



City of Naples

City Council Chambers
735 Eighth Street South
Naples, Florida 33940

-SUBJECT-	Ord. No.	Res. No.	Page
<u>RESOLUTIONS</u> ADOPT resolution authorizing the Mayor and City Clerk to execute an addendum to Pelican Bay Improvement District/City of Naples interconnection agreement.		86-5135	1-5
ADOPT resolution authorizing the Mayor and City Clerk to execute addendum #4 to the City/County agreement for water and sewer service.		86-5136	1-5

COUNCIL MEMBERS	M O T I O N	S E C O N D	VOTE		A B S E N T
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<p>had been stricken and redrafted as Exhibit A to the agreement. This amendment clarifies that Pelican Bay is to disconnect from the City system and connect to the County system some time between this two to five year period.</p> <p>Mayor Putzell cautioned the Council that upon the execution of this agreement, if, by chance, the County does not serve Pelican Bay after the five year period, the City is obligated to serve them. He also pointed out that this Interconnection Agreement is open-ended except in the event that within the five year period, the County takes over and serves water to Pelican Bay. City Manager Jones explained that Mayor Putzell was correct; however, the County has already moved forward by execution of contracts to construct the water line and plant expansion. The anticipation would be, therefore, that the City will be relieved of the responsibility to serve Pelican Bay. However, in the event that this should not happen, he said, the City would be capable of supplying the water due in part to a large reserve capacity for areas not yet developed. Pelican Bay's service would require less than 10% of the City's capacity, said Mr. Jones.</p> <p>In response to Mr. Richardson's concern, Mr. Jones advised that the City would still have flexibility in the undeveloped areas of our service district. Mr. Graver asked if the City's first intent was to serve Pelican Bay permanently and, if so, would it be a problem to do so should the County fail to provide service within the five year period. City Manager Jones reassured Mr. Graver that the City had the capability to serve Pelican Bay permanently if the need arose; however, he reiterated that he did not anticipate this happening because the County was pursuing service to Pelican Bay in an effort to broaden its base.</p> <p>Mayor Putzell expressed concern at the possibility of having to supply new needs as a result of annexation and if the present service area is sufficient for such annexation. City Manager Jones advised that the majority of the areas to be annexed are currently in the City's water service area and would not impact the City's ability to serve them. He further asked what gallonage would be supplied to Pelican Bay and if an amount was specified in the agreement. Assistant City Manager Wiltsie advised that the current use was 250 gallons per unit per day for Pelican Bay. Mr. Bledsoe asked what the present usage was and Mr. Wiltsie advised that until March or April, the usage would be approximately 200,000 gallons per day until the 16" line on Crayton Road was completed.</p> <p>Mr. Graver expressed concern about costs that the City might suffer during the two year contract period. Mr. Jones advised that the agreement with Pelican Bay provides that they pay all the costs including financing of a 16" water main from Harbour Drive to Park Shore Drive. Mr. Jones further advised, in response to Mayor Putzell and Mr. Richardson, that the verbiage in the Pelican Bay agreement provided for an estimated amount of \$185,000 for the cost of this 16" water main.</p> <p>Mr. Wiltsie pointed out that the amount of units to be constructed had been increased from 2,500 to 8,000. Mayor Putzell asked how that would translate into gallons and Mr. Wiltsie advised that it would be approximately 750 gallons per day per person, including irrigation, with the total usage per day estimated at 2.5-million gallons for 8,000</p>					

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<p>units. Mr. Barnett expressed concern regarding the risk of the total usage exceeding that estimate and Mrs. Anderson-McDonald said that according to Mr. Wiltsie's figure of 750 gallons per day, it would be 6-million gallons total usage. City Manager Jones explained that this figure would be used if irrigation were factored in. Utilities Director Chaffee explained that the national average usage was 150 gallons per person per day. Based on a two-person usage per unit, it figures out to be 2.5-million gallons per day, not including irrigation, he said. Mr. Graver asked if the City had a firm commitment on the 8,000 units. Mr. Jones advised that the PUD limits Pelican Bay to develop up to 8,000 units.</p> <p>Mr. Bledsoe asked how many units were currently in Pelican Bay and Mr. Chaffee advised that at the present time there were a total of 2,300. City Manager Jones further advised that presently Pelican Bay is utilizing its own plant that will provide the bulk of water needed for the initiation of service. This eventually will be phased out to connect with the City's service, he said. Present gallonage used by Pelican Bay is approximately .5-million gallons per day.</p> <p>Mr. Graver asked what rate Pelican Bay would be charged for the two-year contract. Mr. Jones advised that Pelican Bay's initial rate was .965; however, this rate is subject to the same increases as other retail customers as long as it is based on the same services.</p> <p>When Mayor Putzell asked if the Council wanted to act on both contracts, City Manager Jones suggested that Council approve the contracts authorizing the Mayor and the City Clerk to execute them pending approval by the County. Mayor Putzell pointed out that the reason for this special meeting was to accommodate the County's request that the Council approve these contracts, upon review, because the Commissioners had placed this item on a tentative agenda for the following day. City Manager Jones said that City staff has checked weekly on the status of these contracts and had received them late Friday afternoon, October 31, hence the short notice for this special meeting.</p> <p>Mr. Bledsoe asked if the Southwest Florida Water Management District (SWFWMD) could put restrictions on the use of water and what affect it would have on the rest of the City's customer base. City Attorney Rynders advised that the SWFWMD had the authority to put restrictions on anyones' wells.</p> <p>City Manager Jones summarized the changes that the County made in the agreement first approved by Council; namely, the length of the agreement to read a minimum of two years up to a maximum of five years. Mr. Jones suggested that a change also be made to Addendum #4, page 2, line 2 to read: "until County provides such service to PBID..." He also stated that the County has requested the City convey an existing 12" water main along U.S. 41 north of Pine Ridge Road; the City will not have a need for this line after service to Pelican Bay has ceased, he advised. Mr. Jones further suggested that the paragraph relating to the 12" water main be changed to include the following: "that at the time the County provides service to PBID, then the City</p>					

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<p>will convey to the County, at no cost to the County, that certain 12" water main located on the west side of U.S. 41."</p> <p>Mayor Putzell asked if the City would be collecting impact and other fees up until the time that the County took over service. City Manager Jones advised that the agreement did not contain any provision allowing or disallowing the fees and he further advised that Pelican Bay was responsible for the cost to hook-up, including the cost of improving transmission facilities, by installing a line on Crayton Road from Harbour Drive to Park Shore Drive in lieu of system development fees for the first two years. Pelican Bay will not pay City impact fees from the second to fifth year, but if the City continues service beyond the five years, the City will be paid for the systems development charges for each unit connected at a rate of \$195 per unit, less credit for what has already been paid for the 16" line. There is a vehicle for charging for extraordinary items through the regular procedure used to develop the rates, he said. "We are comfortable that we are protected in not incurring unrecoverable costs between the second and fifth year," Mr. Jones said.</p> <p>Mayor Putzell asked if the County, under the proposed agreement, was entitled to collect any fees from Pelican Bay between the second and fifth years. Mr. Jones assured Council that the County could not collect fees until their service is established. City Attorney Rynders further assured them that until the County met tests imposed by the State Statutes, they would not be able to levy impact fees against Pelican Bay.</p> <p>Mr. Graver inquired if there would be a cost to the City in conveying the 12" water line to the County and City Manager Jones advised that the County would have to bear the cost of disconnecting the line and further that the County would assume any outstanding debt associated with that line, although, at this time there was none. The line had been built in the late 1950's to early 1960's, Mr. Jones said.</p> <p>Mr. Bledsoe asked if the rate to Pelican Bay was advantageous to the City and Mr. Jones advised that it was and further explained that the City is permitted under state law to charge a surcharge for areas that are outside the City and that was taken into consideration in determining Pelican Bay's rates. Mr. Jones referred to Section Five of the City/County Agreement Addendum, which adds to the City sewer service district the area from Goodlette Road to Airport Road and north Golden Gate Parkway to Pine Ridge Road, where there will not be a large demand for several years and the possibility of using these areas for developing reuse systems. Mayor Putzell said that the condition of this two year agreement with the County was on the basis that all the water and sewer problems between the City and County be corrected. He was assured by the City Manager that such is the case.</p> <p>Mayor Putzell asked that the City/County Agreement Addendum reflect the following changes: page 3, section 5, line 2: "mutually agree to promptly amend . . ." and page 3, section 5, line 21: "MSTU project shall be promptly established . . .".</p> <p>Mr. Graver moved that the resolutions be adopted with the stipulation that the Mayor and City Clerk are authorized to execute the contracts subject to the approval of the County with minor changes to the</p>					

CITY OF NAPLES, FLORIDA

City Council Minutes

Date November 3, 1986

COUNCIL MEMBERS	M O T I O N	S E C O N D	VOTE		A B S E N T
			Y E S	N O	
Anderson-McDonald			X		
Barnett		X	X		
Bledsoe			X		
Crawford					X
Graver	X		X		
Richardson			X		
Putzell (6-0)			X		

language. City Manager Jones advised that the County will not approve the contract between the City and Pelican Bay. The County will, however, execute an agreement with Pelican Bay, so Council should make execution of that contract subject to the approval of the County's agreement with Pelican Bay, Mr. Jones suggested.

Mayor Putzell asked the City Attorney if he had reviewed the contracts for substance and form and the City Attorney advised that he indeed had.

MOTION: To ADOPT the resolutions as presented with minor changes to the language with the stipulation that the Mayor and City Clerk are authorized to execute the contracts, subject to approval by the County.

Mayor Putzell asked that the record reflect his request of the City Attorney to provide Council with a layman's summary of each important contract in the future. Council has the responsibility of passage of these documents and should be apprised of the legalities involved, he said. Mayor Putzell further asked that Council be thorough in their review of such documents as they will impact the future of the City. Mr. Richardson concurred.

ADJOURN: 9:50 a.m.


Edwin J. Putzell, Jr., Mayor


JANET CASON
CITY CLERK


JODIE M. O'DRISCOLL
DEPUTY CLERK

These minutes of the Naples City Council were approved NOV 19 1986.