

Naples, Florida

January 13, 1987

LET IT BE KNOWN, that the Pelican Bay Improvement District met on this date in a Workshop Session at 3:00 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; Messrs. Lou Hoegsted, and Charles Penn of Westinghouse Communities of Naples, Inc.; Mr. Tom Peek and Steve Means of Wilson, Miller, Barton, Soll & Peek; Mr. Tracy Bolesky, Attorney for the District; Mr. Harmon Turner, Consultant to the Board; Mr. Paul Cumiskey of Coopers & Lybrand; Mr. Robert Parmelee of the Pelican Bay Improvement District; Messrs. James Dunwiddie, Seymour Sekuler and Jack Portman, Representatives of the Pelican Bay Property Owner's Association and Jean Smith, Assistant Secretary.

AGENDA

1. Roll Call.
2. Presentation of Coopers & Lybrand Rate Study, dated September 1986.
 - A) Overall presentation by Coopers & Lybrand
 - B) Board discussion regarding District philosophy of the financing and construction of the backbone water distribution and wastewater collection system.
3. Board discussion regarding the current philosophy for the financing of the Municipal Street Lighting System.

ROLL CALL

Mr. Scofield called the meeting to order at 3:00 P.M. and asked the record show all members present.

PRESENTATION OF COOPERS & LYBRAND RATE STUDY DATED SEPTEMBER 1986

Mr. Paul Cumiskey of Coopers & Lybrand gave an in-depth presentation of the Coopers & Lybrand Rate Study, dated September 1986. In conjunction with this presentation, he discussed the philosophy for the financing of the backbone water distribution and wastewater collection system.

He explained the rate methodology of the rate structure in place prior to October 15, 1986. He stated that this rate structure was often referred to as a lifeline rate structure, i.e., user rates are based on a minimum consumption level. Via this rate structure, rates are established by taking the actual commodity costs (the entire cost of the system) and dividing by the estimated consumption to establish a rate per thousand gallons. He stated that in this rate structure connection fees cover only a portion of the costs of the system. He further explained that standby fees were in place and related to the line distribution portion of the system.

Mr. Cumiskey went on to explain the new rate methodology of the

District and advised that this rate structure was referred to as a capacity-commodity rate method. He stated that this rate structure has a capacity portion of the rate which is designed to cover all of the fixed costs related to the system and a commodity portion of the rate which is designed to cover all of the operation and maintenance costs of the system. He explained that the commodity portion of the rate tends to vary based upon the production of the water and the treatment of the wastewater and irrigation water. He stated that the connection fees, as proposed, would cover all of the excess capacity in the system and a standby fee is in place in case the connection fees are insufficient to pay the debt service requirements.

Mr. Cumiskey outlined in detail the exhibits included in the Rate Study. These Exhibits were as follows: Exhibit 1, Buildout Schedule; Exhibit 2, Calculation of System Capacity; Exhibit 3, Estimate of Net Revenue Under Current Rate Structure; Exhibit 4, Operation and Maintenance Breakdown (1987); Exhibit 5, Calculation of Capacity Charge; Exhibit 6, Comparison of Monthly Charges; Exhibit 7, Determination of Connection Fee; and Exhibit 8, Five Year Bond Covenant Coverage.

Following Mr. Cumiskey's presentation, he called for questions by the Board.

Mr. Scofield commented that he thought the current connection fees were extremely high in comparison to those of the City of Naples and Collier County. Mr. Cumiskey responded by explaining that connection fees include many different things and you have to read a lot into them. He explained that some Municipalities will subsidize connection fees and

others will not. He advised that the District's connection fee includes additional costs, i.e., line distribution costs (the excess capacity in the system) built into this fee which other municipalities might not have.

Mr. Sekuler had a question regarding the Rate Study. He asked whether the 110% debt service requirement was carried over from year to year or whether the additional 10% had to be recovered one time only. Mr. Cumiskey responded that there was a 110% Bond Requirement each and every year. Mr. Moyer added that the 110% requirement was one of the lowest he has seen for governmental agencies for a revenue bond issue and that it was not unusual to see this percentage in the 120% to 130% range.

Mr. Portman had several comments regarding the Study. He commented that one of the requirements under Section 44 of the Statutory Requirements of the Florida Code was that the rates must be just, equitable and uniform for users of the same class and this did not seem to be the case when irrigation rates under the new rate schedule were compared. As an example he stated that the irrigation charges for the Grosvenor amounted to \$851.71 per month as compared to \$770.00 per month for the Golf Course. He also questioned several administrative procedures which he suggested had not been followed.

Mr. Cumiskey explained the reason for the difference in the irrigation rates. He advised that Exhibit 5 of the Report outlined the actual allocation of the debt service to the Golf Course.

Mr. Portman stated that the original agreement between CR-CP and the District called for irrigation flows of approximately 500,000 gpd and to date these flows had far exceeded the original estimates. He stated

that since the wellfield was now going to be used for irrigation purposes only, it would be an appropriate time to restudy the golf course irrigation rate and the allocation of their costs. He concluded by stating that the point he wanted to make was that the new rate structure saddled non golf course irrigation users with additional expenses just because WCN gave \$300,000 to the District in 1979 and even though the Golf Course was now using approximately 38% of the flow from the wellfield they have been relieved of 38% of the costs of the wellfield.

Mr. Hake summarized Mr. Portman's comments by saying that under the new rate structure, a high rise in Pelican Bay was paying a proportionately higher irrigation rate than the golf course.

Mr. Dunwiddie suggested that potable water was a people oriented use factor and irrigation was not a people oriented use factor, that it was an area oriented use factor. He questioned whether it was fair and equitable to charge the Dorchester \$851.00/month vs. the Golf Course \$700.00/month, because the Dorchester happened to have 87 units and irrigated only less than half of their total acreage of 5.1 acres. In his opinion the irrigation rates should be allocated to users on an area basis not a per unit basis. Mr. Ward commented that in previous discussions held with Coopers & Lybrand it was determined that under the District's current billing system it would be extremely difficult to charge a user based upon acreage. However, he suggested Coopers & Lybrand could revisit this issue to determine how much land area in Pelican Bay will be under irrigation and come up with a per unit basis for a per gallon/per day/per unit rate. Mr. Moyer explained that the Golf Course had no distribution system and the

Dorchester was paying its pro-rata share of the fixed capacity for the irrigation distribution system.

In conclusion, ^{the Board requested Coopers & Lybrand (CS)} it was decided to explore alternate ways of allocating irrigation costs to see what the effect would be on the various group types and then to compare these to the current charges to determine whether an adjustment in the irrigation rates was necessary.

~~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.~~ ^{MR. PORTMAN (CS)} He stated that in the Agreement Westinghouse agreed to pay monthly standby fees and the fees were to be based upon the full debt service attributable to major mains and a proportionate share of the debt service attributable to the costs of the bond financing and he suggested that this had gradually been "whittled down" and under the current rate study was completely washed away. The Board asked Mr. Bolesky to check the Agreement to see if any commitment had been broken.

Mr. Portman also asked that a validation of actual usage be made to some of the base data that had been collected. He stated that it seemed that the density factor of 5.75 for the commercial rate was really not appropriate based on the usage recently observed. Secondly, he stated that the Board might want to give special consideration to the heavy water users in Pelican Bay, basically the hotels. He stated that the Ritz was using approximately 140,000 gpd and the Board should carefully review the 225 gpd figure as used in Exhibit II. He stated that if you didn't consider design use but tied it to actual flow one would find that the wastewater treatment plant could handle 6,349 units. Mr. Moyer explained

that you couldn't look at historical flows in Pelican Bay to judge plant capacity as there is the large absentee population in Pelican Bay and the District has to have plant capacity based upon the assumption that one day every resident will use the system at the same time. Mr. Moyer also explained that wastewater return is generally 85% of the water distributed and that Pelican Bay might vary slightly due to line infiltration, potable water used for irrigation, etc.

DISCUSSION REGARDING DISTRICT PHILOSOPHY OF THE FINANCING AND CONSTRUCTION OF BACKBONE WATER DISTRIBUTION AND WASTEWATER COLLECTION SYSTEM

It was Mr. Holtan's opinion that the District should not subsidize Developers for the construction of their water and wastewater distribution system, i.e, the costs of the lines should be borne solely by the Developer.

Mr. Hake agreed with Mr. Holtan, however, stated that he did not feel that the Board should change policies in mid-stream, that District policy for the past several years has been that the District pay for the backbone water distribution and wastewater collection system. He stated that the Developer should pay for these costs and the users of the system should not be at risk.

Ms. Moll stated that she thought the District's current philosophy was proper and felt that the system as it is now run is in accordance with District's Statutes.

Mr. Portman stated that the Property Owner's Association has never understood why the Developer is not required to pay the costs of developing his land and their current position remains the same.

Mr. Moyer advised that administration's position was that the

current rate structure first had to be examined to determine what paid for what. He explained that every user in the District pays for 1 divided by 8,956 of the total line and plant capacity costs. He stated that the connection fees were designed to cover surplus units that were not connected to the system and standby fees were in place in case they were needed. He stated that the District was two-thirds of the way into the program, i.e., two-thirds of the lines in the ground had already been financed thru bond issues and if the program was changed in mid-stream new users would end up paying for lines that were already in the ground.

Mr. Moyer explained the philosophy behind the current program and how the District got into the program in the first place. He explained that the District had the capability of getting lower cost financing than a private entity and the theory had always been that these savings would accrue to the ultimate purchaser.

Mr. Hake asked what effort it would take to come up with figures that would show the Board what the rates would have been if the District had not floated any Bond Issues for line distribution and what they would be if the District didn't float any additional Bond Issues. He stated that by taking a look at these numbers the Board would be able to decide future policy. Mr. Moyer advised that these figures could be prepared for the Board.

BOARD DISCUSSION REGARDING THE CURRENT PHILOSOPHY FOR THE FINANCING OF THE MUNICIPAL STREET LIGHTING SYSTEM

Mr. Scofield suggested that the current philosophy under which the District manages the street lighting system is not very different than other similar subdivisions. It was his opinion that the main problem

seemed to be the specified pole which was more expensive than the standard FP&L light pole. Mr. Hake asked whether this issue could be explored with FP&L to determine whether they would supply the District with the same type of pole currently in use. Mr. Moyer advised that in previous discussions with FP&L they indicated they would not supply the Sterner pole. Mr. Hake suggested that staff talk to FP&L again and ask them if they would furnish the Sterner pole and if not, the reason for their decision. Mr. Ward advised that the reason they would not supply this pole in the past was that they wanted their system uniform and it had nothing to do with the light pole itself.

Mr. Portman suggested that the residents of Pelican Bay were unnecessarily paying a higher millage rate for street lights because the District was making a capital investment in the engineering, the lines, the administration, etc. of the system and the City and County make no capital investment, i.e., they pay only a monthly rental fee and lease fee for the equipment and lines that they lease. He stated that FP&L has agreed to provide poles and lights to Pelican Bay on the same basis as they do for the County and the City, if the County agreed. He also stated that he did not think the concrete poles furnished by FP&L were objectionable and if the Developer required special poles they should be required to pay the difference in cost.

Mr. Moyer advised that the sole difference in the numbers was the type of pole used in Pelican Bay and administration was not in the position to make the judgement for the Board on what the aesthetic value was for having the poles that are currently in use, that this matter would need to

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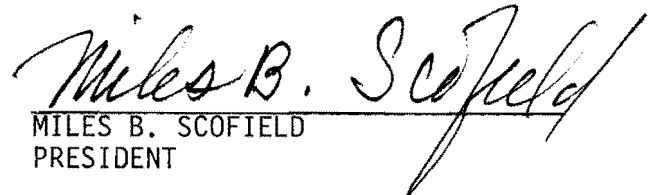
be discussed by the Board.

Mr. Moyer asked the Board to keep in mind that the assessed value of the property in Pelican Bay is going to increase in time as Pelican Bay is not yet built out, and if the total picture was looked at, he felt the millage rate would be very similar to the City and the County at build out. In conclusion, he stated that if you add together the more expensive street lights, the higher quality development, the higher assessed value, etc., the equation would be equal to other street lighting entities.

Mr. Hake suggested that the entire boundaries of Pelican Bay be put into the Street Lighting District.

ADJOURNMENT

There being no further business to come before the Board the workshop was adjourned at 5:50 P.M.


MILES B. SCOFIELD
PRESIDENT

Naples, Florida

January 21, 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 (Absent)

ALSO PRESENT: Mr. Gary L. Moyer, District Manager; Mr. James P. Ward, Assistant District Manager; Messrs. Lou Hoegsted, Jack McKenna and Charles Penn of Westinghouse Communities of Naples, Inc.; Mr. Tom Peek and Steve Means of Wilson, Miller, Barton, Soll & Peek; Mr. Tracy Bolesky, Attorney for the District; Mr. Harmon Turner, Consultant to the Board; Mr. Robert Parmelee of the Pelican Bay Improvement District; Messrs. James Dunwiddie and Jack Portman, Representatives of the Pelican Bay Property Owner's Association and Jean Smith, Assistant Secretary.

AGENDA

1. Roll Call.
2. Approval of Minutes of the Meeting held December 17, 1986.
3. Consideration of Renewal of Phase III Street Lighting Loan with Southeast Bank.

AGENDA (CONT.)

4. Consideration of Engineering Agreement with Wilson, Miller, Barton, Soll & Peek, Inc. to provide Consulting Engineering Services to the District.
5. Consideration of Supplemental Engineering Agreement with Wilson, Miller, Barton, Soll & Peek, Inc. to provide General Engineering Services to the District for the balance of Fiscal Year 1987.
6. Consideration of a Supplemental Engineering Agreement with Wilson, Miller, Barton, Soll & Peek, Inc. to prepare Legal Descriptions for Contract D-24 (City of Naples Interconnect).
7. Engineer's Report.
 - A) Certificates of Payment.
8. Manager's Report.
9. Confirmation of Invoices.
10. Supervisor's Requests and Audience Participation.
11. Adjournment.

ROLL CALL

Mr. Scofield called the meeting to order at 4:00 P.M. and asked the record show Mr. James Hake absent with all other members present.

MINUTES OF DECEMBER 17, 1986 - APPROVED AS CORRECTED

Ms. Moll moved, seconded by Mr. Holtan and approved unanimously, the Minutes of December 17, 1986, subject to the following corrections:

Page 1960: In the first line of the first paragraph, the word "his" be changed to "this".

Page 1967: In the second line of the first paragraph, the word "preference" to amended to "preface".

CONSIDERATION OF RENEWAL OF PHASE III STREET LIGHTING LOAN WITH SOUTHEAST BANK

Mr. Moyer advised that the Phase III Street Lighting System consisted of the street lights located along Gulf Park Drive. At this time, Mr. Moyer presented for the Board's consideration renewal documents for the Phase III Street Lighting Loan with Southeast Bank, N.A. He explained that the original Note was dated January 13, 1982, in the principal amount of \$75,000, at an interest rate of 50% of prime rate,

which at today's rates is 3.75%. He explained that the Note is renewable annually upon the principal payment of \$10,714.29 and that the funds are available for the renewal of this Note, having been budgeted in the Fiscal Year 1987 Street Lighting Budget. He recommended renewal of the Note.

At this time, Ms. MacAlister moved, seconded by Ms. Moll and approved unanimously, that the renewal of the Single Payment Note with Southeast Bank, N.A. be approved and that the President and Secretary be authorized to sign the Note.

CONSIDERATION OF ENGINEERING AGREEMENT WITH WILSON, MILLER, BARTON, SOLL & PEEK, INC. TO PROVIDE CONSULTING ENGINEERING SERVICES TO THE DISTRICT

Mr. Moyer recalled for the Board that at the last meeting, the Board selected Wilson, Miller, Barton, Soll & Peek, Inc., as the new District Engineers and as such, a master Consulting Engineering Agreement had been prepared to effectuate the Board's desires to retain WMBS&P as the District Engineers. Briefly, he advised that the Agreement identified, in broad terms, the scope of services and by reference stated that any specific work the Engineers would perform would be by supplemental agreement. Thus, this was a broad form Engineering Contract. Mr. Moyer also offered additional information for the Board to consider. He stated that on Page 2 of the Agreement it talked about the necessity for the Engineer to carry workman's compensation insurance, professional liability insurance, public liability and property damage insurance, automotive public liability and property damage insurance and since the amount was not outlined in the Agreement, he had since been advised by Mr. Peek of WMBS&P that the professional liability limits of the policy was \$2,000,000 and the general liability limits was \$1,000,000 and that WMBS&P was in the

process of providing the District with a Certificate outlining these limits of liability. Mr. Moyer advised that these limits were within reason and if anything, seemed to be better than average.

At this time, Mr. Scofield asked Mr. Turner whether he had reviewed the Engineering Agreement and asked him how it differed from the Agreement with Post, Buckley, Schuh & Jernigan, Inc. Mr. Turner stated that most probably the Agreement with PBS&J was used as a guide in the preparation of this Agreement and it seemed to cover the things that the District required.

In response to comments by Mr. Scofield, Mr. Moyer explained that the Agreement covered general engineering work that the District would require and that each specific engineering project would require Board approval prior to incurring expenses on the project. He went on to explain that each specific project would be covered by a Work Authorization which would tie back to the general contract and that these Work Authorizations would outline in more detail the scope of services for the project and the fees.

At this time, Mr. Scofield called for comments from the Board. Mr. Holtan asked whether the Board's Engineering Review Committee had reviewed the Engineering Agreement and at this time called for their comments.

Mr. James Dunwiddie advised the Board that the Review Committee had not met to review the Agreement, however, he stated that he had reviewed the Agreement and had some comments on the contract. Mr. Turner and Mr. Ward, members of the Engineering Committee, commented that the

Agreement was generally in line with what had been done for general engineering in the past and the previous Agreement the Board had with PBS&J.

At this time, Mr. Dunwiddie suggested the word "civil" be omitted from the sentence on Page 2, Paragraph III, Item A, line 2 of the Agreement. The Board and Mr. Peek concurred with this recommendation. Mr. Dunwiddie also suggested a change in Paragraph V, Compensation, Page 3, in the fourth line of the Agreement. He suggested that "except as otherwise may be agreed to by Supplemental Agreement" be inserted after the word "hereof". Mr. Peek and the Board stated that they had no objection to this change.

There being no further discussion, Ms. MacAlister moved, seconded by Ms. Moll and approved unanimously the Engineering Agreement with Wilson, Miller, Barton, Soll & Peek, Inc. to provide Consulting Engineering Services to the District, and that the President and Secretary be authorized to sign the Agreement.

CONSIDERATION OF SUPPLEMENTAL ENGINEERING AGREEMENT WITH WILSON, MILLER, BARTON, SOLL & PEEK, INC. TO PROVIDE GENERAL ENGINEERING SERVICES TO THE DISTRICT FOR THE BALANCE OF FISCAL YEAR 1987

Mr. Moyer explained that this item concerned the first Supplemental Agreement and dealt with general consultation services to the District. He explained that a copy of the Work Authorization had been provided in the Agenda packages and that the Authorization outlined the scope of services that would be provided by Wilson, Miller, Barton, Soll & Peek, Inc. He stated that the fee for general engineering services for the balance of Fiscal Year 1987 would be based upon the hourly rates of the

Master Agreement with an upper limit of \$16,860. He recommended approval of the Supplemental Agreement.

At this time, Ms. Moll moved, seconded by Ms. MacAlister and approved unanimously, the Supplemental Engineering Agreement with Wilson, Miller, Barton, Soll & Peek, Inc., to provide General Engineering services to the District for the balance of Fiscal Year 1987, in the amount not to exceed \$16,860.

CONSIDERATION OF A SUPPLEMENTAL ENGINEERING AGREEMENT WITH WILSON, MILLER, BARTON, SOLL & PEEK, INC. TO PREPARE LEGAL DESCRIPTIONS FOR CONTRACT D-24 (CITY OF NAPLES INTERCONNECT)

Mr. Moyer explained that this item dealt with the preparation of the legal descriptions for Contract D-24 (City of Naples Interconnect). He explained that these legal descriptions were required so the necessary easements could be obtained for the operation and maintenance of the facilities. He stated that the fee for these services would be at the hourly rates shown in the Compensation Schedule, with the amount not to exceed \$1,000.

Following this discussion, Ms. Moll moved, seconded by Ms. MacAlister and approved unanimously, the Supplemental Engineering Agreement with Wilson, Miller, Barton, Soll & Peek, Inc., for the preparation of legal descriptions for Contract D-24, in an amount not to exceed \$1,000.

ENGINEERS REPORT

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

Pelican Bay Improvement District
January 21, 1987

<u>CERTIFICATE NO.</u>		<u>CONTRACTOR</u>	<u>AMOUNT</u>
City of Naples Interconnect - Contract D-24 Construction Serv.	No. 96	Denco Construction Co.	81,579.51
City of Naples Interconnect - Contract D-24 Engineering Serv.	No. 98	Post, Buckley, Schuh & Jernigan	975.23
1985 Bond Proceeds WWTP - Eng. Design	No. 99	Post, Buckley, Schuh & Jernigan	702.90
Unit VI Street Lights Design Services	No. 3	Post, Buckley, Schuh & Jernigan	512.77
Contract D-17 Additional Serv.	No. 2	Post, Buckley, Schuh & Jernigan	371.59
		TOTAL AMOUNT ALL INVOICES	\$ 84,141.59

Mr. Portman stated that there seemed to be a difference of opinion as to whether it was appropriate to charge a rate study to bond funds. He commented that in conversations he had with various CPAs, he had determined that if a utility rate study was a necessary part of a Bond Issue, they would feel comfortable in expensing these costs to the Bond Issue. However, if almost two years after a Bond Issue a rate study was performed, and the life of the rate study was one year because it dealt with an annual budget, then the costs of the rate study should not be charged to Bond Funds. He questioned whether the charges for the rate study should go to the users as part of debt service at triple the cost or should be an expense item.

Mr. Moyer advised that staff recommended that the cost of the rate study come out of the proceeds of the Bond Issue. He further advised that this was an appropriate expense because it was directly related to the sufficiency of the rates for the bonds and the protection of the bond holders and this was not something that would be done every year. He

stated that the District would not spend \$25,000 every year for an independent auditor or firm to review the sufficiency of the rates. He stated that the Board decided to use Coopers & Lybrand because there were various issues which were raised concerning the overall integrity of the rate structure as it related to the bonds and as such, felt this was a proper expenditure from the Bond Issue.

Following this discussion, Mr. Scofield suggested that since Coopers and Lybrand had not completed their work in accordance with the Contract, that approval of their Certificate of Payment be withheld until such time as their work was completed. Following several motions and the lack of a majority on each motion, consideration of the Certificate of Payment to Coopers & Lybrand, in the amount of \$3,062.00, was tabled until the next Agenda.

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

MANAGERS REPORT

At this time, Mr. Moyer took the opportunity to respond to several issues that had been raised by the Board at the last meeting.

In response to Mr. Holtan's request regarding the condition of the lakes, Mr. Moyer offered the following comments. He advised that algae was sensitive to many different inputs, i.e., nutrients, temperature, etc., and over the past month, due to the recent cold weather, suggested that the problem seems to have corrected itself. He further advised that at the present time the lakes seem to be in "good shape". He told the Board that

staff would monitor this situation closely and if the algae got bad again, they would go back in and treat the lakes as necessary. Again, Mr. Moyer emphasized that the District was in the business of water management and sometimes there will have to be aquatics in the water to maintain the proper chemical balance.

Mr. Moyer remarked that another issue had been raised at the last meeting regarding the intensity of the street lights in Pelican Bay Woods. He stated that staff had been discussing the problem with Wilson, Miller, Barton, Soll & Peek, the District's Engineers, and he advised the Board that the Engineers would be studying the issue and its solution and report their findings to the Board at a later meeting.

He also commented on the issue regarding the landscaping at the intersections and around the street lights in Pelican Bay Woods. He advised that Jacaranda Landscaping was currently cutting back some of this vegetation and would continue to do so.

Another issue Mr. Moyer addressed was Mr. Holtan's concerns regarding the discrepancies in the bids for the R.O. Plant Chemicals. He stated that the main reason for the large discrepancy was that one of the bidders had been doing business with the District over a long period of time and wanted to continue this relationship.

The final item he wished to discuss regarded the potable water which will be purchased from the City of Naples. He stated that in the next few weeks a letter would be sent out to the residents of Pelican Bay advising them of a change in the disinfection of the potable water. He explained that several years ago a standard was established by EPA for

trihalomethanes, which was 100 parts per billion. He explained that trihalomethane is simply a by-product of the interaction of free residual chlorine with organic material that is present in most water supplies. He stated that since trihalomethane is considered carcinogenic, the EPA established acceptable ranges, i.e., less than 100 parts per billion.

He stated that as he understood it, the City of Naples exceeded this range and one of the ways to correct the problem was by converting its chlorine treatment system to monochloramine. This conversion permitted them to effectively disinfect the drinking water and meet the requirements for reducing the level of THM's well below the established standard. He further explained that the disadvantages to this process were that it could be detrimental to people on dialysis machines and could kill tropical fish. Thus, the letter to be sent out will explain the disadvantages that will occur when the District begins purchasing potable water from the City of Naples.

CONFIRMATION OF INVOICES

Water/Sewer Operating Summary and Invoices For December 1986 - Approved As Presented

Mr. Holtan inquired whether staff received itemized bills from Mr. Bolesky for his monthly services. Mr. Moyer replied that Mr. Bolesky generally did not send an itemized accounting of his services. Mr. Holtan asked Mr. Bolesky if he would provide such an accounting in the future. Mr. Bolesky advised Mr. Holtan that he would be more than happy to submit itemized billings.

Mr. Scofield asked why revenues for connection fees were so high. Mr. Moyer replied that due to the rate increase which took place on October

15, 1986, many prepaid their connection fees.

Mr. Scofield also asked why office expenses and repairs and maintenance expenses were over budget. Mr. Moyer replied that office expenditures were high because of computer expenses, however, stated that this figure should level out over the course of the year. He stated that the main reason for repairs and maintenance being over budget was that there were repairs which had to be made to the D-14 water line in the amount of approximately \$6,000.00 and this was not reflected in the budget.

Following further discussion, Ms. Moll moved, seconded by Ms. MacAlister and carried unanimously, that the Water/Sewer Invoices for December, 1986, be approved as presented.

Water Management Operating Summary and Invoices For November 1986 -
Approved As Presented

At this time, Ms. Moll moved, seconded by Ms. MacAlister and carried unanimously, that the Water Management Invoices for December, 1986, be approved as presented.

SUPERVISOR'S REQUESTS AND AUDIENCE PARTICIPATION

Mr. Portman inquired when the Fiscal Year 1986 Audit would be completed. Mr. Ward advised the Audit would be completed in March.

Mr. Portman also asked how accurate the revenue and expense figures on the Water & Sewer Operating Summary were. Mr. Ward explained that payment of the bills was not precedent upon the Board's approval and that the operating summaries were simply cash statements.

Mr. Holtan commented that he had seen a notice in the paper regarding a change in flood elevation near the Grosvenor and asked Mr. Moyer to explain this Notice. Mr. Ward stated that this Notice concerned

the area near The Glen and recalled for Mr. Holtan that a few months ago the District modified the boundaries of Drainage System I & II and explained that this process was now going through the regulatory agencies. Mr. Moyer further explained that any changes to the District's Water Management System must go through a permit modification with the South Florida Water Management District and that this permitting process has to be noticed.

Ms. MacAlister asked whether staff had consulted with FP&L regarding the availability of the street light poles currently being used by the District. Mr. Moyer replied that this information should be available within the next month.

Mr. Scofield suggested that Coopers & Lybrand receive input from the Pelican Bay Property Owner's Association regarding the rate study. Mr. Ward suggested that since Coopers & Lybrand was located in Washington, D.C., he meet with Mr. Jim Dunwiddie to receive their input and then relay this information to Coopers & Lybrand via telephone. Mr. Scofield told Mr. Moyer that he was concerned that most of the original input to Coopers & Lybrand had originated from District staff and WCN and that the Property Owners Association had given very little input. Mr. Moyer told Mr. Scofield that the input from District staff to Coopers & Lybrand was mostly of a technical nature, i.e., the data they had requested and District staff had relied on Coopers & Lybrand, as the professionals hired by the Board, to perform an independent study. He stated that staff wanted Coopers & Lybrand to use their national experience in utility rate setting and to come and advise the Board regarding the District's rate structure and


Pelican Bay Improvement District
January 21, 1987

stated that staff had closely followed this philosophy and did not overly influence Coopers & Lybrand's report. Mr. Moyer commented that he hoped most of the input from the property owners had been received at the Workshop Meeting. However, he suggested that anyone desiring further input on the study put their thoughts in writing and staff would then provide this information to Coopers & Lybrand to address in writing.

Mr. Holtan asked Mr. Turner whether he had checked on the alterations at St. Tropez. Mr. Turner said that based on the water management conditions he had no objections. He stated he had met with the Engineers on the St. Tropez project and had visited the site, and did not see where the desired modifications were in any way detrimental to the District's Water Management System.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned. Time: 5:00 P.M.



MR. MILES B. SCOFIELD
PRESIDENT
PELICAN BAY IMPROVEMENT DISTRICT

PELICAN BAY IMPROVEMENT DISTRICT
WATER/SEWER INVOICES
DECEMBER 1986

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Tracy H. Bolesky	Legal Services 11/5/86 Thru 11/25/86	1,000.00
Robbins Answering Service	W/S Portion Dec. Answering Service	32.45
Alpha Chemical Co.	R.O. Plant Supplies	124.44
Florida Filters	Gaskets	150.62
Neptune Water Meter Co.	Meters	1,584.63
Bob Dean Supply	R.O. Plant Supplies	294.32
Bob's Handyman Service	Repair Road Brick at Bridgeway (Due to Waterline Break)	150.00
North Trail Auto Parts	Batteries and Vehicle Maintenance Supplies	623.96
Gulf Oil Corporation	Fuel W/S Inspection	20.44
Sewer Viewer	Repair & T.V. Manholes at Las Brisas	851.95
PB&S Chemical Co.	R.O. Plant Chemicals	3,876.10
B-B Builders	R.O. Plant Supplies	608.10
Underground Supply Co.	Pilot Valves & Irrigation Supplies	1,590.50
Harn R/O Systems, Inc.	2 Drums Flocon	1,225.70
Harn R/O Systems, Inc.	3 Drums Flocon	1,824.15
Federal Express	October & November Courier Service	106.00
Florida Power & Light Co.	W/S Portion November Electric	10,407.65
B & H Sales	Meters	78.10
Purolator Courier Corp.	W/S Portion November Courier Service	18.60
D & D Machine & Hydraulics	Repair Hydraulic Pump	295.00
Naples Daily News	Legal Notice	11.50
Wear Guard	W/S Portion Employee Uniforms	97.80
J.N. Environmental	November W/W Analyses	90.00
Sears, Roebuck & Co.	Tools for R.O. Plant	87.11
J.C. Drainfield	Pump D-14 Lift Station	175.00
Enviroquip Corporation	Diffuser Caps	301.95
Burroughs Corporation	W/S Portion Computer Maintenance Agreement	450.00
Burroughs Corporation	W/S Portion Computer Supplies	171.87
Standard Register	W/S Portion Computer Supplies	285.95
Missimer & Associates	Well Test On Well No. 2R	300.00
Plastic Piping Systems	PVC Pipe, Fittings & Heating Tool	1,965.50
U.S. Postmaster	Bulk Mail Permit	50.00
File One	W/S Portion November Office Supplies	103.10
Weavers Office Supplies	W/S Portion November Office Supplies	26.86
Sunshine Ace Hardware	R.O. Plant Supplies	70.56
Doyles Carpet Steam Extraction	W/S Portion Clean Office Carpet	25.00
Robert Parmelee	Film & Development W/S Inspection	9.07
James P. Ward	Reimbursement For Retirement Gift - Salvatore C. Scuderi	111.75

PELICAN BAY IMPROVEMENT DISTRICT
 WATER/SEWER INVOICES
 DECEMBER 1986
 (PAGE 2)

Coral Springs Improvement District	W/S Portion November Health & Dental Insurance	304.62
Tamiami Ford	Repair Transmission Leak - Ford Ranger	133.45
Better Roads	Gravel (For Meter Installation)	3.55
B & H Sales	Meters	2,234.00
Federal Express	November Courier Service	11.00
J.C. Drainfield Repair	Pump D-14 Lift Station	175.00
Hoffman Office Supply	W/S Portion Retirement Gift - William Butler	24.75
Telephone Support Systems	W/S Portion Telephone Maintenance Agreement	100.00
Coast Pump & Supply	Gas Engine	160.50
R.M. Peterson & Assoc.	Modifications to Potable and Irrigation Pump Control Valves	1,476.00
Fischer Scientific	Laboratory Supplies	104.24
Enviroquip Corporation	Diffuser Caps	452.37
Westinghouse Communities of Naples, Inc.	W/S Portion September and October Rent and August and September Postage, Copies & Fuel	712.65
U.S. Postmaster	Postage Stamps	22.00
Coral Springs Improvement District	W/S Portion December Health & Dental Insurance	480.57
Hach Company	Wellfield Chemicals (Chloride Monitoring Program)	70.62
Honda-Suzuki	Vehicle Maintenance Supplies	.42
Westinghouse Communities of Naples, Inc.	Repair Waterline Break - Pelican Beach Drive	45.00
Microsoft	Computer Software Update	25.00
Westinghouse Communities of Naples, Inc.	W/S Portion November and December Rent and October and November Postage, Copies & Fuel	638.48
F.W.& P.C.O.A.	Annual Membership Dues - John Petty	15.00
Manatron, Inc.	Computer Software Supplies & Maintenance Agreement	1,325.70
Cabineture of Naples	W/S Portion Cabinets	400.00
United Telephone	W/S Portion November Telephone	308.30
Jack McKenna	Reimbursement For Recording Fees - Easements	26.50
IBM	W/S Portion Maintenance Agreement (Selectric II)	64.50
A.W.W.A.	Annual Membership Dues - Robert Parmelee	53.00
G.F.O.A.	W/S Portion Annual Membership Dues	35.00
Robert Parmelee	Reimbursement For Annual Membership Dues - F.W.& P.C.O.A.	15.00
Purolator Courier Corp.	October Courier Service	8.30
PB&S Chemical Co.	R.O. Plant Chemicals	280.00
Cabineture of Naples	Office Cabinets	800.00

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT INVOICES
DECEMBER 1986

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
James Giles, Clerk of Court	Recording Fees - PBID Easements	140.00
Tracy H. Bolesky	Legal Services - 10/31/86 Thru 11/26/86	60.00
Robbins Telephone Answering Service	W/M Portion Dec. Answering Service - R.O. Plant	32.45
Naples Federal Savings & Loan	Meeting Room Rental - November 19, 1986 Board Meeting	50.00
Federal Express Corp.	W/M Portion Oct. & Nov. Courier Service	106.00
Florida Power & Light	Crayton Road Sprinkler Clock - November	9.00
Spectrum Laboratories	November Lake Samples	132.00
Naples Daily News	Legal Notice - R-O-W Maintenance	46.00
Wear Guard	W/M Portion Employee Uniforms	97.79
H & L Sales & Service	Repair Sears Tractor & Sprayer	122.25
Burroughs Corporation	W/M Portion Maintenance Agreement	450.00
Burroughs Corporation	W/M Portion Computer Supplies	171.86
Standard Register	W/M Portion Computer Supplies	285.95
File One	W/M Portion November Office Supplies	103.10
Weavers Office Supplies	W/M Portion November Office Supplies	26.86
Richardson & Associates	November R-O-W Maintenance	14,266.86
Doyles Carpet Steam Extraction	W/M Portion Clean Office Carpet	25.00
James P. Ward	W/M Portion Retirement Gift - Salvatore Scuderi	111.74
Coral Springs Improvement District	W/M Portion November Health & Dental Insurance	304.62
Asgrow Florida Co.	Lake Maintenance Chemicals	1,124.40
Pest Tech	Repair Spray Rig	139.17
Hoffman Office Supply	W/M Portion Retirement Gift - William Butler	24.76
Telephone Support Systems	W/M Portion Telephone Maintenance Agreement	100.00
U.S. Postmaster	Postage Stamps	22.00
Westinghouse Communities of Naples, Inc.	W/M Portion September & October Rent & August & September Fuel, Postage and Copies	712.65
Coral Springs Improvement District	W/M Portion December Health & Dental Insurance	480.57
Tamiami Ford, Inc.	Repair 1981 Ford Courier	740.53

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT INVOICES
DECEMBER 1986
(PAGE 2)

Westinghouse Communities of Naples, Inc.	W/M Portion November and December Rent & October & November Fuel, Postage and Copies	638.48
Manatron, Inc.	W/M Portion Computer Software & Maintenance Agreement	1,325.70
Cabinature of Naples	W/M Portion Cabinets	400.00
Naples Daily News	Notice of Public Meeting - December 17, 1986	11.50
United Telephone	W/M Portion November Telephone	210.13
IBM	W/M Portion Maintenance Agreement Selectric II	64.50
G.F.O.A.	W/M Portion Annual Membership Dues	35.00
W.H. Turner	Consultation Fees - November	200.00

PELICAN BAY IMPROVEMENT DISTRICT
WATER AND WASTEWATER OPERATING SUMMARY
DECEMBER 1986

	<u>YEAR TO DATE</u>			VARIANCE FAVORABLE (UNFAVORABLE)
	<u>FISCAL YEAR 1987 BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	
<u>CHARGES FOR SERVICES</u>				
Connection Fees	\$ 830,750	53,760	419,911	366,151
Meter Use Fees	28,250	4,500	60,380	55,880
<u>USER REVENUE</u>				
Water	482,866	115,942	118,782	2,840
Sewer	395,998	95,357	95,813	456
Irrigation	368,298	90,375	79,751	(10,624)
<u>TOTAL REVENUE</u>	<u>\$2,106,162</u>	<u>359,934</u>	<u>774,637</u>	<u>414,703</u>
<u>PROFESSIONAL FEES</u>				
Engineering	\$ 18,000	4,500	0	4,500
Legal	15,000	3,750	5,350	(1,600)
Audit	5,000	0	0	0
Trust	6,050	2,023	2,023	0
<u>SYSTEM OPERATING EXPENSES</u>				
Office	23,367	5,841	7,836	(1,995)
Billing	2,484	621	0	621
Insurance	18,562	233	233	0
Payroll	130,238	35,063	30,036	5,027
Transportation	9,750	2,437	298	2,139
Water Quality	18,183	4,545	4,404	141
Repairs & Maintenance	49,100	12,274	16,821	(4,547)
Electric	116,703	28,274	30,174	(1,900)
Chemicals	24,011	5,931	8,688	(2,757)
Contingencies	15,000	3,750	0	3,750
City of Naples Conn.	180,197	42,866	0	42,866
Meters	6,272	1,152	3,897	(2,745)
<u>TOTAL EXPENSES</u>	<u>\$ 637,917</u>	<u>153,260</u>	<u>109,760</u>	<u>43,500</u>

PELICAN BAY IMPROVEMENT DISTRICT
 WATER MANAGEMENT
 OPERATING SUMMARY
 DECEMBER 1986

	FISCAL YEAR 1987 BUDGET	YEAR TO DATE		FAVORABLE (UNFAVORABLE) VARIANCE
		BUDGET	EXPENSES	
MEETING EXPENSE				
Supervisors Fees	\$ 6,000	1,500	1,500	0
Travel Reimbursement	300	75	33	42
Legal Notification	500	125	169	(44)
PROFESSIONAL FEES				
Engineering	10,800	2,700	0	2,700
Legal	6,000	1,500	730	770
Audit	4,500	0	0	0
Trust	1,500	0	0	0
SYSTEM OPERATING EXPENSE				
Office	18,007	4,502	6,440	(1,938)
Payroll	108,211	29,343	29,515	(381)
Transportation	4,334	1,083	270	813
Swale Maintenance	4,000	1,000	1,296	(296)
Lake Maintenance	17,340	4,335	1,200	3,135
Water Quality	6,720	1,630	550	1,130
Insurance	10,694	0	0	0
Rights-Of-Way	263,117	65,779	43,206	22,573
Water Connection	70,719	17,680	0	17,680
Water Use	17,908	4,477	302	4,175
Renewal & Replacement	6,000	1,500	0	1,500
Contingencies	8,000	2,000	600	1,400
TOTAL EXPENSES	\$ 564,650	139,070	85,811	53,259