

Naples, Florida

October 18, 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
TREASURER:	J. Russell Mudge
	James F. Dunwiddie
	Walter B. Potter

ALSO PRESENT: Mr. James P. Ward, Assistant District Manager; Mr. F. Joseph McMackin, Attorney for the District; 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. Neal Dorrill, Collier County Manager; Mr. Mike Arnold, Collier County Utilities Director; Mr. Fred Bloetscher; Assistant Collier County Utilities Director; Mr. Mike McNees, Finance Director of the Collier County Utilities Division; Mr. Tom Taylor of Hole, Montes & Associates, Inc.; Mr. Rudy Small, a Member of the Conservation Advisory Committee; Mr. Bernie Young, Vice President of the Pelican Bay Property Owner's Association; Mr. Jim Colbert of the Chateaumere Condominium Association; Mr. John Petty of the Pelican Bay Improvement District; PBID Residents; and Ms. Jean C. Smith, Assistant Secretary.

AGENDA

1. Roll Call.
2. Approval of Minutes of the Meeting held on September 6, 1989 and September 20, 1989.
3. Presentation by Collier County of Proposal to Provide Wastewater Capacity to the District.
4. Consideration of Work Authorization from Wilson, Miller, Barton, Soll & Peek, Inc. to Provide Engineering Services for the District's Proposed Phase III Facilities Expansion.
5. Consideration of Work Authorization 28 from Wilson, Miller, Barton, Soll & Peek, Inc. to Provide General Consultation Services for Fiscal Year 1990.
6. Award of Bid
 - A) The Purchase of Water Meters for Fiscal Year 1990.
7. Consideration of Request to Correct Error in a Legal Description for an Easement Granted to the Pelican Bay Improvement District for Water and Sewer Utilities in Villa Lantana.
8. Consideration of Request for Billing Adjustment for Chateaumere Royale.
9. Attorney's Report.
10. Engineer's Report.
11. Manager's Report.
12. Certificates of Payment.
13. Confirmation of Invoices.
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 SEPTEMBER 6, 1989 - APPROVED AS PRESENTED

Mr. Mudge moved, seconded by Mr. Holtan and approved, with Mr. Dunwiddie abstaining, the Minutes of September 6, 1989, as presented.

MINUTES OF MEETING OF SEPTEMBER 20, 1989 - APPROVED AS AMENDED

Mr. Potter moved, seconded by Mr. Mudge and approved, with Mr. Dunwiddie abstaining, the Minutes of September 20, 1989, subject to the following corrections:

Page 3510 - In the first line of the fourth paragraph, the word "lake" be amended to "weir".

PRESENTATION BY COLLIER COUNTY OF PROPOSAL TO PROVIDE WASTEWATER CAPACITY
TO THE DISTRICT

Mr. Mike Arnold, the Administrator of the Collier County Utilities Division, advised the Board that his intent today was to formally present the Pelican Bay Improvement District Feasibility Study. He further advised that an Executive Summary, similar in format to those routinely presented to the Collier County Commission, had been previously distributed to the Board to facilitate this discussion. He commented that it has been the County's consistent goal and policy to further extend the regional water and wastewater systems within the unincorporated areas of Collier County and the Board of County Commissioners has stated this as their valid policy and has aggressively pursued this for a number of years throughout the County. The County has found that this presents not only some economy of scale regarding cost but it also offers benefits in terms of environmental protection and public health, safety and welfare. He explained that one aspect of this is the County's commitment and agreement to provide potable water service to the District and he advised the Board that these facilities are currently under construction and this will enable the County to meet its commitment to provide this service to the District.

Mr. Arnold commented that the County is aware of the District's need to address future capital improvements, particularly in regard to the wastewater system and specifically they understand that the residents have some aesthetic, operational and capacity concerns with the existing wastewater system. Also, the County understands that there is a projected shortfall in the District's irrigation system supply sources(s). Thus, he

explained that it was in recognition of what the County believed to be some difficult decisions facing the Board of Supervisors that the Collier County Commission commissioned the Feasibility Study.

Mr. Arnold explained that the goal of the Study was to look at the potential benefit to both the District and its property owners and to the Collier County Water & Sewer District and its rate payers. The initial findings of the Report were presented to the Board of County Commissioners on August 15, 1989 and the findings suggested that there is a potential benefit to both the Pelican Bay Community and the County Water & Sewer District and in recognition of this potential benefit, the Board of County Commissioners directed that he approach and offer to present this study to the Board of Supervisors and to any other interested agency within the District. Accordingly, County staff was invited and has met with the Pelican Bay Property Owner's Association to discuss this Study in detail and from this meeting, they learned there were some findings of the Study which were probably questioned by the Board of Supervisors and perhaps rightfully so. In defense of this, he explained that Hole, Montes & Associates worked on the basis of some limited information which was gathered together very quickly and if there is information in the Study which is incorrect, the next step would be to correct this information.

In summary, Mr. Arnold advised that the County's sole goal today was to ask the Board to recognize that there is a potential benefit that does indeed need to be looked at further in regard to determining whether there is a long term benefit for the residents of the Pelican Bay Improvement District. He offered there would be no fiscal impact to the

District associated with further study of this issue, but rather it is an opportunity to explore a possible financial benefit for the Pelican Bay Community. He called for both staffs to get together to prepare what needed to be done regarding capital improvements; that the projections for increases in the District's rate base and the County's rate base be compared and a very analytical analysis and comparison of the rates be performed to identify to both parties satisfaction that there is or there is not a benefit for proceeding with any further discussion on this matter.

At this time, Mr. Arnold introduced Mr. Tom Taylor of Hole, Montes & Associates, the author of the Report. Mr. Taylor advised the Board that Hole, Montes & Associates (HM&A) had been authorized by Collier County to study the feasibility of Collier County taking a greater role in the services provided to Pelican Bay. He explained that it was recognized early on in the study that there were two major functions that the Pelican Bay Improvement District currently provides to the residents of Pelican Bay and these were essentially subdivided within two major categories: public works type functions and utilities functions. He advised he looked at the public works functions briefly, mainly for informational purposes and to provide this information to the County and this included information on street lighting, right-of-way maintenance and the water management facilities. He stated that the main focus of the study revolved around the utilities aspect; i.e., potable water, wastewater and irrigation water. Specific areas of the analysis included a review of the existing and future demands of the system and service needs of the area; review and analysis of the financial aspects, including a rate comparison based on today's rates

for Collier County and today's rate for the District. He explained they also performed a review and analysis of the County's ability to provide these additional services, either on a bulk service basis or on a retail service basis, including an analysis of the capital improvements that Collier County would need to undertake in order to provide the services. He suggested that the main focus ended up on the wastewater side; that is the major factor and the major capital improvements that are required for PBID and the County if they were to provide service to Pelican Bay. Because of the fact the County now has a bulk service agreement with the District, he advised the County is proceeding with implementation of the improvements that will provide this service and, thus, this will be a "given" under any of the scenarios outlined in the Report.

Mr. Taylor explained that, from the County's perspective, the irrigation system is something of a side issue in that they will be generating wastewater in the future that will be above and beyond their requirements for irrigation of areas currently under agreements. The discussions which ensued with HM&A's staff and the County staff on the scenario of the County providing services under a retail basis or a bulk service basis would be for wastewater to be pumped to and treated at the County's facilities and then returned in an equal volume back to Pelican Bay for irrigation on the site. The fact that the County will at some point in the future have excess wastewater was viewed as something of the benefit to Pelican Bay in recognizing that there is a forthcoming relatively significant shortfall in irrigation needs for the development and it was believed that the excess wastewater effluent from the County's

facilities could provide this added benefit.

He stated that the main focus of the Report on the wastewater side was on a bulk service basis where the County may take over the District's existing one (1) mgd Wastewater Treatment Plant on through buildout of the District's facilities to approximately 2.6 mgd. The County could, under this scenario, take 1.6 mgd and treat it at their facilities and return it or another option would be for the County to provide bulk service for the entire 2.6 mgd, treat it and return it again for irrigation in Pelican Bay. The third scenario is under a retail service basis, where the County would have either option of pumping 1.6 mgd up to their facilities for treatment and return it or take the full 2.6 mgd for treatment at their facilities and return it to Pelican Bay. He advised the improvements necessary in order to accomplish this were taken into consideration in HM&A's analysis and the requirements would be the construction of a master pump station or the modification of the existing master pump station on the Pelican Bay site; pumping through a transmission main that would be constructed along Gulf Park Drive to an existing pipeline located on the existing Goodlette Road Extension that has been extended up to the County's treatment facilities off of Immokalee Road. It would also require construction of an effluent transmission main for return of the effluent back to Pelican Bay and this main would have to be constructed for the entire length of the route. He explained HM&A's analysis indicated that construction of these facilities and the remaining improvements on the Pelican Bay property, plus some additional monies that would be required to upgrade existing facilities, such as the Boat

Clarifier, would amount to approximately \$5.7 million dollars worth of capital costs.

Mr. Taylor stated that the conclusions and recommendations in the Report HM&A provided to the County was that the County consider incorporating Pelican Bay into its County retail service area and that the retail service area idea came about during discussions with County staff as they felt that based on HM&A's conclusions in the Report, it was not in the best interests of the existing County customers to provide service on a bulk service basis; therefore, HM&A's recommendations were based along these lines. In addition, HM&A recommended that if the County's action is to proceed with either retail or bulk wastewater service, that the program to implement this service should begin immediately because HM&A recognizes that it is Pelican Bay's need to proceed quickly. He stated that if the County's action included providing retail service, it was recommended to continue to operate the existing 1 mgd treatment facilities until some time in the future when the County's facilities are again expanded and then re-evaluate whether the County would want to phase out the existing wastewater treatment plant or continue operation at that time.

Mr. Taylor advised that the Board of County Commissioners has accepted Hole, Montes & Associate's Report and authorization had been given to Mr. Arnold to proceed with presenting the Report to the Board of Supervisors and was requested to further discussions as to whether it was feasible from both sides on a "win-win" situation and the County taking a greater role in providing services to Pelican Bay.

Mr. Potter stated that as he understood the Report, a raise in

the rates to Pelican Bay residents was planned and, thus, he could not see where there would be any advantage for Pelican Bay to become part of the County system.

Mr. Taylor explained that at the time of the Report, HM&A still had some very limited information and, in fact, they still do and advised that HM&A does not fully understand the District's Financial Plan for the bond issue that is required to accomplish the initial capital improvements. He felt that with a better understanding of this, HM&A could make a better "apples to apples" comparison. He stated that it is recognized in the Report that there is an approximate \$10.00 per month difference in the rates, under the rates at the time of the Report versus the rates the County was charging at the time, and HM&A felt it was prudent to indicate within the Report that the County was contemplating some rate increases. Thus, based on this, the conclusion was to put these things out on the table and try and get back to the District and jointly work with staff in order to come to some a final conclusion on whether or not it would be a good deal.

Mr. Mudge stated that Table IX and Table X of the Report outlined a comparison of system revenues and expenses for both the District and the County under the retail program. He asked Mr. Arnold if all Collier County residents pay the same rate for water and sewer service. Mr. Arnold responded that all customers of the Collier County Water & Sewer District pay under the same rate structure. Mr. Mudge advised that the thing that is going to be in the best interests of Pelican Bay property owners would only occur if these services could be provided at a rate no greater than

the District is currently providing. Mr. Arnold remarked that he felt the key to the entire Report was whether or not the District is facing significant capital improvements down the road. Mr. Mudge suggested that the County is also facing significant capital improvements. Mr. Arnold stated that as he alluded to in his opening comments, the only way that it can be determined how it is going to affect the District's rates and the County's rates is to look at the numbers over a twenty year period of time and see how the rates would compare. Mr. Mudge commented that the only thing he was trying to determine was whether or not there really would be a savings to the Pelican Bay property owners.

Mr. Mudge stated that if one looked at the total operating revenues on Tables IX and Table X, HM&A's figures showed that the County revenues will be \$500,000 to \$1,000,000 more in the years 1990 to 1994 than it would be under PBID and the difference in these revenues would come from the Pelican Bay property owners. Furthermore, this additional revenue is the result of the difference in rates and unless the County is going to give the Pelican Bay property owners a preferential rate below the rest of the County, based on these figures, it just doesn't make any sense. He stated the County will have excess capacity now, however, they will eventually have to add more capacity and the County's addition to capacity will take place in three or four years and the District's will take place next year and part of the following year. Also, the County will run into an inflation factor for three or four years which will also add to the costs. Mr. Arnold remarked that the County acknowledges this and the key to this is the County alone or the County combined with PBID represents a

much larger customer base over which to spread these costs. Mr. Mudge commented that this is exactly what he was afraid of; that through buildout the District will provide a facility to take care of the equivalent residential units of 11,000 units and/or 24,000 people through buildout, then the District will not have to add any additional facilities. However, if Pelican Bay is absorbed by the County, the residents of Pelican Bay will be paying on and on for the growth that will be taking place in Collier County. Also, he stated the District is set up to take care of the growth through buildout in Pelican Bay and the Board has a fair idea of what it takes to do this and how this will translate into a rate. On the other hand, the County has projected rate increases of ten percent (10%) each year for the next two years and this makes an even wider variance between the two.

Mr. Taylor recognized what Mr. Mudge was trying to say, however, suggested there were a couple of key factors that needed to be pointed out in the comparison of the Tables. The first was the irrigation rate, in that there was an assumption made that the County would adopt the current irrigation rate structure of the District and he felt this was a very conservative assumption and the only reason for this assumption was that the County does not currently have an irrigation rate structure. However, Mr. Taylor was very comfortable in predicting that this number could come down significantly. He stated that the treatment of the wastewater and the additional treatment above and beyond the filtration, chlorination, effluent pumping, etc., are all included within the County's sewer rate. Thus, the Board needed to recognize that there might be a duplication of

dollars, as some of these costs are most likely included in the District's irrigation rate.

Mr. Dunwiddie remarked that the problem he has with Hole, Montes & Associate's Report is that it compares "apples and oranges" and frankly having done this, the Report to his mind left a great deal to be desired. He commented that HM&A never came to District staff or the Board to ask them to sit down and go over any of the material in the Report; that they just went ahead and prepared the Report on their own. He advised District staff supplied very timely information that had been requested by HM&A and as far as he knew there was never any information HM&A asked for that they did not get and yet the report compared "apples and oranges".

Mr. Hake reported that he had heard from several sources that HM&A felt they were working with very limited information and he asked Mr. Taylor what information HM&A wanted that they did not receive.

Mr. Arnold suggested that if the County proceeds with performing a detailed analysis and reconciling incorrect information in the Report, it would need to be done based on the same understanding of what the analysis is to be and the key to this is when the capital improvements are going to come in because this is when the rates would be impacted. Mr. Hake again suggested that the Report spelled out that it was issued on the basis of very limited information and he asked what information HM&A wanted that they did not already have. Mr. Arnold responded that what led the County to this point today was that when the County met with the Pelican Bay Property Owner's Association, they got the impression that there was some differences in the Board's perception of the facts and what was reflected

District is going to meet its responsibilities to the Pelican Bay residents. He explained that this expansion will complete the District's facilities and this will be sufficient to take care of the residents through buildout, with one exception; the District will only have enough irrigation water to meet the demands of the residents up to a level of approximately one-quarter inch per acre, per day, which is considered enough but less than the District could actually use. Mr. Dunwiddie stated he would be very happy if the County would consider supplying the District with additional effluent directly from their plant and had the County come to the Board eight or nine months ago, he felt the Board would have had plenty of time to do just what Mr. Arnold was suggesting, however, he did not feel the Board had the time to do it now; that the Board cannot sit around for another five or six months massaging numbers. He suggested he would have been more than happy to do this if his own analysis of the numbers had not indicated that the Study is wrong and that there is no way the residents of Pelican Bay can benefit from this. He granted, however, that the County could benefit from this, but he did not see any possible way that the numbers could be massaged. In conclusion, Mr. Dunwiddie did not feel that the Board could sit any longer without acting on the District's need to expand its facilities and everything that he knew to date indicated to him that the way to do it is not the way Hole, Montes & Associates was suggesting because this would cost the residents of Pelican Bay something between \$500,000 and \$2,000,000 per year.

Mr. Arnold remarked that it was not the County's intent today to be argumentative and that they do recognize that there are some

in the Report and this brought to mind that maybe this needed to be looked at further and the data was incorrect and the Report was not in tune with what District staff and the Engineers were thinking. Thus, his recommendation was to keep the door open and have County staff, District staff and the District's Engineers all sit down and work on the same basis of what needs to be compared so an analysis can be performed to show once and for all on a purely dollars and cents basis, whether or not this is a good business proposition.

In response to Mr. Hake's question, Mr. Arnold advised what he specifically asked for in the Executive Summary he distributed to the Board of Supervisors were the projected costs and the time frames for the implementation of the District's capital improvements. Mr. Hake reported that the Board only received this request two days ago and this same question could have been asked of the Board some time ago. Mr. Arnold responded that the data which was requested last February prompted questions from Mr. Mudge and the Pelican Bay Property Owner's Association as to the findings in the Report and, thus, the reason for the request for additional information. Mr. Arnold felt there was enough difference of opinion as to what the facts were so that the only way to resolve this issue was to agree to sit down and compare the facts. He did not see what there was to lose, however, advised it was entirely the Board's decision.

Mr. Dunwiddie stated that time is what the District would be losing and advised that the Board has waited since they first heard about the Report, delaying the District's Engineers on authorization of the design of the expansion that the District has to get on with if the

deficiencies in the Report and if there is a desire on the part of the Board to pursue this matter further, the County is willing to work and condense the time frame as much as possible. Mr. Arnold disagreed with Mr. Dunwiddie's point of view that there would be no benefit to the residents of Pelican Bay, as the County feels there would be a benefit to the property owners in the District. Mr. explained that his sole recommendation here today was that if the Board did see potential benefit to the residents that both parties proceed further with a detailed analysis and prove once and for all in dollars and cents and if it doesn't work out then the County will go away with their tails between their legs and say they were wrong.

Mr. Hake stated that an article in the Naples Daily News on October 11, 1989 talked about the Board of County Commissioners changing the County's Master Water Plan and about building a \$14,000,000 addition to the County water plant. He asked what affect this would have upon the County's rates three or four years from now and if this addition will affect the future rates, asked how the District could get out of the Agreement with the County on supplying bulk treated potable water to the District, as the District is very happy with the water they are currently getting from the City of Naples. Mr. Arnold offered that the projected 10% rate increase next year and a 10% increase the following year is a direct reflection of the \$14,000,000 addition to the water plant.

Mr. Mudge asked Mr. Arnold what or who initiated the Hole, Montes & Associates Report. Mr. Arnold's understanding was that it was the result of primary recognition that the District was facing hard decisions about

its wastewater system. Mr. Mudge asked Mr. Arnold whether someone asked the County to perform this Study. Mr. Taylor remarked it was his understanding that it was the result of the regionalization aspect of the utility system in the unincorporated areas of the County. Mr. Arnold stated that the study was commissioned by the Board of County Commissioners and, as he mentioned in his opening remarks, this was the furtherance of the County's avowed purpose to proceed with a regionalized system.

Mr. Hake concluded by stating that the Board would possibly discuss this matter later in the meeting and the possibility of setting up a Committee to accommodate the County's request. However, it was his opinion that the Board was not pleased with what they saw as a possible outcome as they felt what they were looking at was so full of holes it was not worth the time to get involved.

Mr. Tom Taylor commented that Mr. Hake had previously asked what information HM&A had asked for and did not receive and Mr. Taylor mentioned that he had contacted the District's Engineers and to ask them if they could jointly work together on trying to determine what the capital improvements were. He explained that the Phase III Facilities Expansion Report was not available and he just received a copy of it two or three days before HM&A's Report was completed. Thus, some very quick changes were made to the Report and he advised that this information really wasn't available to HM&A until the Report was essentially complete. He also reported that the District's Engineers had advised him that they had specifically been instructed not to discuss this work with HM&A. Thus, if there were things in the Report that the Board was unhappy with, it was

because the information was not available and advised if there are corrections which needed to be made to the report he would be more than happy to try and correct them.

Mr. Dunwiddie suggested it was completely presumptive for Hole, Montes & Associates to go to the District's Engineers and ask for information about the Board and their plans without first asking the Board for their permission.

At this time, Mr. Arnold introduced Mr. Neal Dorrill, Collier County Manager, who wished to make some concluding comments on this issue. (The following remarks of Mr. Dorrill are verbatim). "I won't belabor the presentation here any further than it already is. I will tell you simply that I believe the County's intent is of a business nature, quite frankly to give consideration in development of the implementation transfer of utility service from the governing board to the Collier County Water/Sewer District. Our basis for that is some fifteen years in the making. I believe the Enabling Legislation provides for the intent and the authority to explore that at the sole discretion of the Board of County Commissioners. For the past five years the County has been in the Master Plan process and has been involved in \$88,000,000 worth of capital improvements to do what was originally contemplated fifteen years ago, which was to regionalize the provision of water and sewer service to the unincorporated areas of Collier County. We had hoped to structure this transfer of those operations for, not only the good of the customers of the Pelican Bay Improvement District, but those of the County Water/Sewer District, as well, and gentlemen it is our intention to do that. I don't

think we have entered into this adversarily and that is why I indicted and underscored the fact that we consider this a business decision and one that will not proceed unless it is to the mutual benefit of both sets of customers. In that regard, we are somewhat concerned and I will tell you in advance that because we have found out secondarily of your concerns to schedule an Emergency Hearing before the Collier County Legislative Delegation, to give consideration to revising under emergency circumstances some of the authority and jurisdiction within your Enabling Legislation. We are interested in pursuing that, if not, our concern is that we are ready to protect the County's interest in the event that legal opinion would indicate that the County's rights will be diminished or diluted as a result of some of the contemplated changes of an emergency nature that you are requesting at the Hearing next week. Short of that, it is our desire to perhaps propose a framework to discuss a transfer that would be done in conjunction with the interest of your customers and could be effectuated in a timely fashion so as not to jeopardize either your current or future customers, anticipating the seasonal fluctuations that I am sure you experience."

Mr. Hake remarked, "Mr. Dorrill, you were not privy to the preliminary conversation here and it looks to us, according to Mr. Mudge's figures and Mr. Dunwiddie's figures, that if we would agree to go and dump this thing in the County's lap now, which we are not beyond dumping anything anywhere, it would cost the residents of Pelican Bay between \$500,000 and \$1,000,000 per year. By your own words a moment ago, if it does not benefit both the County customers and the Pelican Bay customers,

you are no longer interested in pursuing it. Why are you then interested in the next breath in trying to protect the County's interests when all we are trying to do with legislation is to protect the interests of the residents of Pelican Bay and make it a joint effort in the event that we do something. If you are telling us on one hand that you are going to protect the County's interests so that they can come in and nail us to the wall anytime they want to, fine, speak up and say so. If you are not interested in doing that, then agree with us on our emergency legislation which gives us then the same right that you have so that we both agree before anybody takes anything over."

Mr. Dorrill remarked, "I think that is our bottom line concern. I have sat here and listened to the better part of our presentation this afternoon and I am not sure of all of the procedures and mechanisms with which this Board works. Our attempts to deal with your staff, at a staff level, because frankly our Board is not involved in administrative or staff related aspects, we have that thrown in our face that somehow we have to come and ask your permission to work with your staff to share basic information for the purpose of analysis." Mr. Hake remarked, "Absolutely, that is correct." Mr. Dorrill stated, "my only response was, we don't work that way and I believe that your comments dealt with the information that was attributable not only to your staff but your consultants, as well. That is why I said, it has not been our desire to become adversarial with you nor when we met earlier to develop our presentation outline last week did we think that we would convince any of you, given your vested or special interest as elected representatives of Pelican Bay, that we would

come in here and necessarily convince you of anything. So, I did not come here this afternoon thinking that by us, to use your term, massaging numbers, that we would necessarily convince you that this is a good deal. We happen to feel that it is a good deal. Our legal opinion relative to your Enabling Legislation is even in the event that it were not a good deal, that the County Commission, at its sole discretion, could assume those related provisions as they affect the regionalization of the provision of both water and sewer service".

Mr. Hake remarked, "Mr. Dorrill, you insult our intelligence. The only special interest that is in the minds of any one of the five members of this Board is for the interests of the Pelican Bay property owners. If it is to their benefit, it works; if it isn't to their benefit it doesn't work and for you to stand there and say that we may have some special interest or use the inference that we have some special interest, you are completely out of order".

Mr. Dorrill commented, "My reference, and I will be very cold and honest with you, Mr. Chairman, you are extremely defensive in your attitude, not only to me but to staff, and my reference and for you to assume that it was something subversive is your problem, sir, it is not my problem. Your special interest, within my definition, is defined as those customers of the Pelican Bay Improvement District. I said that twice and for you to infer something else, sir, is your problem, frankly not mine. I will tell you that the Board of County Commissioners, in addition to the fine tax paying residents of Pelican Bay, give equal protection and interest to all of the residents of Collier County and I would only ask in return is

why your interests are limited in that respect. Our interests are much broader and that is the business basis on which we have prepared and are ready to assume further negotiations and I have not intended to say anything of an insulting nature this afternoon so for you to take it other than that is your particular problem, not mine. I will tell you that we have provided Mrs. Hawkins with some correspondence concerning those positions you are seeking to change next week and I will tell you about that in advance and be more than happy to share that correspondence with you in advance of the meeting next week. Again, we appreciate the opportunity for having the chance to come share with you our plans this afternoon."

Mr. Hake thanked Mr. Dorrill for his comments.

CONSIDERATION OF WORK AUTHORIZATION 28 FROM WILSON, MILLER, BARTON, SOLL & PEEK, INC. TO PROVIDE ENGINEERING SERVICES FOR THE DISTRICT'S PROPOSED PHASE III FACILITIES EXPANSION

Mr. Dunwiddie advised that the Board has had the chance to read the Work Authorization, dated August 16, 1989, which proposes to prepare a preliminary design report for the expansion of the Pelican Bay Improvement District wastewater treatment plant to accommodate the buildout design flow of 2.64 mgd, for the lump sum amount of \$125,000 and the work is to be completed within 120 days of receipt of the signed authorization. Mr. Dunwiddie stated that one of his problems with the Work Authorization was under sub-task descriptions, Define Unit Process Design Criteria, define minimum, average annual, maximum month, and peak wastewater flows and loads from historical records and from field tests - develop specific design criteria for sizing unit process. Mr. Dunwiddie felt that WMBS&P had

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already done this once and asked whether it was going to be re-done for this study. Mr. Means explained that the original report that had been presented in July generated minimum, average annual, maximum month and peak wastewater flows directed into the plant and what the unit process design would do would be to break down the flows and allocate these flows to different units within the treatment train. Mr. Dunwiddie explained that his real problem with the document is defining what WMBS&P will do as "preliminary", as later on WMBS&P would be coming back to the Board with another Work Authorization for final design and he was concerned whether this Work Authorization adequately tied down exactly what the District would be getting for their money. He also commented that the computer printout attached to the Work Authorization, (however, not a part of the official Authorization) outlining the list of elements to be addressed in the preliminary design report, seemed to be restricted to the wastewater treatment plant expansion. Mr. Hake asked Mr. Dunwiddie if it was his concern that the Work Authorization to perform these services was all inclusive in what it was going to take to do the work and he asked Mr. Means whether this was the case. Mr. Means responded in the affirmative and stated that this Work Authorization would complete the preliminary design. Mr. Dunwiddie remarked that the words "preliminary" and "final" are not words of art in engineering. Mr. Hake advised that the problem seemed to be WMBS&P defined everything in absolute specifics and the Board is concerned that the specifics which are not listed are not included. Mr. Hake suggested that Mr. McMackin and District staff draft a Work

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then go with the amended Work Authorization.

Mr. Dunwiddie asked Mr. McMackin whether or not there was any problem with entering into a fixed fee Contract with WMBS&P and not putting this work out for bid. Mr. McMackin responded that there was no problem entering into a fixed fee Contract with WMBS&P and they are the District's Engineers.

Following further discussion, Mr. Hake moved, seconded by Mr. Mudge and approved unanimously the Work Authorization from Wilson, Miller, Barton, Soll & Peek, Inc., in the lump sum amount of \$125,000, for the preliminary design of the Phase III Water and Wastewater Systems Environmental Facilities to be amended by staff, Mr. Dunwiddie, Mr. McMackin and WMBS&P.

CONSIDERATION OF WORK AUTHORIZATION 28 FROM WILSON, MILLER, BARTON, SOLL & PEEK, INC. TO PROVIDE GENERAL CONSULTATION SERVICES FOR FISCAL YEAR 1990

Mr. Ward stated that this Work Authorization was for general engineering services for Fiscal Year 1990 and the Authorization was on a time and materials basis with a "not to exceed" limit of \$29,000. He advised that this is an increase of \$2,500 above the limit for Fiscal Year 1989, however, it is consistent with the amount of work which will be required in Fiscal Year 1990. Mr. Hake suggested that part of the increase is also due to the increase in the rates recently approved by the Board.

There being no further discussion, Mr. Potter moved, seconded by Mr. Holtan and approved unanimously, Work Authorization No. 20, from Wilson, Miller, Barton, Soll & Peek for General Consultation Services for Fiscal Year 1990, in the "not to exceed" amount of \$29,000.

AWARD OF BID

The Purchase of Water Meters For Fiscal Year 1990

Mr. Hake explained he had deferred this item which was scheduled on the September 20, 1989 Agenda, as Mr. Dunwiddie was not present at the meeting.

Mr. Dunwiddie advised he had reviewed the bids which had been received on September 20, 1989 for Water Meters for Fiscal Year 1990 and had asked staff to again put the meters out for bid. He explained that staff sent the bid specifications to two manufacturers, Precision Meter and Neptune Meter, who in turn referred this to their closest distributor. Thus, only one bid was received and he did not like receiving just one bid. He advised he has asked staff to go back to the individual suppliers of Precision Meter and Neptune Meter in the area, as well as to supplier of other acceptable meters, and call for re-bids.

Mr. Dunwiddie asked Mr. Means whether he had looked at the meter specifications, as prepared by District staff. Mr. Means responded that he had not looked at the specifications. Mr. Dunwiddie directed staff to send Mr. Means a copy of the specifications for WMBS&P's approval and after the specifications had been approved by the Engineers to re-bid the purchase of water meters for Fiscal Year 1990.

At this time, Mr. Mudge moved, seconded by Mr. Dunwiddie and approved unanimously, that the bids for the domestic cold water meters received on September 20, 1989 at 10:00 a.m. be rejected and staff be authorized to re-bid the meter purchases.

CONSIDERATION OF REQUEST TO CORRECT ERROR IN A LEGAL DESCRIPTION FOR AN
EASEMENT GRANTED TO THE PELICAN BAY IMPROVEMENT DISTRICT FOR WATER AND
SEWER UTILITIES IN VILLA LANTANA

Mr. Ward advised that in October, 1987 the District accepted an easement from Pelican West Associates II, for water and sewer lines which the Developer installed in Villa Lantana and which are maintained by the District. He explained that a mistake was made in the recording process and the Grant of Easement which was recorded included additional legal descriptions which should not have been attached to the Grant. Recently, the Developer went to close on two units in Villa Lantana and it was discovered that there was an easement in favor of the District running through the middle of a unit. He further advised that the water and sewer plans for Villa Lantana had recently been reviewed by Mr. Means to insure that the District does not have any water and sewer lines constructed in the area where the vacation is being requested and, at this time, Mr. Ward recommended the Board grant the vacation so the incorrect legal descriptions could be removed from the Public Record.

Mr. Hake remarked it concerned him that in almost all cases, the Board is advised that the easements and legal descriptions had been reviewed by the District's Engineers and were found to be acceptable and obviously, the Engineers were not doing a good job in reviewing the legal descriptions. Mr. Ward explained that in this case, the Engineer was not at fault but rather staff, as the incorrect legal description had been attached to the document.

Mr. Means explained that he had been asked by Mr. Ward to try and verify as best he could that no water and sewer lines were actually located

within the easement and the best he could do was a visual inspection of the manholes and valves. Mr. Means further advised that he had reviewed the construction plans and visually compared them to the easements and it appeared from this inspection that there were no water and sewer facilities in the area to be vacated, however, without actually field locating the facilities, he could not certify completely that there were no District facilities in the easement. Mr. Hake asked if this should be done. Mr. Ward did not suggest that this be done as his only concern was that the District did not have water and sewer lines in the vacation area and he felt what was done in 1987 was fine and he did not see any reason to go back and redo this work.

Following further discussion, Mr. Mudge moved, seconded by Mr. Holtan and approved unanimously, the Vacation of Easement for the Water and Sewer Utilities in Villa Lantana.

CONSIDERATION OF REQUEST FOR BILLING ADJUSTMENT FOR CHATEAUMERE ROYALE

Before the discussion began, Mr. Holtan advised that he had to withdraw from any consideration of this matter, as he is a resident of Chateaumere and Chateaumere Royale is part of Chateaumere.

In order to provide the Board with some background information, Mr. Ward advised that before the District calculates the connection fees, the Developer is traditionally asked how many units will be built within the project and this, then, is verified against the PUD and the connection fees are charged accordingly. He explained that Chateaumere Royale currently has a dwelling unit which is called a "guest unit" as it is not a unit which will be sold nor resided in all year long, but is rather

reserved for resident's guests. Accordingly, Chateaumere Royale has requested that the District forgo the minimum monthly charges from the billing for the guest unit, which Mr. Ward advised he had agreed to do, however, he did not agree to the request for a credit for the capacity fees, retroactive to the time of the Certificate of Occupancy of the building. He advised the retroactive adjustment would amount to \$778.58, going back to October 1986, the date the District implemented a capacity fee in accordance with the Coopers & Lybrand Report. He stated he did not have a problem with deleting the one unit if it is not occupied a majority of the time, however, he did not recommend the Board grant a retroactive adjustment for the capacity fees, as he felt this would open the District to further requests of this nature.

Mr. Hake asked if any of the other developments have apartments available for guests and family which all the unit owners pay for. Mr. Ward was not sure.

It was Mr. Mudge's opinion that guest units are dwelling units whether they are rented, used by relatives, etc., and if the Board made an exception for guest units then they would be "opening up a can of worms". He remarked if a guest unit has a sink, a toilet, a shower, etc., then it should be considered a dwelling unit.

Mr. Dunwiddie remarked that the Dorchester has a guest unit, which is only occupied a small part of the time, and they only pay for 87 units occupied by the owners and the Manager and not the guest room.

Mr. Potter, a resident of the Grosvenor, remarked they have a guest unit, however, he did not know whether or not they paid for this

unit. He stated the Grosvenor has 101 units, plus the guest unit. Mr. Ward advised that the Grosvenor gets charged for their guest unit.

Mr. Jim Colbert, Treasurer of the Chateaumere Board of Directors, stated that their dollars come very hard to them and, in his opinion, the guest room is an extension of the owner's suite. He further advised that the guest room does not pay a maintenance fee, from which Chateaumere pays its water bills. He stated Chateaumere has paid the District \$145,000 over the past three years and the requested credit for the capacity charges is \$778.58, which is a half of one percent of what they paid to the District. He explained the guest suite has a basin and toilet, however, it has no kitchen or any other facilities.

Mr. Hake felt the Board should know what happens every place else, as the District cannot do one and not the other and if they charged all of them, then the District would be opening Pandora's Box.

Mr. Dunwiddie did not feel the District should charge for guest rooms, as they should be looked at as extensions of the owner's units. Mr. Mudge compared the guest room to a hotel room, which is charged minimum capacity charges and felt a guest suite should be considered a dwelling unit.

Mr. Bernie Young, stated that when the Developer was franchised at Chateaumere he was franchised for 140 units and paid hookup fees on 140 units and the Developer was very careful not to let this guest room become a living unit become then he would have to subtract one of the units he could sell from the 140 units for which he was permitted. Thus, these are not living units because they do not qualify in square footage and they

don't qualify in any other description in the Westinghouse franchise. He stated this is not a living unit because Karl Kraemer was only allowed to build 140 living units and this is what he pays hookup fees on. Mr. Ward advised that Mr. Kraemer paid connection fees on 141 units. Mr. Young remarked he was told that because this guest unit did not meet the square footage requirements that he was only allowed to have 140 units.

At this time, Mr. Mudge moved that the Board deny Chateaumere Royale any reimbursement for past capacity charges and deny a change in the billing and to continue to count the guest unit as a dwelling unit. There being no second the motion died.

Following discussion, Mr. Potter moved, seconded by Mr. Mudge and approved, with Mr. Holtan abstaining, that the Board accept the Manager's recommendation that the request for reimbursement for past capacity charges be denied, however, since the Board now has been advised that this unit is a guest unit that the minimum charges from this date forward be based on 140 units, rather than 141 units.

ATTORNEY'S REPORT

Mr. Hake suggested that the Board was very pleased with the performance of Mr. Louis D'Agostino of Quarles & Brady at last month's meeting and the professional way in which he handled himself.

Mr. McMackin distributed two Memorandums to the Board, each having to do with issues discussed at the meeting of September 20, 1989. He explained the first Memorandum discussed the District's rights under the Agreement for the Construction of Subdivision Facilities between WCN and the District entered into on October 21, 1987 and whether the fact that

Westinghouse Communities of Naples desired to make the roads in Bay Colony private, entitled the District to seek a refund for expenditures made for the "major water mains" and "sewer lines". Mr. McMackin's opinion was that the Agreement itself is totally silent on the issue of privatization of the roads and the impact that these roads, being public or private, would have on the District. This was not discussed in the Agreement and his understanding was that it also was not discussed by the Board at the time the Agreement was negotiated. He advised that were WCN to breach the Agreement by setting forth certain items which would constitute a breach on their part, the District would have a right to go back and claim all or part of the District's investment in those major mains. However, his understanding is that there has been no breach on the part of WCN.

He commented that he has spent a lot of time thinking about this issue, as he knows it is an important issue to the Board and the residents, however, his conclusion is that this Agreement is not the way to deal with the owner's dissatisfaction with making Bay Colony's roads private and the privatization of the roads is beyond the scope of the District's interest in "major mains" and providing water and sewer services. He stated there may be other ways that the property owners in Pelican Bay have suffered a loss as a result of the change in status of the roads, but at present, he is unable to see how the District and its installation of major mains is impacted by the change in status of the roads. He advised the one caveat to his general opinion is the question of whether or not blocking the roads and making them private, creates one subdivision in this area. He recalled for the Board of their prior discussion of the major mains and during this

discussion WCN committed they did not know they were going to develop the Bay Colony area and the Board's fear was that if the District installed the major mains in this area and WCN made it into one subdivision, these major mains would become subdivision facilities as the result of a unilateral act of WCN. The theory he came up with was whether or not it could be construed that by erecting the Guardhouse and wall, WCN has in essence created one subdivision. He advised he was unable to convince himself that this argument would succeed, based on his knowledge of the development.

Mr. Dunwiddie commented that, in accordance with the discussion of the Rate Study Committee, the Board has always taken the position that the District would install mains down public roads but not private roads and the District only had the obligation of installing the major main to the incoming point of a subdivision. In his opinion, the Bay Colony issue was the same thing.

Mr. Hake remarked that to the best of his knowledge the road from Gulf Park Drive north is still a private road and has never been dedicated to the County, so the entire sewer line to the Ritz Carlton Hotel is installed on a private road. Also, historically every private area within Pelican Bay that has a security gate in the front, from the main road through the development, is paid for by the Developer. In this case, the line was installed prior to the Developer saying this is going to be a private area and if this line had not been installed and it became a private area then the Developer would pay for the line from Pelican Bay Boulevard into Bay Colony.

Mr. McMackin advised the issue is whether or not Bay Colony is a

subdivision facility as the line in this area can be considered a major main which services two or more subdivisions, which are not being developed under a common theme, by a common Developer. Mr. Hake remarked that as far as the Board was concerned they did not care how many different areas within a private area are declared different subdivisions. Mr. McMackin offered that "major mains" are defined as those mains serving more than one subdivision. Mr. Hake commented that this was an Agreement that was put together prior to this happening and the road becoming private was not contemplated by anybody, however, as a growth factor pertaining to this, and he brought this up at the last meeting, if this road remained accessible to all the residents of Pelican Bay, then it would remain the way it is now. It was his opinion, if access to this road is denied to the residents of Pelican Bay then this makes this area a subdivision, and the costs of the main should be reimbursible by the Developer. Mr. McMackin advised the question is whether the construction of the Guardhouse across the road create a subdivision. He also explained it would not be beyond the realm of realization that a group of separate subdivisions could have one common access road. Mr. McMackin advised that the question seems to be whether the fact that roads become private make major mains subdivision facilities.

Mr. Hake directed staff to furnish each member of the Board with a copy of the "Agreement for the Construction of Subdivision Facilities" and to schedule further discussion on this item on the November Agenda.

Mr. Young also suggested that staff provide Mr. McMackin with the literature currently being made available to everyone which shows that Bay

Colony is a exclusive neighborhood. The Board concurred with Mr. Young's suggestion.

Mr. McMackin advised the Board that prior to the meeting he and Mr. Holtan had discussed that the District has limited its view to a rather narrow issue and there may be broader views that would be of interest to the Pelican Bay property owners outside of the District and if was the wish of the Board that he expand this view to other alternate theories on this issue he could do this. The Board concurred with this suggestion and Mr. Hake asked Mr. McMackin to keep in mind that the road from Interlachen to the Ritz has always been a private road and never dedicated to the County. Mr. Lou Hoegsted advised that this road (Pelican Bay Boulevard) has been dedicated to the County.

Mr. Dunwiddie suggested that they might wish to look through some of the Minutes regarding this issue. Mr. Ward offered to distribute copies of the Minutes of Rate Study Committee meetings and other pertinent information regarding this issue to the Board.

Mr. McMackin reported that he and Mr. Ward had met with Representative Mary Ellen Hawkins and most recently Senator Dudley, who both had the benefit of reading the District's general proposal to the amendments to the District's Enabling Act. He advised that both of them had raised the question of the emergency nature of these amendments. Mr. McMackin explained that the November session of the Legislature is an emergency session and they don't like to put on the Agenda issues which they consider to be housekeeping items but rather just consider issues of an emergency nature. He explained that consideration of the District's

amendments were it not considered of an emergency nature would be put back to the end of the next regular session of the Legislature, which would be in April 1990. Mr. McMackin remarked that both Representative Hawkins and Senator Dudley expressed concern as to why he and Mr. Ward felt this was an emergency and they requested Mr. McMackin to write a letter to them explaining the emergency nature of this matter. Mr. McMackin commented that Senator Dudley and Mr. Ward had come up with a thought that might be a solution to the problem, in that Senator Dudley was predisposed to the District's legislation based on the fact that it was supported by the residents of Pelican Bay, who are his constituents and this is not something the Supervisors were proposing but rather something which has come from the residents. He explained he and Mr. Ward were candid with Representative Hawkins and Senator Dudley as to their fear that the County may take over the Board's position if the Board of Supervisors chose not to go along with the County's offer and the Board desired this amendment so that the Supervisors could have a true business negotiating posture with the County and it would not be a sham which could be overturned if it was the Board's wish to come to a decision to disagree with the County's position. Mr. McMackin explained that Senator Dudley and Mr. Ward came up with a solution in that the Senator would contact the County Commissioners and request that the County agree not to take any action pending the approval of the District's Enabling Act amendments by the Legislature were it to be postponed until the April session. In other words, the County would agree that it would not use or not attempt to use their powers during this period of negotiations and if the County refused to do this, the

Senator then felt the District would have an emergency issue which could be brought up in the November session of the Legislature.

He advised the Board that the Legislative Delegation Hearing is scheduled for October 24, 1989 at 10:00 a.m. at the City Hall and both Representative Hawkins and Senator Dudley had expressed that they would be interested in hearing not only what the Supervisors, but the residents of Pelican Bay felt about this and they both felt they would be persuaded by what the residents wanted and what the residents of Pelican Bay felt was best for them. Further, they felt they would be persuaded by the fact the Supervisors were doing this for a specific purpose or a specific issue that is presently in front of them and it is not just a matter of housekeeping amendments. Mr. McMackin advised that neither Representative Hawkins or Senator Dudley made any promises as to whether they would consider this an emergency item or whether after the Public Hearing they would vote in favor of these amendments or not. They did give some assurance that were the Legislative Delegation to approve these amendments, they felt it was unlikely that the Legislature would override them, as this was a local issue.

Mr. Hake remarked that the changes to the District Enabling Act originated with the question of whether or not the District had the authority to bill the residents of Pelican Bay for cablevision services on their utility bill. He stated that the only purpose that he knew of that the Board has, as it has been elected by the residents of Pelican Bay, without any appointments by anyone, is to benefit the taxpayers and owners of property within Pelican Bay. Furthermore, if it is in the interest of

the property owners and taxpayers within Pelican Bay to use a County oriented system, he was sure the Board would vote for this; however, if it is to the advantage of the taxpayer and the property owners within Pelican Bay to stay with the Pelican Bay Improvement District, he was sure they would vote to remain with the District. In other words, it is a question of what is best for the residents of Pelican Bay and this is the Board's only purpose. He felt the only way the Board could negotiate with the County is on an equal status and this is the issue. Mr. McMackin remarked that he had the feeling that if the Board stated this position to the Legislative Delegation and they were supported by the electorate of Pelican Bay, then the Legislators would look seriously at the District's request.

ENGINEER'S REPORT

Mr. Means reported that WMBS&P had been asked to perform some analyses to determine whether the a 12" potable feed line the County was installing to service Pelican Bay with bulk treated potable water was adequate to service Pelican Bay to buildout. To bring the Board up to speed, he recalled for the Board that there is currently a sixteen-inch potable water feed line from the corner of Seagate Drive and West Boulevard to the tanks at the Utility Site. For the County to serve Pelican Bay with potable water, the County is proposing the construction of a potable feed line along Seagate Drive which would connect to the sixteen-inch main and would connect into an existing main along U.S. 41. He advised WMBS&P looked at this system and used the 12" line proposed by the County and came up with a residual pressure of 32 lbs. psi at the meter which will coincide with the guaranteed residual pressure as outlined in the Agreement between

Collier County and the District. From this, the Board asked WMBS&P to look at the hydraulics for the 16" main which was installed, rather than the 12" main and at various flows between zero and whatever the peak flows might be. He advised that WMBS&P had performed this analysis and in the analyses used three different flows to arrive at differential pressures. The first flow used was the peak month flow for 1989 which was .8 mgd, the next was the annual daily flow at buildout which was 2.9 mgd and the last flow used was the flow he originally used in the analysis of 3.7 mgd, which is the peak daily flow that is the Agreement between Collier County and the District. He advised that at the peak day flow of 3.7 mgd, there is a pressure differential of 8 lbs. psi between the 12" and the 16" main; the maximum flow of the 12" line is 42 lbs. psi at the corner of U.S. 41 and Seagate Drive and using a 16" main along Seagate Drive would drop the required pressure at that flow by 8 lbs. Mr. Hake asked what this meant. Mr. Means explained that one of the other requests by the Board was for WMBS&P to determine when the District might be in trouble if the County could not deliver the pressure and he was having a hard time determining what "trouble" means. All he could recommend was that from what he has seen as typical pressures based on a properly operated regional water system, it would be his opinion that 42 lbs. psi would be a reasonable supply pressure for such a system. Thus, from this standpoint, it would appear that the 12" line proposed by the County is adequate. Mr. Hake advised that the Agreement should then be upgraded to state that 42 lbs. psi has to be supplied to the District and not 32 lbs. psi. Mr. Means explained that the 32 lbs. psi is at the meter at Seagate and West

Boulevard and this is where the 12" line begins and runs out to U.S. 41.

Mr. Dunwiddie remarked that what Mr. Means appeared to be saying was that the maximum daily flow the District currently contemplates at buildout and what the County is proposing in line size (12"), appears to be adequate. Mr. Means responded in the affirmative.

Mr. Means also reported that WMBS&P has been asked to look at the Street Lighting Repair Contract as there was a question as to whether or not the Contractor would charge for the bucket truck during the time that the street lights were being repaired under the hourly rate schedule. He advised he had contacted Mid-Continent Electric, who informed him that they would not charge for bucket truck time during the hourly charges and qualified this by saying that the way they foresaw the repairs being accomplished was that they would raise the pole off the base, put the concrete doughnut on for the grout and since the grout takes at least thirty minutes to cure, during this half an hour they would be able to perform their repairs. Thus, the bucket would be on site anyway and they would have this amount of time to perform any repairs to the pole.

Mr. Means also stated that WMBS&P had been asked to find out whether or not the effluent from the North Naples Collier County Treatment Plant met the current D.E.R. regulations for using effluent on public access areas. He remarked he had spoken with the Wastewater Operations Director for Collier County, who indicated that the plant does not currently meet, in total, the D.E.R. requirements, however, he did not elaborate on the provisions which were not being met. Mr. Mudge then remarked that this meant that Collier County could not supply Pelican Bay

with effluent from this plant until they upgraded or modified the plant to meet D.E.R regulations. Mr. Peek explained that this is what WMBS&P was led to believe in talking with County personnel, however, if the Board considered this a critical item, they would need to gather more detailed information.

MANAGER'S REPORT

Mr. Ward reported that he had recently been advised by the County that in the next fews days they will have approved and issued the permit B.W. Karle Grain & Trucking, the low bidder for the District's sludge hauling contract.

Also, Mr. Ward advised the new insurance company is on board and the District has received the insurance binders and he had written a letter to Fred S. James & Co. and the other bidders advising them of the District's insurance program.

Mr. Ward also reported the Willowbrook weir structure is now in place and the water level is coming up.

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 Phase III-B Expansion External Clarifier	No. 214	Wilson, Miller, et. al.	\$ 7,315.00
1989 Refunding Issue FDER Permit To Bring Utility Site in FDER Criteria 17.610	No. 215	Wilson, Miller, et. al.	2,124.00

Pelican Bay Improvement District
October 18, 1989

<u>CERTIFICATE NO.</u>		<u>CONTRACTOR</u>	<u>AMOUNT</u>
P.B. Blvd., Oakmont Parkway, Greentree Drive, Vanderbilt Connector Road - Design Services	No. 7	Wilson, Miller, et. al.	\$ 10,349.00
Oakmont Unit 11 Street Lighting Design Services	No. 5	Wilson, Miller, et. al.	23.00
Street Lighting Repair Design Services	No. 5	Wilson, Miller, et. al.	65.75
Bay Colony Shores Design Services	No. 10	Wilson, Miller, et. al.	182.10
		TOTAL AMOUNT	\$ 20,058.85

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 Invoices For September 1989 - Approved As Presented

Following discussion, Mr. Mudge moved, seconded by Mr. Dunwiddie, and carried unanimously, that the Water/Sewer Invoices for September, 1989, be approved as presented.

Water Management Invoices For September 1989 - Approved As Presented

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

Street Lighting Invoices For September 1989 - Approved As Presented

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

SUPERVISOR'S REQUESTS AND AUDIENCE PARTICIPATION

Mr. Potter asked Mr. Ward the outcome of the drainage problem at the Stratford. Mr. Ward replied that the latest he had heard was that the Stratford Representative and the Developer would be meeting within the next week to discuss a final resolution to this issue. He had heard from both parties that their discussions were going well and they were very close to arriving at a solution to the problem. Mr. Hake remarked there is no reason why there has not been a resolution to this issue and he advised Mr. Ward to let Mr. Ferrao know that he should take care of the matter promptly. Mr. Ward promised to follow up on this matter.

Mr. Hake discussed the matter of setting up a Committee to meet with the County to further discuss looking at the County taking over the District's system. He did not think this matter should be restricted to a County/District staff situation and felt strongly that there should be a member of the Board on the Committee, as well as a member of the Property Owner's Association. He was sure that if the Committee put forth the right effort, the meetings could be timely and productive. With the Board's permission, Mr. Hake asked Mr. Bernie Young, Vice President of the Pelican Bay Property Owner's Association, to supply the Board with a name of the person they would desire sit on this Committee and to inform the Board of their selection at the next meeting. Mr. Hake also recommended that Mr. Mudge sit on the Committee as the Board's representative, as well as Mr. Ward. Mr. Dunwiddie suggested that either Mr. Ron Orach and Mr. Means also sit on this Committee. Mr. Hake suggested that this could be left up to Mr. Mudge to bring the Engineer's in the discussions whenever he felt it

was necessary. Mr. Hake suggested that after the Committee was appointed at the next meeting, meetings with the County could be set up immediately and if the Committee desired to meet in December this was okay with him. Mr. Potter suggested that the discussions of this Committee should center on entering into some type of agreement with the County for furnishing bulk services to the District rather than just discussing incorporating the District into the County's Utility District. Mr. Mudge commented that he was at the meeting of the Collier County Board of Commissioners at which Mr. Arnold addressed the Commissioners and if he recalled correctly it was reported at this meeting that the Commission had said that there would be no bulk agreement with Pelican Bay and they would only serve Pelican Bay on a retail basis. Mr. Mudge asked Mr. Arnold if this was correct. Mr. Arnold responded in the affirmative. Mr. Mudge expressed concern that the Commission had said that there would be no bulk agreement. Mr. Arnold stated that he felt the Commissioners based their opinion on the Report itself, as the findings in the Report seemed to imply that it would not be beneficial to the County if it were to be a bulk service scenario. Therefore, the Board of County Commissioners directed the proposition be directed to Pelican Bay on a retail service basis and not a bulk service basis. He advised, however, that he would not rule out a review of this opinion during further discussions.

Mr. Hake, speaking as a taxpayer of Collier County, stated that the money the County spent and the results which came from the Hole, Montes & Associates Study were worthless because the Report did not address itself to the problem that the County has of getting rid of wastewater and the

District's problem of not having enough wastewater and this could be a very happy "marriage", i.e., the County could make money and the District could save money for its taxpayers. He felt this was an important issue that should be discussed. Mr. Arnold remarked that hopefully from this point forward this could be a basis for discussions.

Mr. Dunwiddie assumed that the Board had copies of Mr. McMackin's letter to him, addressing the possible lawsuit against United Industries and Post, Buckley, Schuh & Jernigan, Inc. It was his feeling that this situation is now where it should be left, however, before making this decision, he asked Mr. McMackin if the Board did nothing at this time and the deadline passed, where the Board stood on having the right to sue, and the possibility the District could be sued by PBS&J for non-collection of the outstanding bills for PBS&J's Report. Mr. McMackin responded that in reading the comments by Mr. Dyer at last month's meeting he did not feel PBS&J would sue the District for non-payment, because of the legal fees that would be involved. On the matter of Statute of Limitations, he advised that the worst case scenario for the District would be that the deadline would pass. Mr. Dunwiddie's recommendation to the Board was this issue to dropped. The Board concurred.

Mr. Dunwiddie stated that he had recently received some correspondence from Guy Carlton's office regarding the excess fee distribution which had been paid the District and he asked Mr. Ward to explain what this was. Mr. Ward advised that the Collier County Tax Collector charges an upfront service charge to all the various agencies for whom they collect fees and at the end of the year, the Tax Collector

reimburses the Agency for a portion of the fees which were not used.

Mr. Dunwiddie remarked that the Forum Lifecare Facility is starting to do work on their site, other than put up a trailer, and he also understood that the trailer sits on the District's easement and they were apparently proceeding with construction without resolving the easement question. He asked Mr. McMackin whether the Board should take any action at this time to protect the District's interests. Mr. McMackin did not feel any action was necessary. Mr. Hake did not think that the trailer was encroaching on the District's easement, however, he asked Mr. Ward to furnish he and Mr. Dunwiddie with a copy of the drawings. He stated that in going over to the site and looking at it himself, it did not appear to him that the trailer or parking lot is on any District easement, however, it could be on an easement they propose to give the District, if and when the District gives up the other easement. Mr. Ward concurred this was also his understanding. Mr. Hake advised that if the Forum was proceeding with any work on site, they were doing so at their own risk, as the Board has not given any approval for them to proceed. Mr. Ward offered that the Forum is aware of this and he had been advised by the Forum that they do not plan on proceeding with any construction at this time, other than what is already out there.

Mr. Bernie Young, Vice President of the Pelican Bay Property Owner's Association, reported that he had been asked to poll the Board as to the status of discussions held almost a year ago about the possibility of hiring a professional executive manager. Mr. Hake commented that there have been some discussion and there will be more intense discussions very

soon. He explained that this charge had been given to him and it seemed rather silly to him to go out and hire a person for this job if there was a possibility that the Board could come to some sensible agreement with the County. He advised this issue has been dragging its feet since last December and if the District was going to go with the County, it would be unfair to bring someone on board and all of a sudden put him out of a job. He felt that the Board has reached the point where decisions have to be made quickly to satisfy the needs of the residents of Pelican Bay and the District is tied into a very tight schedule and will be moving promptly on this issue as well as other matters and when it comes close to a head then there will be some major decisions made.

Mr. Young advised it was obvious to the Property Owner's Association that the District is going to have a need for an ongoing Executive Director in Pelican Bay, even if the County takes over the water and sewer operations because there will still be a Street Lighting District, etc. He also felt that there would be a day when the property owners take over the Foundation and, in his experience, it has been impossible in the past seven years to explain to the residents the difference between the Pelican Bay Improvement District and the Foundation. Thus, it appeared to him that it was common sense that whatever is left of the District in the future be combined with the Foundation and this in itself would be enough to have the need for a qualified, paid, Executive Director. In his opinion, the point has been reached where the District needs professional leadership to solve its future problems. Mr. Mudge offered that combining the District and the Foundation would have its best

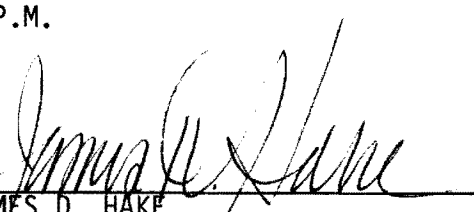
chance when buildout is reached. Mr. Young stated that all he was saying is that it will happen and if the Board is afraid of hiring someone and paying him \$50,000 a year and having nothing for him to do, he did not think this would be the case and that no matter how much is turned over to the County, there would still be the necessity of having their own government in Pelican Bay.

Mr. Mudge asked if tomorrow, the County comes in and says that they have decided that Collier County will take over the District, whether they have the legal right to do so. Mr. Hake responded that the Board had previously received a legal opinion on this from Mr. McMackin and in Mr. McMackin's opinion, the County cannot do this, because the way the Enabling Legislation has been written, they can only do this at buildout. Mr. McMackin commented that this was his opinion of what was set forth in the Statutes, however, he inferred from Mr. Neal Dorrill remarks that he felt otherwise. Mr. Dunwiddie asked if the County did this would the Board's recourse be to go to Court and ask for an injunction against the County and settle this issue in the Courts. Mr. McMackin responded that this would be his opinion but would depend on the mechanics of how the County would do this. If the County passed a Resolution constituting themselves as the Board of Supervisors, the first question would be, would the Board have the authority to meet any longer. Mr Hake stated that Mr. Dorrill was trying to impress the Board with his importance and if it didn't benefit the County and it didn't benefit the residents of Pelican Bay then the County doesn't want Pelican Bay. Mr. Dunwiddie remarked the trouble is what benefits the County and what benefits Pelican Bay are two different things.

Mr. Mudge stated that there is no way the County can benefit both the County residents and the Pelican Bay residents. Mr. Hake suggested that the County could benefit by getting rid of their excess effluent in Pelican Bay while also benefitting the residents of Pelican Bay and it appeared to him from Mr. Arnold's comments that the County had never thought about this before and that Mr. Arnold really seemed to be interested in this. Mr. Dunwiddie stated that this matter should have been discussed months ago. It was Mr. Potter's opinion that when the Board of County Commissioners accepted the Report he did not believe the Commissioners were actually saying this. Mr. Mudge stated he specifically asked Mr. Arnold this question and he responded that this is what the Commission told him, i.e., no bulk service agreement with PBID.

ADJOURNMENT

There being no further business to come before the Board at this time, Mr. Mudge moved, seconded by Mr. Hake and approved unanimously that the meeting be adjourned. Time: 5:55 P.M.



JAMES D. HAKE
PRESIDENT
PELICAN BAY IMPROVEMENT DISTRICT

PELICAN BAY IMPROVEMENT DISTRICT
WATER/SEWER INVOICES
SEPTEMBER 1989

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Actron IV, Inc.	Rent Equipment	\$ 664.00
A.J. Welding	Repair Tractor	240.00
B & B Builders	Plant Supplies	90.42
B & H Sales	Meters & Meter Supplies	840.57
BancFlorida	August Meeting Room Rental	25.00
Bay Electric of Collier	Electrical Repairs - WWTP & Well #1	1,424.20
Blanchard Machinery	Rent Equipment	106.22
Bonita Rent-All	Rent Equipment	150.77
Brinker Brown Fastener	WWTP Supplies	33.59
Budco Temporaries, Inc.	Temporary Day Labor	132.00
Chemsearch	Chemicals - WWTP	115.10
City of Naples	Potable Water Service - August 1, 1989 to September 1, 1989	17,515.42
Coastal Couriers, Inc. Coral Springs	July Courier Service	4.00
Improvement District	September Dental Insurance	49.56
Crystalene Products of Florida	Chemicals - WWTP	85.50
Envirotech Operating Services	Potable & W/W Analyses	576.00
Federal Express Corp. File One	August Courier Service	62.25
File One	August & September Office Supplies	465.96
File One	Filing Cabinets & Supplies	510.00
Florida D.E.R.	Permit Fees - Unit 13 & Treatment Plant Expansion	1,150.00
Florida Municipal Health Trust	September Health Insurance	434.91
Florida Power & Light	August & September Electric	6,018.88
Fred S. James	Audit - Package Policy	3,298.14
Graybar Electric Co.	Square D Thermal Unit	60.88
Hour Delivery, Inc.	August Courier Service	5.00
McC Crane Service, Inc.	Crane Rental	192.50
Motorola, Inc.	Repair Portable Radio	147.60
Naples Community Hospital	CPR Registration Fees	80.00
Naples Daily News	Legal Advertising	449.30
Naples Daily News	Help Wanted Advertising	171.00
Naples Well Drilling	Cap On-Site 2" Well	215.00
North Trail Auto Parts	Vehicle Maintenance & Plant Supplies	151.11
Odesta Corporation	Software Update	40.00
PB&S Chemical Co.	Chlorine	2,468.90

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

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Qualicom Electronics	September Phone Pager	\$ 13.99
Quarles & Brady	July Legal Services	375.80
Ray's Septic Service	Remove Sludge WWTP	600.00
Robbins Telephone Answering Service	September Answering Service	93.15
Sears, Roebuck & Co.	Camera & Film	67.45
Southwest Electric Supply	Electrical Supplies	17.91
Stefanko, Richard	Reimburse for Class C Wastewater Course	118.50
Unisys Corporation	Annual License Fee (Computer Hardware)	184.98
United Telephone Of Florida	September Telephone	414.16
Walchem Corporation	Metering Pump	446.00
Waste Management of Collier County	August & September Utility Site Dumpster	417.00
Weavers Office Supply	September Office Supplies	95.22
Wilson, Miller, Barton, Soll & Peek, Inc.	Engineering Services - July 28, 1989 Thru August 25, 1989	2,839.15

PELICAN BAY IMPROVEMENT DISTRICT
WATER MANAGEMENT INVOICES
SEPTEMBER 1989

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
AC Laboratories, Inc.	August Lake Sampling	\$ 420.00
A.J. Welding	Repair Mower & Tractor	200.00
Asgrow Florida Company	Lake Maintenance Chemicals	5,061.10
BancFlorida	August Meeting Room Rental	25.00
Bay Electric of Collier	Install Time Clocks	886.90
Budco Temporaries, Inc.	Temporary Day Labor	132.00
Coral Springs Improvement District	September Dental Insurance	49.56
File One	August & September Office Supplies	465.99
File One	Filing Cabinets & Supplies	510.00
Florida Municipal Health Insurance	September Health Insurance	434.93
Fred S. James - Naples	Audit Package Policy	993.96
Gulf Oil Corporation	Gasoline	6.00
Jacaranda Landscape	September R-O-W Maintenance	16,795.37
Naples Daily News	Legal Advertising	151.42
Naples Daily News	Help Wanted Advertising	171.00
North Trail Auto Parts	Vehicle Maintenance Supplies	27.98
Odesta Corporation	Software Update	40.00
Qualicom Electronics	September Telephone Pager	13.98
Quarles & Brady	July Legal Services	826.00
Robbins Telephone Answering Service	September Answering Service	93.16
Unisys Corporation	Annual License Fee (Computer Hardware)	184.98
United Telephone of Fla.	September Telephone	315.05
Weavers Office Supply	September Office Supplies	95.22
Wilson, Miller, Barton, Soll & Peek, Inc.	Engineering Services - July 28, 1989 thru August 25, 1989	1,241.65

PELICAN BAY IMPROVEMENT DISTRICT
 STREET LIGHT INVOICES
 SEPTEMBER 1989

<u>PAYEE</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
Barnett Bank	Unit 4 Street Lighting Loan - Principal to October 3, 1989	\$15,000.00
Barnett Bank	Unit 4 Street Lighting Loan - Interest to October 3, 1989	563.34
Barnett Bank	Unit 6 Street Lighting Loan - Interest to October 5, 1989	893.93
Bay Electric of Collier	Street Lighting Repairs	1,611.43
Fred S. James - Naples	Audit Package Policy	225.90
Quarles & Brady	July Legal Services	713.90

PELICAN BAY IMPROVEMENT DISTRICT
OCTOBER 18, 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 Meetings held on September 6, 1989 and September 20, 1989.	3 - 59
3. Presentation by Collier County of Proposal to Provide Wastewater Capacity to the District.	59 - 746 (End Tape 1, Side A) 0 - 93 (Tape 1, Side B)
4. Consideration of Work Authorization from Wilson, Miller, Barton, Soll & Peek, Inc. to Provide Engineering Services for the District's Proposed Phase III Facilities Expansion.	93 - 210
5. Consideration of Work Authorization 28 from Wilson, Miller, Barton, Soll & Peek, Inc. to Provide General Consultation Services for Fiscal Year 1990.	210 - 243
6. Award of Bid: A) The Purchase of Water Meters for Fiscal Year 1990.	243 - 275
7. Consideration of Request to Correct Error in a Legal Description for an Easement Granted to the Pelican Bay Improvement District for Water and Sewer Utilities in Villa Lantana.	275 - 401
8. Consideration of Request for Billing Adjustment for Chateaumere Royale.	401 - 711
9. Attorney's Report.	711 - 746 (End Tape 1, Side B) 0 - 316 (Tape 2, Side A)
10. Engineer's Report.	316 - 452
11. Manager's Report.	452 - 474
12. Certificates of Payment.	474 - 493

PELICAN BAY IMPROVEMENT DISTRICT
OCTOBER 18, 1989 MINUTES
TAPE NUMBERS & CORRESPONDING AGENDA ITEMS

(PAGE 2)

AGENDA ITEM

NUMBER ON TAPE

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|-----------------------------------------------------|------------------------------------------------------------|
| 13. Confirmation of Invoices. | 493 - 616 |
| 14. Supervisor's Requests & Audience Participation. | 616 - 746 (End Tape 2, Side A)
0 - 314 (Tape 2, Side B) |
| 15. Adjournment. | 314 - 316 |