

City Council Chamber
735 Eighth Street South
Naples, Florida 33940

City Council Workshop Meeting - December 20, 1993 - 9:00 a.m.

Mayor Muenzer called the meeting to order and presided.

ROLL CALL

ITEM 1

Present: Paul W. Muenzer, Mayor
Fred L. Sullivan, Vice Mayor

Council Members:
Kim Anderson
R. Joseph Herms
Alan R. Korest
Ronald M. Pennington
Peter H. Van Arsdale

Also Present:

Dr. Richard L. Woodruff, City Manager
Maria J. Chiaro, City Attorney
William Harrison, Finance Director
Dan Mercer, Utilities Director
Ann Walker, Planner II
Missy McKim, Community Development Director
George Henderson, Sergeant-At-Arms
Marilyn McCord, Deputy City Clerk

Jerry Hartman
Jim Rideoutte
Mike Slayton
Dennis Hass

Media:

Eric Staats, Naples Daily News
Paul Kenney, WBBH-TV
Other interested citizens and visitors

ITEM 2

ITEMS TO BE ADDED

City Manager Woodruff advised Council that some restaurants had approached the City for permission to serve alcoholic beverages later than regulations allow on New Year's Eve. City law states that alcoholic beverages may not be served later than 2:00 a.m. City Attorney Chiaro said that the State law does not prescribe operation regulations. Staff did not recommend that the City make any exceptions to the law this New Year's Eve, and Council concurred.

ITEM 3

**DISCUSSION OF FEASIBILITY STUDY REGARDING RAW WATER
SALE BY HARTMAN & ASSOCIATES**

Copies of the following are available for viewing in the City Clerk's Office:

- . Groundwater Resource Analysis for Western Collier County/Volume I**
- . Raw Water Rate Study/Volume II**
- . Raw Water Capital Improvements Briefing Document/Volume III**

Mr. Jerry Hartman of Hartman & Associates introduced several people in attendance who had worked on the study. Utilities Director Dan Mercer used visual aids to review the introduction to the study data. Mr. Mercer also provided an overview of current wellfield facilities and twenty year projections, which are based on a 6% water loss. Until the year 2015, the current facilities will be able to meet the City's needs.

City Manager Woodruff advised that Hartman & Associates had been charged with the task of proving that in the worst case scenario, sale of raw water to the two utilities (Southern States and Florida Cities) will work. The purpose of the study, said Dr. Woodruff was to answer the following:

- . Is there enough water in the Golden Gate wellfield alone to meet the needs of all three utilities, assuming the very worst conditions?**
- . If yes, what should the City charge for raw water?**
- . What capital improvements would be needed to be able to do so?**

Mr. Hartman continued the presentation, using a series of transparencies, copies of which are included as Attachment #1. He informed Council that the City's operations have been more cost effective than anticipated and Utilities Director Mercer and his staff should be commended. Mr.

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Hartman announced, "I'm very confident in saying the water resources are adequate from a resource standpoint to meet the needs of these customers. The best use of this water is for drinking water for humans." Mr. Hartman explained that for the purpose of rate setting, the Public Service Commission depreciates transmission lines at forty years, however, they will actually last up to one hundred years.

Hartman & Associates geologist Chuck Drake reviewed the well location map and discussed the saline content and reverse osmosis. Mr. Drake went on to describe the condition and capacity of the existing wells.

City Manager Woodruff commented that the South Florida Water Management District was supportive of the City's system serving all three utilities. He emphasized to Council the fact that existing legal water customers would not be impacted by the additional customers. Mr. Mike Slayton, South Florida Water Management District, reviewed projected water conservation projects, including an expanded reuse program and a public education program. Mr. Slayton reminded everyone that the State owns the water and is not a local commodity.

Next Mr. Hartman reviewed the recommended rate structure, which provides a revenue source to protect the water resources. The contract presently being drafted is for twenty years, with renewal options. Finance Director Bill Harrison assured Council that the rate will be calculated not less than every five years. Council discussed the proposed rates at length, with Council Member Herms expressing his discomfort with 27.4 cents per 1,000 gallons. Mr. Hartman pointed out that the recommended rate would fully cover depreciation and he would not recommend any lesser rate. Dr. Woodruff noted that any rate approved by Council must also be approved by the Public Service Commission.

Council Member Pennington noted, "We aren't in the business to make a profit; we're a public entity." Dr. Woodruff assured everyone that the rates would be researched further before coming back for Council approval. Staff will ascertain the actual cost of raw water.

To summarize, Dr. Woodruff answered the questions outlined earlier:

- . There is sufficient capacity in the Golden Gate aquifer.
- . The minimum rate which should be charged is 27.4 cents per 1,000 gallons.
- . Southern States Utilities is responsible for 100% of the capital improvements necessary.

The contracts will be discussed at a Council meeting in January, 1994.

BREAK: 11:45 a.m. - 11:55 a.m.

ITEM 4

**DISCUSSION OF STATISTICAL REPORT AND COMMUNITY
REDEVELOPMENT AGENCY (CRA) BOUNDARIES.**

Planner Ann Walker posted a map depicting CRA (Community Redevelopment Agency) boundaries as revised by the Community Redevelopment Advisory Board. Cambier Park in its entirety is included in the revised boundaries. Two resolutions concerning the CRA and its boundaries will be on the January 5, 1994, Council agenda. All affected property owners will be notified of that meeting. Ms. Walker informed Council that the inclusion of the added properties will result in a positive financial impact. Attorney Dennis Hass added that this is an excellent time to refine the CRA boundaries and that there would be no impact on tax increment collections as a result.

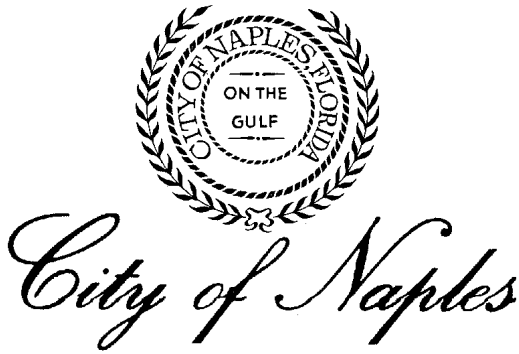
Dr. Woodruff pointed out that the Community Redevelopment Advisory Board believes the CRA district will not get any larger in the future. Community Development Director Missy McKim and Attorney Hass answered Council's questions about the boundaries. Attorney Hass noted that it was the City's decision which properties are in the CRA. Mrs. McKim said that Boat Haven, Tin City, and the Wellesley Inn are not included in the CRA.

ADJOURN: 12:20 p.m.

PAUL W. MUENZER, MAYOR

Janet Cason
City Clerk

Marilyn McCord
Deputy City Clerk



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These minutes of the Naples City Council were approved on January 5, 1994.

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Convened 9:00 a.m. / Adjourned 12:20 p.m.

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