

Naples, Florida

August 16, 1989

LET IT BE KNOWN, that the Board of Supervisors of the Pelican Bay Improvement District met on this date in Regular 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:	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. Joseph McMackin, Attorney for the District; Messrs. Thomas Peek and Steve Means of Wilson, Miller, Barton, Soll & Peek; Messrs. Lou Hoegsted, Edward Griffith and Dean Spooner of Westinghouse Communities of Naples, Inc.; Mr. John Dyer of Post, Buckley, Schuh & Jernigan, Inc.; PBID Residents; and Ms. Jean C. Smith, Assistant Secretary.

AGENDA

1. Roll Call.
2. Approval of Minutes of the Meeting held on July 19, 1989.
3. Consideration of Proposed Fiscal Year 1990 Water and Wastewater Budget and Rates.
 - A) Resolution Approving the Fiscal Year 1990 Water & Sewer Budget and Setting the Public Hearing.
4. Authorization to Bid Fiscal Year 1989 Landscaping Improvements.
5. Consideration of Rate Increase for Wilson, Miller, Barton, Soll & Peek, Inc.

AGENDA (CONT.)

6. Consideration of Preliminary Design Proposal from Wilson, Miller, Barton, Soll & Peek for the Phase III Facility Expansion.
7. Consideration of Plat for Pelican Bay Unit 14.
8. Consideration of Greentree Drive Relocation Documents.
 - A) Letter of No Objection to Vacate a Portion of the Greentree Drive Right-of-Way as Platted in Unit 9.
 - B) Letter of No Objection to Vacate Western Portion of the Five (5) Foot Utility Easement Abutting Sites 6, 7 and 12, Unit 9 Plat.
 - C) Grant of Easement for Water and Sewer Utilities Along Revised Western Right-of-Way Line of Greentree Drive.
9. Attorney's Report.
10. Engineer's Report.
11. Manager's Report.
12. Certificates of Payment.
13. Confirmation of Invoices and Operating Summaries.
14. Supervisor's Requests & Audience Participation.
15. Adjournment.

ROLL CALL

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

MINUTES OF MEETING OF JULY 19, 1989 - APPROVED AS PRESENTED

Mr. Mudge moved, seconded by Mr. Potter, and approved unanimously, the Minutes of July 19, 1989, as presented.

CONSIDERATION OF PROPOSED FISCAL YEAR 1990 WATER AND WASTEWATER BUDGET AND RATES

Mr. Ward advised that the first draft of the Proposed Fiscal Year 1990 Water and Wastewater Budget had been included in the Agenda Package and that the budget period begins October 1, 1989 and runs through September 30, 1990.

Mr. Ward explained a few years ago the District went through a formal rate study process by Coopers & Lybrand and at that time a formula was derived to establish the methodology in which the water and sewer rates could be established each year. He advised the District currently has a

capacity/commodity formula in place for establishing the potable, wastewater and irrigation rates and this formula includes a minimum monthly charge to each customer for the debt service portion of the expenditures, along with a portion of the fixed operating expenses. The commodity portion of the District's rate structure is flow variable in that the numbers will change as the flows change. Mr. Ward stated that the irrigation capacity portion of the formula can change depending on the Group Type and that the rates are dependent upon the relative densities within the various Group Types.

Mr. Ward commented that during the past month, he and Mr. Mudge have had several discussions regarding the rates for the irrigation system and they had determined one of the problems with the capacity/commodity formula is the higher the use within the Group Type, the lower the overall rate per thousand gallons, and as a result, the District is not purporting to have a conservation rate that would be beneficial to the users of the system. Thus, he and Mr. Mudge have come up with a combination of the District's existing capacity/commodity formula, with a slight change in that the District would establish the capacity fee as a minimum monthly service charge to the user and a commodity rate for irrigation water of \$.97/1,000 gallons and if a user used less than the \$.97/gallon times their use, they then would receive the minimum capacity charge per month and alternately if they used an amount of water in excess of the predetermined maximum for each of the Group Types, the rate would fall to the Commodity II rate of \$2.40/1,000 gallons. He explained that the Commodity II rate is based on the theory that above this maximum use, the District would be

supplying potable drinking water to the user and if the District established a potable water rate that was only a per thousand gallon charge, the \$2.40 would represent this rate less some line distribution costs. Mr. Ward advised that the monthly allocations for maximum irrigation use in each of the Group Types are based upon the suggested theories of the Engineers and South Florida Water Management District of .25 inches of irrigation water per acre/per day and that the numbers were calculated based on a thirty day dry period.

Mr. Ward explained that for budget purposes, the rates are based on average uses for the various Group Types through the year, by month.

Following are the proposed monthly maximums for each Group Type:

<u>GROUP TYPE</u>	<u>MAXIMUM USE</u>
Group I	57,200/gallons per month
Group II	26,600/gallons per month
Group III	8,800/gallons per month
Group IV	8,400/gallons per month
Commercial	3,425/ERC
Golf Course	31,000,000/gallons per month

In response to a question by Mr. Dunwiddie, Mr. Mudge explained that as an example the computer would calculate the higher of \$.97/1,000 gallons or the minimum capacity charge of \$36.60 per month for a Group I irrigation user. Mr. Ward further explained for a Group I user if the irrigation usage exceeded 57,200 gallons, any use above this number would be billed at \$2.40/1,000 gallons.

Mr. Hake asked if the 57,200/gallons per month for a Group I user is more than the current minimum monthly charge. Mr. Mudge responded in the affirmative and explained that the maximum usage numbers are based on the theory that a user does not start using potable water for irrigation

purposes until a user exceeds the maximum usage. He also felt that chances are very real that a user would not exceed the maximum use figures, as the figures are pretty high. Mr. Ward explained that the maximum use projections are purposely high for two reasons: they are based on no rainfall and since this is the first year of implementation, these numbers would be a good starting point and could be looked at yearly and refined, if necessary.

Mr. Hake asked if the Golf Course maximum use was based on eighteen holes or twenty seven holes. Mr. Ward responded the numbers were based on twenty seven holes. Mr. Mudge explained that the maximum use on the Golf Course was based on the same calculations as the other Group Types, i.e, they assume no rainfall and .25 inches/per acre/per day.

Mr. Ward explained that the second part of the budget process was to take the proposed rates for Fiscal Year 1990 and extend them into the Proforma Operating Summary as shown on Page 1 of the proposed Budget. Mr. Ward commented that the projected revenue of \$1,944,320 for connection fees for Fiscal Year 1990 equated to 845 units coming on line during the year and it is based on the current connection fee rate schedule. He further stated that the projected revenue for Fiscal Year 1990 is \$4,144,997 and the projected expenses of operating the system have been adjusted to reflect the number of units coming on line and the new rates. Mr. Ward explained that the reason for the slight decrease in the rates is two fold: the District has paid off the Plant Expansion Loan and the District refinanced the 1985 bonds and now has lower annual debt service costs. He commented that \$165,195 included in the budget for Capital Outlay Debt

was based upon WMBS&P's Phase III Facility Expansion Report and extracting from the Report the immediate needs of the District within the next year if the District proceeds with the facility expansion.

Mr. Mudge asked Mr. Ward if he was planning on re-doing the Proforma so that the Commodity Fees would cover the actual revenue and so that part of the fee is not in Capacity I and Capacity II and then to make Capacity I and II as a footnote. Mr. Ward responded in the affirmative.

Mr. Hake asked if the connection fees in the budget remained the same and whether the connection fees are in line. Mr. Ward responded that the connection fees are in line in terms of the proposed facility expansion and that he and Mr. Mudge had discussed how to handle future connection fees for the proposed facility expansion and had determined that this issue could be addressed at a future date when there was a more definite estimate of what the future costs will be.

Mr. Dunwiddie suggested that there will be some pretty hefty development next year and many of these connections are estimated to come on line in October and he would hate to see these developers get away with not paying a proper connection fee. He suggested that now that the District had the projected \$14,000,000 expansion number, he felt a proper connection fee could be calculated.

Mr. Mudge asked Mr. Ward if he had re-calculated the connection fee. Mr. Ward responded that he had not precisely re-calculated the connection fee, however, he had performed some rough calculations and determined the number would be approximately \$3,000 for a new connection fee, based on \$14,000,000 in debt and taking into consideration the

additional number of users that would be added to the system.

Mr. Dunwiddie felt the connection fee should be raised immediately and if the number needed to be fine tuned it could be adjusted at a later date. Mr. Mudge explained that the connection fee could be revised at any time. Mr. Hake suggested that if there was to be a new connection fee it should be adjusted immediately because the September meeting is a Public Hearing on the Budget and the rates and if staff took a look at the connection fees now using the District's projected costs and how the connection fees were previously arrived at, the new connection fee could be adjusted based on the new numbers through total buildout. He also suggested WMBS&P could refine their numbers as outlined in the Expansion Report, however, he felt they would not change significantly. Mr. Dunwiddie suggested that the connection fees be calculated on the basis of taking out \$1,000,000 because the numbers were estimated on the high side.

Mr. Hake asked Mr. Ward if he could calculate a new connection fee and if this proposed any problem with the schedule for adopting the Budget. Mr. Ward responded that it would take him approximately two weeks to run the numbers, however, offered that this should not preclude the Board from moving forward with the Budget. Mr. Dunwiddie asked whether the new rates had to be submitted to the County. Mr. Ward replied in the affirmative. Mr. Dunwiddie asked whether the numbers could be changed after they were submitted to the County. Mr. Ward responded that the County is not doing anything based on the District's numbers and they could be changed.

Mr. Hake suggested that a special meeting be held the first part

of September to discuss the connection fees and then the Board would still be in a position to adopt the Budget at the meeting to be held on September 20, 1989 and the new rates could become effective thirty days after the special meeting.

At this time, Mr. Hake asked if there were any additional comments on the proposed Budget. Mr. Potter asked why the projected revenue from connection fees exceeded the current debt service obligations, as outlined in the Budget. Mr. Moyer explained that the Coopers & Lybrand Report anticipated accumulating some surplus out of connection fees to be used to offset the next increment of bonds that would be issued.

Mr. Mudge offered that he felt the new irrigation rate would be more equitable for the residents, particularly if one looked at the current wide variation in rates to customers of different user types. Mr. Hake concurred with Mr. Mudge's comments.

Mr. Dunwiddie felt that the amount allocated in the proposed budget for salaries and wages was excessive. He suggested that the payroll figure be reduced by \$25,000, as felt the District did not need another lead operator nor eight people in addition to a lead operator. Mr. Hake suggested leaving the Budget as is, as he would be discussing something later on in the meeting regarding the street lights. He commented that he would like to see a schedule as to when and how often District staff takes care of the cleaning of the lakes; a maintenance schedule set up to monitor the Street Lighting System and schedules set up to do many different things and until these schedules are set up, the District might very well need the money as outlined in the payroll budget.

Mr. Hake also stated he would like to see a redundancy of equipment standing by because if certain pieces of equipment go, the District currently does not have any spares to back them up. He advised that one year ago Mr. Petty was going to do this and to date he has not seen anything on this matter. Mr. Hake suggested that until the District gets its act in better shape than it is in now, that the monies in the payroll budget remain where they are, as they might be needed.

Mr. Dunwiddie commented that this is why the budget increases so much every year because money is in the budget that is not needed. Mr. Mudge advised that because money is in a budget does not mean it necessarily has to be spent. Mr. Mudge suggested that in the future all additions to District staff be approved by the Board. Mr. Moyer advised that if the Board looked at the July Water & Sewer Operating Summary, they would find that payroll through July is \$20,000 less than the Budget and he advised that the District staff does not try and spend all the money in the Budget. Mr. Mudge commented that from what he has observed he concurred with Mr. Moyer. Mr. Dunwiddie felt that if money is there, there is a tendency to spend it, however, he agreed to leave the payroll budget as is and the Board take a good look at the budget if anyone else is to be hired. The Board concurred that all future additions to District staff be brought before the Board.

Mr. Dunwiddie remarked that \$41,844 had been included in the Budget for sludge handling, which equated to \$150.00 per haul and he understood the City of Naples was paying \$85.00 per haul. He asked whether staff would be putting sludge hauling out for bid in the upcoming Fiscal

Year. Mr. Ward responded in the affirmative. Mr. Dunwiddie remarked he would go along with keeping the money for sludge hauling in the budget as outlined, but he wanted this put out for bids. Mr. Moyer commented that it was not put out to bid in Fiscal Year 1989 because this expense was not anticipated.

Mr. Dunwiddie commented that he felt the amount of money outlined in the Budget for Pollution Liability Insurance was excessive. Mr. Hake remarked that the insurance numbers were currently under review and the numbers shown in the Budget were based on last year's figures. He suggested that this number could be downgraded if need be and not spent. Mr. Dunwiddie asked that no insurance funds be spent unless it came before the Board. Mr. Ward commented that this was already in place.

Mr. Dunwiddie commented that the other major expenditure item in the budget was \$105,410 for repairs and maintenance and he offered that the way repairs and maintenance is presented in the budget, there is a little allocated for this and a little allocated for that and there is obviously no program in place. He remarked he did not mind leaving the money in the budget as is, however, he wanted to see a reasonable plan for the maintenance of the plant presented to and approved by the Board. Mr. Hake concurred with Mr. Dunwiddie's request.

Mr. Holtan remarked that each year there is money in the budget for computer enhancements and the District has a lot of money invested in the computer system and he asked whether staff has ever considered getting some people to come in and see if the use of the computers is proper or if improvements could be made which would reduce the yearly expenditures. Mr.

Ward advised that he did not think the District spends enough money for computer equipment each year to justify a study of this nature and explained that although money was budgeted in Fiscal Year 1989 for computer equipment, none of this money was spent. However, he explained the District will have to spend some money on computer equipment in Fiscal Year 1990 to keep the operations at a level the District is currently at. He did not think the District had a substantial amount of money invested in a computer system for performing the required day-to-day operations of the District. Mr. Holtan asked Mr. Ward whether he was aware that students from the business school at the University of Florida would come out for a few hundred dollars and go over the entire system. Mr. Ward responded in the affirmative. Mr. Hake remarked that he learned along time ago that none of us know everything about everything and if someone could help the District for a few hundred dollars, the District might as well take advantage of it. Mr. Mudge also felt this was a good idea, however, added that he did not feel they were going to be a great deal of help. He also stated that from what he has seen he is pleased with the system from the standpoint of having to have things re-worked and the speed at which it can be done.

Mr. Dunwiddie stated that in comparing the proposed Fiscal Year 1990 operating expenses to Fiscal Year 1989 expenses, the budget as proposed, shows a 37% increase in operating expenses and this is a phenomenally large percentage increase in one year. Mr. Mudge remarked that the increase in costs for electricity and sludge hauling amounted to \$127,000 of the increase. Mr. Moyer explained that most of the budget is a

unit price type of budget and the cost of electricity is based on historical trends and the current FP&L rate structure. Mr. Dunwiddie remarked it was the total increase he was talking about and if one looked at any individual item, staff had a justification for the increase. Mr. Moyer advised that the thing that was misleading is not so much that the Fiscal Year 1990 budget is overstated, but rather that the Fiscal Year 1989 Budget is understated. He advised that the District will exceed the Fiscal Year 1989 Budget by a sizeable amount of money, based on unanticipated expenditures during Fiscal Year 1989. Thus, if one looked at the actual expenses for Fiscal Year 1989 and compared them to the 1990 Budget, the increase would be far less than 37%. Mr. Mudge also suggested that Mr. Dunwiddie should base his comparison on actual expenditures for Fiscal Year 1989 rather than the Budget figures. Mr. Hake suggested that most of the costs that he saw that would increase greatly other than payroll were a direct reflection of the usage of the potable, wastewater and irrigation usage and, thus, the District will spend more money as the usage increases.

Mr. Moyer advised that through the end of July expenditures are \$874,000, showing a negative to the budget of \$121,000. Mr. Dunwiddie calculated that if expenditures through September 30, 1989 run \$1,060,000 and you subtract this from the budgeted expenditures for Fiscal Year 1990 of \$1,212,879 there would be a 14.4% increase over for Fiscal Year 1989 which would not be too bad. Mr. Moyer also added that the user base will increase by approximately 25% next year. Mr. Mudge did not think a 14% increase was unreasonable.

There being no further discussion, Mr. Potter moved, seconded by

Mr. Holtan and unanimously approved the Fiscal Year 1990 Water & Wastewater Budget, subject to the amendment of the connection fees.

Following the approval of the Budget, Mr. Potter moved, seconded by Mr. Mudge and unanimously approved, the Resolution Approving the Fiscal Year 1990 Water & Sewer Budget and Setting the Public Hearing for September 20, 1989 at 3:00 P.M.

At this time, the Board concurred that at the end of this meeting they would adjourn and reconvene the meeting on September 6, 1989 at 3:00 P.M., in order to discuss the amendment of the connection fees.

AUTHORIZATION TO BID FISCAL YEAR 1989 LANDSCAPING IMPROVEMENTS

Mr. Ward explained that each year the District undertakes a program to improve some of the landscaping within the rights-of-way and the proposed program for 1989 is based on comments which residents have made during the year in areas in which improvements are needed, along with a review of the complete system to insure the continued success of the program.

Mr. Hake asked whether all the plantings complied with the needs of the street lighting poles. Mr. Ward responded that he had personally gone out and looked at all of the proposed planting areas to insure that the District's Street Lighting System will be maintained clear of any planting material.

Mr. Hake advised that the initial installation of the shrubbery and grass in the medians is paid for by Westinghouse and when it comes time to renew and replace and further beautify the medians, these costs are paid for by the District. He further advised that WCN has agreed to pay for the

removal of the shrubs and trees that are surrounding the street light poles and that this is already taking place.

Following further discussion, Mr. Mudge moved, seconded by Mr. Holtan and approved unanimously that District staff be authorized to bid the Fiscal Year 1989 Landscaping Improvements.

CONSIDERATION OF RATE INCREASE FOR WILSON, MILLER, BARTON, SOLL & PEEK

Mr. Ward advised that at the last meeting a question had been raised as to what was the Consumer Price Index increase for Engineers in Southwest Florida and he had determined that this increase was approximately ten to eleven percent. He offered that he had previously provided the Board with a comparison showing the percentage rate changes by specific engineering categories and showing that WMBS&P's rate increase would be approximately eleven percent on a man-to-man basis and about ten percent if all the reimbursables were added in. Thus, Mr. Ward felt WMBS&P request was in the ball park in terms of a rate increase when compared to the Consumer Price Index.

Mr. Holtan asked Mr. Peek whether a specific person could change rate codes. Mr. Peek replied that a specific person did not change rate codes.

Mr. Hake remarked that in discussions with Mr. Peek he had learned that many engineering firms charge their costs plus two to three times their salary, which includes such things as insurance, taxes, unemployment, overhead, profit, etc. and when he had asked Mr. Peek what WMBS&P's rate was he was told that it was approximately three times wages. Mr. Hake advised that he did not feel three times wages was out of line as

in his business their rates run around 2.8 to 2.9 times wages and they are in a much more competitive situation than Engineers.

Mr. Dunwiddie commented that at the last meeting he had asked Mr. Peek whether WMBS&P would consider charging the District a daily rate when WMBS&P personnel were working consistently on the District's activities. Mr. Peek responded that they had taken a look at this and they felt the more equitable charge to the District would be on an hourly basis and that on jobs where they could define a specific scope of services they would present the District with a fixed fee contract as opposed to an hourly rate contract.

Mr. Hake remarked if the rate increase is approved, he felt the the approval should be based on an effective date of work performed on or after August 19, 1989. Mr. Peek advised that this would be acceptable.

Following discussion, Mr. Hake moved, seconded by Mr. Mudge and approved unanimously the rate increase for Wilson, Miller, Barton, Soll & Peek, Inc., to become effective August 20, 1989 for all work performed on or after this date.

CONSIDERATION OF PRELIMINARY DESIGN PROPOSAL FROM WILSON, MILLER, BARTON, SOLL & PEEK, INC. FOR THE PHASE III FACILITY EXPANSION

Mr. Means advised that at the last Board meeting WMBS&P had presented the Phase III Facility Expansion Report and in the Report they recommended the District immediately proceed with the preliminary design phase of the water and wastewater improvements at the Utility Site. He explained the Work Authorization for this work had been included in the Agenda Package.

Mr. Hake asked why the Work Authorization was based on a lump sum

figure of \$125,000 rather than on an hourly basis with a not to exceed figure. Mr. Peek responded that based on previous discussions, WMBS&P felt the lump sum basis was a very appropriate fee structure for this work. Mr. Hake felt that a lot of the leg work that has to go into this has already been done and paid for by the District and thus the follow-up work should not be as great as \$125,000. Mr. Means explained that all the work identified in the scope of services portion of the Work Authorization is new work and the Report presented last month laid the ground rules for this particular scope of services. He advised that what the scope of services do in this Work Authorization is fine tune the numbers, the process units and the facilities WMBS&P has proposed and it is not a repeat of work that has already been done.

Mr. Hake asked where the District stood in terms of the work that needed to be done to upgrade the current facilities to make them perform better. Mr. Means replied that the drawings are currently in the final preparation stage, the Permit Application is completed and the specifications are being finalized and he anticipated everything would be completed in ten days to two weeks. Mr. Hake asked if this would then bring the District up to date on the existing plant operating at its optimum. Mr. Dunwiddie remarked that these modifications will not expand the plant capacity but will help insure that the District has "belt and suspenders" and if for some reason the Boat Clarifier does not work properly, the District will have another way of handling this problem.

Mr. Hake asked Mr. Means whether this Work Authorization related to the next major facilities expansion. Mr. Means responded in the

affirmative.

Mr. Dunwiddie commented that he had a problem with determining exactly what WMBS&P meant by preliminary engineering as opposed to final engineering and just how far this Work Authorization took the District. Mr. Means explained that preliminary design would include the nuts and bolts of the design and WMBS&P would actually size the units, define the flows, define the process units, size the piping, and prepare preliminary drawings, however, not final drawings which would be suitable for construction. He further explained that from this preliminary design work WMBS&P would be able to immediately produce construction drawings.

Mr. Dunwiddie commented that the \$125,000 fee for this Work Authorization represented approximately 1% of the anticipated facilities expansion expenditure and he asked how much more money would be needed for the final engineering fees. Mr. Peek offered that this Work Authorization represented about 25% of the fees for the work efforts to get to the final drawings and the final process. Mr. Hake asked if the costs being discussed had been included in the Fiscal Year 1990 Water & Sewer Budget. Mr. Mudge responded that it would be in the determination of the connection fee, however, it was not a budgeted item.

Mr. Dunwiddie asked whether this engineering work should be put out for bids. Mr. Hake advised that if it was a lump sum fee, it might have to put of for bid. Mr. Hake asked Mr. McMackin his opinion on this issue. Mr. McMackin offered that the District has already bid these services when they initially hired WMBS&P and WMBS&P's proposal is based on their bid at that time and the presentation they made at that time, thus he

did not feel the District was legally obligated to take bids for this work, however, they could if they so desired. Mr. Moyer advised that Chapter 287 of the Florida Statutes outlines how you select an Engineering Firm and states that you must enter into price negotiations after you select the most qualified firm.

Mr. Dunwiddie did not feel the Board should approve this Work Authorization under the current situation regarding the Holes, Montes & Associates Study performed for Collier County. The Board concurred and the Preliminary Design Proposal from Wilson, Miller, Barton, Soll & Peek for the Phase III Facility Expansion was deferred until the meeting to be held on September 20, 1989.

CONSIDERATION OF PLAT FOR PELICAN BAY UNIT 14

Mr. Ed Griffith presented a location map of Unit 14 and stated that approval of the Unit 14 Plat is part of the requirement to Collier County to continue to plat and record all remaining properties of WCN in Pelican Bay. He explained that the proposed plat encompasses approximately 60 acres of Group III and IV land and is located east of Pelican Bay Boulevard and north of Interlachen, continuing to approximately the proposed Vanderbilt Connector Road. He advised that Unit 14 is surrounded by existing platted area with exception of the south side of the bottom parcel which is part of the Golf Course and yet to be platted.

Mr. Dunwiddie asked what the Board was being asked to approve. Mr. Ward explained that by approving the Plat, the Board would be acknowledging that the area is within the boundaries of the Pelican Bay Improvement District's Water Management System and at some point in the

future when this area is developed, the District has provided drainage for the Plat.

Mr. Dunwiddie remarked that when looking at the drawings he noticed that in Parcel D there is a PBID easement through this parcel coming off of Pelican Bay Boulevard and an easement coming off the Golf Course, however, there is a place in the middle that does not have an easement and this would not do the District much good unless it was continuous. Mr. Griffith explained that as part of the Unit 12 Agreement, WCN will be granting all the easements that are part of the Golf Course to the District and this area will then be granted to the District as a whole because WCN needs to make the easement one continuous easement. He further explained that when Pelican Bay Boulevard was realigned this left the gap between the easements. Mr. Dunwiddie asked Mr. Griffith to please make sure this gap in the easements was taken care of in the near future.

Following discussion, Mr. Dunwiddie moved, seconded by Mr. Mudge and approved unanimously that the Plat of Unit 14 be accepted.

CONSIDERATION OF GREENTREE DRIVE RELOCATION DOCUMENTS

Letter of No Objection to Vacate a Portion of the Greentree Drive
Right-of-Way as Platted in Unit 9

Mr. Griffith explained that at the April 20, 1988 Board Meeting the Board had approved a Letter of No Objection for the vacation of the western portion of Greentree Drive Right-of-Way and the current request was for a Letter of No Objection for the vacation of the eastern portion of the Greentree Drive Right-of-Way. He advised the purpose of the vacation is to provide a continuous and symmetrical transition from the existing right-of-way into the new right-of-way of Unit 13. Mr. Griffith depicted

the vacation area for the Board through the use of a location map. He explained that the Letter of No Objection from the District was required because District's facilities cross the area to be vacated.

Letter of No Objection to Vacate the Western Portion of the Five-Foot Utility Easement Abutting Sites 6, 7 and 12, Unit 9 Plat

Mr. Means explained that the reasons for this Letter of No Objection for this Utility easement was two fold: the easement was dedicated on the Unit 9 Plat to all utility companies, including PBID and the five-foot easement in front of Lots 6, 7 and 12 needs to be relocated to the new eastern right-of-way line of Greentree Drive which will occur when the Greentree Drive portion of the right-of-way is vacated and the new aligned right-of-way within Unit 13 is dedicated. He also explained that the existing five-foot utility easement on the eastern right-of-way line of Greentree Drive is currently not used and not anticipated to be utilized by PBID and the new utility easement will be dedicated to the utility companies, including the District.

Grant of Easement for Water and Sewer Utilities Along Revised Western Right-of-Way Line of Greentree Drive

Mr. Griffith pointed out the area on the location map that will need to be granted for use as a utility easement to the District. He explained that this area is traversed by PBID utilities and an easement for water and sewer will insure that the District is protected after the vacation of the eastern portion of Greentree Drive Right-of-Way. In response to a question by Mr. Dunwiddie, Mr. Peek explained that when the Unit 9 Plat was originally platted, the District's facilities were within the Greentree Drive Right-of-Way, which was County property and an easement

was granted to the District for the private cul-de-sac. However, by moving the public right-of-way back a few feet, it will leave a gap in the District's easement between the existing easement and the public roadway and thus the reason for the Grant of Easement.

There being no further discussion, Mr. Dunwiddie moved, seconded by Mr. Mudge and approved unanimously the Letter of No Objection to vacate a Portion of the Greentree Drive Right-of-Way as Platted in Unit 9; the Letter of No Objection to Vacate the Western Portion of the Five-Foot Utility Easement Abutting Sites 6, 7 and 12, Unit 9 Plat; and the acceptance of the Grant of Easement from WCN for Water and Sewer Utilities along the Revised Western Right-of-Way Line of Greentree Drive.

ATTORNEY'S REPORT

Mr. McMackin recalled that at the last meeting, the Board had requested that he and Mr. Ward review the District's Enabling Act and that they make some recommendations for amending the Act. At this time, Mr. McMackin distributed a copy of the proposed amendments & the Act to the Board.

Mr. McMackin also offered that he had recently been asked whether Collier County has the right to take over the District. In response to this question he directed the Board's attention to Page 160 of the Enabling Act and the last "Whereas" clause which read as follows: "WHEREAS, it is further the legislative intent that the sewer and water district hereunder created be merged with the regional board or the applicable general purpose government, at the option of the County Commission, at such time as the system is established, viable and functional and the guarantee of the

sponsor has expired and the interest of the bondholders have been met." He further directed the Board's attention to Page 165, Section 4, of the Act, which stated that there are four conditions that must exist in order for the Board of County Commissioners to take over the District. The first condition is that the utility improvement or development facilities works or systems authorized by the Act have been constructed and established as being functional and productive. In Mr. McMackin's opinion, this is an ambiguous statement and his impression of what this statement means is that the improvements with which the Board have been charged by the State Legislature, i.e., to install the water, sewer and wastewater collection system in Pelican Bay, must be completed and functional. However, he admitted that this statement could be interpreted to read that if at any one point in time the District has finished its phase of development and what has been completed is functional, then this condition is met. He stated that the terms "utility improvement" or "development facilities" are not defined terms in the Act and, therefore, he did not know what they meant. Mr. McMackin believed the better argument was that the District is charged to have water and sewer in the entire legal description of Pelican Bay and it must be completed as a condition precedent and this is the first thing that must be done.

Mr. McMackin advised that the second condition in Section 4 is that the guarantor of any bonded indebtedness must agree. He did not understand what the Act meant by the Guarantor and his reading was that it would be M.B.I.A., who guaranteed the bonds, however, Mr. Moyer had indicated to him that at some point, Westinghouse as a corporation, may have

given a guarantee to the District's expansion. Mr. McMackin referred to the "Whereas" Section on Page 160 where it talked about the guarantee of the sponsor having expired and believed this made it clearer that the sponsor of the Act was WCN and any guarantee WCN may have made on the District's behalf must be met. Mr. Dunwiddie asked whether there was any guarantee on the original 1978 Bonds. Mr. Moyer replied there was no guarantee on these bonds and the reason the District does not have a WCN guarantee is because the District has a pledge of the full faith and credit of the District as a credit enhancement to the Bonds, thus, a guarantee was not necessary in order to market the bonds.

The third provision of Section 4 stated that every bondholder is protected, which meant that the acquisition of the District by the County Commissioners could not in any way jeopardize the security of the bondholders.

The fourth provision of Section 4 stated that the County Commission of Collier County, in its sole discretion, agree to take over the District either by merger or consolidation into a county-wide district.

Mr. McMackin proposed an amendment to the fourth provision of Section 4, Page 165 of the Enabling Act, as follows: "The County Commission of Collier County, in agreement with the Board of Supervisors of the Pelican Bay Improvement District, and pursuant to applicable legal authority decides to either (a) declare that the District to be merged into a regional or a county-wide district, upon the affirmative consent of the majority of the electors of this said regional or county-wide district, or in the alternative, or (b) upon agreement with the Board of Supervisors of

the Pelican Bay Improvement District, to jointly declare the County Commission to succeed to the powers, rights, duties, function, and obligations of the District. This, he explained, would give the Board the right to consent to such a takeover, providing that the three prior conditions of Section 4 had been met. Mr. Hake asked what was meant by "the majority of the electors" in Section (a). Mr. McMackin replied that this meant that the electors in the regional or county-wide District would have to agree to accept the District. In other words, the County could not force the Pelican Bay Improvement District into a county-wide District against the will of the people living within this District. In response to a question by Mr. Dunwiddie, Mr. McMackin advised there would be no vote by the residents of Pelican Bay. Mr. Hake asked what Section (b) meant. Mr. McMackin responded that this option meant that the Board of County Commissioners could displace the Board of Supervisors and sit in their place, while keeping the District as an Independent District. However, Mr. McMackin's opinion was that the first three conditions of Section 4 had to be met before the County Commission could do this. It was Mr. McMackin's opinion, in reading the fourth condition of Section 4, that if the County Commission decided to proceed with this option it would put the Board of Supervisors in a very awkward situation, because the Board would in some way have to certify that Pelican Bay was entirely developed and if the County Commission proceeded to takeover the District tomorrow the Board would have to decide if they were going to resist and if they did, did they have a legal obligation to tell the County that Condition 1 of Section 4 had not been met and, therefore, the Board of Supervisors was objecting

to the County's attempt to take over the District and sit in their seats. Mr. Dunwiddie asked what steps the County could take to usurp the Board's powers if the Board disagreed with them. Mr. McMackin remarked that theoretically the Board could say to the County that what they were attempting to do is illegal because the conditions under Section 4, Succession, had not been met and they could then direct Mr. McMackin to go to Court and get a Declaratory Decree in order to prevent them from going ahead with this.

In conclusion, Mr. McMackin's recommendation was that the Act be amended to add, "in agreement with the Board of Supervisors", in Section 4 of the Act, which would mean that if Condition 4 was to take place it would have to be by mutual consent of the Board of Supervisors and the County Commission.

Mr. Potter asked how the District would proceed in amending the Enabling Act. Mr. McMackin replied that there would be a Public Hearing in front of the Legislative Delegation, which would include Representative Mary Ellen Hawkins, Senator Dudley and one other local state representative. He advised that at this Hearing if the County came forward and objected to any of the proposed amendments, it would then be a question of how the three members of the delegation felt on this issue, as if the delegation makes a recommendation to the State Legislature, he has been advised by Representative Hawkins' office that the State Legislature, as a body, does not really put a lot of debate into local government legislation. In other words, the delegation could either agree with the County that the amendment is not proper or they could agree with the

District that it was a proper amendment.

Mr. Holtan remarked that if the Board of Supervisors consent to a takeover then they might have "their necks out along way" in that legally they might have made the wrong choice. Mr. McMackin stated that if it came to the point where all the improvements in Pelican Bay were completed, and the County now wanted to take over the District because that they thought they could run it better than the Board of Supervisors, then the Board would have the right to agree or disagree with them, in whatever their conscience dictated. He advised that good men can differ honestly on some points and who can run the District better could be a point of disagreement. He also felt the Board might have reasons why they felt local administration is better and they might not wish to have the residents of Pelican Bay liable for the debt of the unincorporated areas of the County. Mr. McMackin felt this was a reasonable position.

To further outline the proposed amendments to the Enabling Act, he suggested that a new paragraph, Paragraph (25) be added to Section 5, Powers, as follows: "The Board of Supervisors shall exercise each of their powers to provide such services or to contract for such services as the Board of Supervisors deems advisable for the general welfare of the residents of Pelican Bay. None of the powers granted in this Act shall usurp any permitting requirements of the County, State or Federal governments in any area but particularly in the areas of the environment of the coastal area of Collier County." He explained that the purpose of this amendment would be to loosen the existing restriction clause which states that if you don't specifically have the power, you don't have the power and

it would broaden the powers of the District. He felt this was the type of amendment the Legislative was more likely to object to because the District would be getting out on some rather thin ice as to whether the Legislature expects Special Districts to have a broader scope of power. An alternative to adding Paragraph 25 would be to add a new power which is very narrow and very specific to the issue and which started this whole process, Paragraph (28) which would read: "To bill for and collect service fees from the residents of the District due to a commercial cable television company, and include such billings on monthly statements submitted by the District to the residents of Pelican Bay." He offered the Board might desire to add both paragraphs or either Paragraph 25 or Paragraph 28. Mr. McMackin's recommendation was to add Paragraph 25 because Paragraph 28 would only cover cable television services and the Act would have to be amended again if the Board desired any additional powers.

Mr. Ward explained the other proposed amendments to the Enabling Act. Mr. Ward advised that many of the proposed changes related to administrative items regarding the District's day-to-day operations. The first proposed amendment was as follows: Section 3 (1), Governing Board. Paragraphs 5, 6, 7 & 8 should be stricken and replaced with language that provides for elections to be held in accordance with Florida statutory law regarding qualifications of candidates. This amendment would modify the Act to allow latitude whereby if the state law is changed on general elections, the Board's elections would then correspond to the regular general elections instead of having different Board election dates. The second amendment was as follows: Section 3 (2), The last sentence,

dealing with the Collier County Commission's powers should be stricken: "The County Commission shall act upon said nominee within thirty (30) days after the name of the nominee has been submitted to the County Commission." He explained that currently in case of a vacancy on the Board of Supervisors the County Commission has the ability to approve or disapprove the nomination.

The third proposed amendment was as follows: Section 3 (6), Compensation of Board: Increase the compensation of the Board of Supervisors to \$200.00 per meeting. Mr. Moyer explained that Chapter 190 of the Florida Statutes outlines \$100.00 per meeting or such other amount as approved at the annual Landowners meeting of the District, which basically leaves this up to the voters within the District to increase this amount. He suggested that if the Board desired an increase, staff could rewrite this section to provide for an election to increase their compensation.

Mr. Ward explained the proposed amendment to Section 6 which would allow the Board the latitude to designate either by Resolution or by rule the method for providing for the ongoing financial transactions of the District and similarly in Section 8, Annual Budget, he felt that the Budget process was somewhat cumbersome to administer in that the Board has to actually approve a Budget and set a Public Hearing by Resolution and this really is not necessary. Thus, he felt this requirement could be amended or deleted.

Mr. Ward explained that Section 16, Authorization and Form of Bonds, now requires the manual signature of the President or Secretary of

the Board for any bond to be issued by the District and Mr. Ward felt this should be deleted and also this Section may not allow for "book entry" form of bonds and he felt that the appropriate language should be added which would allow a "book entry" form bond.

Mr. Ward remarked that Section 21 only allows for the refunding of bonds within ten years of the original issue and he suggested that this should be reviewed to determine if this is still current practice.

Section 23 requires that the County Commission actually set the election date for general obligation bonds and he suggested that this wording is no longer necessary and should be looked at.

In Section 44, Collier County has the ability to review the District's rates and charges and since Collier County currently does not have any approval or authority over the District rates and charges, Mr. Ward suggested that this language be stricken.

Finally, Mr. Ward explained that there is language in the Enabling Act which requires the District to hold an election to establish a millage cap in order to levy ad valorem taxes and the Board might wish to consider actually including a specific millage cap in the Enabling legislation. Mr. Dunwiddie asked what authority the Board would be taking away from the electors if the Board did this. Mr. Ward responded the ability to set the millage cap only. He explained that currently the District is required to set a millage cap before they can levy ad valorem taxes and the millage cap must be set by the qualified electors of the District. He advised that this has been defeated twice within the District because the millage cap amount was set too high and the Board might desire

to set this millage cap statutorily. Mr. Moyer explained that if the District had the right to levy by millage they would not have to be within a Special Municipal Service Taxing District and the Board could set their own millage for street lights. Mr. Hoegsted asked if Water Management could convert to ad valorem taxes. Mr. Moyer explained that this would take some research because the District has specifically pledged a benefitted maintenance tax to the bondholders and, thus, this would have to be reviewed by Bond Counsel and it would take some time.

Mr. McMackin suggested that if the Board moved quickly on the amendments to the Enabling Act, the amendments could be presented at the Special Session of the Florida Legislature which begins in October and since there has to be an advertising lead time it would have to be done as soon as possible. Mr. Hake asked the Board to review the amendments and be prepared to Act on these amendments at the continuation of this meeting to be held on September 6, 1989.

Mr. McMackin also reported that he was asked at the last meeting to review the Agreement, dated November 4, 1986 between the Pelican Bay Improvement District and Collier County regarding supplying bulk treated potable water to the District and whether the District is required to accept the County's services and whether the agreement is legally enforceable. His opinion was that the Agreement is enforceable and that provided by November 4, 1991, the County is in a position to provide the District with potable water, the District is obligated to purchase the water from Collier County. He advised that the only termination provision he found in the Agreement was by the mutual consent of both parties.

Historically, he understood the District began negotiating with the City of Naples to purchase bulk treated potable water and at this time the County became aggressive with the District in order to prevent the District from entering into a long term Agreement with the City of Naples and the Agreement was the result of the County putting a lot of pressure on the Board at that time. Mr. Moyer also offered that this is where the specter of the acquisition of the District first came up and this was the hammer the County used to negotiate into this Agreement.

Mr. Dunwiddie asked Mr. McMackin whether the County had any right to force the District to take a bulk supply of effluent and whether the District had to supply the County with wastewater for treatment. Mr. McMackin remarked that in the documents he had looked at he found no authority on the County's part to force the District to contract with them for these services, as the District is a Political Subdivision of the State of Florida as is the County, and thus the District is on an equal playing field with the County in these types of negotiations, excluding the portion of the Enabling Act regarding the County Commission just doing away with the Board of Supervisors and negotiating with themselves.

ENGINEER'S REPORT

Mr. Means explained that at the last meeting he had been asked to look at the hydraulics of the potable water feed line which includes the proposed 12" County line that runs along Seagate Drive and U.S. 41 to the meter vault on Seagate and also the 16" line that runs from the District's Wellfield to the meter at the Utility Site. He advised he had modeled this system and some of the numbers he had used came directly from the Agreement

with Collier County. He advised that Collier County has agreed to supply the District with 2.5 mgd on an average daily basis over 365 days a year, with a peak day flow rate of approximately 2,600 gallons per minute which would need to be supplied to the District at the Utility Site and this is the flow rate he used to determine the hydraulic response of the system. He assumed that this amount of water would be delivered over a twenty-four hour period, since the Agreement stated the County has between twelve and twenty-four hours to fill the tanks to supply the daily amount of water which is required per day by the District. Based on these numbers, he used WMBS&P's computer models to generate the hydraulic response to the system and arrived at a pressure of 32 lbs. per square inch at the meter at West Boulevard and Seagate Drive and advised the 32 lbs. psi coincided with the guaranteed minimum pressure the County would need to supply, as outlined in the Agreement.

He advised he had also modeled the 12" line and determined that the minimum pressure needed at the intersection of U.S. 41 and Seagate Drive would be 42 lbs. per square inch, which for a regional water system is a reasonable pressure to maintain the system.

Mr. Peek explained that the feed line the County currently has in place that could feed the intersection of U.S. 41 and Seagate is located along U.S. 41 north and this then could connect with the District's main feed line that comes along Hickory Drive and intersects U.S. 41 near the Pavilion. The County line then runs east back to the groundwater storage tank that the County will assume ownership of at some point in time. He advised that the County has under design a 20" line from this groundwater

storage tank south along Goodlette Road Extension, along the north side of Pine Ridge Road, to U.S. 41 and when this line is completed it will complete a major loop to the intersection of U.S. 41 and Seagate and to the 12" line that will feed Pelican Bay. He explained that this major loop will enhance the pressure and the flow capacity at this point and thus it seemed reasonable that the County will be able to maintain the 42 lbs. psi.

Mr. Peek advised that comments made yesterday at the County Commission meeting indicated that the timing for completion of the service to Pelican Bay was anticipated in June, 1990 and this coincided with the County's completion of the 20" line along Goodlette Road and Pine Ridge Road.

Mr. Hake asked if the County's system did not produce 42 lbs. psi was WMBS&P looking at the District's pressures through buildout or the District's immediate pressures. Mr. Peek explained that the District's internal pressures do not depend on the County's line, that this line will only serve the District's storage tank at the Utility Site.

Mr. Hake asked Mr. Peek how long it would take WMBS&P to run the numbers through their system saying that at some point in time the County has to have 42 lbs. psi and on the other end of the 12" line to give the District enough pressure at 32 lbs. psi to keep the District alive and if the pressure drops from 42 lbs. psi to 36 lbs. psi what happens to the District's pressure and would the District then only have 26 lbs. psi. He asked Mr. Peek to figure out at what point the District would be in trouble so at least the Board could go on record with the County stating that there is a problem.

Mr. Peek stated they could plug in different numbers for different pipe sizes and tell the Board what the County pressure could be reduced to and still deliver the contracted number and adversely they could calculate drops in pressure in increments and advise them how many pounds of pressure this would deliver. Mr. Dunwiddie suggested that WMBS&P model a 16" line and see how much less the pressure would be reduced and then 37 lbs. per square inch and see what this does to the District's supply.

Mr. Dunwiddie stated that the Board was trying to determine whether there was any valid reason to approach the County now, instead of when the District has trouble, and advise them their 12" line is a borderline design and they ought to increase the size of this line.

Mr. Means advised that the Street Lighting Repairs specifications are currently out for bid and the Pre-bid Conference had been held yesterday, with two Contractors present, Mid-Continent Electric and Bay Electric. Mr. Means remarked that one of the questions that had been asked at this meeting was whether or not it would be appropriate for the Contractor to fix any problems that he happened to see as the light poles were taken down. Bay Electric indicated that through his current work on the District's street lighting system, he has seen quite a lot of damage within the poles, for example corroded grounding rods; broken fuses, corroded wiring, etc. Mr. Hake commented that he and Mr. Means had talked about how this should be handled and explained that the way the specifications are currently written is that how ever many poles are taken down in the morning are to be up and operating again in the afternoon. However, he could visualize days when there might be one pole left to be

put up at the end of the day and he did not think the Board could be too critical about this. Mr. Ward advised that he had also thought about the best way to handle these repairs and he did not think there was any better way to handle this than arrive at an hourly rate for the repair work, along with a materials rate, and have someone make a determination first thing in the morning on each pole as to whether or not to fix it. Mr. Dunwiddie suggested that it could be determined which poles should be fixed while the pole is down and which poles could be fixed at a later date when the poles are back up. In other words, the Contractor could keep a list of those poles that could be repaired at a later date and after the contract was completed, they could go back and fix these poles. He suggested that the Contractor perform only the work that is necessary to be done while the pole is down.

Following further discussion on the repair work, Mr. Hake suggested that WMBS&P obtain a copy of each bidder's rate schedules for whatever work would be involved in repairing the poles and then it would be a question of determining first thing in the morning and as the Contractor went along how many poles he could take down, repair and get back up each day. He advised there would have to be very strict supervision on this Contract as he did not want to create an open book for the Contractor for the repair work.

The Board concurred that each day the Contractor would check and repair the parts on the inside of the pole that needed to be replaced and the luminaires, the ballasts and the housing unit at the top of the pole could all be repaired at a later date.

MANAGER'S REPORT

Mr. Ward recalled that at last month's meeting he had been asked how much money was left in the Water & Sewer Bond Issue and he advised there is approximately \$700,000 in cash left in the account of which approximately \$300,000 is earmarked for the City of Naples/Collier County interconnect fees.

Mr. Ward also reported that since the last Board meeting he and Mr. Hake had met with representatives of the Stratford and the Developers of St. Nicole and St. Simone. He advised that his original thought of trade-offs, moving roads, etc., did not really work out and it seemed that there would be some significant dollars involved in terms of fixing the problem. He advised that the problem with the Stratford is definitely solvable, providing that drainage through the St. Simone site can be accomplished.

Mr. Ward further advised he had read through the Minutes of the meeting at which the St. Nicole Plan Review was discussed and in response to a question by Mr. Dunwiddie as to whether the Stratford drainage would be handled through the St. Nicole project, it was clear that Mr. Grady Minor, the Engineer for St. Nicole, stated at this meeting that this would be true. However, Mr. Ward advised that it seems like a portion of the Stratford problem is its drainage through the St. Simone site and not necessarily St. Nicole.

In discussing the hydrogen sulfide odor problem, Mr. Ward recalled for the Board that he felt the problem was two-fold: that the

District had a problem in terms of flushing out its lines and the condominiums needed to provide for some method of blowing-off their internal lines in order to get rid of old water in their system. Mr. Ward reported that the District has been blowing-off the line distribution system every two weeks and this seems to have cleared up a majority of the problems. Also, he advised that the Grosvenor has instituted a blow-off program and this seems to be working fairly well. He reported the Sanctuary still has a major problem and, in his opinion, this won't be solved until there is some conclusion to their installing a blow-off system in the building. However, he commented that the Manager of the Sanctuary had recently advised him that they are working with their plumber to install such a system and they would contact him when they were ready to proceed so that District staff could review the system. He also reported he has not had any recent complaints from Chateaumere.

Mr. Ward offered that staff has been in contact with the City of Naples and it now appears that the chloramine levels coming out of the City of Naples plant are fairly high but when they reach the District they are fairly low and staff is now working with City staff to try and determine if there is something that can be done to help increase the chloramine level coming into Pelican Bay.

Mr. Hake asked Mr. McMackin if would respond to his question at last month's meeting regarding who has the rights to the golf balls which are in the Golf Course Lakes. Mr. McMackin reported that under Florida Law golf balls are considered lost items; thus, the finder of the golf balls

may claim them. It was also his opinion, that if the District cleans up the bottoms of the lakes, these golf balls would be the result of the cleanup and it would be up to the District to dispose of them as they saw fit. In other words, he felt the District would have the right to keep the golf balls and re-sell them.

Mr. Hake asked Mr. McMackin to bring the Board up to date on the matter of the easement on the Forum Group parcel. Mr. McMackin reported that he is still waiting for the drawing of the easement and that he has been unable to match up the legal description with the drawing that had been presented at this meeting. He commented that Mr. Custance of the Forum Group is supposed to be coming to Naples to discuss this matter. Mr. Hake remarked that the District ought to have its own drawing and legal description as to where the easement is. Mr. McMackin reported that Mr. Ward will be forwarding a copy of this drawing to him.

CERTIFICATES OF PAYMENT

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>
1989 Refunding Issue Cost of Issuance	No. 208 Peat Marwick Main & Co.	\$ 2,500.00
1989 Refunding Issue Phase III-B Expansion External Clarifier	No. 209 Westinghouse Environmental & Geotechnical Services	3,000.00
	TOTAL AMOUNT	\$ 5,500.00

Following further discussion, Mr. Potter moved, seconded by Mr. Mudge and unanimously approved, payment of the Certificates of Payment, as presented.

CONFIRMATION OF INVOICES

Water/Sewer Operating Summary and Invoices For July 1989 - Approved As Presented

Following discussion, Mr. Mudge moved, seconded by Mr. Dunwiddie, with Mr. Potter abstaining, and carried unanimously, that the Water/Sewer Operating Summary and Invoices for July 1989, be approved as presented.

Water Management Operating Summary and Invoices For July 1989 - Approved As Presented

Following discussion, Mr. Mudge moved, seconded by Mr. Dunwiddie and carried unanimously, that the Water Management Operating Summary and Invoices for July, 1989, be approved as presented.

Street Lighting Invoices For July 1989 - Approved As Presented

Following discussion, Mr. Mudge moved, seconded by Mr. Dunwiddie and carried unanimously, that the Street Lighting Invoices for July 1989, be approved as presented.

SUPERVISOR'S REQUESTS & AUDIENCE PARTICIPATION

Mr. Dunwiddie reported that after the last Board meeting he met with Post, Buckley, Schuh & Jernigan, Inc., office at their Orlando office. He advised that he had been told by PBS&J that the Report they had submitted to the Board following the test work that was done last November on the Boat Clarifier was a draft and they really wanted to sit down and discuss this Report. Thus, he and Mr. Orach visited Orlando and met with five PBS&J representatives and reviewed some of the history of PBS&J's participation in PBID, as well as the Report. (As an aside, one of the things Mr. Dunwiddie learned from PBS&J was that there were 20" lines put under U.S. 41 where the District's line comes under, so they are in place

if the District ever wants to increase its pipeline size and PBS&J also thought that the District has the right to run another line down U.S. 41 and has an easement to do this.)

Mr. Dunwiddie stated that at this meeting he had mentioned some of the things that he thought were improperly done by PBS&J during the last phase of the District expansion and among other things mentioned that through the lack of PBS&J providing for any sludge handling, the District has suffered very significant expenses which were not contemplated and could have been avoided. He further advised that during this meeting they had reviewed the Report and he had mentioned to PBS&J several areas where he thought the Report was less than adequate, particularly the basic problem of PBS&J coming to the Board and agreeing to perform such a test (did the Boat Clarifier produce 1,400 gpm through the bottom ports) and then immediately afterwards in the Report concluding that it really didn't make any difference if the boat clarifier produced 1,400 gpm through the ports or not. PBS&J claimed that they did not know at the time they agreed to the test that this was the case, however, Mr. Dunwiddie could find nothing PBS&J learned during the Report that made 1,400 gpm any less valid as a criteria or conversely that was any good in the first place.

Mr. Dunwiddie advised that at the end of the meeting, PBS&J had asked him whether the District was going to pay the approximately \$25,000 that they had billed the District for this work and his comment to them had been "no" as he felt the harm PBS&J had caused the District was vastly more than the amount PBS&J was now asking them to pay. He reported that his answer was not well received and PBS&J had asked him to review this matter

with the entire Board. He remarked he did not know what action PBS&J would take if this bill was not paid.

Mr. Holtan asked Mr. Dunwiddie whether he had discussed this matter with Mr. McMackin. Mr. Dunwiddie replied in the affirmative and he believed Mr. McMackin's opinion allowed him to make his decision. Mr. Dunwiddie advised that Mr. John Dyer of PBS&J was in attendance at today's meeting and felt the Board should hear his comments before deciding on this issue.

Mr. John Dyer felt that PBS&J has been very patient with the District this past year and that PBS&J entered into this Agreement with the District in good faith for services which they felt were performed. He stated that PBS&J had not guaranteed any outcome of the results; that they had said they would do the testing, write the Report and issue some operational requirements to help run the boat clarifier properly and that they had done all these things. He advised that PBS&J is willing to sit down with District staff and discuss and restructure the Report and do anything they jointly agree on.

Mr. Dyer explained that the first invoice for these services was dated November 17, 1988 and since this time PBS&J has heard nothing from staff on whether they intended to pay these invoices. He advised that PBS&J would just like to know at this time whether the Board intended to pay these invoices or to tell him officially they were not going to pay the invoices so PBS&J could proceed with whatever they chose to do, i.e., either write it off as good will or turn it over to their Attorneys.

Mr. Dyer remarked that as far as discussing the Report and

operating the plant, he still offered that as an option for District staff to resolve any issues that may still exist on how to operate the plant properly. He went on record to advise the Board that they did not need an external clarifier to handle the peak loads anticipated at the plant, if the boat clarifier is operated properly. He also stated that the Report did not specify whether the 1,400 gpm was valid; that he thought he said this in his cover letter which indicated that PBS&J would do whatever the Board directed them to do and if they wanted to go against United Industries PBS&J would, because this was in their Agreement. However, PBS&J did not feel this was a smart thing to do because the plant operated beautifully at less than 1,400 gpm, collective flow through the ports.

Mr. Hake felt strongly that there are various tasks which have been allocated to each member of the Board and offered he takes his responsibilities very seriously and when a Board member comes back to him and represents that he does not think an invoice should be honored, then he did not have any alternative, in his own mind, but to honor this opinion and decision.

Mr. Dyer stated that if the Board wished to come after PBS&J for the design of the plant, this would be a separate issue and had nothing to do with the services performed under this Agreement. Mr. Dunwiddie did not feel these were separate issues and advised he would have a great problem approving these invoices regardless of the situation, because if Mr. Dyer's opinion was what he claimed it was, then the tests on the clarifier should never have been performed and he was a party to setting up these tests which were a mistake in the first place. Mr. Dyer remarked that the Board

had asked PBS&J to verify whether the boat pulled 1,400 gpm and this is what they had done. Mr. Dunwiddie stated that the only reason for the Agreement was to prove the boat clarifier did not work right and this was never proven. He also stated that someone had told the Board that when this Agreement was approved that this would be a test to prove whether the boat clarifier worked or did not work and that if it did not perform at 1,400 gpm, then the District would have proof that the boat clarifier was an unsatisfactory device and would have a claim against the supplier. Mr. Dyer did not think PBS&J said this, but rather said that if the District chooses to go after the supplier, PBS&J would support the District with the validation of the tests.

Mr. Holtan asked Mr. McMackin whether the Board had a valid legal defense for not paying this claim. Mr. McMackin recalled from that meeting that he and Mr. Holtan had discussed the issue of the 1,400 gpm going through the ports because, as Mr. Dunwiddie indicated that at the time, the Board did not want more tests that just gave them more engineering information and he recalled that either he or Mr. Holtan had asked the question, if the boat clarifier does not perform at 1,400 gpm then it doesn't work and is this correct and he thought that PBS&J's answer was yes. Mr. McMackin's assumption was that this is why the District went forward with the testing in that it would give the District a firm benchmark upon which the District could judge the performance of the boat clarifier. Mr. Holtan agreed with Mr. McMackin's remarks. Mr. Hake suggested that this conversation should be a part of the written Minutes and the tapes. Mr. Dyer advised that PBS&J would go with the District

against United Industries if this was their desire, however, the bill would have to be paid first.

Mr. Holtan felt this matter should be deferred until the Minutes and the tapes were reviewed. Mr. Hake advised that if the Minutes and the tapes say what he thinks they say, the Board would invite Mr. Dyer to listen to the tapes and if they say what Mr. Dyer thinks they say, then he felt the Board had something to discuss. Mr. Ward advised that he would take a look at the Minutes and if this discussion was outlined in the written portion of the Minutes he would forward a copy of this section of the Minutes to the Board. If not, he was to ascertain the portion of the tapes where this discussion took place and play it at the regularly scheduled September meeting.

Mr. Dunwiddie stated that there were two reasons for his decision to recommend non-payment of the PBS&J invoices; one was that he thought that PBS&J's poor engineering cost the District a considerable amount of money and not paying these invoices would help to offset these costs. Thus, even if the board is satisfied after reading the Minutes that the invoices by themselves are something that should be paid and he admitted that his reason for not paying these invoices standing alone is less firm than his reasoning for saying that PBS&J owes the District a great deal more money than the District owes them, it is for this reason he did not feel the invoices should be paid.

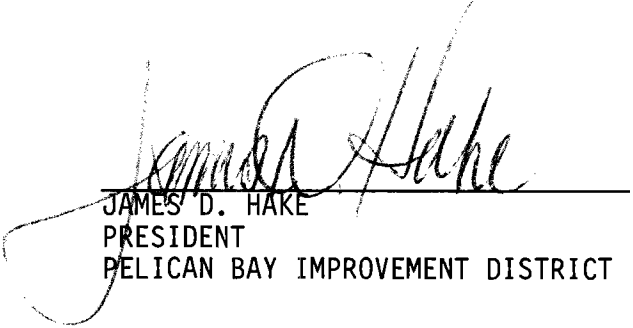
Mr. Potter asked Mr. Hake what had taken place at the County Commission meeting yesterday regarding the Hole, Montes & Associates Study. Mr. Hake reported that this item would be on the September 20th Agenda,

Pelican Bay Improvement District
August 16, 1989

however, at the County Commission meeting the Commissioners authorized the Director of Utilities, Mr. Mike Arnold, to go ahead and start negotiating with the District.

ADJOURNMENT

There being no further business to come before the Board at this time, Mr. Hake moved, seconded by Mr. Holtan and approved unanimously that the meeting be recessed and continued on Wednesday, September 6, 1989, at 3:00 P.M. Time: 6:30 P.M.



JAMES D. HAKE
PRESIDENT
PELICAN BAY IMPROVEMENT DISTRICT

PELICAN BAY IMPROVEMENT DISTRICT
WATER/SEWER INVOICES
JULY 1989

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
B & B Builders	Plant Supplies	\$ 81.44
B & H Sales	Meters & Meter Supplies	2,855.04
BancFlorida	W/S Portion June Meeting Room Rental	25.00
Bay Electric	Electrical Repairs	3,675.86
Bay Electric	Repair Golf Course Pump	497.26
Brinker Brown Fastener	Mixer Accessories	493.84
Budco Temporaries, Inc.	Temporary Day Labor	140.25
Chlorinator Replacement Parts	WWTP Supplies	274.72
City of Naples	Potable Water Service - May 1, 1989 to June 1, 1989	20,690.86
Coast Pump & Supply	Irrigation Supplies	11.88
Collier County Clerk of Court	Recording Fees	10.50
Coopers & Lybrand	Consultation Fees - Utility Rates	1,428.00
Coral Springs Improve- ment District	W/S Portion June Dental Insurance	61.94
Day-Timers	Mailing Labels	16.77
Federal Express Corp.	June Courier Service	6.00
Ferguson Underground, Inc.	Irrigation Supplies	79.40
File One	June & July Office Supplies	112.60
Florida Municipal Health Trust	July Health Insurance	591.32
Florida Power & Light	June Electric	18,113.17
Graybar Electric Co.	Electrical Supplies	17.64
Gulf Shore Associates	July Rent & Maintenance	879.72
Manatron, Inc.	Annual Support - Accounting	337.45
Matulay's Contractors Supply	Adaptors	25.00
Moore Industries International	HSP Electronics	555.00
Nationwide Business Forms	Utility Bills	1,019.74
North Trail Auto Parts	Vehicle Maintenance Supplies	82.39
Page Supply Company	Cabinets	396.00
Park Tire Center	Repair Ford Ranger	72.62
PB&S Chemical Co.	Chlorine	4,585.10
Pitney Bowes	Postage Tape Sheets	20.00
Publix	Office Supplies	58.22
Quarles & Brady	May Legal Services	2,006.00
Ray's Septic Service	Remove Sludge W.W.T.P.	1,500.00
Robbins Telephone Answering Service	July Answering Service	92.40

PELICAN BAY IMPROVEMENT DISTRICT
WATER/SEWER INVOICES
JULY 1989
(PAGE 2)

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Telephone Support Systems	Install Phone Jack	48.75
Travel Creations	Travel Expenses - James Dunwiddie	\$ 109.00
United Telephone	July Telephone	417.80
U.S. Postmaster	Utility Billing Postage	120.00
Weavers Office Supply	June Office Supplies	5.39
Wilson, Miller, Barton, Soll & Peek, Inc.	Engineering Services - May 20, 1989 Thru June 16, 1989	6,308.15

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT INVOICES
JULY 1989

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
A.C. Laboratories, Inc.	March & June Lake Samples	\$ 805.00
Asgrow Florida Company	Chemicals	5,221.10
BancFlorida	W/M Portion June Meeting Room Rental	25.00
Budco Temporaries, Inc.	Temporary Day Labor	140.25
Coral Springs Improve- ment District	W/M Portion June Dental Insurance	61.96
Day-Timers, Inc.	Mailing Labels	16.78
Federal Express Corp.	June Courier Service	6.00
File One	June & July Office Supplies	112.63
Florida Municipal Health Insurance	July Health Insurance	591.33
Florida Power & Light Co.	June Electric	18.00
Gulf Shore Associates	July Rent & Maintenance	879.73
Jacaranda Landscape	June R-0-W Maintenance	16,476.37
Manatron, Inc.	Annual Support - Accounting	337.45
Mitchell & Stark	Install R-0-W Irrigation Hydrants	581.00
Motrim Incorporated	Blades for Motrim	372.38
Naples Daily News	Legal Advertising	47.36
North Trail Auto Parts	Vehicle Maintenance Supplies	82.44
Page Supply Company	Office Cabinets	396.00
Park Tire Center	Repair Ford Ranger	72.62
PBID Water/Sewer Account	R-0-W Maintenance 5/15/89 - 6/15/89	3,664.24
Pitney Bowes	Postage Tape Sheets	20.00
Quarles & Brady	May Legal Services	365.80
Robbins Telephone Answering Service	July Answering Service	92.40
Telephone Support Systems	Install Telephone Jack	48.75
United Telephone	July Telephone	318.68
Weavers Office Supply	June Office Supplies	5.39
Wilson, Miller, Barton, Soll & Peek, Inc.	Engineering Services - May 20, 1989 thru June 16, 1989	427.65

PELICAN BAY IMPROVEMENT DISTRICT
STREET LIGHT INVOICES
JULY 1989

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Barnett Bank	Unit 4, Street Lighting Loan - Interest to July 3, 1989	\$ 557.22
Barnett Bank	Unit 6, Street Lighting Loan - Interest to July 5, 1989	884.22
Florida Power & Light NCNB National Bank	June Electric Phase II Street Lighting Loan - Interest to July 22, 1989	771.37 404.32
NCNB National Bank	Phase II Street Lighting Loan - Principal to July 22, 1989	5,951.92
Quarles & Brady Wilson, Miller, Barton, Soll & Peek, Inc.	May Legal Services Engineering Services - May 20, 1989 thru June 16, 1989	3,840.90 90.75

PELICAN BAY IMPROVEMENT DISTRICT
WATER AND WASTEWATER OPERATING SUMMARY
JULY 1989

	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	160,480	20,860	(139,620)	571,990	652,330	80,340
Meter Use Fees	22,250	250	2,000	1,750	12,250	17,950	5,700
<u>USER REVENUE & INTEREST INCOME</u>							
Water	616,818	50,333	47,887	(2,446)	516,895	517,794	899
Sewer	481,271	39,961	38,886	(1,075)	402,428	395,690	(6,738)
Irrigation	620,010	51,528	56,312	5,284	507,782	566,583	58,801
Interest	30,000	2,500	10,589	8,089	25,000	85,745	60,745
<u>TOTAL REVENUE</u>	<u>\$2,434,529</u>	<u>305,052</u>	<u>177,034</u>	<u>(128,018)</u>	<u>2,036,345</u>	<u>2,236,092</u>	<u>199,747</u>
<u>PROFESSIONAL FEES</u>							
Engineering	\$ 25,000	0	6,308	(6,308)	25,000	50,246	(25,246)
Legal	22,000	2,006	2,006	0	15,469	15,469	0
Audit	8,800	0	0	0	7,540	7,540	0
Trust	6,050	0	0	0	2,700	2,700	0
Financial Advisor	7,000	0	0	0	0	0	0
<u>SYSTEM OPERATING EXPENSES</u>							
Office	\$ 32,408	3,608	3,855	(247)	25,193	26,608	(1,415)
Billing	2,640	220	1,140	(920)	2,200	4,087	(1,887)
Insurance	53,439	0	0	0	63,439	66,536	(3,097)
Payroll	162,764	12,520	10,052	2,468	131,460	111,064	20,396
Transportation	8,667	722	264	458	17,220	13,572	3,648
Water Quality	16,950	1,095	0	1,095	14,752	9,970	4,782
Repairs & Maintenance	66,110	5,509	7,900	(2,391)	55,090	114,116	(59,026)
Electric	169,000	13,390	23,795	(10,405)	137,036	172,784	(35,748)
Chemicals	55,488	4,400	4,585	(185)	44,154	38,775	5,379
City of Naples Water	211,039	16,432	18,091	(1,659)	177,860	202,336	(24,476)
Meters	5,920	493	2,167	(1,674)	4,930	11,750	(6,820)
Contingencies	30,000	387	0	387	28,838	27,290	1,548
<u>TOTAL EXPENSES</u>	<u>\$ 883,274</u>	<u>60,782</u>	<u>80,163</u>	<u>(19,381)</u>	<u>752,881</u>	<u>874,843</u>	<u>(121,962)</u>

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT OPERATING SUMMARY
JULY 1989

	<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	2,045	2,045	525,341	531,850	6,509
TOTAL REVENUE	<u>\$ 525,341</u>	<u>0</u>	<u>2,045</u>	<u>2,045</u>	<u>525,341</u>	<u>531,850</u>	<u>6,509</u>
MEETING EXPENSE							
Supervisors Fees	\$ 6,000	500	500	0	\$ 5,000	5,000	0
Legal Notification	800	67	47	20	670	896	(226)
PROFESSIONAL FEES							
Engineering	15,000	428	428	0	14,886	14,886	0
Legal	15,000	0	366	(366)	15,000	16,732	(1,732)
Audit	8,500	0	0	0	7,208	7,208	0
Trust	1,500	0	0	0	1,500	1,652	(152)
Financial Adviser	7,000	0	0	0	0	0	0
SYSTEM OPERATING EXPENSE							
Office	32,408	3,606	2,259	1,347	25,196	24,219	977
Payroll	159,415	12,263	9,802	2,461	128,761	110,461	18,300
Transportation	4,334	361	155	206	3,610	1,532	2,078
Fish Restocking Program	4,504	0	0	0	3,074	3,074	0
Lake Maintenance	32,147	2,679	5,221	(2,542)	26,790	24,759	2,031
Swale Maintenance	4,000	333	953	(620)	3,330	2,361	969
Water Quality	11,880	990	805	185	9,900	9,450	450
Insurance	16,325	0	0	0	16,325	16,685	(360)
Rights-Of-Way	269,110	17,019	16,476	543	181,605	173,707	7,898
Replanting Program	20,000	0	0	0	16,325	16,325	0
Water Connection	13,190	0	0	0	0	0	0
Water Use	23,259	1,938	2,231	(293)	19,380	29,110	(9,730)
Renewal & Replacement	6,000	500	0	500	5,000	0	5,000
Contingencies	12,000	1,000	0	1,000	10,000	0	10,000
TOTAL EXPENSES	<u>\$ 662,372</u>	<u>41,684</u>	<u>39,243</u>	<u>2,441</u>	<u>493,560</u>	<u>458,057</u>	<u>35,503</u>

PELICAN BAY IMPROVEMENT DISTRICT
AUGUST 16, 1989 MINUTES
TAPE NUMBERS & CORRESPONDING AGENDA ITEMS

<u>AGENDA ITEM</u>	<u>NUMBER ON TAPE</u>
1. Roll Call.	0 - 3 (Tape 1, Side A)
2. Approval of Minutes of the Meeting held on July 19, 1989.	3 - 38
3. Consideration of Proposed Fiscal Year 1990 Water and Wastewater Budget and Rates.	38 - 744 (End Tape 1, Side A) 0 - 126 (Tape 1, Side B)
A) Resolution Approving the Fiscal Year 1990 Water & Sewer Budget & Setting the Public Hearing	
4. Authorization to Bid Fiscal Year 1989 Landscaping Improvements.	126 - 210
5. Consideration of Rate Increase for Wilson, Miller, Barton, Soll & Peek, Inc.	210 - 343
6. Consideration of Preliminary Design Proposal from Wilson, Miller, Barton, Soll & Peek for the Phase III Facility Expansion.	343 - 583
7. Consideration of Plat for Pelican Bay Unit 14.	583 - 744 (End Tape 1, Side B) 0 - 4 (Tape 2, Side A)
8. Consideration of Greentree Drive Relocation Documents.	4 - 107
A) Letter of No Objection to Vacate a Portion of the Greentree Drive R-0-W as Platted in Unit 9.	
B) Letter of No Objection to Vacate Western Portion of the Five (5) Foot Utility Easement Abutting Sites 6, 7 and 12, Unit 9 Plat.	
C) Grant of Easement for Water and Sewer Utilities Along Revised Western R-0-W Line of Greentree Drive.	

PELICAN BAY IMPROVEMENT DISTRICT
AUGUST 16, 1989 MINUTES
TAPE NUMBERS & CORRESPONDING AGENDA ITEMS

(PAGE 2)

AGENDA ITEM

NUMBER ON TAPE

9. Attorney's Report.	107 - 724
10. Engineer's Report.	724 - 744 (End Tape 2, Side A) 0 - 322 (Tape 2, Side B)
11. Manager's Report.	322 - 524
12. Certificates of Payment.	524 - 552
13. Confirmation of Invoices and Operating Summaries.	552 - 664
14. Supervisor's Requests & Audience Participation.	664 - 744 (End Tape 2, Side B) 0 - 226 (Tape 3, Side A)
15. Adjournment.	226 - 242