

Naples, Florida

November 16, 1988

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:	James D. Hake
SECRETARY:	Ramer B. Holtan
	J. Russell Mudge
	James R. Dunwiddie
	Walter B. Potter

ALSO PRESENT: Mr. Gary L. Moyer, District Manager; Mr. James P. Ward, Assistant District Manager; Mr. Joe McMackin, Attorney for the District; Mr. Art Diamond of Fishkind & Associates; Mr. Harmon Turner, Consultant to the Board; Messrs. Thomas Peek and Steve Means of Wilson, Miller, Barton, Soll & Peek; Messrs. Lou Hoegsted and Edward Griffith of Westinghouse Communities of Naples, Inc.; Mr. Jim Stewart of Cummings & Lockwood; Mr. William Reagan of Alex Brown & Sons, Inc.; Mr. Burt Saunders of A.G. Edwards & Sons, Inc.; Mr. Tony Pires of Woodward & Woodward; Mr. John Dyer of Post, Buckley, Schuh & Jernigan, Inc.; Mr. John Petty of the Pelican Bay Improvement District; PBID Residents and Ms. Jean C. Smith, Assistant Secretary.

AGENDA

1. Roll Call.

AGENDA (CONT.)

2. Oath of Office:
 - A) Mr. James R. Dunwiddie
 - B) Mr. J. Russell Mudge
 - C) Mr. Walter B. Potter
3. Election of Officers:
 - A) President
 - B) Secretary & Assistant Secretary
 - C) Treasurer
4. Approval of Minutes of the Meeting held October 19, 1988.
5. Consideration of Bids:
 - A) Rights-Of-Way Sod Replacement
 - B) 1989 Right-Of-Way Landscape Maintenance Program
 - C) Unit VII Street Lighting System
6. Discussion on Proposed Refunding of the District's 1985 Series Water & Sewer General Obligation Bonds.
7. Attorney's Report.
8. Engineer's Report.
9. Manager's Report.
10. Certificates of Payment
11. Confirmation of Invoices and Operating Summaries.
12. Supervisor's Requests.
13. Adjournment.

ROLL CALL

Mr. Hake called the meeting to order at 4:00 P.M. and asked the record show Mr. Potter absent, with all other members present. (Mr. Potter arrived at 4:10 P.M.)

OATH OF OFFICE

Mr. Moyer welcomed Mr. James R. Dunwiddie and Mr. J. Russell Mudge to the Pelican Bay Board of Supervisors and administered the Oath of Office, signed copies which are attached hereto and made a permanent part of these Public Records. Mr. Walter Potter arrived at 4:10 P.M. and was also administered the Oath of Office by Mr. Moyer who welcomed him to the Board.

ELECTION OF OFFICERS

President

As the President was no longer seated on the Board of Supervisors, it was necessary for the Board to elect a new President. Mr. Dunwiddie nominated Mr. James D. Hake for the position of President. Mr. Moyer called for additional nominations; there being none, the nomination was seconded by Mr. Mudge and a unanimous ballot was cast for Mr. James D. Hake as President of the Board of Supervisors.

Secretary

Following the election of Mr. Hake as President of the Board, Mr. Hake called for nominations for Secretary of the Board of Supervisors. Mr. Dunwiddie nominated Mr. Ramer B. Holtan for the position of Secretary of the Board. Mr. Hake called for additional nominations; there being none, the nomination was seconded by Mr. Mudge and a unanimous ballot was cast for Mr. Ramer B. Holtan as Secretary of the Board of Supervisors.

Treasurer

Mr. Dunwiddie asked whether there was any need for the Treasurer to be a member of the Board and inquired whether it would be better to have someone really competent be the Treasurer. Mr. Moyer commented that in the past the Treasurer has been a member of the Board but it has been a ceremonial position as Mr. James Ward and District staff have performed the functions of the Treasurer for the Board. Mr. Dunwiddie asked Mr. McMackin his opinion on this matter. Mr. McMackin distributed copies of the Statute regarding this issue and advised that as outlined in Section VI of the Enabling Act, the Treasurer need not be a member of the Board.

It was the opinion of Mr. Dunwiddie that the Board needed to take time to sit down and talk about how they wanted to operate the Board, i.e., whether the Board should be a passive Board or whether they desired to take a more active role in the management of the District. He suggested that the Board needed to decide whether the Treasurer should be a member of the Board or elect someone who is technically competent who can properly perform this function as opposed to a figure head. He suggested that the election of a Treasurer be deferred until later in the meeting or until the next meeting.

Mr. Hake commented that for several years he has felt that the Board itself should take a more active position in the management of the District and saw no reason why the Treasurer could not be appointed from the Board and function as the Treasurer. He also suggested that this item be tabled until a future meeting.

Assistant Secretary

At this time, Mr. Dunwiddie moved, seconded by Mr. Holtan and approved unanimously, that Ms. Jean Smith be elected Assistant Secretary of the Board of Supervisors.

Mr. Moyer cautioned the newly elected members of the Board that they needed to be aware of what was called Government in the Sunshine. He commented that very simply this law states that elected officials cannot discuss business amongst each other outside of a Public Meeting and he suggested the safest position the Board members could take was not to discuss Pelican Bay Improvement District business unless it was at a publicly advertised Board meeting.

MINUTES OF MEETING OF OCTOBER 19, 1988 - APPROVED AS SUBMITTED

Mr. Holtan moved, seconded by Mr. Hake and approved unanimously, the Minutes of October 19, 1988, as presented.

CONSIDERATION OF BIDS

Rights-Of-Way Sod Replacement

Mr. Moyer stated that bids were received on November 9, 1988 for sod replacement on Pelican Bay Boulevard from U.S. 41 to Gulf Park Drive between the curb and the bike path and along Crayton Road between the curb and bike path on the western side and from the curb to the water's edge on the eastern side. He advised that only one bid had been received and that was from Jacaranda Landscape Maintenance in the amount of \$30,937.50, and this figure exceeded the amount which had been included for landscaping improvements in the Fiscal Year 1989 Water Management Budget. He suggested that the Board consider awarding the bid to Jacaranda for one-half of the estimated quantity of 187,500 S.F. at Jacaranda's unit price of \$.165/S.F. and this then would be consistent with the Budget.

Mr. Dunwiddie asked whether a Notice to Bidders had been sent to Battista Farms as he had been told that Battista Farms had recently run an ad advertising Floratam Sod at \$.155/S.F. Mr. Ward responded that the Specifications were sent out to five or six different firms who normally provide this service, however, he could not recall specifically whether Battista Farms had been sent a Notice. Mr. Moyer further stated that the bid was publicly advertised.

Following further discussion, Mr. Dunwiddie moved, seconded by Mr. Mudge and approved unanimously the bid for the Floratam Sod replacement

of the Rights-Of-Way from Jacaranda Landscape Maintenance be rejected and the project be readvertised and bids accepted prior to the next meeting.

1989 Right-Of-Way Landscape Maintenance Program

Mr. Moyer advised that bids were received on November 9, 1988 for the 1989 Right-Of-Way Maintenance Program and the low bidder was Jacaranda Landscape Maintenance, the District's current Contractor, in the amount of \$236,669. He commented that District staff has generally been satisfied with the work of Jacaranda Landscape and they had posted the required bid bond. He further advised Jacaranda's bid is below the figure appropriated for this work in the Fiscal Year 1989 Budget.

Mr. Dunwiddie commented that there was a large discrepancy between the two bids in each of the Proposal Areas A thru F. He agreed that Jacaranda has done a good job over the past two years, however, felt either one or both of the bids was in error, i.e., either badly under bid or badly over bid. He asked Mr. Moyer whether District staff was satisfied that the bid from Jacaranda was appropriate for the work that needed to be done in each proposal area. Mr. Moyer responded that Jacaranda's bid was in line with what they are currently being paid for this work and if anyone knew what they were getting in to it was Jacaranda.

Mr. Mudge asked whether Richardson & Associates has been asked to submit a bid. Mr. Ward replied in the affirmative, however, advised that they had not submitted a bid.

Mr. Hake recommended that in the future, staff provide the Board with a list of firms who receive the request for bids as well as a copy of the newspaper advertisements.

Mr. Hake, knowing the past history of the maintenance work as he did, recommended that Jacaranda's bid be accepted as he did not feel there were that many local firms capable of handling this type of project.

At this time, Mr. Dunwiddie moved, seconded by Mr. Potter and approved unanimously that the Contract for the 1989 Right-Of-Way Maintenance be awarded to Jacaranda Landscape Maintenance in the amount of \$236,669.

Unit VII Street Lighting System

Mr. Steve Means advised that bids for the Unit VII Street Lighting System were opened on November 15, 1988 and the work under this Contract included the installation of the underground wiring and bases for the Street Lighting System. He explained that the poles for Unit VII would come from the inventory that Sterner Lighting Systems would be shipping.

He stated that "Request for Bids" had been sent to several local firms, however, only one bid had been received, that being from Bentley Electric in the amount of \$23,950.00. It was his recommendation that since this bid was approximately \$10,000 over the Engineer's Estimate the bid be rejected and the project re-bid.

Following discussion, Mr. Potter moved, seconded by Mr. Dunwiddie and approved unanimously that the bids be rejected and the project be rebid.

DISCUSSION ON PROPOSED REFUNDING OF THE DISTRICT'S 1985 SERIES WATER & SEWER GENERAL OBLIGATION BONDS

Mr. Moyer explained that the proceeds from the 1985 Water & Sewer General Obligation Bonds were used to build the Wastewater Treatment Plant and the Water Plant Expansion for the Pelican Bay Improvement District. He

explained that the 1985 issue was in the amount of \$9,275,000 and the bonds were sold at an interest rate of 9.25%. He commented that the Board has been monitoring the interest rates in the Bond Market for the last year because as interest rates decline to the 7.50% - 7.60% range, it begins to make some sense to consider refinancing these bonds with lower interest rate bonds.

Mr. Moyer advised that the Underwriter, the District's Financial Advisor and Bond Counsel were all represented at today's meeting.

Mr. Hake asked Mr. Moyer to present a brief history of the refinancing venture for the new Board members.

Mr. Moyer stated that Mr. William Reagan is with Alex Brown & Sons, Inc., the Investment Banking firm proposing to underwrite the issuance of the District's refunding. He recalled that the Board had previously retained the services of Cummings & Lockwood as Bond Counsel, to review and prepare the legal documents which permit the District to proceed with the refinancing. He advised that since refinancings are somewhat complex, the Board also retained the services of Fishkind & Associates to serve as the District's Financial Advisor and to review the proposals of the Underwriter to determine the economics of the refinancing. Mr. Moyer further advised that the market has substantially improved in the past few weeks and thus warrants the District to look at the possibility of saving money thru the refinancing of the bonds.

Mr. Hake further explained for the new members of the Board that the prior Board had previously solicited proposals from firms to act as the District's Bond Counsel and Financial Advisor and by the time this

selection process had been completed, the "window" had been missed, however, the Board agreed to leave this financial team in place to monitor the situation so when the interest rates became favorable for the refinancing, this team would be in place to act promptly.

Mr. Potter asked how much the District was paying Fishkind & Associates for their services. Mr. Diamond of Fishkind & Associates responded that his firm would receive a flat fee of \$12,000 plus reasonable expenses only if the bonds were sold.

Mr. Reagan explained that the refinancing was actually started about a year ago when the rates began looking favorable and at that time Alex Brown presented a refinancing Proposal for the Board's consideration, however, upon the completion of assembling the financial team, the market had slipped away. He advised that on November 1, 1988 Alex Brown submitted another Advance Refunding Analysis as the interest rates had again become attractive. He explained that in the past three weeks the market has moved a few points away from their November 1st Proposal, however, he felt the market should remain stable. He advised that Alex Brown feels the Bonds are attractive and could be easily marketed and recommended that if the new Board felt comfortable with the Proposal as presented they should proceed with the preparation of the documents.

Mr. Art Diamond of Fishkind & Associates stated that he had recently reviewed the preliminary numbers which had been submitted by Alex Brown and advised they do indicate that in the present day value there would be the opportunity to save approximately \$300,000. It was his opinion that the saving was significant enough for the Board to begin the

process of getting to the market place. He explained that this was not a process that could be done in a week's time as there were legal requirements which would take some time and it might be that after the documentation is completed the market will not be there, however, the reverse side of the equation is that if the District doesn't proceed with the preparation of the documentation and the market is there the District would not be able to proceed with the refinancing.

He recalled for the new Board members that the first time around he was the one who advised the Board that it was not worthwhile to proceed with the refinancing and, in the same vain, at this time, advised that he felt the savings were significant enough to start the process. He reminded the Board that staff must return to the Board for their approval to proceed with the refinancing after the documents were in place. Thus, he commented that at this time staff was not asking the Board's approval to sell the bonds but rather for the Board's approval to proceed with the preparation of the documentation.

In response to a question by Mr. Holtan, Mr. Moyer offered that the District's Financial Advisor, the Underwriter and Bond Counsel do not get paid until the refinancing is completed. Therefore, other than some printing costs and legal fees to Mr. McMackin there would not be a substantial expenditure of funds if the Board decided to proceed with the preparation of the documents.

Mr. Jim Stewart presented a brief history of the District's bond funds. He explained in 1978 there was a Bond Referendum in which the qualified electorate of the District authorized \$27,800,000 worth of Bonds.

In 1978, the Board of Supervisors adopted a Master Bond Resolution and in 1979 the District issued a little over \$4,000,000 in Bonds. In 1984 the Master Bond Resolution was amended to increase the bond limitations to \$23,000,000 and in 1985 a total of \$9,275,000 in bonds were issued. He explained that it is the 1985 Bond Issue that is proposed to be refunded.

Mr. Stewart advised that he had prepared a Supplemental Resolution which supplements the Master Resolution adopted in 1979 and the Supplemental Resolution does nothing more than state that the Board of Supervisors of the Pelican Bay Improvement District intends to refund the Series 1985 Bond Issue at an interest rate and at terms the Board of Supervisors later determines to be appropriate. He explained that the Supplemental Resolution in no way ties the Board's hands but rather allows Cummings & Lockwood to proceed with the bond refinancing process.

Mr. Dunwiddie asked whether the new Tax Reform Act imposes any obligations or problems that the Board should know about. Mr. Stewart explained that the only requirement is that a certain amount of money be set aside to pay to the Federal Government every five years. He explained that this is called arbitrage rebate earnings, i.e., earnings on investments in excess of the amount of interest expense that the District is paying.

It was Mr. Holtan's opinion that he was completely happy in doing what Mr. Diamond was suggesting as this is what he was being paid for.

Mr. Mudge asked whether the refinancing would be a full refunding or a partial refunding. Mr. Reagan replied that since the November 1st Proposal he had run some additional numbers and after conferring with Mr.

Diamond, it had been determined that a full refunding offered the best possible savings to the District.

Mr. Dunwiddie asked whether the Board was pretty well locked into the present group or if there was anyway this could be "put out for bid". Mr. Diamond explained there are two basic forms of bond sales; a competitive sale where the Financial Advisor and Bond Counsel perform most of the work and on a date certain the Underwriters come in and make a bid for the bonds. In this scenario the Underwriter does relatively very little work and because they have done very little work the bid usually has a little cushion built in to protect them as far as the risk factor. The second form of sale is a negotiated sale and this involves selecting an Underwriter to buy the bonds at an early stage rather than a date certain. He explained that the disadvantage to a competitive sale is that you have to advertise two weeks ahead of time that the sale will take place and if on that specific date the market is down, the bids will reflect this; although, Mr. Diamond explained, the Board would have the right to reject all bids. However, if the bids are rejected the District would have to readvertise on a date certain and have to go through the entire process again. He advised that the difference in the rates between the two types of sale is really not that much, however, there is a tradeoff, i.e., if the market is very good and people are looking for bonds the District could receive a very good rate through a competitive sale; however, if the market is volatile and rates fluctuate, then the rigidity of the competitive sales outweighs the lesser interest rate.

It was Mr. Diamond's recommendation that at this particular time,

the District should probably negotiate the sale. He reminded the Board that at all times they have the power to reject all bids, whether competitive or negotiated.

In response to a question by Mr. Dunwiddie, Mr. Diamond explained that a negotiated sale is done in conjunction with the financial team, as well as the Underwriter, and on a date which is established to test the market the Underwriters go into the market place and take commitments to buy the bonds at a certain rate and at that point the Board gives a verbal handshake to the Underwriters. He advised, however, that no rates are decided without the Board's approval and this might involve calling a special meeting.

Mr. Mudge asked Mr. Diamond if he could give him some sort of time frame for this whole process. Mr. Diamond responded that this depended on whether the Bonds had to be revalidated by the Courts; i.e., if the Bonds had to be revalidated it would be an approximately 50 to 60 day proceeding. Mr. McMackin advised that Mr. Stewart of Cummings & Lockwood would determine whether a revalidation of the bonds is required. Mr. Diamond explained that if the Bonds had to be validated, it would be 60 to 75 days before the documents would be in place, however, if the bonds did not have to be validated the documentation could be in place around the end of December.

Mr. Burt Saunders of the firm A.G. Edwards stated that he had appeared before the Board in May 1988 when the Financial Advisor was retained and the Board at that time verbalized their decision to keep the Financial Advisor on board to give the Board the objectivity they need to

make financial decisions, as in his opinion, decisions involving financing are some of the most difficult decisions elected officials have to make. Mr. Saunders indicated it was his understanding that A.G. Edwards would be a co-manager in the refinancing and although there was some question as to their role in the refinancing, they had been selected as a co-manager which meant they would work with Alex Brown to help structure and sell the issue. He believed this decision was made at the May 1988 meeting of the Board. He offered the suggestion that the Board direct their financial advisor to solicit proposals from several different Underwriting firms to determine whether the fees contained in Alex Brown's November 1, 1988 Proposal really were fees that were the lowest. He suggested that this could be done as the Board would have approximately sixty to seventy days to evaluate these proposals. He commented that this would in no way jeopardize the refinancing and would offer the Board the opportunity to receive the best pricing. He indicated that the fee charged by the Underwriter is considerable, in this instance approximately \$200,000, and an exposure to what is out in the market would be of great benefit. Mr. Saunders remarked that A.G. Edwards is excited to be working with the Board and feel very competent that they can be competitive and submit a proposal which would be acceptable to the Board.

Mr. Hake stated that he was seated on the previous Board and was a party to the very painful and lengthy process of selecting the current Bond Counsel and the financial team which is in place and he questioned whether or not A.G. Edwards had been chosen by the Board to work with Alex Brown as a co-manager. He believed what was said at the May meeting was

that the Board did not mind if A.G. Edwards worked with Alex Brown on the refinancing, with Alex Brown's okay. He stated that the Minutes of this meeting could be reviewed if it was necessary. Mr. Saunders stated that there might be some confusion because he did not believe there was any official action taken at the May meeting.

Mr. Hake refuted Mr. Saunders' opinion that A.G. Edwards was chosen as a co-manager. Mr. Saunders stated that it was his understanding that A.G. Edwards had been selected as part of the financing team. Mr. Reagan commented that he was not in attendance at the May meeting but felt this wasn't one of the things you normally argue about before the documents have been prepared; however, for the record stated he had no objection to A.G. Edwards being a co-manager. He indicated he was not trying to cut A.G. Edwards out of the deal, that there was a role for them to play, but he suggested that the documents be put together first and to make sure there is a deal so that everyone could participate before everyone started fighting over what pieces or crumbs are left on the table.

It was Mr. Hake's opinion that the Board had selected Alex Brown as its Underwriter and advised the Board would look to Alex Brown for their answers and whatever deal Alex Brown cut with another firm would be Alex Brown's business not the Boards.

Mr. Holtan called for Mr. Diamond's comments on this matter. Mr. Diamond apologized for both firms and for the disagreement between Alex Brown and A.G. Edwards being brought before the Board. He indicated that these matters are generally worked out by the Underwriters and the Board should not be bothered with matters such as this. He suggested that if, in

fact, A.G. Edwards is a co-manager and they cannot agree to the split of the management fee then it is the Board's prerogative to determine what the split will be and if they don't like it the Board can select another Underwriter to do the job.

Mr. Saunders indicated that it was perhaps a misunderstanding on his part that A.G. Edwards was selected as a co-manager and this is a decision the Board must make if not today at some future time. Mr. Hake advised that the Board had already made their decision at the May meeting and he felt the financial team was in place and was quite frankly very surprised and amazed that Mr. Saunders was of the opinion that A.G. Edwards was selected as a co-manager because this had not been the decision of the Board to the best of his knowledge.

Mr. Diamond remarked it was important for the Board to understand that the Underwriter's spread is based on four basic components and one of the components in the spread is what they pay their salesmen to sell the bonds. Depending on the market environment on the day the bonds are sold, or supposing there are four or five other issues to be sold on that day, an Underwriter might have to pay their salesman more so that they will sell the District's bonds rather than the next guys. This he explained is called a takedown and the takedown is dependent upon market conditions at the time of the sale.

Mr. Hake clarified for the record that he had no axe to grind with Mr. Saunders and he was not an attorney but he did not want something to get into the Minutes and have the Board passively sit by and not object to it and then have the possibility exist that two or three months down the

road have someone point to the Minutes and say that the Board agreed with what was said. He commented that as it now stands the Board will look to Alex Brown for their answers and any deal that is cut with Mr. Saunders is their business. Mr. Saunders assured the Board that he would never under any circumstances take a look at the Minutes in an attempt to say that the Board did something that they really didn't do. Mr. Saunders indicated that he saw no need to go back and check the Minutes because even if they showed that A.G. Edwards was selected as a co-manager at that meeting it really didn't appear to him that the Board desired them as a co-manager at this time.

There being no additional discussion at this time, Mr. Mudge moved, seconded by Mr. Holtan and unanimously approved, that District staff and the Board's financial team be authorized to proceed with the preparation of the documents for the refunding of the 1985 Water & Sewer General Obligation Bond Issue and that the Supplemental Resolution Authorizing the Advance Refunding prepared by Cummings & Lockwood be approved.

Mr. Dunwiddie asked whether any action by the Board was required to begin the validation process. Mr. Stewart advised that no Board Resolution was required at this time and that he and Mr. Moyer would be holding discussions in the next couple of days on whether or not the validation will be necessary and if Cummings & Lockwood decides to validate the bonds they will proceed. Mr. Dunwiddie asked whether the issue of validation is one the Board should decide or staff would decide. Mr. Stewart indicated that this was strictly a legal decision and would be made

by Cummings & Lockwood. Mr. McMackin concurred with Mr. Stewart's comments that this was strictly Cummings & Lockwood's decision and neither a Board decision nor Mr. Moyer's decision.

ATTORNEY'S REPORT

Mr. Hake asked Mr. McMackin whether he had received the information he had requested from Wilson, Miller, Barton, Soll & Peek, Inc. regarding the design specifications for the lamp poles, etc. in his letter dated September 6, 1988. Mr. McMackin indicated he had not received any information to date. Mr. Means stated that it had previously been agreed with Mr. McMackin that this information would be forwarded to him when the entire package was complete and WMBS&P was not in the position to put together some of the items on the list. He, however, suggested that if directed by the Board he would submit what had been completed to Mr. McMackin. Mr. Hake stated that when Mr. McMackin, who represents the Board, asks for information it should be given to him, that there is nothing privy about it and asked Mr. Means what information he did not have that Mr. McMackin had asked for. Mr. Means responded that one of the items was the cost for repairing the street lights.

Mr. Hake advised that he had in his possession correspondence which referred to a letter the District had received from Mr. Feeney of Sterner Lighting. Mr. Hake indicated that he and staff had asked Mr. Feeney some of the same questions that Mr. McMackin was asking of Mr. Means. He further commented that Mr. Feeney's letter stated that he had no recollection of ever seeing any specifications pertaining to the street lights in Pelican Bay and to the best of his knowledge there was no

Engineer involved and the person he had worked with was Mr. Jerry Schmoyer of WCN and all of the information was put together between these two parties as to what was going to happen with the street lights. Mr. Hake promised Mr. McMackin that he would see he received a copy of this letter.

Mr. Hake suggested that whatever information Mr. Means had be given to Mr. McMackin as soon as possible. Mr. Means commented that in order to determine the costs to repair the street lights he would need to put out for bids the contract for raising the bases and also receive the costs for the landscaping improvements around the bases. Mr. Means advised that he would give Mr. McMackin whatever information he had available to date.

ENGINEER'S REPORT

Mr. Peek had nothing to report at this time.

MANAGER'S REPORT

Mr. Moyer recalled that two months ago the Board authorized that Post, Buckley, Schuh & Jernigan, Inc. be retained to assist the District in determining whether the District got what it paid when it purchased the boat clarifier for the Wastewater Treatment Plant Expansion. He advised that at issue was whether the boat clarifier met the design specifications of 1,400 gpm through the ports in the bottom of the boat clarifier. He commented that District staff has taken the position that the boat clarifier does not function as expected because the District was not getting flows of 1,400 gpm through the bottom of the clarifier and United Industries has taken the position that if the District is not getting the proper flows it is because staff is not running the plant right.

Therefore, PBS&J was retained to play referee and established a treatment protocol which the District followed so that what was in the Treatment Train was what United Industries would expect for the boat clarifier to work properly.

Mr. Moyer advised that the testing was performed on November 15, 1988 and four tests were performed with the results ranging from 600 gpm to 1,100 gpm depending on who took the tests. He reported that United Industries tests showed 1,100 gpm while the District's tests showed 600 gpm and advised that most likely the truth lay somewhere in between. However, regardless, the flow data did not meet the specifications. At this point in time, United Industries is supposed to be reviewing the data and will submit a Report to the District on their test results. Also, Mr. Dyer of PBS&J will be issuing a Report addressing the testing procedures that were used and the results which were obtained and outlining their recommendations on how the boat clarifier should be run, based upon the information received, for the next six months in order to get the District through the season. It was Mr. Moyer's opinion that long range the Board would possibly have to look at filing a suit against United Industries or Post, Buckley, Schuh & Jernigan, Inc. or both, as the boat clarifier does not work as expected and the District did not get what it paid for.

In response to a concern by Mr. Mudge over the delays and variation in the test results, Mr. Dyer explained that part of the delay for the past two months has been in trying to establish testing procedures that would hold up no matter how the numbers came out. Mr. Dyer explained that there is a certain amount of subjectivity in how one can read the test

results as you are measuring very minute velocities, however, even giving United Industries the benefit of the doubt, the boat clarifier did not pass the hydraulic tests set up to verify the 1,400 gpm. Mr. Dyer advised that PBS&J feels that with the correct operating procedures, the District will have no trouble meeting the projected flows in the upcoming season. Mr. Dunwiddie asked Mr. Dyer whether he was making this prediction as a considered engineering statement. Mr. Dyer replied in the affirmative and reiterated that if District staff followed the operational policies established while PBS&J's personnel were on site to straighten out the biology of the clarifier, the District could run the clarifier this winter. Mr. Dunwiddie asked what degree of waste would be required to run the clarifier; i.e., at the level that has been experienced in the past or at a higher level of waste. Mr. Dyer responded that the District will have to waste a larger amount of sludge to make the clarifier work, however, added that the problem seems to be that a lot of water is being wasted and there hasn't been the wasting of the pounds of sludge that was thought. Therefore, Mr. Dyer advised that in their summary of recommendations PBS&J would recommend that the District increase the poundage that is wasted. Mr. Dunwiddie asked when PBS&J's Report would be completed. Mr. Dyer replied the Report should be ready in a week or two. Mr. Hake verified with Mr. Dyer that the Report would be ready in fourteen days or less and asked Mr. Dyer to send each of the Board members a copy of the report immediately upon its completion so that they have a chance to read and digest it before the next meeting. Mr. Dyer commented that this would be done.

Mr. Dyer also mentioned that he had not talked with United Industries after completion of the testing and he promised to call them tomorrow to find out their current position on this matter. He felt it was important to offer United Industries the opportunity to come back and outline what they would do to correct the problems.

Mr. Dunwiddie commented that over the past several days he has tried technically to understand the boat clarifier in preparation of taking on his new responsibility as a member of the Board and he has read all the data he could get and as he saw it there were two main problems: the sludge that is being drawn off is "thin" and there is no dewatering system in place that can handle this fairly thin sludge. He stated that the District has over the past several months been drawing off the sludge and transporting it off site at a very high expense to the District and the reason this is being done is because the design Engineer did not provide the proper facilities to handle the sludge that is supposed to be drawn off. As he also understood it, a lot of the operating trouble being experienced is because the District's operators have attempted to work with a real thick sludge that they could handle with the facilities they had available. To recap, Mr. Dunwiddie stated that from everything he could see, the Design Engineers were clearly at fault. Mr. Dunwiddie asked Mr. Peek whether he agreed or disagreed with what he had just stated. Mr. Peek replied that he could not comment on whether he agreed or disagreed with Mr. Dunwiddie's comments. Mr. Dunwiddie remarked that WMBS&P were the District's Engineers and he felt they should take a position on this matter. Mr. Dyer commented that an entire meeting could be held on why a

dewatering system was not added to the facilities, however, fortunately the District still has the old package plant which has been brought into service to handle the sludge and PBS&J's position is that with slight modifications the District could pull off a thicker sludge, following the operating policies they would recommend, to optimize the operations of the old package plant and turn it into a digester.

Mr. Hake commented that within the last few months there have been many occurrences of odor problems. Mr. Dyer commented that during the past few weeks the plant has made a drastic turn around because of operational procedures which have been instituted and some of the odor problems that have occurred might have been as the result of this turn over.

Mr. Hake asked if the Board could expect the Report from United Industries to come directly to the District or through PBS&J. Mr. Dyer stated it would most likely come to him, if it is received at all, as United Industries has promised reports in the past which have never been received. Again, he stated he would call Mr. Beard, the President of United Industries, tomorrow morning and ask them their intentions. Mr. Hake commented that the last thing in the world the Board is looking for is litigation but that does not mean they should be sold short as they are quite capable of performing this also. Mr. Dyer advised that PBS&J is an unbiased party in this situation and as promised in the past PBS&J will stand behind the District in future litigation as the boat clarifier does not meet the hydraulic performance criteria it was designed for.

Mr. Dunwiddie asked Mr. Petty whether he was convinced the District could make it through the upcoming season using the old plant as a

digester. Mr. Petty commented that staff has operated the plant under the design parameters and now PBS&J was recommending several options which would probably cost the District additional operating expense. His concern was that if he followed PBS&J's suggestions and operational procedures and the plant did not perform, whether it meant he would be at fault or whether PBS&J's instructions would be at fault. He advised he had difficulty with accepting responsibility for following someone else's operating parameters. He further advised that if he operated the plant under his method of operation, the plant could be operated during the season without upsetting any of the commitments to the Regulatory Agencies. Mr. Hake commented that if it was determined by the Engineers and the supplier that the process of operating the facility is in their hands and the District follows these procedures, then there is no way Mr. Petty could be held at fault unless he deviated from the procedures. In other words, if the District proceeds in the fashion that PBS&J sets forth, he did not see how Mr. Petty could be held responsible for someone else's instructions. Mr. Petty commented that as an operator he is personally liable for the operations of the plant if he is the lead operator.

Mr. Dyer stated that in PBS&J's Report they would make recommendations for policies to be followed, however, unless PBS&J is paid to operate the plant, they could not take the responsibility. Mr. Hake asked Mr. Petty whether he was above taking instructions from anybody and whether he knew more than they did. Mr. Petty responded that he was not saying this at all, he was just advising that he cannot operate a plant under another person's instructions, that the person who gives the

instructions takes him out of the area of lead operator and makes them the lead operator. Mr. Dunwiddie offered that if John reviews PBS&J's instructions and agrees with them then would he be correct in saying that Mr. Petty has no problem. Mr. Petty responded that this would be correct. Mr. Dunwiddie commented that this problem could not be settled at this meeting and suggested a Committee be appointed to continue to work on this problem. He further suggested that once PBS&J has completed and submitted their report they should be out of the picture and WMBS&P should sit in on the discussions. Mr. Hake asked Mr. Dunwiddie whether he would be willing to head this Committee. Mr. Dunwiddie responded in the affirmative. Mr. Hake then appointed Mr. Dunwiddie as the head of this Committee and directed him to use whatever sources he could to help solve the problem.

Mr. Peek advised that when WMBS&P was first interviewed for the position of the District's Engineers, the District had already awarded the Contract for the facilities expansion and construction had already begun. At that time, the Board asked WMBS&P to take over the construction supervision of the plant and WMBS&P advised the Board that they would not take on this responsibility because they felt certain problems could arise and as PBS&J was the design engineer and responsible for construction supervision in order to certify to the State that the plant was complete in accordance with their plans and specifications. He recalled for the Board that at that time they followed WMBS&P's advice and retained PBS&J to fulfill their commitment for the construction of the plant and WMBS&P stood on the side lines during the construction period and the subsequent debate about the boat clarifier. He advised that at this point in time, if the

Board desired that WMBS&P become involved in the issue of the boat clarifier then they would need to authorize this work through a Work Authorization and include within this Work Authorization monies for the learning process which would enable them to come up to speed with the particular details because he suspected that at some point in time WMBS&P would be called upon to give testimony as to their opinion regarding who did what and the only way they could render this opinion would be to be fully informed as to the prior circumstances. Mr. Peek explained that this was the reason that WMBS&P has not made any prior statements regarding this issue and the reason why he could not respond to Mr. Dunwiddie's request for comments. He affirmed that he could not render any opinions until WMBS&P was fully informed as the circumstances regarding the boat clarifier.

Mr. Hake suggested that retaining WMBS&P's services in this matter be left up to Mr. Dunwiddie and to let Mr. Dunwiddie see exactly what he needed and to come back at a future meeting of the Board with his thoughts.

Mr. Mudge asked whether the City of Naples and Collier County have the kind of problems the District is experiencing. Mr. Ward explained that the District's boat clarifier was only the third of its kind built in the United States at the time the District's was installed, however, since that time there have have been four or five more installed. It was the opinion of Mr. Dunwiddie that the boat clarifier was a brand new, untested gadget that the Engineers selected for the District's plant.

Mr. Dyer concluded the discussion by stating that tomorrow

morning he would contact United Industries to determine what they intended to do and would report back to the Board as to their intentions and within two weeks PBS&J would have a finished Report summarizing their operating procedures and recommendations.

Mr. Moyer recalled for the Board that upon completion of a favorable Risk Assessment Report staff had been authorized to obtain quotations for Pollution Liability Insurance. Mr. Ward reported that he recently had received a commitment from American International Group for coverage which included one million dollars for each loss, two million dollars total for all losses, with a \$50,000 self insured retention. He advised that the coverages that would not be provided would be for exposure to radioactive material; non-owned disposal sites; underground tanks unless integrity test results were received and approved by the Underwriter and related claims. He explained that the quote was for \$20,100 and was within the Budgeted amount. He further commented that Mr. Benson has been trying very hard for the past few months to obtain Pollution Liability Insurance quotations and he had received two other quotes in early September for \$41,000 and \$48,000 respectively. Mr. Ward felt that American International's quote met the criteria of the District in terms of the pricing and felt that this seemed to be the best company who was able to provide this type of insurance to the District.

Mr. Hake asked the rating of the American International Group. Mr. Ward replied that he did not know the rating of this insurance company. Mr. Hake commented that he would like to get some type of a rating on this company. Mr. Dunwiddie offered that American International Group was a

very large company. Mr. Ward advised that he had asked Mr. Benson whether they were a rated company and he had responded in the affirmative, however, he had not asked what their rating was. Mr. Ward commented that the quote was only good through Friday, November 18, 1988, and he did not know whether this time frame could be extended. In response to a question by Mr. Mudge, Mr. Ward commented that he was not aware that either the City of Naples or Collier County carried Pollution Liability Insurance. Mr. Dunwiddie stated that it seemed to him that the level of coverage was far higher than the District was likely to need and the \$50,000 retention would pretty well cover any claims that the District would receive, therefore, he was not sure the District really needed coverage from \$50,000 to a million dollars. Mr. Hake asked Mr. McMackin his opinion on the matter. Mr. McMackin replied that at the present time he would not be able to respond to this as he would have to research the number and the amount of claims similar District's have suffered in the past. Mr. Ward explained that the limits of liability were selected to be consistent with the other policies of the District and he was unsure that Mr. Benson could obtain quotes for coverage under \$1,000,000. Mr. Potter asked Mr. Hake just what kind of information he was seeking regarding American International Group. Mr. Hake responded that he desired to know their rating. Mr. Moyer explained that although the Board members and the District have some sovereign immunity protection, if a party received a judgement in excess of these limits they could then file what is called a claims bill with the Florida State Legislature and advised that these claims bills are usually approved; therefore, this was the reason municipalities carry insurance in excess of

the sovereign immunity. Mr. Potter suggested that staff find out American International Insurance Company's rating and if it was a well rated company, the District proceed with the purchase of the Pollution Liability Insurance. Mr. Dunwiddie commented he did not know whether the District really needed the insurance or not. Mr. Moyer advised that the Risk Assessment Report basically concluded that the type of business the District was in was at the low end of the risk spectrum and this was obviously why Underwriters were issuing quotations in the first place. It was his opinion that the insurance would be a nice comfort to have but he was not really sure it was necessary.

At this time Mr. Hake called for a motion. There being no additional discussion, Mr. Potter moved, seconded by Mr. Holtan and unanimously approved, that the Pollution Liability Insurance be purchased if the American International Group had an A+ rating.

CONFIRMATION OF 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>
Northwest Fill Area Design Services Contract D-29	No. 5		Wilson, Miller, et. al.	\$17,373.20
Bay Colony Shores Design	No. 3		Wilson, Miller, et. al.	13,660.15
Oakmont Unit 11 Design	No. 1		Wilson, Miller, et. al.	1,066.85
Greentree Drive Ext. Design & Construction Services	No. 1		Wilson, Miller, et. al.	9,000.00
Series 1985 Bond Issue Utility Site Landscape Revisions	No. 178		Wilson, Miller, et. al.	267.40
			TOTAL AMOUNT	\$41,367.60

In response to a question by Mr. Dunwiddie, Mr. Ward replied that the Requisitions are reviewed by the Engineers, Mr. Petty, Mr. Turner and himself. Following presentation of the Requisitions, Mr. Holtan moved, seconded by Mr. Potter and unanimously approved, payment of the Certificates of Payment as presented.

CONFIRMATION OF INVOICES

Water/Sewer Operating Summary and Invoices For October 1988 - Approved As Presented

Following discussion, Mr. Potter moved, seconded by Mr. Holtan and carried unanimously, that the Water/Sewer Operating Summary and Invoices for October 1988, be approved as presented.

Water Management Operating Summary and Invoices For October 1988 - Approved As Presented

Following discussion, Mr. Dunwiddie moved, seconded by Mr. Mudge and carried unanimously, that the Water Management Operating Summary and Invoices for October 1988, be approved as presented.

Street Lighting Invoices For October 1988 - Approved As Presented

Following discussion, Mr. Dunwiddie moved, seconded by Mr. Holtan and carried unanimously, that the Street Lighting Invoices for October 1988, be approved as presented.

SUPERVISOR'S REQUESTS

Mr. Dunwiddie felt at a date to be determined a Workshop Meeting should be held to discuss the organization of the Board and he suggested that each Board member should take on an area of responsibility that fit with their interests and the five categories he arrived at were: management & public relations, plant engineering and operations, rates and

budgets, finance and accounting and legal, secretary, staffing, etc. He asked the rest of the Board to consider his suggestion and advised it could be discussed at a future meeting.

Mr. Dunwiddie commented that the current management of the District is what he would call part time management and this might or might not be the best and most efficient way to run the District. He stated that the last figure he had heard was that Mr. Moyer runs sixteen Districts and thus he felt the Board was receiving the benefit of Mr. Moyer's expertise. Conversely, he felt the District was only getting a day and a half of Mr. Moyer's time per month. Mr. Dunwiddie further commented that Mr. Ward runs three other Districts and therefore the District is basically receiving seven or eight days of Mr. Ward's time per month. He stated he did not know how much it would cost for the District to hire a full time manager who could be technically trained, however, he thought this was something that should be looked into. He added, that his suggestion in no way reflected on the competence of the current staff.

Mr. Holtan concurred with Mr. Dunwiddie in that he also felt part time management was a problem and something should be done to look into it. Mr. Hake commented that it would be wise for the Board to think about Mr. Dunwiddie's comments and bring this matter up at the December meeting after everyone has had the opportunity to digest Mr. Dunwiddie's comments. Mr. Hake stated that he has felt for a long time that the District needs full time management as the District is growing to such an extent that full time management is needed. Mr. Mudge suggested it would be helpful if the Board had a list of the positions and the salaries of the eleven staff members.

Mr. Moyer responded that he would be happy to provide such a list to the Board.

Mr. Moyer offered that he and Mr. Ward serve at the discretion of the Board and he has always taken the position that whenever any Board seems to desire to change or believe they can get the services they provide less costly and at a higher level of expertise then this is a responsibility the Board must pursue. He added there would be no hard feelings on his behalf, however, he wished to clarify for the record how the District has operated, as he didn't want anyone to think that Mr. Ward only spent one third of his time on Pelican Bay business and to the contrary advised that Mr. Ward spends approximately 80% of his time on Pelican Bay. He offered that the original concept was that the combination of his time and Mr. Ward's time would amount to full time management. He commented that since he does handle sixteen different Districts he felt he brought a different perspective to the management of Pelican Bay. He stated he personally brings very little to Pelican Bay in terms of the day-to-day operations of the District as this is the function provided by Mr. Ward. He welcomed the analysis of what he and Mr. Ward have tried to do in the management of Pelican Bay and advised that the fees that are paid to the both of them collectively were probably what they would have to pay a full time Manager. In effect, it was his conclusion that the Board does have full time management with a lot of varied expertise in a lot of different areas.

For the new Board members, he stated he has been in this business for fifteen years and the real strength of Districts such as Pelican Bay

are the John Petty's and not the Jim Wards or the Gary Moyers and commented the reason Districts are in the public interest is that Districts spends more of their dollars on providing services to the residents of the District than any other form of government.

Mr. Hake asked Mr. McMackin to take a look at the Statutes to determine if the Board would have to publicly advertise for a full time Manager should the Board would decide at a future time to go to a full time Manager, as this would save some time in the future depending on what was decided.

Mr. Hake stated that the Board was in possession of a couple letters that had been hand delivered to them by Mr. Frederick Hardt prior to the meeting and he would really feel uncomfortable bringing them up at this moment as he hadn't had a chance to read and digest them but agreed that the letters might have some remedies for the Board that they would have to take a look at in the future.

Mr. Hake commented that staff had forwarded a copy of the County's recommendation to approve a study to determine the feasibility of the County providing additional services to Pelican Bay and asked what these additional services were. Mr. Dunwiddie commented that given the District had its Engineer prepare an analysis which showed there was no way the District could possibly afford to use the County services he asked whether there was any way that the District could save the taxpayers money by stopping this study now. Mr. Peek commented that the County might be willing to change the conditions under which they first made the offer to the District and find a way to offer these services at a better rate. Mr.

Dunwiddie wanted to make sure people were not running around encouraging the County to provide these services and he wanted it understood that the Board was only interested in the County's proposal if their services were a lot cheaper.

Mr. Hake commented that he had recently received a drawing prepared by WMBS&P which had been forwarded to him by District staff regarding the repairs of the existing street lights. He commented that as it now stood, Sterner Lighting is going to provide the District with new poles, pole for pole, for the poles that did not meet their original specifications and that these poles are scheduled for shipment on January 9, 1989. He stated that he disliked intensely to bring this matter up, however, he had gone over the repair map as prepared by WMBS&P and had personally inventoried some of the street lighting poles and was amazed at the number of poles that had never been cleared away at the bottom and were still submerged in earth. He did not understand who was supposed to be looking after this matter and who was issuing instructions to the people doing the work.

He asked Mr. Means on what criteria he arrived at the suggestions on the drawings that certain poles needed the grade be lowered and which poles needed specific landscape removed, while there was no mention on the drawings whatsoever as to which poles needed to be raised. He stated that he was amazed to see on the drawings that it was recommended that a certain pole needed to be lowered when in actuality this pole was already eight inches below the level of the curb. He stated there seemed to be no rhyme or reason as to how this drawing was prepared and personally thought the

drawing was a terrible piece of work.

Mr. Means explained that several months ago he and Mr. Petty inventoried every light pole in Pelican Bay to determine: whether the pole was in satisfactory condition and nothing needed to be done; whether the grade needed to be lowered to provide positive drainage to the pole base; whether landscaping needed to be removed from around the pole base or whether the pole base needed to be raised. Mr. Means explained that the map in Mr. Hake's possession was put together to satisfy the landscaping requirements and the reason the poles that needed to be raised were not shown on the map was because he wouldn't know exactly which poles needed to be raised until the landscaping around the bases had been completed. He advised that once this was accomplished he would reinventory the poles to determine which ones needed to be raised and add these to the current drawing. Mr. Hake commented that one of the poles marked on the drawings as needing to be lowered was actually non existent and advised Mr. Means that whenever he was ready to reinventory the bases he would like to go over each pole on a one by one basis with him.

Mr. Hake advised that in many instances the landscaper is covering up the poles. Mr. Ward commented that he had taken a look at the whole system on Friday, November 11th and has since asked Jacaranda to correct this problem and he would be checking on Jacaranda's progress on Friday, November 18th in insure that this has been accomplished.

Mr. Mudge commented that eventually the road to the Ritz Carlton Hotel was going to be closed off and asked whether the District was under any obligation to install the street lights to the Ritz. Mr. Dunwiddie

stated that this area is in the Lighting District and if the Developer requests the District to pay for the lights the District would have to do so. Mr. Hake commented that there were many other areas in Pelican Bay, such as Georgetown, Tierra Mar & Las Brisas, where the Developers paid for the lights and further commented that he did not think the District installed any lights on any streets not dedicated to the County. Mr. Ward concurred with this statement. Mr. Mudge suggested that it be determined what the District's obligations will be in this matter. Mr. Hake felt this discussion was premature as the District has not been asked to supply lighting to this area and if the time came where the District is asked to supply the lighting this would be a question for Mr. McMackin, i.e., is the District legally liable to supply the lighting in this area.

Mr. Hake reported that some time ago the Board appointed a Conservation Committee and in talking with Mr. Rudy Small had been told that District staff had never notified the appointees of their appointment to the Committee. He felt staff should write a letter to all those appointed and the Committee be allowed to select their own Chairman. Mr. Small commented that he did receive a letter asking him to serve on the Committee, however, he had heard nothing since that time. Mr. Ward commented that he had talked to almost all of the members personally advising them of their appointment, however, he had not spoken with Mr. Small. He apologized for not sending a letter out more quickly, however, advised that he had recently sent a letter to all of the Committee members notifying them of an organizational meeting to be held in January.

Mr. Hake also suggested that staff write a letter to Mr. Coburn

letting him know how the District made out with the light poles and that Sterner is making good on all the bad poles and also to thank him for his help.

Mr. Hake suggested that Mr. Means take a look at the specifications that belong to Cor-ten because some of the areas particularly Pole No. A-1 is not surrounded by shrubs but is in amongst the trees and is not getting sunlight and in Mr. Coburn's documents he recommended that the poles not getting enough light be painted. He told Mr. Means he would see he received a copy of these specifications.

Mr. Scofield asked if he could say a few words in defense of the staff as he was concerned about the drift of the Board's thinking. He commented that several years ago he felt the same way they did, however, as the President of the Board for the past few years he felt he had the opportunity to work more closely with the staff and more often than any of the other Supervisors. He stated that he had never failed to get a hold of Ms. Jean Smith or Mr. Petty on the phone whenever he called and if he called for Mr. Moyer or Mr. Ward, usually Mr. Ward would answer and if he was out of town, he would get a call back from him almost immediately regardless of where he was. It was his opinion that the service is being rendered and the Board is getting their money's worth. He felt that the Board had a talented, intelligent staff and felt they were hard working and fair and if anyone controlled the purse strings, Mr. Ward did, and maybe too much. He suggested that before the Board made any rash moves, they really think this matter over as Mr. Moyer's expertise was very valuable.

Mr. Rudy Small asked how one got a matter placed on the Board's

Agenda. He stated he had written a letter to Mr. Ward concerning the lakes on the Golf Course and made some suggestions on how to approach the problem and he thought it would have been on today's Agenda. Mr. Ward replied that he had only received Mr. Small's latest letter yesterday and if he cared to address the Board at this time he could do so. He advised that the Agendas usually go out a week before the Board meeting and the Agenda is finalized a week before that so he must receive any requests for placement on the Agenda approximately the first week of the month.

Mr. Small commented that he is the Chairman of the Green's Committee for the Golf Course and this Committee was very concerned about the lakes on the Golf Course and the fact that they seemed to be deteriorating. His Committee thought it would be worthwhile to have a representative of the Green's Committee, a representative of staff and a Board member look at these lakes to compare them with the lakes in Bonita Bay, as Bonita Bay's lakes are in a lot better condition. It was his opinion that the procedures for lake maintenance between the two must be different and he would like to investigate what is being done with the lakes in the Pelican Bay Golf Course to compare it to how the lakes in Bonita Bay are being maintained. He felt the residents of Pelican Bay would be willing to pay for a higher degree of lake maintenance.

Mr. Hake advised that this is one of the charges that he hoped the Conservation Area Committee would have. Mr. Moyer explained that the lakes in Pelican Bay primarily exist to retain and trap storm water and storm water basically comes from the ground and washes in pollutants such as fertilizer. Therefore, when the lakes are not flowing, which they

haven't for a long time because of the dry season, there is no flushing action within the lakes and you get a situation where the lakes are very highly enriched with nitrogen and phosphorus. He further explained that in this type of environment you are going to get aquatics and there is only two ways to get rid of these aquatics; by spraying or mechanical removal. He advised that the District has taken a very conservative opinion on how much money of the residents tax dollars is spent on aesthetics and the primary concern in the past has been does the water management system work. He stated that under the Charter, the District's primary responsibility is does the system work from a drainage standpoint. He advised that staff tries to marry the aesthetics with the pure drainage interests however this is a fine line and it would have to be a Board decision if they desired to raise taxes to hire people to come in to remove the algae. Mr. Small commented that he felt the taxpayers of the District would be willing to pay for increased aesthetics. Mr. Moyer also advised that the licenses held by the District determine how the chemicals are applied and the types of herbicides which can be applied. He stated that the only thing that staff can do now in the management of the lakes is wait for the problem to happen and then take care of the problem and as the agencies have restricted the use of preventative herbicides. He advised that some people may still be using these preventatives as they are still available, however, under the District's license and as a public administrator he would not purchase or use these preventatives.

Mr. Small commented that it seemed to him that every year the appearance of the lakes was an increasing problem. Mr. Moyer stated that

Pelican Bay Improvement District
November 16, 1988

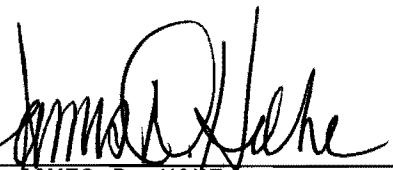
every year there is increased development and thus the amount of fertilizers and nutrient loadings that go into the lakes have increased. Mr. Moyer felt that the ultimate solution would most likely have to be where the District moved from a herbicide treatment mode to a mechanical treatment mode, however, this also has its shortcomings.

Mr. Hake suggested that this could not be settled at this meeting and after the Conservation Area Committee has been organized they study this problem. In response to a request from Mr. Small, Mr. Hake asked Mr. Mudge to look at the Golf Course lakes with Mr. Small.

Mr. Hake directed staff to purchase some mementos for the retiring Board members and personally thanked Mr. Scofield for his past service to the Board.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned. Time: 7:10 P.M.



MR. JAMES D. HAKE
PRESIDENT
PELICAN BAY IMPROVEMENT DISTRICT

PELICAN BAY IMPROVEMENT DISTRICT
WATER/SEWER INVOICES
OCTOBER 1988

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Alpha Chemical	Janitorial Supplies	\$ 58.50
Amsterdam Printing	Employment Applications	26.76
A.S.C.E.	Subscription - Civil Engineering	60.00
Bay Electric of Collier	Electrical Repairs	315.03
B-B Builders	WWTP Supplies	82.03
B & H Sales	Meters & Meter Supplies	5,961.13
City of Naples	Water Service 09/01/88 to 10/3/88	15,923.46
Coast Pump & Supply	Irrigation Supplies	44.50
Collier County Clerk of Court	Recording Fees - Georgetown Easement	20.05
Coral Springs Improvement District	W/S Portion October Health & Dental Insurance	527.93
Coral Springs Improvement District	W/S Portion September Office Services	56.35
Creel Ford Tractor, Inc.	Repair Backhoe	144.00
Federal Express Corp.	September & October Courier Service	57.50
Florida Power & Light	September Electric	10,903.62
Florida Power & Light	October Electric - Well #1	2,736.96
Florida Water Processing	Repair Chemical Pump	35.74
Fred S. James	W/S Portion F.Y. 1989 Insurance	35,926.22
Gulf Shore Associates	W/S Portion October Rent & Maintenance	842.97
IBM Corporation	Typewriter Ribbons & Diskettes	68.70
IBM Corporation	Displaywriter Maintenance	306.00
Matulay's Contractors Supply	Repair Dewatering Pump	24.10
Naples Federal Savings & Loan Association	1987-88 SEP Trustee Fees & 3rd Quarter Contributions	1,008.34
Park Tire Center	Repair Ford Courier	55.39
PB&S Chemical Co.	Chlorine	1,208.10
Petty, John	Reimburse for Aerial Photos	33.00
Pitney Bowes	Postage Machine Labels	10.00
Quarles & Brady	August Legal Services	1,504.50
Ray's Septic Service	Remove Sludge WWTP	1,650.00
Regfiles, Inc.	Regfile System - D.E.R.	566.00
RMRS System	Postage Deposit	100.00
Robbins Telephone Answering Service	W/S Portion Oct. Answering Service - Utility Site	34.95
Sir Speedy	Letterhead & Envelopes	138.95
Smith, Barbara	Reimbursement for Travel Expenses	10.92
Stefanko, Richard	Reimbursement for Shipping Charges	2.75
Sunshine Mower	Repairs	33.80
Superior Fencing	Repair Fence Wells 3 & 4	285.00

PELICAN BAY IMPROVEMENT DISTRICT
WATER/SEWER INVOICES
OCTOBER 1988

(PAGE 2)

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Thompson-Hayward Chemical	WWTP Chemicals	\$ 317.90
U.S. Postmaster	Utility Billing Postage	120.00
Unisys	Computer Maintenance Agreement	978.00
United Telephone	W/S Portion October Telephone	357.41
W.H. Turner	W/S Portion September Consultation Services	225.00
Weavers Office Supply	September & October Office Supplies	128.36
Westinghouse Communities of Naples, Inc.	September Fuel & Copying Charges	108.86
Yahl Bros. Disposal	Utility Site Dumpster	363.00

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT INVOICES
OCTOBER 1988

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Amsterdam Printing	Employment Applications	\$ 26.76
Asgrow Florida Company	Lake Maintenance Chemicals	5,336.20
Billy Bland Fisheries	Fish for Restocking Lakes	1,260.00
Collier County Clerk of Court	Recording Fees - Vacation of Easement Lake No. 6 & Lots 23 & 24 Georgetown	46.65
Coral Springs Improvement District	W/M Portion October Health & Dental Insurance	490.72
Coral Springs Improvement District	Water Quality Testing & Office Services	1,543.70
Delta Airlines	Freight for Fish	330.62
Federal Express Corp.	September Courier Service	46.50
Florida Power & Light	September Electric	9.00
Fred S. James	W/M Portion F.Y. 1989 Insurance	10,827.08
Gulf Shore Associates	October Rent & Maintenance	842.97
IBM Corporation	Typewriter Ribbons & Diskettes	68.70
IBM Corporation	Displaywriter Maintenance Agreement	306.00
Jacaranda Landscape	September R-O-W Maintenance	16,612.01
Naples Daily News	Legal Advertising	145.11
Naples Federal Savings & Loan Association	1987-88 SEP Trustee Fees & 3rd Quarter Contributions	1,008.35
Naples Federal Savings & Loan Association	Meeting Room Rental - September 2, 1988 & September 21, 1988	100.00
North Trail Auto Parts	Parts for Lawn Mower & Motrim	47.01
Park Tire Center	Repair Ford Courier	55.39
PBID W/S Account	R-O-W Maintenance 9/15/88 - 10/15/88	2,758.79
Pitney Bowes	Postage Machine Labels	10.00
Quarles & Brady	August Legal Services	1,504.50
RMRS System	Postage Deposit	100.00
Robbins Telephone Answering Service	W/M Portion Oct. Answering Service - R.O. Plant	34.95
Sir Speedy	Letterhead & Envelopes	138.95
Smith, Barbara	Reimbursement for Travel Expenses	10.93
Sunshine Mower & Cycle	Repair Weed Whip	29.50
Unisys	Computer Maintenance Agreement	978.00
United Telephone	W/M Portion October Telephone	258.31
W.H. Turner	W/M Portion September Consultation	225.00
Weavers Office Supply	Sept. & Oct. Office Supplies	128.37
Westinghouse Communities Of Naples, Inc.	September Fuel & Copying Charges	108.87

PELICAN BAY IMPROVEMENT DISTRICT
STREET LIGHT INVOICES
OCTOBER 1988

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Bay Electric of Collier	Street Light Repairs	\$ 774.84
Florida Power & Light	September Electric	870.71
Fred S. James	S/L Portion F.Y. 1989 Insurance	2,460.70
Naples Federal Savings & Loan Association	3rd Quarter SEP Contributions	45.24
Southeast Bank	Phase III Street Light Loan Interest 7/20/88 to 10/20/88	138.98

PELICAN BAY IMPROVEMENT DISTRICT
WATER AND WASTEWATER OPERATING SUMMARY
OCTOBER 1988

	FISCAL YEAR 1989 BUDGET	MONTH TO DATE			YEAR TO DATE		
		BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>CHARGES FOR SERVICES</u>							
Connection Fees	\$ 664,180	2,980	16,420	13,440	2,980	16,420	13,440
Meter Use Fees	22,250	250	1,450	1,200	250	1,450	1,200
<u>USER REVENUE</u>							
Water	616,818	46,423	44,155	(2,268)	46,423	44,155	(2,268)
Sewer	481,271	37,751	35,121	(2,630)	37,751	35,121	(2,630)
Irrigation	620,010	47,574	50,939	3,365	47,574	50,939	3,365
<u>TOTAL REVENUE</u>	<u>\$2,404,529</u>	<u>134,978</u>	<u>148,085</u>	<u>13,107</u>	<u>134,978</u>	<u>148,085</u>	<u>13,107</u>
<u>PROFESSIONAL FEES</u>							
Engineering	\$ 25,000	225	225	0	225	225	0
Legal	22,000	0	0	0	0	0	0
Audit	8,800	0	0	0	0	0	0
Trust	6,050	0	0	0	0	0	0
Financial Advisor	7,000	0	0	0	0	0	0
<u>SYSTEM OPERATING EXPENSES</u>							
Office	32,408	2,221	3,112	(891)	2,221	3,112	(891)
Billing	2,640	220	120	100	220	120	100
Insurance	53,439	35,926	35,926	0	35,926	35,926	0
Payroll	162,764	12,520	10,605	1,915	12,520	10,605	1,915
Transportation	8,667	722	5	717	722	5	717
Water Quality	16,950	1,413	0	1,413	1,413	0	1,413
Repairs & Maintenance	66,110	5,509	4,716	793	5,509	4,716	793
Electric	169,000	11,035	18,774	(7,739)	11,035	18,774	(7,739)
Chemicals	55,488	3,617	318	3,299	3,617	318	3,299
City of Naples Water	211,039	14,130	16,809	(2,679)	14,130	16,809	(2,679)
Meters	5,920	493	3,136	(2,643)	493	3,136	(2,643)
Contingencies	30,000	2,500	0	2,500	2,500	0	2,500
<u>TOTAL EXPENSES</u>	<u>\$ 883,274</u>	<u>90,531</u>	<u>93,746</u>	<u>(3,215)</u>	<u>90,531</u>	<u>93,746</u>	<u>(3,215)</u>

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT
OPERATING SUMMARY
OCTOBER 1988

	<u>MONTH TO DATE</u>				<u>YEAR TO DATE</u>		
	<u>FISCAL YEAR 1989 BUDGET</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE (UNFAVORABLE) VARIANCE</u>
REVENUE							
Maintenance Taxes	\$ 525,341	0	0	0	525,341	0	0
TOTAL REVENUE	<u>\$ 525,341</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>525,341</u>	<u>0</u>	<u>0</u>
MEETING EXPENSE							
Supervisors Fees	\$ 6,000	500	500	0	\$ 500	500	0
Legal Notification	800	67	145	(78)	67	145	(78)
PROFESSIONAL FEES							
Engineering	15,000	225	225	0	225	225	0
Legal	15,000	0	0	0	0	0	0
Audit	8,500	0	0	0	0	0	0
Trust	1,500	0	0	0	0	0	0
Financial Adviser	7,000	0	0	0	0	0	0
SYSTEM OPERATING EXPENSE							
Office	32,408	2,221	2,932	(711)	2,221	2,932	(711)
Payroll	159,415	12,263	10,568	1,695	12,263	10,568	1,695
Transportation	4,334	361	5	356	361	5	356
Fish Restocking Program	4,504	1,591	1,591	0	1,591	1,591	0
Lake Maintenance	32,147	2,679	5,336	(2,657)	2,679	5,336	(2,657)
Swale Maintenance	4,000	333	49	284	333	49	284
Water Quality	11,880	990	1,488	(498)	990	1,488	(498)
Insurance	16,325	10,827	10,827	0	10,827	10,827	0
Rights-Of-Way	269,110	20,824	16,123	4,701	20,824	16,123	4,701
Replanting Program	20,000	0	0	0	0	0	0
Water Connection	13,190	0	0	0	0	0	0
Water Use	23,259	1,938	2,759	(821)	1,938	2,759	(821)
Renewal & Replacement	6,000	500	0	500	500	0	500
Contingencies	12,000	1,000	0	1,000	1,000	0	1,000
TOTAL EXPENSES	<u>\$ 662,372</u>	<u>56,319</u>	<u>52,548</u>	<u>3,771</u>	<u>56,319</u>	<u>52,548</u>	<u>3,771</u>

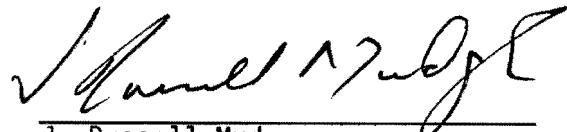
SUPERVISOR'S OATH OF OFFICE

I, James R. Dunwiddie, will honestly, faithfully and impartially perform the duties devolving upon me in office, as Supervisor of the Pelican Bay Improvement District, Collier County, Florida, to which I was elected and I will not neglect any of the duties imposed upon me by this Oath.


James R. Dunwiddie

SUPERVISOR'S OATH OF OFFICE

I, J. Russell Mudge, will honestly, faithfully and impartially perform the duties devolving upon me in office, as Supervisor of the Pelican Bay Improvement District, Collier County, Florida, to which I was elected and I will not neglect any of the duties imposed upon me by this Oath.



J. Russell Mudge

SUPERVISOR'S OATH OF OFFICE

I, Walter B. Potter, will honestly, faithfully and impartially perform the duties devolving upon me in office, as Supervisor of the Pelican Bay Improvement District, Collier County, Florida, to which I was elected and I will not neglect any of the duties imposed upon me by this Oath.


Walter B. Potter

PELICAN BAY IMPROVEMENT DISTRICT
NOVEMBER 16, 1988 MINUTES
TAPE NUMBERS & CORRESPONDING AGENDA ITEMS

<u>AGENDA ITEM</u>	<u>NUMBER ON TAPE</u>
1. Roll Call.	0 - 2 (Tape 1, Side A)
2. Oath of Office A) Mr. James R. Dunwiddie B) Mr. J. Russell Mudge C) Mr. Walter B. Potter	2 - 12
3. Election of Officers A) President B) Secretary & Assistant Secretary C) Treasurer	12 - 127
4. Approval of Minutes of the Meeting held October 19, 1988.	127 - 138
5. Consideration of Bids: A) Rights-Of-Way Sod Replacement B) 1989 Right-Of-Way Landscape Maintenance Program C) Unit VII Street Lighting System	138 - 218 218 - 324 324 - 383
6. Discussion on Proposed Refunding of the District's 1985 Series Water & Sewer General Obligation Bonds	383 - End (Tape 1, Side A) 0 - 479 (Tape 1, Side B)
7. Attorney's Report.	479 - 557
8. Engineer's Report.	557 - 561
9. Manager's Report.	561 - End (Tape 1, Side B) 0 - End (Tape 2, Side A) 0 - 123 (Tape 2, Side B)
10. Certificates of Payment.	123 - 146
11. Confirmation of Invoices and Operating Summaries.	146 - 187
12. Supervisor's Requests.	187 - End (Tape 2, Side B) 0 - 415 (Tape 3, Side A)
13. Adjournment.	415 - 417