

MINUTES OF MEETING  
GATEWAY SERVICES DISTRICT

A special meeting of the Board of Supervisors of the Gateway Services District was held Wednesday, February 24, 1993 at 4:00 P.M. in the District Office, 13240 Commerce Lakes Drive, Fort Myers Florida.

Present and constituting a quorum were:

Douglas Brown	Chairman
Don Lazenby	Supervisor
Steve Shimp	Supervisor
Craig Bloxham	Supervisor
Steven R. Whitley	Secretary

Also present were:

Gary L. Moyer	Manager (by telephone)
Jim McNeil	Attorney
Gene Decker	Field Superintendent
Steve Morrison	Johnson Engineering
Dave Caldwell	Westinghouse Gateway Communities
Maureen Lund	City of Fort Myers Planning & Zoning
Emmette Waite	City of Fort Myers Public Works

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Brown called the meeting to order at 4:00 P.M. and stated the record will reflect that all Board members are present.

**SECOND ORDER OF BUSINESS**

**Consideration of Pre-Annexation Agreement Between Westinghouse Gateway Communities, George Sanders and the Gateway Services District**

Mr. Moyer stated the purpose of this meeting is to consider the Pre-Annexation Agreement and those sections of the Agreement that deal with Gateway Services District and our relationship with the City once the annexation is completed. I will ask Mr. McNeil to review those sections which are contained in Section 5 and open it up for Board discussion.

Mr. McNeil stated the only significant change in Section 5 that we need to concentrate on starts in 5.3. The language that we were aware of is the last sentence in 5.3 that says, "GSD shall generally conform the design and technical standards and materials utilized by GSD to those of the City as appropriate". I

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believe Mr. Moyer answered our concerns on that issue at the last meeting. Also representatives of Johnson Engineering said that our standards for construction are either as good as or better than the City's so we wouldn't have any problem with our construction dovetailing with the City.

The issue we really need to work on is 5.4 which says, "WGC and GSD will approve expansion or merger of GSD to include enclaves within the City which are isolated from other parts of the City by Gateway and which are designated by the City for service by GSD in agreements between the property owners and the City. Such expansion will occur upon application as required by law by said owner and upon satisfaction of all statutory requirements. Property to which this provision applies is generally shown in Exhibit "A"."

I really only had two questions when I reviewed this language and one is from a bonding standpoint, would this agreement violate any of the bond covenants were we called upon to supply services to one of the enclave areas. I got a letter from Al del Castillo that basically says the contemplated expansion of the District's geographical boundaries should not have any negative implications for the District's outstanding tax exempt bonds and note. That issue is cleared up.

The only other issue I had a question on which I spoke with Forrest Banks about and that is from a technical and practical standpoint is there a problem running water and sewer service to the enclave areas and would it burden the system to the point where we wouldn't have the capacity to take care of our own residents in the future.

Mr. Morrison stated we had a few questions. The first is, when they refer to enclaves, we want to see a map showing the geographic locations of those enclaves. The exhibit that was handed out delineates those properties and it looks like they are all contiguous to Gateway.

The second item is from an engineering standpoint we really don't see any problem with serving those areas. Just like anywhere else in the City or other utility system, if a property wants to be served and there is no facilities near, then it is common practice for that project to build the facilities they need and run it to the nearest City or G.S.D. line, then those lines are normally dedicated to the utility provider. When Westinghouse builds a subdivision they build the infrastructure to G.S.D. standards and turn it over to G.S.D. upon completion and I believe that is how these enclave areas will be handled. If that is the case and they don't place a burden on the current customers, then we really don't have any problems with this language.

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Mr. McNeil asked do you think we need to add language to the effect that any enclave area wishing to hook up to the G.S.D. facilities will be responsible for bringing their service line to the closest G.S.D. service line?

Mr. Morrison responded that may be covered indirectly by the language that says they have to comply with G.S.D. rules and regulations and statutory requirements. I don't know if that is necessary or not. G.S.D. has rules and regulations and they have to comply with those.

Mr. McNeil stated I wanted to be sure that someone owning a piece of property in an enclave won't think that all they have to do is go to their property line and hook up to a pipe.

Mr. Shimp stated I think that is a wise thing. I think you ought to put people on notice that if they want that service, they are going to have to get to the G.S.D. boundary and let it be very clear up-front.

Mr. Morrison stated it may be further than to the G.S.D. boundary, it may be to the nearest G.S.D. facility. As an example, if someone at the northwest corner wanted service tomorrow, we have no facilities close to that area. We may have plant capacity to serve them if we can get their sewage here but there is a big cost to get from the plant to that area.

Mr. Shimp stated there is language that says, "will approve the expansion or merger". why is it two different words? Does that mean anything? Is there a difference or should we be clear by having just one word?

Mr. Waite stated 190 that establishes the District provides two or three alternatives to expand or merge and we wanted to follow the language in the statute.

Mr. Shimp stated and then, "and which are designated by the City for service by G.S.D. in agreements between the property owners and the City". My concern is you can have one individual property owner and three acres. We need to be careful that we expand to an area that is a block that is not an enclave when we are complete. You can create little enclaves. Are we potentially doing that with this wording? I don't know how that property is subdivided by ownership or how it will be sold in the future.

Mr. McNeil stated that is a good point. As a practical matter if someone had half a section and they wanted service to it, we would almost be in the same position that we are with the County's water line. We would run the water line in and they would have to pay us back for it but I think it would be a good idea to put some delineation as to the minimum acreage or minimum number of users. Can

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you pump sewage from that distance and not have any problems for a small number of people?

Mr. Morrison stated it depends on how you size the lines and the pump station. From an engineering view point it is possible to serve that but from a practical view point it may not make sense to run a 2" force main for five miles to serve two houses.

Mr. Shimp stated if you look at this just from the relationship between the parties, G.S.D. and W.G.C. as part of this merger are agreeing to provide utilities to a piece of property as negotiated by the City and that property owner.

Mr. Caldwell stated I think you are reading too much into it. Is the entire enclave area going to be annexed into the City?

Mr. Waite responded yes. We are trying to get it cooperatively through voluntary annexation.

Mr. Caldwell stated then it is not going to come in piecemeal?

Mr. Waite responded we have two large land parcels and the remaining 60 acres, there are 300 acres and all of it will be coming in voluntarily. Maybe a way to look at it would be how would the City provide utilities. We are going to have that area master planned and if someone in the future wants to have utilities provided it is going to be what your utility has planned for that area. They will be made aware of that in the primary annexation who will be providing utilities in that area.

Mr. Caldwell stated I think the issue at hand was really just to deal with the big picture of who will be the service provider for that area because the City didn't have the ability to cause the existing District boundaries to expand to include the enclave areas, therefore, the City is saying the District will take that area and you provide the service. It is for the District to adopt rules and policies to govern that area on how you want to extend service. When Gateway was created Westinghouse had to come up with the cost of providing infrastructure to provide water and sewer. We didn't call up the County and say bring water and sewer to us. We had to create that. It is the same with a lot of the City parcels that are coming into annexation with the City that if they want storm water, they created a mechanism to create that infrastructure to get it to go to City service. If we want a subdivision served in Gateway, the policy is that we build the system, we turn it over to the District when it is completed according to District standards. The only thing the District has taken on the burden of creating is a backbone utility system to master plan that area to provide that infrastructure. If you want to create a

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backbone system to serve the enclaves that is something you can decide at a future point. I don't see it as an issue where someone in the enclave area is going to call the District and say they are ready for sewer and water. They may do that but the rules will be that this is what it takes and this is how you pay for it.

Mr. Shimp asked are those rules in place currently?

Mr. Caldwell responded no, I think you have to adopt those.

Mr. Moyer stated they are in place in the District's permit criteria manual.

Mr. Caldwell stated I understand but you may want to look at those to specifically address the enclave areas.

Mr. McNeil stated in addition to adding some language relative to the enclave's responsibility to run their service to the closest G.S.D. line, in the third line of 5.4 where it says, designated by the City for service by G.S.D. agreements between the property owners and the City", I think if we are going to give them the service, wouldn't it be better for the District to be a party to any agreements to provide service? The way it is now the property owner and the City get together and say this is the deal on service and G.S.D. goes along with it.

Mr. Shimp stated I think that would be in the best interest of all three parties. Unless the City says to us you are going to hamper that process by being part of the table, I think we ought to be at that table so it is clear to that property owner what service we will provide and clear to the City in their discussions with the property owner. Does that create a hardship?

Mr. Waite responded I don't think so. I think what we are talking about is all the same thing. The intent is if there is someone in the enclave who wants to come into the system, there has to be a master plan developed for the enclave. If it calls for a 10" line to go in a certain area in order to serve that whole thing and one individual wants to come in, obviously he only needs a small service, he is still obligated to put that in because that is what the master plan calls for so neither the City or the District gets hurt by putting in an insufficiently engineered system. It has to be addressed as part of negotiating with Gateway, are you going to continue utility service and we are well aware of the enclaves existence and it still can be contested through the annexation process. Through annexation we have to provide utilities within them. G.S.D. would be the logical provider. I don't think there would be any reason why G.S.D. couldn't be involved in that process.

Mr. Moyer stated as I understand it all we are suggesting is the addition of adding that G.S.D. will be a party to all agreements to provide service.

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Mr. McNeil stated in the paragraph that says, "are designated by the City for service in agreements between the property owners, G.S.D. and the City.

Mr. Shimp asked does that additional wording hurt the process in the minds of anyone here? Does that create a problem?

Mr. Lazenby stated I don't think we are making any promises that we can't fulfill.

Mr. Shimp stated I don't either.

Mr. Waite stated if you look at the fact that you agree to service the enclave, I'm assuming part of that agreement will be the development of what the needs are for utilities. I think at that point you develop what your ultimate needs are to become part of the master plan which will be a process that I assume will be agreed upon by the City and the District. At that point when the property owner comes in and says I am in need of service, you can lay out the master plan that has been developed and approved by the City and these are the requirements you will be subjected to. I don't know if you need to add more language into it or not.

Mr. Whitley asked at the time we provide service, aren't we talking about merging this enclave into the District so it would be within our District boundaries at that point or are we going to be serving an area outside the District boundaries by this?

Mr. Waite stated then it becomes subject to your rules and regulations.

Mr. Lazenby stated there has to be compliance on the property owners part to comply with what the City's requirements are too.

Mr. Waite responded that is correct.

Mr. Shimp asked are we saying it is not necessary to amend it?

Mr. McNeil stated I will make another suggestion. In the first sentence say, W.G.C. and G.S.D., subject to G.S.D.'s rules and regulations will approve expansion or merger of G.S.D. to include enclaves within the City. I'm still toying with the idea of where I'm going to get the language in about running to the closest G.S.D. line.

Mr. Shimp stated let's leave it subject to G.S.D.'s rules and regulations. That then advertises to the user that you need to touch base with us and find out what the rules and regulations area. That is a flag we need to be sticking up for ourselves, the City and the ultimate owner.

Mr. Lazenby stated if you start to suggest that you are going to do something, people will piggyback that and expand it.

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Mr. Whitley stated once this property is included within our District then we are required to provide service there just like anywhere else.

Mr. Lazenby stated yes but why promise it?

Mr. McNeil stated there are two pieces on the west side. How is anyone going to get utilities there?

Mr. Morrison stated I'm not sure the size of those parcels but Gateway had a parcel on the west side of I-75 originally. The original plan was to provide utility services to the west side of I-75. You have to jack and bore a line underneath the road which is commonly done. It is expensive but it can be done.

Mr. Bloxham stated let me ask a question that Mr. McNeil touched on on the size of our existing system and whether it will handle the future expansion and a better understanding in my own mind as far as the potential of the City to annex property that is separated by Gateway and because it is isolated by Gateway it would be our responsibility to serve that property and what is the potential acreage that could be separated by Gateway? Is that in the overall scope of everyone's thinking?

Mr. Whitley stated if our property is annexed into the City and the other property is not, then there is a County enclave in the middle that the County can't get to without crossing ours and it is the same issue the City is facing if they annex that. The County will be in the same boat once we get our annexation done.

Mr. Moyer stated yes they would be and they would probably end up coming back to the Board and asking for an interlocal agreement in similar fashion to what we are discussing now. If we are the only service provider, then we are the only service provider and we will have to do this either with the City or the County and that can be done through several Florida Statutes that encourage government agencies to do interlocal agreements.

Mr. Shimp stated in the long term picture, the reason all of this is occurring is that the Developer and City both see the advantage of annexation into the City and the District I assume sees advantage because in the long haul our business gets bigger. We would want to have the opportunity to have additional areas come in as long as they came in under our rules and regulations so we do not get stuck with initial capital cost to service those off site parcels.

Mr. Bloxham stated if we did expand to service them, that would be part of our cost to them that would ultimately be transferred to them.

Mr. Caldwell stated your question as to how big an enclave this could become, this agreement only seeks to cover Exhibit "A" and it is limited and

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specific as to its location. It is not an open ended issue that we might have to extend service five miles away. That is not the case. These are properties that are immediately contiguous and adjacent to Gateway and limited in size. If there were issues in the future about expansion beyond what you see on Exhibit "A", that would be a totally new discussion issue, a totally new agreement with the City. I think what the District engineer needs to do about servicing the enclaves is if this is fully adopted and the enclaves come into the City, the annexation goes through, then Mr. Morrison will have to amend his master plan to figure out how he is going to service those areas in the way of water, sewer and irrigation and develop a program to meet those demands.

Mr. Lazenby asked has there been any preliminary planning?

Mr. Morrison responded not on the enclave area. When Gateway was first started we did a master plan to serve all of Gateway. There have been numerous changes to Gateway since this plan was done. When this plan was done, we didn't anticipate picking up these areas we are now anticipating. How much it would change the plan, I don't think it would be substantial, only in line sizes possibly. We are still running lines in the same direction, it is just that we may have to have a bigger line or more lines to get ultimate service.

Mr. Shimp asked are the density levels that were anticipated in the early years of Gateway considerably higher than what we anticipate today?

Mr. Morrison responded that is true.

Mr. Shimp stated the trend is to lower density and we may have master planned capacity sufficient to cover this just by the density drop that we are going to experience.

Mr. Morrison stated that may well be the case. I think originally there were about 20,000 units planned and I don't know what the current number is but it is less than 20,000.

Mr. Whitley stated as a practical matter is anyone going to develop that property before Gateway develops because they don't have access? Notwithstanding what we do in providing utility service, they are going to have to build some significant roads to get to this property.

Mr. Shimp stated there has been some discussion of another I-75 exit. If that happens, this could become lively.

Mr. McNeil stated on the north there is Six Mile Cypress, on the south there is Gateway, on the west there is I-75.



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Mr. Whitley stated when Tree Line Road is built we will probably put service in because once that road is built that area will start to develop. I don't think they are going to develop their parcel before we develop ours.

Mr. Shimp stated I would move to approve this if the wording of G.S.D. rules and regulations between "G.S.D. and will" in the first line of 5.4 is added.

Mr. McNeil stated Mr. Caldwell feels this language would be better inserted in the next to last line so it will read, "such expansion will occur. subject to G.S.D. rules and regulations".

Mr. Shimp stated that is fine.


Mr. Caldwell stated that seems to refer to a specific customer coming to you.

Mr. McNeil stated then I will add, G.S.D. as the third party to any agreement.

Mr. Shimp stated based on the discussion I have heard, I'm not sure that is necessary if you have this subject to rules and regulations ahead of the application because that is going to create that stop point I'm looking for.

On MOTION by Mr. Shimp seconded by Mr. Whitley with all in favor the pre-annexation agreement was approved with the additional language of "such expansion will occur subject to G.S.D. rules and regulations" being included in the next to last line of 5.4.

|| On MOTION by Mr. Shimp seconded by Mr. Whitley ||  
with all in favor meeting adjourned at 4:30 P.M.

  
Steven R. Whitley  
Secretary

  
Douglas Brown  
Chairman