

Naples, Florida

August 19, 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 (5:30 P.M.)
TREASURER:	Sylvia A. Moll (4:05 P.M.)
	Ramer B. Holtan
	James D. Hake

ALSO PRESENT: Mr. Gary L. Moyer, District Manager; Mr. James P. Ward, Assistant District Manager; Mr. Tracy Bolesky, Attorney for the District; Messrs. Tom Peek and Steve Means of Wilson, Miller, Barton, Soll & Peek; Mr. John Petty of the Pelican Bay Improvement District; Mr. Jack McKenna and Ms. Linda Lawson of Westinghouse Communities of Naples, Inc.; and Jean Smith, Assistant Secretary.

AGENDA

1. Roll Call.
2. Approval of Minutes of the Meeting held July 15, 1987.
3. Presentation of Water and Sewer Program:
 - A) Engineering Report - Master Plan Update
 - B) Fiscal Year 1988 Water & Sewer Budget
 - C) Guaranteed Revenue Agreement
 - D) Amendment To Bond Resolution
4. Engineer's Report
 - A) Update on the Wastewater Treatment Plant Construction

AGENDA (CONT.)

5. Authorization to Declare the Equipment within the R.O. Plant as Surplus Equipment and Advertise for Sale.
6. Selection of Attorney.
7. Manager's Report.
8. Confirmation of Invoices and Requisitions.
9. Supervisor's Requests.
10. Adjournment.

ROLL CALL

Mr. Scofield called the meeting to order at 4:00 P.M. and asked the record show Ms. MacAlister and Ms. Moll absent with all other members present. (Ms. Moll arrived at 4:05 P.M. and Ms. MacAlister arrived at 5:30 P.M.)

MINUTES OF MEETING OF JULY 15, 1987 - APPROVED AS PRESENTED

Mr. Hake moved, seconded by Mr. Holtan and approved unanimously, the Minutes of July 15, 1987 as presented. (Ms. Moll arrived at 4:05 P.M.)

PRESENTATION OF WATER AND SEWER PROGRAM

Engineering Report - Master Plan Update

Mr. Moyer recalled for the Board that at the July 15, 1987 meeting, Wilson, Miller, Barton, Soll & Peek had been authorized to review the District's current capacities and future requirements, which would include a review of the Wellfield, Wastewater Treatment Plant, Potable and Irrigation Storage Facilities and the Line Distribution System.

At this time, Mr. Steve Means of Wilson, Miller, Barton, Soll & Peek reviewed the, "Update of the Master Plan of Water and Wastewater Systems for Pelican Bay Planned Unit Development, Collier County, Florida", dated August 1987, with the Board.

Mr. Means explained that Figure 2.2 of the Report was an

illustration of the Master Plan for the Water and Irrigation Line Distribution System for Pelican Bay and showed both the existing and the proposed water and irrigation systems. He commented that the solid lines on the illustration showed the existing water mains and the dash lines showed the proposed water mains. He explained that WMBS&P had looked at the existing Master Plan to determine the adequacy relative to the current and future needs of the District.

Mr. Means advised that Figure 2.3 of the Report showed the wastewater collection system of Pelican Bay. The solid lines on the illustration represented the existing sanitary sewer system and the dash lines represented the proposed sanitary sewer system.

Section 3 of the Report addressed the Unit Absorption and included the yearly estimates of the number of dwelling units and other land uses which would require water and wastewater services. This section was vital to the Master Plan. He explained that the equivalent population per year was based on the following values and these values had been used in previous studies: Group I = 3.0 persons/unit; Group II = 2.5 persons/unit; Group III = 2.2 persons/unit; Group IV = 2.1 persons/unit; Commercial = 5.75 equivalent residential unit/acre (ERU); Hotel = 1.33 equivalent residential unit/room (ERU) and ERU = 2.25 persons/unit.

Table 3.1 of the Report showed the Unit Absorption Schedule which was a break down of the number of units per year by Group Type which were on-line, to derive the equivalent population total. He explained that the figures in this schedule were actual connection figures for the years 1980 thru 1986 and the figures for the years 1987 thru 1995 had been supplied by

Westinghouse Communities of Naples, Inc. Mr. Moyer explained that the numbers used in this Report were the same numbers that had been used in the Coopers & Lybrand Rate Study.

Mr. Means explained that, using the Unit Absorption Schedule, they looked at the historic water and wastewater demands to project future yearly demands. He advised that Tables 3.2 and 3.3 outlined demand data for the years 1981 thru 1987 and for which records were available for potable water demand and wastewater demand flows. To arrive at a per capita demand on a daily basis, the average daily demand and peak month demand were divided by the population as outlined in Table 3.1. He explained that this was one method that could be used to get a handle on use and as more historical data was compiled, the figures would become more accurate. He explained that review of the data revealed a wide variation in comparable values with no discernible trends. He stated that there were several reasons which could explain these variations. The first was the lag between the time a unit was connected and when a unit began using the water and wastewater system. He explained that most land uses except for Group I require a master meter to measure potable and irrigation flows. Thus, a project might have connected units that were not yet constructed or sold. This would tend to lower the calculated per capita use and was most evident with regard to the Ritz-Carlton and the Registry hotels. He explained that since there were no meaningful correlation between the equivalent population and the flow data, to arrive at a projected demand the rate of 100 gallons, per day, per person was applied to the projected equivalent population on Table 3.1. He explained that the rate of 100

gallons/day/person to project potable and wastewater demands was used in previous studies by Post, Buckley, Schuh & Jernigan, Inc. and the Pelican Bay Improvement District and he also advised that this rate was now being used as the standard by Collier County and the Southwest Florida Six County Region. He suggested that WMBS&P was comfortable with using this rate for planning purposes.

Mr. Means advised that based on the demand data in Section 3.2 of the report, the projected water, wastewater and irrigation demands were presented in Tables 3.5 and 3.6 and 3.7. He explained that the years 1988 thru 1995 were used for the study period as the reliability of the Absorption Schedule decreased with longer study periods.

Mr. Means commented that there was some trend in the irrigation demand during the years 1981 thru 1987; the trend being a lower per unit demand with each succeeding year. He suggested that this was most likely due to irrigation use for landscape grow-in becoming a smaller percentage of the total irrigation volume as the number of units increased.

He advised that the application of irrigation water was restricted by both the supply and the Water Use Permit issued to the District by the South Florida Water Management District which restricted the District to an application rate of 0.25 inches per day over the irrigated areas of Pelican Bay. Ms. Moll asked whether the 0.25 inch per day restriction was currently in place. Mr. Means replied that this requirement had been in place since the first Consumptive Use Permit was issued, however, this Permit gave the District an overall allocation for the entire District and the allocation had never been exceeded.

Section Three (3) contained a discussion of the Water Supply. Mr. Means advised that a key issue in the future would be to balance the supply of irrigation water with the total demand. He explained that at the present time there was an excess of supply relative to demand, however, sometime beyond the year 1995 demand would exceed the supply of irrigation water. He suggested that sometime in the future the Board would need to explore alternative supplies of irrigation water to supplement the demand.

Mr. Scofield asked whether the treated effluent would be sufficient to buildout. Mr. Means replied that the irrigation water supply came from a combination of the water from the wellfield and the treated effluent and in some future year this combination would be less than the demand. Mr. Means suggested possible alternatives would include wellfield expansion, on-site deep well water or the use of potable water. Mr. Moyer suggested that this was a matter of concern but if one looked at the increase in irrigation water usage each year it amounted to approximately 100,000 gallons, thus, it should not become a problem until the year 2005. Mr. Means commented that the projections in the report were only as good as the Absorption Schedule and things could change if the Absorption Schedule changed.

Section 4 discussed the proposed water and wastewater and irrigation improvements. Mr. Means explained that the design of a Master Plan for water and wastewater systems could generally be broken down into two components; the first was the central utilities site and the second was the distribution/collection system. He commented that for larger communities such as Pelican Bay, the utilities site could be phased to meet

the growth and phasing was generally practiced for economic reasons so that unused treatment and storage capacity could be minimized. He explained that for the distribution and collection facilities in the community it was very common to construct the ultimate size water and wastewater mains as development of a community progressed. This was done to avoid piece meal construction which would deface the utilities corridor and to minimize the number of mains. Also, he explained, it was usually more economical to construct one ultimate size main in the beginning than it was to construct several smaller mains over a period of time.

Mr. Scofield asked Mr. Means why there was a change in the number of projected units in the Northwest Fill area. Mr. Means replied that the reason was the land area available for building had been decreased.

Mr. Means advised that the results of their computer analyses of the design conditions for the potable water distribution system at build-out showed that the Master Plan for the potable water distribution system was adequate to serve existing and future demands to buildout. Similarly, he stated that no alterations to the existing wastewater collection system were necessary, however, he advised that the proposed Master Plan had been altered in the Oakmont, Greentree and Northwest Fill areas to reflect recent growth patterns.

Mr. Means explained that the irrigation water distribution system was designed to handle both the irrigation and fire flow demand. He advised that the proposed irrigation water system was adequate to handle demand to buildout, however, they had looked at fire flow conditions under

the existing system and their analyses showed there was insufficient capacity within the existing mains to serve the Crayton Road area with fireflow and peak irrigation use. To remedy this situation, he proposed the construction of an irrigation main from West Boulevard to Crayton Road and advised this main would be adequate to serve the existing and the future fire flow irrigation needs for this area.

Mr. Scofield asked how soon this line would be needed. Mr. Means advised that construction of this line was an immediate need and further commented that this main would not only benefit the Crayton Road area but most of the southern portion of the District as well.

Mr. Means advised that the existing facilities had also been reviewed and they had looked at the projected demands versus when a phased expansion would be needed and, according to the data, it had been determined that another expansion would be needed prior to 1992. He stated that during the year 1992 the flows would exceed the existing capacities of the potable, irrigation and wastewater systems. He advised that planning and design for these facilities should begin in January of 1990 and the proposed facilities had been outlined in Figure 4.1 of the report.

Mr. Scofield asked whether the size of the Utility Site had been taken into consideration in the Master Plan Update and whether there would be enough room on the site for the proposed facilities. He also asked whether the District owned the property on which the Golf Course Maintenance Facility was located. Mr. Means replied that the Golf Course Maintenance Facility site was not owned by the District. Mr. Scofield suggested some consideration be given to building additional storage tanks

and pumping stations at the north end of Pelican Bay. Mr. Means explained that several alternatives had been considered in a previous study that had been performed by Post, Buckley, Schuh & Jernigan, Inc. and it had been determined there was sufficient room on the existing 10 acre site to buildout for expansion of the facilities. Mr. Peek explained that the current study did not address the physical location of the planned facilities at the Utility Site but rather studied the capacity that was needed as opposed to how the facilities would specifically fit on the site. He explained that WMBS&P had reviewed the Master Plan prepared by PBS&J and the site would be "tight" to work in but that the facilities would physically fit on the site. He advised that if the Board desired a more detailed physical site planning, they would be happy to do so.

Mr. Scofield suggested that the Board give some consideration to the possible need for additional property for expansion of the facilities before the property at the northern end of Pelican Bay was more fully developed. He was very concerned about the size of the current Utility Site.

Mr. Hake suggested that if construction of the facilities currently in place had been started at the opposite end of the site, future contractors would have the necessary room in which to build additional facilities.

Mr. Moyer advised that many hours of discussion had gone into the siting of the present facilities. He explained that the reason for their placement was everyone's interpretation of what would have the least amount of impact on the existing residents of Pelican Bay.

Mr. Holtan asked Mr. Peek whether he was concerned over the size of the parcel. Mr. Peek replied he would be a lot more comfortable if he had an opportunity to look at the site planning in more detail; that under this study they had not looked at physical plant sitings within the utility area or the construction cost impact due to the close proximity of the facilities.

Mr. Scofield suggested that Mr. Peek present a proposal to re-study the Utility Site and offer future recommendations by the next meeting. Mr. Moyer concurred that a study of the Utility Site on a large scale was fine but for WMBS&P to try and physically site the facilities at this time would be somewhat premature. He suggested that the Golf Course facility could move at some point in the future, and if this occurred the needs of the District could change.

Mr. Hake commented that he could not understand why the District's Utility Site property did not include the Golf Course Maintenance Facility parcel. Mr. Scofield asked how many acres were involved in the Golf Course Maintenance site. Mr. Ward replied that the entire parcel was 14 acres and the District would be purchasing 10 acres. Mr. Moyer explained that when discussions first began on siting the utility site it was a topic of discussion that WCN might eventually move the Golf Course Maintenance Facility. He suggested that this might tie in with WCN's future plans to construct an additional nine holes for the Golf Course. He further suggested that this discussion might be premature and WCN would most likely not commit to anything at this time but in four or five years when the District might need additional land this might be a

possible solution.

Mr. Moyer recalled for Mr. Hake that when development in Pelican Bay first began, the Developer and the District tried to isolate all of the obnoxious public facilities in the Community and rather than have them spread all over the Community the decision had been made that it would be in the best interests of the future land owners within the District to put all of facilities on one site.

Mr. Means went on to review Section 4.5 of the Report. He stated that this section concerned the Oakmont, Greentree and Northwest Fill areas. He advised that in the study of these areas it had been determined that the three areas could be adequately served without the permanent facilities between Greentree Drive and Pelican Beach Drive. Additionally, he advised that the proposed northern potable and irrigation loops connecting Greentree Drive to Oakmont Drive would not be required during the initial construction of these two areas. However, he recommended that this loop be constructed during the final phases of the two areas.

Mr. Scofield asked Mr. Ward to explain the 20 acres that had been set aside for Government, as outlined in the report. Mr. Ward replied that in the PUD, WCN was required to dedicate a certain amount of land to Collier County. He explained that the 20 acres excluded the acreage set aside for the school site.

At this time, Mr. Means called for comments or questions by the Board. Ms. Moll asked why there currently was not enough existing capacity to serve the Registry with fire flow. Mr. Means replied that the answer to this questions still had not been determined. Mr. Moyer advised that Post,

Buckley, Schuh & Jernigan would be contacted to try and determine under what assumptions they had worked during their preparation of the Master Plan. Mr. Hake suggested two possible reasons: PBS&J wasn't given the correct information to begin with or they "goofed off" and he suggested if they had made a mistake, the District should submit a claim against their Products Liability Insurance.

Mr. Scofield suggested he had recently held discussions with City of Naples personnel who told him that the City Plant was capable of handling 30 MGD and with the construction of three new wells they would have a total of 66 wells. He stated that their average daily output of water was currently 15.4 million gallons and thus the City suggested they would have no problem servicing Pelican Bay in the future.

Ms. Moll asked whether the assumption had been made in the report that the City would continue to service Pelican Bay. Mr. Moyer replied that it had been assumed that the City would service Pelican Bay in the short run and ultimately Collier County, i.e, the District would not remain in the potable water manufacturing business.

Mr. Hake asked Mr. Means to explain why the irrigation system simply couldn't be shut down to allow for use of all of the irrigation water for fire flow if a fire should occur at the Registry Hotel during peak irrigation hours. Mr. Peek explained that the irrigation system was individually metered and connected to one main line and there was no central location at which to turn off all of the irrigation meter locations. He stated that it was impossible to shut off the entire irrigation system at one time without shutting down the entire system.

Mr. Holtan asked whether the Registry Hotel had any trouble with their insurance company regarding this matter. Mr. Means replied that he had no knowledge or information regarding this matter.

At this time, Mr. Hake moved, seconded by Mr. Holtan and approved unanimously, acceptance of the "Update of the Master Plan of Water and Wastewater Systems for Pelican Bay Planned Unit Development" dated August 1987, as prepared by Wilson, Miller, Barton, Soll & Peek and that Wilson, Miller, Barton, Soll & Peek, Inc. be authorized to submit a proposal for determining whether the 10 acre utility site could accommodate the needs of the District in the future.

Fiscal Year 1988 Water & Sewer Budget

At this time, Mr. Moyer requested the Board's conceptual approval of the Fiscal Year 1988 Water & Sewer Budget and authorization to schedule a Public Hearing on the Water and Sewer Budget for September 16, 1987.

Mr. Scofield asked if the Budget had to be approved at today's meeting. Mr. Moyer replied that the Board needed to approve the Budget but not adopt the Budget, that by approving the Budget they were approving the Resolution setting the Public Hearing for September 16, 1987.

Mr. Moyer advised that a Summary of the Budget was shown on Page 1 of the proposed Budget. He commented that the Summary identified all of the sources of revenue and expenses and the balance of the Budget contained a detailed explanation of how the numbers were arrived at. He advised that the budget projected \$2,835,063 in revenue and \$2,436,389 in expenses which included the debt service on the outstanding bonds plus \$835,230 in operating expenses. He stated that if the growth projections as outlined

in the Budget were met, the District would be in sound financial shape for Fiscal Year 1988. He also explained the proposed budget included the recommended rate adjustments which had been discussed at the July 15th meeting.

Mr. Scofield asked Mr. Moyer whether the \$5,000,000 Umbrella Insurance Policy approved at the last meeting had been included in the proposed Budget. Mr. Ward replied that sufficient monies had been budgeted for the \$5,000,000 umbrella coverage for Fiscal Year 1988.

Mr. Scofield asked why the projected connection figures were so high for January and March of 1988. Mr. Ward replied that the Specialty Shopping Center was projected to come on line in January 1988 and a new Group IV project by Gulf Bay Development Group was projected to come on line in March of 1988.

Mr. Hake commented that the Proforma Operating Summary was based on average monthly usage and he did not think this was realistic. He suggested that the budget be based on a month by month basis relying on past historical figures rather than averages. Mr. Scofield commented that this would take a lot more time, work and money. Mr. Moyer also advised that with the proposed rate increase a large portion of the budget now became a fixed cost so the minimum bills were not seasonalized, but were rather, in fact, revenues of the District that would be billed monthly. Thus, he explained, most of the bill would be collectible evenly throughout the year. He concurred with Mr. Hake that there would be reasonable variations for the commodity portion of the bills. Mr. Hake suggested that if the Budget was prepared in this manner, problems would become apparent

on a monthly basis should they occur. He commented, however, that he was satisfied with the end result and thought it was a very good budget.

Mr. Scofield asked why the projected budget expenditure for the City of Naples potable water was in the amount of approximately \$21,000 per month when last months actual expenditure was approximately \$12,000. Mr. Moyer explained that the budget figures factor in additional growth for the next fiscal year and do not adjust for the low months and offset for the high months. He advised that if the units came on line as outlined in the Absorption Schedule and these units were added to the units already on line, at the end of the year the figure would be very close to the proposed budget figure.

At this time, Mr. Hake moved, seconded by Ms. Moll and approved unanimously, the Resolution "Approving the District's Proposed Water and Sewer Budget for Fiscal Year 1988 and Setting a Public Hearing for September 16, 1987, pursuant to Chapter 74-462, Laws of Florida.

Guaranteed Revenue Agreement

Mr. Moyer recalled for the Board that one of the items generated by the Coopers & Lybrand Report as well as the Rate Study Committee discussions was that the understanding with WCN regarding the shortfall in revenue should the District experience insufficient growth within the Community should be reduced to a written agreement. Mr. Moyer explained that the District's system, the Rate Studies and the Budgets were all based upon assumptions of future growth (how many units will be added to the system) and if the projected number of units were not added to the system each year, District revenues would be adversely affected. Thus, the

proposed Guaranteed Revenue Agreement guarantees that the District will receive a minimum amount of connection fees each year, along with identifying the responsibility for construction of certain facilities. The Agreement states that the District will provide the capital and construct what is defined as the major facilities and the Developer will provide the financing for, however, the District will be the entity that constructs, the subdivision facilities. The Agreement provides that the District will have total control over the construction that takes place within the Utility System. Also, via the Agreement, WCN will be required to either take down connections and pay the minimum monthly capacity fees that accompany the connections or in the alternate pay a standby fee which would be a contribution to the District (no reimbursement from the District). WCN would have no minimum bills associated with the standby fee. In either case, the District would receive the monies in time to pay the principal and interest on the outstanding bonds if there was insufficient growth within the Community to make these payments. Mr. Moyer also explained that a large portion of the Agreement identified the responsibilities of both parties.

Mr. Moyer requested the Board offer their comments on the Agreement at this meeting and staff could then negotiate the recommended changes with WCN and return with an executed Agreement at the September Public Hearing at which time the Board would consider adoption of the new rates and the Fiscal Year 1988 Water & Sewer Budget.

Mr. Hake had one suggestion regarding the Agreement. He recommended that the words, "only with the permission of the District which

will not be unreasonably withheld", be inserted at the end of Item (G) under Section 18 on Page 11 of the Agreement. Mr. Moyer advised that this change would be incorporated into the Agreement.

Mr. Scofield asked who had prepared the Agreement. Mr. Moyer replied that he had drafted the Agreement. He commented that the Agreement could probably have been shortened but it was his opinion that the Agreement addressed the responsibilities of the respective parties and if the rights of the Agreement were ever conveyed to another party there would be no misunderstanding of their duties and responsibilities.

Mr. Scofield asked whether Westinghouse had reviewed the Agreement. Mr. Moyer replied that the Agreement had been negotiated with WCN and he advised that he would endeavor to bring back a signed Agreement by Westinghouse at the September meeting. He also advised that he would provide the Agreement to the District's Attorney for his review and comments.

Mr. Scofield called for additional comments by the Board. The Board had no further comments regarding the Agreement.

Amendment To The Bond Resolution

Mr. Moyer commented that this Resolution had been prepared by the District's Bond Counsel and he suggested that approval of the Amendment to the Bond Resolution could be deferred until the September Public Hearing at which time the Fiscal Year 1988 Water and Sewer Budget and the Guaranteed Revenue Agreement were acted upon. He explained that the purpose of the Resolution was to increase the Renewal and Replacement requirement which then under the existing Bond Resolution these funds would be considered to

be available for payment of the debt service and, therefore, would be considered as meeting the debt service coverage test of 110%. Mr. Moyer explained that if the Resolution was adopted, the District could forego charging utility customers the additional 10% requirement. However, he advised that if the District had any major reason to use the money in the Renewal & Replacement Account, the account would have to be replenished or in the alternate the District would have to increase the rates to meet the 110% coverage test.

There were no comments by the Board regarding the Resolution.

ENGINEER'S REPORT

Update On The Wastewater Treatment Plant Construction

Mr. Means of Wilson, Miller, Barton, Soll & Peek showed the Board updated aerial photographs of the Wastewater Treatment Plant and handed out an updated Construction Progress Schedule. Mr. Means explained that the updated Construction Progress Schedule was the result of a meeting held with Metro Construction during the past week at which the Contractor had identified their revised completion dates. He explained that most of the completion dates had been revised to September 1987.

Mr. Scofield asked whether the oxidation ditch would be completed on schedule. Mr. Means replied that the Contractor had indicated that the oxidation ditch would be completed on time. Mr. Petty advised that structurally everything was running close to schedule, however, the mechanical portion of the oxidation ditch would most likely be completed in November. Mr. Moyer explained that the reason for the meeting with Metro Construction was staff's concern about the size of the construction crews

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on the site. He explained that staff desired to put the Contractor on notice that they did not think they had enough people working on the project to complete the job by the scheduled completion date. Mr. Scofield and Mr. Hake also expressed their concerns that the project was not proceeding as quickly as it had in the past. Mr. Scofield suggested that Metro Construction be made aware of the Board's concerns. Mr. Moyer advised that during the next week staff would meet with Post, Buckley, Schuh & Jernigan and the Contractor to identify the critical items in the construction schedule which would need to be completed before the season started and which would make the plant operational. He stated that at this meeting District staff would re-emphasize the items that had to be completed before the start of the season as well as advise them that the District might have to invoke some of the provisions in the Contract if the Contractor failed to perform.

Mr. Means advised that the effluent storage tank was 98% complete and the tank piping was ready for testing. He explained that the Contractor was currently working on the Master Sewage Pumping Station at the north end of the site. Mr. Scofield asked whether the new chlorine facility would take the smell out of the water. Mr. Petty replied that the new facility would remove the hydrogen sulfide odor from the water and the scheduled completion date for the new chlorine facility was October. However, he advised that the temporary chlorine facility on the new tank should be on line in the next ten days.

AUTHORIZATION TO DECLARE THE EQUIPMENT WITHIN THE R.O. PLANT AS SURPLUS
EQUIPMENT AND ADVERTISE FOR SALE

Mr. Moyer advised that in order to declare District equipment as

surplus equipment there had to be a formal finding by the Board that the equipment was no longer economically justifiable to maintain. If this was accomplished, the equipment could be declared surplus and advertised for sale. Mr. Moyer explained that Chapter 274 of the Florida Statutes stated that first priority had to be given to other governmental agencies that desired to bid on the equipment and thereafter, the equipment could be sold to any other party desirous of bidding on the equipment. He stated that the Bond Resolution required that the District provide the Trustee with a Certificate of the Board stating that the District had declared the equipment surplus property and prior to providing the Trustee with this Certificate, an opinion had to be obtained from the District's Engineer that the equipment no longer served any economic purpose to the District.

Mr. Moyer stated that based upon the Agreement the District has with the City of Naples and Collier County, it was the staff's and engineer's opinion that the District no longer needed the R.O. Plant equipment and the District should try and recover some value for the equipment rather than letting it sit and deteriorate.

Mr. Scofield asked what equipment was specifically being considered as surplus and whether any of the equipment would be needed in the treatment of the irrigation water. Mr. Peek distributed a list of the equipment to be declared surplus to the Board and advised that this equipment was all an integral part of the R.O. process. It was his opinion that if the District were to sell the R.O. equipment it should be sold as a total package in order to obtain a reasonable price for the equipment and so the equipment had some reusable value to the purchaser.

Mr. Peek advised that Wilson, Miller, Barton, Soll & Peek's opinion was that the District should sell the equipment as the Agreement with the City of Naples and the County put the District in the position that they most likely would never again have to rely on the R.O. system. He stated that some consideration had been given to keeping the equipment as an emergency backup, however, in order to keep the equipment operational it would have to be maintained on a continuous basis and this would be a costly, time consuming process. Thus, it was his opinion that the equipment should be declared surplus and sold.

Mr. Peek explained that there are several monthly publications which are circulated in the utility industry and staff should consider placing advertisements in these publications as well as sending advertisements for bid to used equipment suppliers, some of whom have already expressed an interest in the equipment. Mr. Peek advised that the estimated value of the equipment was between \$75,000 and \$125,000.

Mr. Hake asked what the Bond Resolution stated about what should happen to the money received for surplus equipment. Mr. Moyer replied that he would have to research this matter and report back to the Board.

In response to Mr. Hake's concern, Mr. Moyer advised that the advertisement would be very specific and state that the District would reserve the right to reject any or all bids for any reason they so desired. Thus, if the bids were low and unacceptable, the Board could reject them.

At this time, Ms. Moll moved, seconded by Mr. Hake and approved unanimously that the equipment within the R.O. Plant no longer had any economic usefulness to the District and thus be declared surplus equipment

and that District staff be authorized to advertise the equipment for sale at public auction.

SELECTION OF ATTORNEY

Mr. Moyer stated that at the last meeting, the Board had deferred the selection of a new Attorney. He recalled that the Board had previously ranked the firms of Cummings & Lockwood and Quarles & Brady as the two top firms who had submitted proposals to provide legal services to the District.

At this time, Mr. Scofield polled the Board to determine their preference: The following was the result of the poll:

For Quarles & Brady: Ms. MacAlister, Ms. Moll & Mr. Scofield

For Cummings & Lockwood: Mr. Hake & Mr. Holtan.

By a three to two vote, the firm of Quarles & Brady was selected as the new Attorneys for the District.

MANAGER'S REPORT

Mr. Moyer had no comments at this time.

CONFIRMATION OF INVOICES

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

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

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

At this time, Ms. Moll moved, seconded by Ms. MacAlister and carried unanimously, that the Water Management Operating Summary and

Invoices for July, 1987, be approved as presented.

CONFIRMATION OF INVOICES AND REQUISITIONS

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>
1985 Bond Proceeds Boat Clarifier	No. 131	United Industries	\$ 81,514.81
1985 Bond Proceeds WWTP - Construction	No. 132	Metro Equipment & Construction	246,392.00
1985 Bond Proceeds WWTP - Construction Services	No. 133	Post, Buckley, Schuh & Jernigan	5,055.37
1985 Bond Proceeds Update Master Plan	No. 134	Wilson, Miller, Barton, et. al	270.00
1985 Bond Proceeds Convert Irrigation Tank to Potable Tank	No. 135	Wilson, Miller, Barton, et. al	1,061.50
1985 Bond Proceeds Utility Site Improve- ments & Instrumentation	No. 136	Wilson, Miller, Barton, et. al	1,810.80
		TOTAL AMOUNT ALL INVOICES	\$ 336,104.48

Following the presentation of the Certificates, Ms. MacAlister moved, seconded by Mr. Holtan and approved unanimously, the Certificates of Payment as presented.

SUPERVISORS REQUESTS

Ms. Moll suggested that the sprinkler heads in the medians along the boulevards were not adjusted properly. She was concerned that irrigation water was spraying out onto the streets and getting on passing cars. Mr. Ward responded that this has been a continual problem with the landscape maintenance contractors and suggested that the sprinkler heads almost needed to be adjusted on a daily basis to solve this problem. Mr. Hake commented that Jacaranda personnel were on the property on a daily

basis and he felt they were doing a much better job than R & A Associates ever had, however, he concurred that the sprinkler heads were a problem and there should be some solution. Mr. Ward stated he would meet with Jacaranda to call their attention to the problem and see if the problem could be resolved.

Ms. MacAlister asked when the water hyacinths would be put into the Tierra Mar Lake. Mr. Petty replied that they were currently working on obtaining the hyacinths and they would be put into the lake shortly.

Mr. Holtan asked Mr. Ward whether he had received any quotations from Mr. Benson of Fred S. James & Co. for the Board of Director's Liability Insurance Coverage. Mr. Ward replied that he had recently talked to Mr. Benson and was advised that he was in the process of trying to get additional quotes and as soon as he had any information available he would forward it to District staff.

Mr. Hake asked for Mr. Petty's comments regarding his recent memo on the fish kill in two of the Golf Course lakes and asked whether he had any additional information as to what might have caused the fish kill. Mr. Petty commented that the fish kill in the Chateaumere Lake was most likely caused by the herbicides which had been applied to the Golf Course. He suggested the reason for the fish kill in the lake near Hyde Park was still unknown, however, postulated that it could have been caused by toxic material dumped in the lakes by Contractors working at the Hyde Park construction site.

Mr. Hake told the Board that he had recently attended a meeting with Mr. Ward and Mr. Schall of the Stratford regarding the Stratford water

deposit issue. He commented that he learned some things in the meeting that he had not been aware of and it was decided at the end of the meeting that when the new Attorney came on board they would be asked to review what had transpired to see if, in fact, District staff was handling water deposits properly. He stated that once an opinion had been received from Quarles & Brady it would give Mr. Schall the information he needed to satisfy the Stratford Condominium Association. The Board concurred that Quarles & Brady be authorized to review this information.

Mr. Scofield asked whether the window in the Directors & Officers Liability policy had been amended from 90 days to 185 days, as was recommended at the last meeting. Mr. Ward replied that Mr. Benson was still negotiating the matter with the insurance underwriter and he had not heard anything to date regarding this issue.

Mr. Scofield stated that at the last meeting Mr. Moyer had distributed the Collier County Resolution regarding Collier County's indemnification language for their liability protection and at that meeting Mr. Benson had suggested that the only real protection to the Board and Management would come from this type of Resolution. It was Mr. Scofield's opinion that staff should draft a similar resolution and submit it to the Board for consideration. Ms. MacAlister suggested that Quarles & Brady should review the Resolution before it was submitted to the Board. Mr. Scofield suggested that this matter be an item of first priority for the new Attorneys. Mr. Moyer advised that this item would be scheduled on the September Agenda.

Mr. Scofield commented that he had received another series of

letters from Mr. Frederick Hardt regarding the Ivey case. He asked Mr. Moyer whether District staff was in receipt of any letters which specifically outlined the dates of the alleged odors so that staff could try and correlate the dates with the source of the odor. Mr. Ward replied that he was in receipt of no such information.

Mr. Scofield's opinion was that the odor was not originating from the Wastewater Treatment Plant but rather from the hydrogen sulfide in the raw water. It was his desire to implore Mr. Hardt and the Iveys to defer any action until the new chlorination facilities came on line as this could be a solution to the problem. Mr. Moyer stated that there was a fine point between when an Attorney no longer represented his Client and when he began to take on a vindictive attitude towards the adversary. He advised that there was nothing more the District could do at this time than had already been done. He explained that within approximately ten days the temporary chlorination facility would be in place and this had been expedited to try and solve the odor problem. He explained that the sewer plant would be completed in November and he just didn't know how else to respond to Mr. Hardt. He suggested that Mr. Hardt could contact all the agencies he wished but the District had done everything they could possibly do and if it was Mr. Hardt's desire that the District should be fined it would be the residents of Pelican Bay paying the fine. Mr. Scofield suggested that Mr. Hardt was not willing to listen to District staff but on the other hand desired that the Board listen to him. Mr. Moyer advised that he did not know how the District could be more responsive than it had been. He advised that with the exception of one day the flow records indicated that

the plant had always operated within its design capacity and the theoretical question was whether the District should have spent \$100,000 to handle one day's excess.

Mr. Hake commented that everyone had previously agreed it was not the smell of the hydrogen sulfide coming from the new water that was the problem but rather the turnover of the lagoon. He stated he was not taking Mr. Hardt's position, however, he was capable of distinguishing between hydrogen sulfide odor and the odor of sewage. He stated he had detected slight odors over the past few weeks on an intermittent basis. Mr. Moyer suggested that the odor could be originating from the sludge drying beds or a number of other sources. He suggested that the District's position has always been that there were a lot of sources that could have caused the odors but the dates needed to be identified so staff could try and correlate the dates with the District activities which had occurred on these days. He reiterated that there had been no feedback from Mr. Hardt regarding the dates in question.

Mr. Petty took exception to Mr. Hake's comments regarding the odor problem. He commented that for the past four or five months he had listened to Mr. Hake complain that the odors had originated due to poor operational procedures. Mr. Petty did not believe this was the case. He also took exception to Mr. Hake's remarks that District staff was offering many different excuses for the source of the odors. He commented that he had never said the odor was not caused by hydrogen sulfide that at the time of the Ivey complaint the Lagoon was not the problem, that by this time the problem with the Lagoon had been corrected. He stated that many

Pelican Bay Improvement District
August 19, 1987

different odors could arise from facilities such as the District had and unless the dates were properly identified it would be impossible to pinpoint the source of the odor. He suggested the odor could have originated from the Golf Course, from new construction, from the application of epoxy, from the swale behind the Ivey's residence, etc, but to say the odor was caused by the Wastewater Treatment Plant was incorrect. He concluded by stating there had been no attempt by District personnel to mislead the Board as to the cause of the odor.

Mr. Moyer also suggested that he did not wish to mislead anyone. He suggested that if the odor was originating from the sludge beds, the problem would not go away even when the new facilities come on line. He stated that during standard operating procedures for utility plants there would be periodic odor.

Mr. Moyer also suggested that some headway could possibly be made if the Iveys would come and talk to District management instead of relying on their Attorney to solve this problem.

ADJOURNMENT

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



MR. MILES B. SCOFIELD
PRESIDENT
PELICAN BAY IMPROVEMENT DISTRICT

PELICAN BAY IMPROVEMENT DISTRICT
WATER/SEWER INVOICES
JULY 1987

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Advanced Products & Systems	Chemicals	\$ 1,030.00
American Water Works Association	Annual Membership - Todd Larson	53.00
Aubrey Rogers	Wellfield Security	459.90
B & B Builders	R.O. Plant Supplies	294.87
B & H Sales	Meters & Meter Supplies	389.25
Big Cypress Service Co.	Water Quality Testing	23.50
Tracy H. Bolesky	W/S Portion Legal Services May 26, 1987 Thru June 22, 1987	250.00
Brayton, Kathy	Reimbursement For Travel Expenses	2.85
Brayton, Kathy	Reimbursement For Office Supplies	17.21
City of Naples	Water Service June 1, 1987 to July 1, 1987	12,432.10
Federal Express	W/S Portion June Courier Service	34.12
File One	W/S Portion June Office Supplies	16.40
First Pennsylvania Bank	Legal Advertisement Reimbursement	210.18
Florida Dept. of Revenue	Sales Tax Application	5.00
Florida Power & Light	W/S Portion June Electric	10,472.59
Governmental Accounting Standards Board	W/S Portion Annual Membership Dues & Reference Manuals	56.50
Gulf Shore Associates	W/S Portion July Rent & Maintenance	842.97
J.N. Environmental	June W/W Analyses	823.50
Krehling Industries	Drywall for R.O. Plant	114.96
Master Craft Cabinets	Cabinets R.O. Plant	1,474.00
McKenna, Jack	Reimbursement For Recordation Fees	16.28
Mitchell & Stark	Install Fire Hydrant Pelican Bay Blvd.	987.00
Naples Federal Savings & Loan Association	W/S Portion Meeting Room Rental June 17, 1987	25.00
PB&S Chemical Co.	R.O. Plant Chemicals	402.70
Pine Ridge Rental	Rent Equipment R.O. Plant	36.95
R. Lane Construction	Clear Wellfield Site	1,155.00
Robbins Telephone Answering Service	W/S Portion July Answering Service - R.O. Plant	35.32
Scotty's	Building Materials R.O. Plant	176.67
Sunset Office Supplies	W/S Portion Computer Ribbons	30.00
Sunshine Ace Hardware	R.O. Plant Supplies	44.67
U.S. Postmaster	Postage Stamps	88.00
Underground Supply	Irrigation Supplies	1,868.15
Underground Supply	Meter Flanges	240.00
United Printing Unlimited	W/S Portion Printing Expenses	63.52
United Telephone	W/S Portion June Telephone	98.18
Ward, James P.	Reimbursement For Recordation Fees	20.00
Weavers Office Supply	W/S Portion June Office Supplies	33.64
Westinghouse Communities of Naples, Inc.	W/S Portion Fuel - May 25, 1987 to June 25, 1987	47.32
Westinghouse Communities of Naples, Inc.	Reimbursement For Oakmont Road Repair	2,127.20

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT INVOICES
JULY 1987

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Advanced Products & Systems	Chemicals	\$ 445.00
Tracy H. Bolesky	W/M Portion Legal Services Thru June 3, 1987	40.00
Brayton, Kathy	Reimbursement For Travel Expenses	2.85
F.N.T. Industries	Nets - Water Hyacinth Program	3,148.67
Federal Express Corp.	W/M Portion June Courier Service	34.13
File One	W/M Portion June Office Supplies	16.40
Florida Power & Light	Crayton Road Sprinkler Clock - June	9.30
Governmental Accounting Standards Board	W/M Portion Annual Membership & Reference Manuals	56.50
Gulf Shore Associates	W/M Portion July Rent & Maintenance	842.97
Helena Chemical Co.	Lake Maintenance Chemicals	3,262.50
Jacaranda Landscape	June R-O-W Maintenance	15,013.87
McKenna, Jack	Reimbursement for Recordation Fees	16.27
Naples Daily News	Legal Advertising	53.87
Naples Federal	Meeting Room Rental June 17, 1987	25.00
PBID W/S Account	R-O-W Maintenance 05/15/87 - 6/15/87	1,564.96
Robbins Telephone Answering Service	W/M Portion July Answering Service - R.O. Plant	35.33
Spectrum Laboratories	June Lake Samples	154.00
Sunset Office Supply	W/M Portion Computer Ribbons	30.00
United Printing Unlimited	W/M Portion Printing Costs	63.53
U.S. Postmaster	Postage Stamps	88.00
Ward, James P.	Reimbursement for Recordation Fees	20.00
Weavers Office Supply	W/M Portion June Office Supplies	33.65
Westinghouse Communities of Naples, Inc.	W/M Portion Fuel - May 25, 1987 to June 25, 1987	47.32

PELICAN BAY IMPROVEMENT DISTRICT
WATER AND WASTEWATER OPERATING SUMMARY
JULY 1987

	<u>MONTH TO DATE</u>				<u>YEAR TO DATE</u>		
	<u>FISCAL YEAR 1986 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	\$ 830,750	60,630	278,820	218,190	257,000	869,671	612,671
Meter Use Fees	28,250	6,250	12,250	6,000	23,250	92,630	69,380
<u>USER REVENUE</u>							
Water	482,866	40,999	40,869	(130)	398,383	428,034	29,651
Sewer	395,998	33,562	34,805	1,243	346,288	353,615	7,327
Irrigation	368,298	31,069	31,549	480	286,833	300,739	13,906
<u>TOTAL REVENUE</u>	<u>\$2,106,162</u>	<u>172,510</u>	<u>398,293</u>	<u>225,783</u>	<u>1,311,754</u>	<u>2,044,689</u>	<u>732,935</u>
<u>PROFESSIONAL FEES</u>							
Engineering	\$ 18,000	0	2,239	(2,239)	13,500	9,239	4,261
Legal	15,000	1,250	250	1,000	12,500	14,505	(2,005)
Audit	8,058	0	0	0	8,058	8,058	0
Trust	6,584	0	0	0	6,584	6,584	0
<u>SYSTEM OPERATING EXPENSES</u>							
Office	23,367	1,947	1,645	302	29,470	23,248	6,222
Billing	2,484	207	0	207	2,070	0	2,070
Insurance	26,894	0	0	0	26,968	26,968	0
Payroll	130,238	10,018	8,252	1,766	110,198	87,609	22,589
Transportation	9,750	813	50	763	8,125	1,646	6,479
Water Quality	18,183	1,515	847	668	15,150	11,764	3,386
Repairs & Maintenance	75,100	4,092	9,237	(5,145)	91,916	78,556	13,360
Electric	124,103	9,976	10,473	(497)	104,152	102,206	1,946
Chemicals	34,411	2,042	1,433	609	30,326	26,840	3,486
Contingencies	5,000	0	0	0	10,000	8,609	1,391
City of Naples Water	134,473	11,206	12,432	(1,226)	71,986	54,814	17,172
Meters	6,272	640	132	508	4,992	29,839	(24,847)
<u>TOTAL EXPENSES</u>	<u>\$ 637,917</u>	<u>43,706</u>	<u>46,990</u>	<u>(3,284)</u>	<u>545,995</u>	<u>490,485</u>	<u>55,510</u>

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT
OPERATING SUMMARY
JULY 1987

	<u>MONTH TO DATE</u>				<u>YEAR TO DATE</u>		
	<u>FISCAL YEAR 1987 BUDGET</u>	<u>BUDGET</u>	<u>EXPENSES</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>	<u>BUDGET</u>	<u>EXPENSES</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
MEETING EXPENSE							
Supervisors Fees	\$ 6,000	500	500	0	\$5,000	5,000	0
Travel Reimbursement	300	25	0	25	250	33	217
Legal Notification	500	42	54	(12)	618	524	94
PROFESSIONAL FEES							
Engineering	10,800	900	1,460	(560)	9,000	10,207	(1,207)
Legal	6,000	500	40	460	5,000	4,860	140
Audit	4,500	0	0	0	8,058	8,058	0
Trust	1,500	0	0	0	1,500	1,500	0
SYSTEM OPERATING EXPENSE							
Office	18,007	1,501	1,262	239	25,009	20,697	4,312
Payroll	108,211	8,324	8,523	(199)	91,564	88,481	3,083
Transportation	4,334	362	50	312	3,617	1,487	2,130
Swale Maintenance	4,000	333	445	(112)	3,331	2,205	1,126
Lake Maintenance	17,340	1,445	6,411	(4,966)	14,450	20,778	(6,328)
Water Quality	6,720	560	154	406	5,600	3,627	1,973
Insurance	10,694	0	0	0	13,814	13,814	0
Rights-Of-Way	263,117	21,926	15,023	6,903	202,384	150,730	51,654
Water Connection	70,719	0	0	0	0	0	0
Water Use	17,908	1,492	1,565	(73)	14,921	9,302	5,619
Renewal & Replacement	6,000	500	0	500	5,000	0	5,000
Contingencies	8,000	0	0	0	8,000	8,550	(550)
TOTAL EXPENSES	<u>\$ 564,650</u>	<u>38,410</u>	<u>35,487</u>	<u>2,923</u>	<u>417,116</u>	<u>349,853</u>	<u>67,263</u>