moll and approved unanimously, the Minutes of March 18, 1987, subject to the following corrections:

On Page 2038, the second sentence of the page be amended to read, "He reiterated that the Board would most likely not receive specific figures from Underwriting Firms until they came before the Board with a purchase contract and then the Board could "zero in" on whether the figure was a good number."

MINUTES OF THE WORKSHOP MEETING HELD ON MARCH 18, 1987 MEETING - APPROVED
AS SUBMITTED

Mr. Hake moved, seconded by Mr. Holtan and approved unanimously, the Minutes of March 27, 1987, as presented.

CONSIDERATION OF PROPOSALS FROM BOND COUNSEL

Mr. Moyer advised that the Proposals, Corporate Brochures, Resumes and Fee Schedules which had been received from the eight Bond Counsel firms interested in the refunding of the 1985 Water & Sewer General Obligation Bonds had been included in the Agenda Packages.

Mr. Hake stated that in one Proposal the Bond Counsel eliminated any costs for future litigation that might arise and he asked Mr. Moyer whether this was of any particular importance as far as this issue was concerned. Mr. Moyer replied that one of the reasons that Bond Counsel fees seem to appear high in relation to the work involved is that there is value to their signature and it was his opinion that future litigation dealing with the firm's opinion and the matters they represent on the part of the Bond Holders and the District should be a part of the firm's fee.

Mr. Scofield stated that he felt the District had saved a great deal of money by soliciting proposals from Bond Counsel firms. He advised that he had contacted the low bidder, Cummings & Lockwood, who told him that the primary reason for their low bid was their desire to break into the local bond market. It was Mr. Scofield's opinion that they are a well qualified firm and he commented they have a large local office, as well as

offices located throughout the Country. Ms. Moll asked which office of Cummings & Lockwood would handle the refunding. Mr. Scofield replied that it would be handled in the Naples office and Cummings & Lockwood would fly their lawyers to Naples from their Connecticut office as needed. Ms. MacAlister asked if this would add to the cost of the out-of-pocket expenses. Mr. Scofield stated that there was only one proposal out of the eight which had been received that excluded out-of-pocket expenses in their bid. However, he suggested that District staff contact Cummings & Lockwood to determine their estimated out-of-pocket expenses.

At this time, Mr. Scofield called for a motion by the Board. Mr. Holtan moved, seconded by Mr. Hake and approved unanimously acceptance of the proposal from Cummings & Lockwood, in the amount of \$9,275.00 plus out-of-pocket expenses, for legal services for the refunding of \$9,275,000 Water and Sewer General Obligation And Revenue Bonds, Series 1985.

Mr. Hake suggested that District staff move as quickly as possible on this issue since the interest rates have begun escalating during the past few weeks.

PRESENTATION OF FISCAL YEAR 1986 AUDITED FINANCIAL STATEMENTS

Mr. Moyer advised the Board that Mr. Ron Gustason of Rogers, Wood, Hill, Starman & Gustason, the firm that prepared the 1986 Audited Financial Statement, was unable to appear at the meeting due the meeting date falling on April 15th, the tax deadline. He suggested that this item be deferred until the next meeting. The Board concurred. He stated that at the next meeting he would distribute a simplified Financial Statement using the figures from the Audit, to make the Financial Statement easier for the

Board to understand.

At this time, Mr. Scofield called for comments from the audience regarding the Financial Statement. Mr. Portman inquired about the March 31st filing of the Annual Financial Report of Units of Local Government, with the Auditor General. Mr. Moyer advised the Board that this Report is filed each year as part of the State's requirements. He stated that Mr. Portman referred to one of the Sections of the Report that asked about the Public Depository Law, Chapter 280 of the Florida Statutes. He explained the reason the Auditor filled in this section of the Report with, "do not know" is that the Trustee for the District is First Pennsylvania Bank and this is not a Florida Bank. He advised that Chapter 280.03 stated, "that every Public Deposit held in Trust or in Escrow, pursuant to the provisions of the Trust Indenture or Escrow Agreement authorized by Law, unless provided otherwise in the documents of the proceedings authorizing the terms of and the execution of the Trust Indenture or Escrow Agreement are exempt from the requirements of the Chapter". Mr. Moyer explained that the Public Depository Law basically originated to help the State Treasurer compile a list of Banks and Trust Companies in the State of Florida that are qualified to hold public funds and that most major banks chartered in the State of Florida are on this list. He commented that the section of the Statutes he just referred to clearly state that monies held with a Trustee pursuant to a Trust Indenture (the District's Bond Resolution), are exempt from the requirement that they be placed in a Public Depository.

Mr. Scofield stated that it was his opinion this issue was not of major concern. He advised that he had contacted an Officer of Barnett

Bank, who told him that First Pennsylvania Bank had over 5.3 billion dollars in assets and were a stronger bank than any bank in the local area.

Mr. Portman advised that his question was why the District had over \$6,000,000 on deposit with a Bank that was not a depository approved by the State of Florida. Mr. Scofield told Mr. Portman that First Pennsylvania Bank is in Pennsylvania and is not required to file with the State of Florida and that he was very comfortable with First Pennsylvania Bank.

Mr. Moyer also explained that this issue regarded the 1979 Bond Issue and the Public Depository Law was created in 1981, however, the exemption in Chapter 280 should speak for itself.

At this time, Ms. Moll moved, seconded by Mr. Holtan and approved unanimously, postponement of consideration of the 1986 Annual Financial Statement.

Mr. Holtan asked Mr. Moyer whether he was aware of any section in the Florida Statutes that required the proceeds of refunded bonds be placed in a Florida Bank. Mr. Moyer replied that Bond Counsel would have to address this issue, however, he was not aware of any requirement.

CONSIDERATION OF THE MAINTENANCE AGREEMENT FOR ON-SITE WATER & SEWER FACILITIES IN GLENCOVE

Mr. Moyer recalled for the Board that at the March 18, 1987 meeting the Developers of Glencove requested the Board allow them to individually meter each condominium unit and that the Developer's request had been denied. Therefore, he explained that the District would be metering the project in accordance with current policy and that one meter would be installed at each of the twelve buildings in Glencove. He

explained that the Maintenance Agreement gave the District the authority to maintain the meters and a draft of the Agreement had been included in the Agenda packages. He suggested that two changes be made to the Agreement. The first change he recommended was that the term "residential unit", as used in the Agreement, be changed to "building", as the District would be metering twelve buildings rather than units within each building. The second change he recommended was that the words, "at the Developer's expense" be added to the end of Section 5, Paragraph B, on Page 3 of the Agreement. Mr. Hake also suggested that the words "12 Buildings" be inserted in the Agreement. Mr. Moyer concurred and advised the Board that language which outlined the District's intent to meter twelve individual buildings would be included in the Agreement.

Mr. Holtan asked whether this Agreement was the same as the Lugano Agreement. Mr. Moyer replied that the Agreement was almost identical.

Following further discussion, Ms. MacAlister moved, seconded by Ms. Moll and approved unanimously that the Maintenance Agreement for On-Site Water & Sewer Facilities in Glencove be approved as amended.

CONSIDERATION OF WATER MANAGEMENT EASEMENT MODIFICATIONS FOR THE PROJECT
KNOWN AS ST. MAARTEN AND ST THOMAS

Mr. Moyer stated the Developer of St. Maarten/St. Thomas project had requested that the District modify its current Water Management Easement to accommodate the Site Plan for this project and that Mr. Grady Minor of Grady Minor & Associates was in attendance at the meeting to answer any questions the Board might have regarding this request. He stated that Mr. Peek had reviewed this request and had indicated it

appeared to be in order.

Mr. Peek explained that the request had been reviewed from a water management standpoint and advised that from a water storage standpoint the actual amount of storage would be increased by 70,000 cubic feet, although the net surface area would be reduced by approximately 1.2 acres.

By way of a location map, Mr. Peek described the area under consideration. Mr. Holtan asked Mr. Peek if he knew whether when the Water Management District was set up they realized that the same amount of water for storage could be taken care of by a reduction in acreage and asked whether this was their sole interest, to have x number of gallons there and if so why it was their sole interest? Mr. Peek explained that storage starts at the point of maintained water level in the system and the storage volume does not increase when you go below this level. He explained that it is above the maintained water level, which is 2.0 elevation, that the storage starts. Mr. Peek explained that the natural elevation for this project is 4.0, thus it is 2 feet below the natural ground elevation. He stated that this is where storage actually starts. He advised that when the original Water Management System was developed, the Engineers were aware that you could create the same amount of storage on a lesser surface area and at the beginning of development no one knew how the parcels would be developed, thus, the concept was to wait until the parcel was developed, see what occurred around it and then adjust the easements according to the parcel's site plan. He stated that as long as you maintain the storage requirements, the requirements of the Permit would be satisfied.

Mr. Holtan asked whether aesthetics, by this concept, were considered. Mr. Peek advised that aesthetics were partially considered, however, they were not the primary consideration.

Mr. Holtan suggested that if these easements were granted someone stood to gain a lot of money, given the extra 1.2 acres and asked whether they would pay for it now. Mr. Moyer explained that this was an easement and the property was not owned by the District; that the District simply had certain rights to store water on the property and that the developer already owns the land.

Mr. Peek explained that there were certain hard wood hammock areas near the parcel, however, they were not included in the planned excavation.

Mr. Scofield asked what Governmental Agencies had to approve this plan. Mr. Peek explained that the S.F.W.M.D. had to approve modifications to the District's overall Water Management Permit. He also advised that Collier County would have to issue the Excavation Permit.

Mr. Holtan told the Board that he had a call from a resident of the Stratford regarding this issue and at this time called for his comments. The resident asked whether there had been an Environmental Impact Study done regarding this proposed change in the easement. He explained that the easement was going to be changed from a 150' to a 50' easement and asked what impact this would have on the environment in this area. He commented that he had called the South Florida Water Management District in Fort Myers and was told that they had not performed an Impact Study on this parcel.

At this time, Ms. Moll asked whether or not the Board was going to accept its Engineer's recommendations on this easement. She commented that the easement was not located in the Conservation Area. Mr. Hake stated that he had read the PUD documents that pertained to Pelican Bay and via this document, the only areas that were to be conserved and never touched were those areas to the west of the berm. He also stated that he believed that the governmental agencies were aware that these areas in question would eventually be built upon.

Mr. McKenna explained that prior to any development, the environmentalists ran ribbons around what were considered to be sensitive vegetation and the thought at the time was the Water Management Areas would be altered when development came into the area.

Mr. Moyer further explained this issue. He stated that Pelican Bay was a Development of Regional Impact, found under Chapter 380 of the Florida Statutes, and its purpose was to identify the impact that a large scale community would have upon many things, i.e, economics, environment, etc. He explained that as part of the Application for Development Approval, environmental impact assessments are part of the submission process. He explained that this was all done as part of the DRI process, which in some part is reflected in the PUD documents. Mr. Moyer explained at the onset all the sensitive areas were identified and were part of the Application for Development Approval and ultimately the Development Order for Pelican Bay. He stated that it has always been the intent, and it may well be included in the documents, that the envelope easements would be adjusted as development occurred.

Mr. Hake stated that he sincerely disliked the green areas being disturbed, however, he knew that all this was done some time ago and if someone could guarantee to him that the sensitive areas were not being encroached upon by granting the easement, then he would have to agree that the Board had no choice but to grant approval of this request.

Mr. Peek advised the Board that he could make this guarantee. He stated that his firm had surveyed every foot of the sensitive areas and had prepared the legal descriptions for each and every one of the areas so they could be identified in perpetuity. Thus, he represented to the Board that the sensitive areas would not be disturbed by the proposed development.

Mr. Peek advised the representative from the Stratford that Ms. Bolan was the field inspector and investigator for the S.F.W.M.D. and worked out of the Fort Myers Office. He explained that on a new project all the permits for Surface Water Management are submitted to the S.F.W.M.D. in West Palm Beach and they, in turn, send a copy of the Permit to the Fort Myers office. Ms. Bolan then visits the project, makes a site investigation and, in turn, forwards her information back to the S.F.W.M.D. before issuance of a Permit. He explained that the Permit in question was issued 10 years ago and this request was simply a modification to the original Permit. Thus, he stated that until a Permit Modification Form was sent to the District office in West Palm Beach, they would have no reason to send Ms. Bolan any information, because they had nothing to send her and even after they have received a modification request they would first look at the modification in West Palm Beach to determine whether it was necessary for Ms. Bolan to visit the area under consideration. This, he

explained, was most likely the reason that she knew nothing about the easement.

Mr. William Schall of the Stratford Condominium Association stated that he had seen a lake dug west of Glencove and what it had done to the wetlands to the west of the Stratford and commented that it had been drained out considerably. He asked whether the digging of the lake for this project would have any impact along the berm that would cause a change in the water level on the Stratford portion of the easement and whether there was any interconnection along the berm that tied the Stratford easement section into Glencove, the Grosvenor, etc. Mr. McKenna responded by saying that the Water Management System was divided into separate systems and the Stratford was in System I, a different system than the other parcels Mr. Schall had mentioned. Mr. McKenna explained that the systems were divided by an elevation of 6.0 (the berm elevation) and were different water shed areas and his feeling was that there would be no impact on the Stratford.

Mr. Schall also commented that in some of the projects to the north and west of the Stratford, the construction set back lines had been changed considerably by alteration of the easement areas. He asked if this would allow the Stratford to alter its set back line to the west. He explained that starting last summer the water table on the western edge of the Stratford property had gone down considerably, and it was his impression that the western portion of the Stratford parcel was drying up and the Stratford might be able to extend their construction line to the west. Mr. Moyer advised Mr. Schall that from the District's perspective,

the District had to be assured that the retention to be provided on any given site was consistent with the Surface Water Management Plan issued by the S.F.W.M.D., thus, if he could come before the Board with a similar plan as St. Maarten/St. Thomas and prove that the storage capacity of the Stratford's easement area was equal to or greater than what currently existed, then he would assume the Board might entertain modifications to the easement.

Mr. Portman stated that he had been told by the County and the S.F.W.M.D. that these easements were the result of years of negotiations and commented that the PUD Plan and the DRI, among other things, covered the giving up of the mangroves in the Northwest Fill area, the giving up by WCN of the Park, the four-laning of Seagate, the Boardwalk and the Beach facilities and the Beach to the Public to a Home Owners Association. He had also been told that these areas were shown on the maps as detention areas and that they were a part of the overall give and take that caused this great community to come into being. He commented that one of the reasons it was a great community was because of some of the protections that had been represented to the prospective buyers by WCN. He explained that when he was given the courtesy of using the Sand Bar, as other prospective buyers were, he walked up and down the east side of the berm and thought that this was what he was buying when he bought in Pelican Bay. He stated that by the granting of these easements, wildlife was being driven out of Pelican Bay and in his discussions with Governmental Agencies he was told that the areas in Drainage Areas I & II were all permitted right up to the berm. He commented that the only fail safe that still

existed for the public good was the Board of Supervisors and once they voted to give up an easement they immediately turned it over to the developer as developable property. He asked that the Board take time to consider the significance of giving up any easement until they had been able to check with D.E.R., S.F.W.M.D., the Conservancy, the Audobon Society, etc. Mr. Scofield suggested that this would take an enormous amount of time and did not seem appropriate at this time.

At this time, Ms. MacAlister recommended that the Board accept the recommendation of its Engineer.

Mr. Hake suggested that everyone on the Board would concur that it would be nice to have all wetlands, however, it was his opinion that if the Board denied this request they would be doing nothing more than slowing down the approval process and subjecting themselves to future litigation that would only be futile.

Mr. Holtan asked Mr. Peek if S.F.W.M.D. had anything more to do with this parcel at this time. Mr. Peek told Mr. Holtan that at this point in time, the S.F.W.M.D. had issued permits for construction within Systems I & II and to the best of his knowledge there was probably no requirement to go back to S.F.W.M.D. for any additional permits to construct this project.

Following this discussion, Ms. MacAlister moved, seconded by Ms. Moll and approved, with Mr. Holtan voting nay, the Vacation of the Existing Water Management Easement and the Grant of Revised Water Management Easement for the project known as St. Maarten/St. Thomas.

DISCUSSION ON REPLACEMENT OF ACCESS ROAD THROUGH THE GLEN TO THE DISTRICT'S BERM

Mr. Moyer explained that at the last meeting, the Board discussed the original Glen Easement, the relocation of the access road which was brought about by development plans of a project known as Paradigm and the Board's desire to have the access road replaced pursuant to representations that had previously been made by WCN. He advised that the documents included in the agenda package accomplished the Board's desire for an access road to the berm.

It was Mr. Hake's opinion that to satisfy his request for the access road, WCN had taken a very inexpensive way to cut their property in half and it was his opinion WCN would, in the near future, most likely come back before the Board with another request.

Mr. Scofield explained that WCN had constructed a limerock road that would give the District access to the berm and the reason for this was that it would probably need to be changed sometime in the future, however, he commented that if WCN did request relocation of the access road it would have to be of equal size, equal access, etc., which WCN had agreed to do.

Mr. McKenna advised the Board that the road was temporary and they most likely would be coming back before the Board with a request for revisions. Mr. Hake told Mr. McKenna there would be no assurance that WCN would be granted this request.

At this time, Mr. Hake moved, seconded by Ms. MacAlister and approved unanimously, the Grant of Easement for the access road through the Glen to the District's berm and the Vacation of the existing Easement.

ENGINEER'S REPORT

Mr. Steve Means of Wilson, Miller, Barton, Soll & Peek showed the Board updated aerial photographs of the Wastewater Treatment Plant. He advised the Board that the Contractor had begun excavation for the oxidation ditch and to date construction was proceeding on schedule.

Mr. Hake asked if the District was getting the aerial photographs taken on a special pass over of the helicopter or whether they were being taken in conjunction with other photography in the area. Mr. Ward advised the Board that District staff had authorized the taking of the photographs specifically for the purpose of showing the construction progress of the project and they were currently being taken on a monthly basis. Mr. Hake questioned whether the District's money was being spent wisely for these photographs. He suggested that since there wouldn't be much to look at after this, the photos be dispensed with. Mr. Scofield asked the cost of the aerials. Mr. Ward replied that the photographs cost approximately \$100.00 per month. Mr. Means suggested that the photographs offered a visual record of construction and were well worth the money. Mr. Holtan asked if there was any insurance reason to have the photographs taken. Mr. Peek said he knew of no insurance reasons but commented that it seemed to him that if the cost of the aerials were taken into perspective with the cost of the entire expansion, the cost of the photos was insignificant and would provide a very good record of construction. Mr. Hake then suggested that the aerials continue at staff's discretion. In conclusion, it was decided the photos would be taken on an as needed basis and until such time as there was nothing much more to view.

MANAGER'S REPORT

Mr. Moyer advised the Board that the Utility Rate Study Committee had met on April 14, 1987, with Mr. Cumiskey from Cooper's & Lybrand in attendance, and he thought the meeting went very well. He stated that the entire Rate Study had been discussed and some of the conclusions that came from the Committee were as follows: First, the watering of the rights-of-way which heretofore had been paid for from the Water Management Tax, had been changed under the Coopers & Lybrand Study. He explained that Coopers & Lybrand had imputed a surcharge into the irrigation rate that went out to all of the residents so that the District itself would no longer pay a utility bill from the Water Management System to the PBID Water/Sewer System. It was the consensus of the Committee that the District should remain with the previous method, i.e., levy the tax and rather than pass the charge on to the utility customer, the District itself pay the fee for the water and the connections for the landscaping system. Coopers was instructed to go back and adjust the numbers to reflect this thinking.

Secondly, he advised that the Committee looked at the Golf Course Agreement and what the Golf Course could or could not be charged. It was decided to refer this matter to Mr. Bolesky for his opinion whether the Agreement only covered the proceeds of the 1979 Bond Issue or whether it covered all subsequent Bond Issues that were undertaken by the District. He explained that the intent was that the 1985 capital costs which dealt with irrigation be passed on to the Golf Course on a pro-rata basis of what their fair share would be.

He commented that another item which the Committee concluded

needed adjusting was shown on Exhibits 4 and 5 in the Rate Study. He stated that the suggestion had been made that it was not going to cost very much in additional capital to provide the ultimate water system for Pelican Bay, however, the one thing that did have application to future users was the money spent to build the line into the utility plant which was sized to handle the 2.5 million gallon flow that the District would ultimately require. The Committee suggested that this cost be moved from its place in the 1985 Bond Issue costs and distributed over the whole 8,900 plus units anticipated to be built in Pelican Bay. He advised that Coopers & Lybrand was instructed to make this adjustment.

He also stated that the Committee decided to write Bond Counsel to request an interpretation on the 110% coverage of debt service provision. He explained that this issue regarded whether the coverage was an annual requirement in which the District needed to generate a revenue sufficient to cover 110% of the debt service each and every year or whether it was a cumulative requirement, in that, if the District had generated sufficient revenues in the past, these revenue could then be credited to the 110% requirement.

It was also decided to use actual construction costs in the Rate Study rather than the estimated construction costs that were originally used in the Study. He commented that Coopers & Lybrand would be updating these numbers.

Mr. Moyer also stated that the Committee recommended that negotiations be started with WCN regarding the shortfalls. He recalled for the Board, that instead of having a Standby Fee, Coopers & Lybrand had

recommended and the Board had adopted a rate structure whereby the Developer was responsible for shortfalls if the District did not receive the number of connections that were anticipated according to the Developer's schedule. He explained that this was not in writing and although it was a part of the Rate Study, and WCN was put on notice via a Public Hearing, the Committee was not comfortable with the legal enforceability of this part of the rate structure. It was decided that the shortfall should be part of a written, formal Agreement with WCN.

He explained that administratively, the Committee was going to look at the assumptions that were used for Commercial Acreage. He explained in the past it has been assumed that commercial acreage is 5.75 equivalent residential units and staff was going to go back and look at some historical data to make sure this was, in fact, the case. He further stated that staff would look at the Hotel usage because currently the Hotels are handled as Group IV units and the Committee wanted to be sure that their usage, in fact, falls within the Group IV normal usage. He explained that there was no reason to believe this was not the case, however, since the issue had been raised it was the consensus of the Committee to confirm this usage.

Mr. Hake commented that the Committee had also decided that there would be one irrigation rate for all and there would be no separate rates for individuals and Golf Courses, i.e., everyone would pay the same.

Mr. Scofield stated that he had contacted the head of the City of Naples Water Department and they indicated to him that they had a problem similar to Pelican Bay's in getting rid of the effluent treated wastewater.

He stated that the City was in the process of issuing a \$10,000,000 Bond Issue, to be paid for by all of their customers, to construct the main lines to the Golf Courses for effluent disposal. He stated that the Golf Courses would be paying for their own internal distribution lines, however, to entice the Golf Courses to stop using their wells and buy effluent from the City, the City was only going to charge the Golf Courses \$25.00 an acre per year for this water. It was his opinion that if the District charged the Golf Course the same irrigation rate as other customers, they could possibly decide to hook up to the City's effluent disposal system.

Mr. Hake advised Mr. Scofield that the Committee discussed the fact that the new tank is designed to handle the effluent and the pond would only handle the overflow from the tank and that upon completion of the expansion all the customers could use the effluent. He explained that there would be one charge to all customers as they all would be using the same effluent.

Mr. Hake also told the Board that the Committee discussed upgrading the current Agreement with WCN regarding the Golf Course to bring it up to date with today's needs because what was in the Agreement was long outdated and didn't even apply.

Mr. Hake suggested that the record show the members of the Rate Committee. The members of the Committee were identified as James Dunwiddie, John Hoyt, Gary Moyer, Paul Cumiskey, Lou Hoegsted, Tom Peek, Jim Ward and Jim Hake. He advised Mr. Scofield that the Committee was on target to meet his request for the Committee's presentation by the June Meeting.

Mr. Moyer advised the Board that since the Committee did not have the authority to spend any of the District's money, he, at this time, was requesting the Board's assurance that the Committee was proceeding in the right direction, as the District would be incurring additional costs from Coopers & Lybrand to revise the figures in the Rate Study.

Mr. Scofield asked whether the Committee members all seemed happy with what had transpired to date. Mr. Moyer commented that for the most part, good compromises had taken place.

Mr. Hake suggested that the only area of real disagreement seemed to be in the area of the Standby Fees and that this issue had been discussed in great length.

The Board concurred that the Committee was heading in the right direction.

Mr. Moyer also advised the Board that Mr. Ward and Mr. Petty were continuing their work on the street lighting issue and advised them that a Report regarding this issue would be forthcoming.

Mr. Hake asked Mr. Moyer if FP&L would entertain the idea of installing all of the wiring and then work out some kind of an Agreement with the District whereby the District would furnish the poles and lamps and FP&L would bill the District on a monthly basis. Mr. Ward suggested he would look into this option. Mr. Scofield asked Mr. Ward if he found WCN's original street lighting estimates. Mr. Ward replied that these figures are not in the District's records but his Report would outline this information.

CONFIRMATION OF INVOICES AND REQUISITIONS

Change Order No. 1, Denco Construction Co., Contract D-17 Construction Services, to Increase the Contract Amount by \$741.40 - Approved As Presented

Mr. Ward explained that this Change Order was for final quantity adjustments on Contract D-17.

Following this presentation, Ms. MacAlister moved, seconded by Mr. Holtan, and approved unanimously, that Change Order No. 1, to increase the Contract with Denco Construction Co., by the amount of \$741.40 for Contract D-17 Construction Services, be approved.

Change Order No. 2, Denco Construction Co., Contract D-17 Construction Services, to Increase the Contract Amount by \$1,450.00 - Approved As Presented

Mr. Ward explained that this Change Order was for hydrant extensions installed at Contract D-17.

Following this presentation, Ms. MacAlister moved, seconded by Mr. Holtan, and approved unanimously, that Change Order No. 2, to increase the Contract with Denco Construction Co., by the amount of \$1,450.00 for Contract D-17 Construction Services, be approved.

Change Order No. 1, Mitchell & Stark Construction Co., Contract D-18 Construction Services, to Decrease the Contract Amount by \$1,500.00 - Approved As Presented

Mr. Ward explained that this Change Order was for final quantity adjustments on Contract D-18.

Following this presentation, Ms. MacAlister moved, seconded by Mr. Holtan, and approved unanimously, that Change Order No. 1, to decrease the Contract with Mitchell & Stark Construction Co., by the amount of \$1,500.00 for Contract D-18 Construction Services, be approved.

At this time the following Certificates Of Payment were presented for approval by the Board:

<u>CERTIFICATE NO.</u>		<u>CONTRACTOR</u>	<u>AMOUNT</u>
Contract D-17 - Oakmont - Additional Services	No. 5	Post, Buckley, Schuh & Jernigan	2,524.49
Contract D-17 - Oakmont - Construction Services	No. 5	Denco Construction	12,570.00
Unit VI Street Lights Design Services	No. 6	Post, Buckley, Schuh & Jernigan	803.24
1985 Bond Proceeds WWTP - Construction Services	No. 115	Post, Buckley, Schuh & Jernigan	10,555.72
City of Naples Interconnect - Contract D-24 Design Services	No. 114	Post, Buckley, Schuh & Jernigan	2,942.21
1985 Bond Proceeds Contract D-18 High Service Pump Construction Services	No. 117	Mitchell & Stark Construction	19,213.39
1985 Bond Proceeds WWTP - Construction Services	No. 116	Metro Equipment & Construction	162,069.70
TOTAL AMOUNT ALL INVOICES			\$ 210,678.70

Following this discussion, Ms. MacAlister moved, seconded by Mr. Holtan, and approved unanimously, that the Certificates of Payment be approved as presented.

CONFIRMATION OF INVOICES

Water/Sewer Operating Summary and Invoices For March 1987 - Approved As Presented

At this time, Mr. Hake moved, seconded by Ms. Moll and carried unanimously, that the Water/Sewer Operating Summary and Invoices for March, 1987, be approved as presented.

Water Management Operating Summary and Invoices For March 1987 - Approved
As Presented

At this time, Mr. Hake moved, seconded by Ms. Moll and carried unanimously, that the Water Management Operating Summary and Invoices for March, 1987, be approved as presented.

At this time, Mr. Portman requested the following: that revenue be shown on the Water Management Operating Summary, the breakdown of the capacity charge revenue and commodity charge revenue be shown on the Water/Sewer Operating Summary and that an Operating Summary for the Street Lighting System be prepared.

Mr. Moyer advised the Board that District staff disagreed with the idea of showing the breakdown of the capacity and commodity revenue on the operating summary. He explained that both charges were an integral part of the revenues of the system and did not need to be broken down to fairly reflect the financial activities of the District. Mr. Moyer told the Board that if they wanted to authorize the expenditure of money to re-program the computer to reflect the requested breakdown, he would be happy to provide the Board with this information. He explained that the current computer programs used by the District are unable to pull this information from the system.

Mr. Moyer told Mr. Portman that the Operating Summaries, which are unaudited and do not meet any general accepted accounting principals, are strictly Management Reports and are only intended to keep the Board informed as to the financial status of the District. He explained that when an account is billed, the probability of collection is high, as the

water can be turned off as a means of enforcement. He explained that the operating statements are strictly to keep the Board informed as to whether the District is generating sufficient revenue to meet the operation and maintenance expenses of the District and to present an overall financial picture of the District. He explained that if the Board desired to go from a 90% confidence level to a 98% confidence level, staff would provide the Board with the level of sophistication they deemed necessary, however, it wouldn't come without a price tag. He advised that if the Board desired a financial summary which provided greater detail, the Budget would reflect these additional costs. He stated for the extra 2-3% it would cost the District lots of money.

SUPERVISORS REQUESTS

Mr. Hake told the Board he had asked Mr. Bolesky to research the advertising requirements for meetings of the Rate Study Committee and whether the meetings should be publicly noticed. Mr. Moyer suggested it was better to be overly cautious and that unless the Board objected, these meetings would continue to be publicly advertised. The Board concurred that the meetings should be advertised. Mr. Holtan asked that Mr. Bolesky still research the requirements and give the Board his opinion.

Mr. Scofield stated that he personally was delighted with District staff and administration and suggested that they were closely watching the District's finances. He told Mr. Portman that his letter regarding the District's receivables did not scare him, i.e. that the deposits would cover most of the unpaid bills and if the bills weren't paid the water could be turned off. He commented that he had no problem with

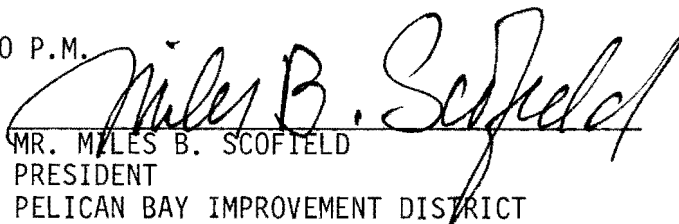
Pelican Bay Improvement District
April 15, 1987

the District's receivables.

Mr. Portman told the Board that in discussions with District staff he was advised that they had no firm policy regarding delinquencies. Mr. Scofield advised that he had no problem with the way District staff was currently collecting outstanding water bills and until he saw the District losing money, he did not wish to interfere and change the policy.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned. Time: 6:00 P.M.


MR. MYLES B. SCOFIELD
PRESIDENT
PELICAN BAY IMPROVEMENT DISTRICT

PELICAN BAY IMPROVEMENT DISTRICT
WATER AND WASTEWATER OPERATING SUMMARY
MARCH 1987

	FISCAL YEAR 1986 BUDGET	MONTH TO DATE			YEAR TO DATE		
		BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>CHARGES FOR SERVICES</u>							
Connection Fees	\$ 830,750	26,880	14,900	(11,980)	120,230	445,251	325,021
Meter Use Fees	28,250	2,500	11,750	9,250	10,500	72,880	62,380
<u>USER REVENUE</u>							
Water	482,866	40,146	67,069	26,923	235,883	263,566	27,683
Sewer	395,998	32,847	51,634	18,787	193,494	213,330	19,836
Irrigation	368,298	29,731	24,998	(4,733)	180,487	163,842	(16,645)
<u>TOTAL REVENUE</u>	<u>\$2,106,162</u>	<u>132,104</u>	<u>170,351</u>	<u>38,247</u>	<u>740,594</u>	<u>1,158,869</u>	<u>418,275</u>
<u>PROFESSIONAL FEES</u>							
Engineering	\$ 18,000	4,500	1,824	2,676	9,000	3,644	5,356
Legal	15,000	1,250	3,490	(2,240)	7,500	11,140	(3,640)
Audit	5,000	5,000	670	4,330	5,000	670	4,330
Trust	6,050	6,050	2,561	3,489	6,050	4,584	1,466
<u>SYSTEM OPERATING EXPENSES</u>							
Office	23,367	1,947	1,577	370	11,682	12,065	(383)
Billing	2,484	207	0	207	1,242	0	1,242
Insurance	18,562	0	730	(730)	18,562	25,221	(6,659)
Payroll	130,238	10,018	8,726	1,292	65,117	54,804	10,313
Transportation	9,750	813	197	616	4,875	532	4,343
Water Quality	18,183	1,515	2,603	(1,088)	9,090	7,754	1,336
Repairs & Maintenance	55,100	4,092	14,317	(10,225)	30,549	48,710	(18,161)
Electric	116,703	9,704	12,186	(2,482)	57,259	64,785	(7,526)
Chemicals	28,011	1,982	6,660	(4,678)	15,851	23,749	(7,898)
Contingencies	5,000	0	2,371	(2,371)	5,000	2,371	2,629
City of Naples Conn.	180,197	15,095	0	15,095	87,960	0	87,960
Meters	6,272	640	5,276	(4,636)	2,688	14,992	(12,304)
<u>TOTAL EXPENSES</u>	<u>\$ 637,917</u>	<u>62,813</u>	<u>63,188</u>	<u>375</u>	<u>337,425</u>	<u>275,021</u>	<u>62,404</u>

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT
OPERATING SUMMARY
MARCH 1987

	<u>MONTH TO DATE</u>			<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>	<u>YEAR TO DATE</u>		<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
	<u>FISCAL YEAR 1987 BUDGET</u>	<u>BUDGET</u>	<u>EXPENSES</u>		<u>BUDGET</u>	<u>EXPENSES</u>	
MEETING EXPENSE							
Supervisors Fees	\$ 6,000	500	500	0	3,000	3,000	0
Travel Reimbursement	300	25	0	25	150	33	117
Legal Notification	500	42	28	14	251	227	24
PROFESSIONAL FEES							
Engineering	10,800	1,500	1,420	80	6,000	5,740	260
Legal	6,000	500	1,160	(660)	3,000	1,890	1,110
Audit	4,500	1,000	670	330	1,000	670	330
Trust	1,500	1,500	1,500	0	1,500	1,500	0
SYSTEM OPERATING EXPENSE							
Office	18,007	1,501	1,659	(158)	9,005	9,367	(362)
Payroll	108,211	8,324	8,809	(485)	54,106	54,733	(627)
Transportation	4,334	362	197	165	2,169	467	1,702
Swale Maintenance	4,000	333	19	314	1,999	1,449	550
Lake Maintenance	17,340	1,445	960	485	8,670	6,071	2,599
Water Quality	6,720	560	286	274	3,360	1,834	1,526
Insurance	10,694	0	678	(678)	10,694	12,774	(2,080)
Rights-Of-Way	263,117	21,926	13,013	8,913	131,558	89,582	41,976
Water Connection	70,719	0	0	0	0	0	0
Water Use	17,908	1,492	915	577	8,953	4,536	4,417
Renewal & Replacement	6,000	500	0	500	3,000	0	3,000
Contingencies	8,000	2,871	2,871	0	5,122	5,122	0
TOTAL EXPENSES	<u>\$ 564,650</u>	<u>44,381</u>	<u>34,685</u>	<u>9,696</u>	<u>253,537</u>	<u>198,995</u>	<u>54,542</u>

PELICAN BAY IMPROVEMENT DISTRICT
WATER/SEWER INVOICES
MARCH 1987

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Alpha Chemical	R.O. Plant Supplies	\$ 203.58
Bay Electric of Collier	Repair Circuit Breaker R.O. Plant	50.00
Bay Electric of Collier	Repair Master Lift Station WWTP	37.50
Bay Electric of Collier	Repair Telemetry Control	962.10
Bay Electric of Collier	Repair Transformer S.T.P.	1,175.00
B & B Builders	R.O. Plant Supplies	170.00
B & H Sales	Meters	340.70
Tracy Bolesky	February Legal Services	2,500.00
Tracy Bolesky	March Legal Services	990.00
Coast Pump & Supply	Irrigation Supplies	15.89
Coral Springs Improvement District	W/S Portion February Health & Dental Insurance	542.52
Coral Springs Improvement District	W/S Portion January Office Services	52.65
Federal Express	W/S Portion Courier Service	45.38
File One	W/S Portion Computer Diskettes	84.40
Florida Power & Light	W/S Portion February Electric	12,186.28
Harn R.O. Systems, Inc.	R.O. Plant Chemicals - Flocon	1,838.55
IBM	W/S Portion Typewriter Ribbons	25.50
Manatron, Inc.	W/S Portion Computer Expenses	530.88
Naples Daily News	Help Wanted Advertisement	114.00
North Trail Auto Parts	W/S Portion Vehicle Maintenance Supplies	37.33
The Office	January Freight	7.46
Pine Ridge Rental Center	Rent Saw & Blades	43.95
Robbins Telephone Answering Service	W/S Portion March Answering Service - R.O. Plant	68.32
S.A.S., Inc.	Wire Rotor Floats	264.00
Telephone Support Systems	W/S Portion Telephone Equipment	1,225.00
United Telephone	W/S Portion February Telephone	98.18
Weavers Office Supply	W/S Portion Filing Cabinets	330.00
Weavers Office Supply	W/S Portion March Office Supplies	34.20
R.M Peterson & Assoc.	Asco Repair Kit	1,123.20
Taylor Paving, Inc.	Repair Pelican Bay Boulevard (Waterline Break)	300.00
Robert Parmelee	Reimbursement For Film Development	18.59
U.S. Postmaster	Postage Stamps	44.00
Nancy Jackson	Reimbursement For Office Supplies	16.71
Alpha Chemical	Chlorine - Lagoon	692.00
Coast Pump & Supplies	Irrigation Supplies	1.62
Coral Springs Improvement District	W/S Portion December - February Adjustment Health & Dental Insurance	1,053.16
Federal Express	W/S Portion February Courier Service	5.50
File One	W/S Portion March Office Supplies	16.42

PELICAN BAY IMPROVEMENT DISTRICT
 WATER/SEWER INVOICES
 MARCH 1987
 (PAGE 2)

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Fischer & Porter	Potable Water Level Transmitter	1,150.00
J.C. Drainfield	Remove Sludge W.W.T.P.	3,450.00
J.C. Drainfield	Pump D-14 Lift Station	350.00
J.N. Environmental	February W/W Analyses	241.00
J.N. Environmental	Wellfield Monitoring Analyses	1,495.90
Manatron, Inc.	W/S Portion Install General Ledger	600.00
Manatron, Inc.	W/S Portion B-20 Operating System Training	106.07
Manatron, Inc.	W/S Portion Accounting Program Update	8.89
Mitchell & Stark	Install Valve S.T.P.	239.08
Mitchell & Stark	Repair Leaking Pipe H.S.P.	36.50
Mitchell & Stark	Repair Spollen Driveway - (Waterline Break)	740.00
Neptune Water Meter Co.	Meters	4,935.02
Robert Parmelee	Reimbursement For Film & Office Supplies	28.85
PB&S Chemical Co.	R.O. Plant Chemicals	4,821.20
Pine Ridge Rental	Rent Equipment - R.O. Plant	202.44
S.A.S.	Grease For S.T.P. Blowers	68.00
Sears, Roebuck & Co.	Tools	667.03
Smith Aerial	Aerial Photographs W.W.T.P. Construction	95.00
Smith Aerial	Aerial Photographs W.W.T.P. Construction	100.50
Sunshine Ace Hardware	R.O. Plant Supplies	356.07
United Telephone	W/S Portion February Telephone	295.50
Westinghouse Communities of Naples, Inc.	W/S Portion Jan. Rent, Postage, Copies & Fuel	468.64
Silver Streak	February Courier Service	9.00
Imperial Homes Of Naples	Reimbursement For Driveway Repair - Spollen Residence	986.38
F.W. & P.C.O.A.	Annual Dues - Todd Larson	15.00
The Heron	Relocate Tree at The Heron	100.00
Nassau Pools, Inc.	Chlorine	49.95
Envirofact, Inc.	Water Quality Analyses	366.25
Microline Computer Center	W/S Portion Annual Maintenance Agreement	210.00

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT INVOICES
MARCH 1987

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Tracy H. Bolesky	Legal Services 12/31/86 To 1/22/87	\$ 1,100.00
Tracy H. Bolesky	Legal Services 1/23/87 To 2/23/87	60.00
Tracy H. Bolesky	Reimbursement For Sunshine Law Books	42.00
Coral Springs Improvement District	W/M Portion February Health & Dental Insurance	542.52
Coral Springs Improvement District	W/M Portion January Office Services	52.65
Federal Express	W/M Portion February Courier Service	45.37
File One	W/M Portion Computer Diskettes	84.80
Florida Power & Light	Crayton Road Sprinkler Clock - Feb.	9.00
IBM	W/M Portion Typewriter Ribbons	25.50
Jacaranda Landscape	February R-O-W Maintenance	13,003.57
Manatron, Inc.	W/M Portion Computer Expenses	530.89
Naples Daily News	Legal Advertising	13.25
Naples Federal Savings & Loan Association	Meeting Room Rental	100.00
North Trail Auto Parts	W/M Portion Vehicle Maintenance Supplies	33.07
PBID W/S Account	R-O-W Maintenance 12/15/86 - 1/15/87	914.82
Robbins Telephone Answering Service	W/M Portion March Answering Service - R.O. Plant	68.32
Spectrum Laboratories	January Lake Samples	154.00
Spectrum Laboratories	February Lake Samples	132.00
Telephone Support Systems, Inc.	W/M Portion Telephone Equipment	1,225.00
Weavers Office Supply	W/M Portion Filing Cabinets	330.00
Weavers Office Supply	W/M Portion March Office Supplies	34.20
H & L Sales & Service	Lawnmower Repair	19.45
Coral Springs Improvement District	W/M Portion December-February Adjustment Health & Dental Insurance	1,053.16
Federal Express	W/M Portion February Courier Service	5.50
File One	W/M Portion March Office Supplies	16.43
Manatron, Inc.	W/M Portion Install General Ledger	600.00
Manatron, Inc.	W/M Portion B-20 Operating System Training	106.08
Manatron, Inc.	W/M Portion Accounting Program Update	8.89
Naples Daily News	Notice of Public Meeting	15.00
United Telephone	W/M Portion February Telephone	295.50
Westinghouse Communities of Naples, Inc.	W/M Portion January Rent, Postage, Copies & Fuel	468.62
W.H. Turner	January Consultation Services	400.00
Microline Computer Center	W/M Portion Computer Maintenance Agreement	210.00
Jacaranda Landscape	Sod - Sand Pointe	960.00
U.S. Postmaster	Postage Stamps	44.00