MINUTES OF SPECIAL TOWN COUNCIL MEETING HELD ON MARCH 1, 1995

I. CALL TO ORDER AND ROLL CALL: President Smith called the Special Meeting of the Town Council at 1:30 P.M. on March 1, 1995 in the Town Council Chambers. On roll call the following Elected Officials were found to be in attendance: President Smith, President Pro Tem McDonald, Councilmen McLendon, McDonald, Shaw and Wyett. Mayor Ilyinsky was absent. Also attending were Town Manager Doney; Assistant Town Manager Elwell; Town Attorney Randolph; Town Clerk Pollitt; Director of Public Works Dusey, and Town Engineer Bowser.

II. INVOCATION AND PLEDGE OF ALLEGIANCE: Invocation was given by Mrs. Pollitt, Town Clerk. The Pledge of Allegiance was led by President Smith.

III. COMMENTS OF THE MAYOR: Mr. Doney stated that the Mayor had called to let the Council know that he had a medical problem and was very sorry that he would be unable to attend the meeting.

IV. APPROVAL OF AGENDA: Motion made to approve the printed Agenda by Mr. Shaw. Seconded by Mr. McDonald.

On roll call the motion was approved unanimously.

V. CONSIDERATION OF THE WATER SYSTEM OPERATED BY THE CITY OF WEST PALM BEACH

A. Presentation by Mr. Erik Olson, Director of Utilities, City of West Palm Beach (With the City's Water System Consultants) on Current and Future Activities Relating to Both Infrastructure and Operations.

Mr. Erik Olson addressed the Town Council stating that he was happy to have the opportunity to speak on water issues as everyone would be affected by them in the next ten to twenty years.

Mr. Olson introduced Mr. Michael Wright, City Administrator, City of West Palm Beach; Mr. Terry Collins, Assistant to the Director of Utilities, City of West Palm Beach; Mr. Don Hubbs, Assistant Director of Utilities; and Mr. Walt Schwartz of their consulting firm, CH2M Hill.

Mr. Olson continued that he would first like to give a generalized perspective as to water supply issues in South Florida, as he perceived them, and then focus on important elements which he believed were supply driven. He would then follow up on specific elements as to what the City of West Palm Beach was doing to ensure a water supply component of the water program in general.

Mr. Olson continued that 200 years ago Benjamin Franklin said "When a well runs dry we know the worth of water," and that is what the future holds. South Florida, and particularly Southeast Florida would be facing some re-thinking as to the important elements to a water program. The big issue would be water supply--who will have the water and who will not have the water. He referred to an appropriate analogy as the water supply being very similar to what the gas supply was in the late sixties, the important element being that the fuel process had to be re-evaluated in terms of supply economics, and that is how the water supply issue must be handled. The issue of whether there was going to be water today or ten or twenty years from now was what should be considered.

Mr. Olson felt that what was coming down the road for the City of West Palm Beach, the Town of Palm Beach, and South Florida in general was competition. Fifty years ago there was no competition--environmental concerns were not even an issue. When the Corps of Engineers and the Flood Control District initially developed programs to drain the system for development, the concept was very clear--get the water out of the way, and that thought had prevailed for the past 20 or 30 years. Mr. Olson pointed out that today water was recognized as a finite resource, with a competitive approach in three areas; environmental, agricultural and growth in coastal communities.

He continued that the water supply system began at Lake Okeechobee, going down the L.A. Canal System to the M Canal. It was then pumped into a twenty-square-mile water catchment area. and taken into the canal system, going into Lake Mangonia and Clear Lake, and then into the water treatment plant. From that point it went on to the distribution system. He explained that one of the key programs currently underway, the Everglades Mediated Settlement, recognizes the importance of developing a process that retains water so that it would not be lost at tide. It stressed the environmental impact while trying to take agriculture and the coastal communities into consideration. The Everglades Settlement was in the process of purchasing 40,000 acres of filter marshes, the concept being to flow water south of Lake Okeechobee through the filtering process so that it eventually would go into the Everglades National Park and into Florida Bay. He pointed out that the water catchment area was also an environmental area, not merely a water supply storage component.

Mr. Olson explained that many people do not recognize that we have a surface water system, not a ground water well system. We were, therefore, atypical from many utilities in South Florida. He said that one of the areas being focused on was the concept that the water catchment area is a critical environmental resource--an environmental asset. When that was taken into consideration, more support was generated with respect to bringing water supplies from other areas into an environmentally critical area such as the water catchment area. He said that the water catchment area was one of the last remnants of a wetland system that originally ran from Martin County somewhat southwesterly into the Everglades system.

Mr. Olson continued that in the future the greatest single thing of importance would be water supply--who will have it. It would not be a case of asking whether water is of the highest quality or lowest rate, but rather that the actual product would need to be there. He believed that was the greatest single element on the planning horizon--the consideration of water supply.

Mr. Olson said that he felt no single element was going to guarantee a supply of water into the City of West Palm Beach and into the Town of Palm Beach, but rather multiple elements. He maintained that the proposed program would be one of the strongest supply programs in central and northern Palm Beach County. He explained that there is a large surface water supply system that is going through a multiple program system, including aquifer storage and recovery. In addition the process of wetlands re-charged through advanced waste water technology was being implemented. Additional lands around the water catchment area were being acquired and would be critical to maintaining quality and supply in the storage area or in the water catchment area. The City of West Palm Beach was putting together a partnership program with agencies that were basically developing

regulations constricting municipalities. Instead of finding themselves on opposite sides of the fence from these agencies, they were actually developing a partnership program with them, i.e., the Department of Environmental Protection and South Florida Water Management District.

One of the proposed programs with the South Florida Water Management District and the Corps of Engineers, that they believed had great potential, involved a very unique process. All of the lands west of the water catchment area were in the Indian Trails Water Control District, where the land was a large developed area built in a swamp, with a problem of flood control. In addition to that, the South Florida Water Management District was in the process of doing some things that were not exactly helping. They were developing a structure north of the supply canal that diverts supply to Lake Okeechobee, away from the city.

What was being proposed as a solution was a flood control project in conjunction with the Corps of Engineers and the South Florida Water Management District that would allow flood waters to be cycled backwards to a filtering system, back to the M Canal program, into the water catchment to be cycled to the City of West Palm Beach, but also to other areas, thus implementing flood control with water supply. The South Florida Water Management District and the Corps of Engineers were now doing a re-study to determine what elements they would be able to participate in up to forty-four million dollars.

On the other hand, Mr. Olson brought up issues affecting water use if we did not have a surface water system, but a ground water system. A ground water system would work well when there is plenty of water on the ground to be pumped out. Everyone would have a consumptive use permit directed by the South Florida Water Management District. In the process, if the consumptive use permit comes up, they take a look at a lot of conditions and decide whether one can get the same amount of water that was had previously, or whether to reduce it. He emphasized that the point was that supply is the name of the game, and multiple alternatives must be looked at.

Mr. Schwartz of CH2M Hill, addressed the Council, stating that he wanted to emphasize two points; to stress how water gets to the Town of Palm Beach, and to update the Council on what has been done during the past five years to improve the quality and quantity of water.

He continued that the water system started out in the Town of Palm Beach in 1894, and was developed by Henry Flagler. It doubled in size by 1920, and by 1926 the first water plant was constructed. In 1955 the City of West Palm Beach purchased the system from private ownership.

Mr. Schwartz explained that the water system was a surface water supply--the water catchment area is intended to capture rainfall and run-off and provide some storage, but largely it responds to precipitation. In addition, there was a connection to the canal system by a series of pumps and water could be pumped into the M-Canal and into the water catchment area from the Lake Okeechobee Canal System. The water then flows by gravity through the M-Canal to the Clear Lake/Lake Mangonia system and then was pumped into the water treatment plant and into the distribution system. The City of West Palm Beach had some wells for emergency use only, and they had not been used since 1990.

Mr. Schwartz continued that when a plan was developed for the City of West Palm Beach, a strategy was used with water supply considered the most important issue, water quality being the second major area of concern, and the third level of action being distribution and transmission. As a surface water supply, the system could be affected by droughts. In 1989 and 1990 the ability to withdraw water from the Okeechobee system and pump into the water catchment area was curtailed by the South Florida Water Management District. That resulted in water restrictions being applied to consumers. The water catchment area then became dry for an extended period, causing water quality problems.

One of the technologies being looked at, aquifer storage and recovery, would allow excess amounts of water to be put back into the ground with the ability to withdraw it for future use. Presently local communities such as Boynton Beach were using such a system, which is supported by the South Florida Water Management District. The design would allow storage of 30,000,000 gallons in a well, compared to a typical water storage tank of 1 or 2 million gallons.

Mr. Schwartz remarked that several water resource options were being developed such as wetland enhancement, where waste water would be reclaimed, put back into a natural wetland system, and would restore some additional wetlands. The aquifers would thus be re-charged and could be used as another source of water. Mr. Schwartz mentioned discharged surface water and agriculture turf irrigation as other possibilities that would be expensive, as pipelines would have to be run to the water sources.

The second priority would be to improve water quality. Presently there was one water treatment plant used to remove the color, contaminants, and natural components of surface water that came out of the wetland area. It was primarily driven by regulation. Currently a 12 million dollar construction project was being started at the Water Treatment Plant to meet the proposed regulations. Currently all regulations had been met, however, if some of the regulatory demands could be addressed early, the costs could be spread out over a long period of time, avoiding sharp rate increases, as well as a higher quality of water being produced, and customer satisfaction increased. The plant improvements included a new chlorine building, new chemical buildings, new backwash recovery basin, and the rehabilitation of high service pumping facilities. Increase of the finished water storage capacity of the plant along with the provision of new facilities, would make the operation less expensive to run.

Mr. Don Hubbs, Assistant Director of Utilities, addressed the Council asking if there were any questions about topics addressed so far.

Mr. McLendon asked for more definition on the water catchment area. He understood that there were about 60 inches of annual rainfall per year and what would be accomplished by pumping into the catchment area from the canal?

Mr. Hubbs replied that storage is a major problem in Florida. Florida is very flat and was originally built on a system of drainage with most of the water just running off. What was really needed was a series of reservoirs, wetlands, and a water storage system. Although it rains three or four months of the year it remains relatively dry throughout the rest of the year and storing the water during the rainy season would be the challenge.

Mr. Schwartz then spoke to the Council. He stated that Lake Mangonia and Clear Lake, as well as the catchment area, do not store very much water. Even as early as 1920, Clear Lake was drained dry as a result of water use, and it was recognized at that time that canals must be dug to the west to supply more water.

Mr. McLendon asked if there was a constant interplay between the canal system and the aquifer?

Mr. Schwartz replied that there was no direct connection. Although it would look like an unlimited amount of water would be available, that was not the case. He added that if the South Florida Water Management District allowed them to pump water into the water catchment area they would do so in order to keep the water levels as high as possible in the water catchment, within certain restrictions.

Mr. McLendon stated that he did not understand why the coastal communities were third on the list, with environmental and agricultural concerns coming first.

Mr. Olson replied that he first would like to add some information on the storage system. The elevation of the water in the lakes, canal system and water catchment area was above the ground water table, so it was actually lost through percolation. Regarding the environmental aspect, Mr. Olson said that the Corps of Engineers and the South Florida Water Management District have recognized that a balance must be found. The reality was that there is a priority towards the Everglades System and the environmental system. That was not to say that the coastal communities were totally being neglected without any consideration at all and it was a very hot topic as to what the balance would be.

Mrs. Smith asked if the Army Corps of Engineers would detail their past mistakes in the most recent survey that they would be doing?

Mr. Olson replied that environment cannot be separated from man, and forty and fifty years ago that was what had happened. Now, the process had to be re-thought and a balance must be found.

Mrs. Smith remarked that when the different mangrove wetland projects came up before the Army Corps of Engineers, they usually allowed the mangroves to be drained and mitigated instead of leaving them in their natural state, serving as natural water purifiers for the ecosystem.

Mr. Olson responded that Mrs. Smith was correct. He thought that what probably would happen is that there would be a greater sensitivity to those types of things, while a balance would be sought to get a sense of where growth would be allowed and where environmental concerns would supersede that.

Mr. McLendon asked what approved withdrawal permit the City of West Palm Beach was using presently?

Mr. Olson replied that the City had two types of permits. There was a general annual average of 32,000,000 MGD per day to withdraw, on an average basis, throughout the year from Clear Lake. In addition to that, there was a plant capacity of 47,000,000 per day, plus an instantaneous high capacity, a one-day allocation, of 47,000,000 MGD. The current capacity average is 32 MGD. That was the permitted capacity to pull out of Clear Lake. The average daily flow was about 25,000,000 gallons per day, so there would be about a 7,000,000 gallon per day cushion in the process.

Mr. Don Hubbs once again addressed the Council, asking if there were any other questions. He wanted to illustrate that there were various categories of improvements that the City had planned. Mr. Schwartz and Mr. Olson had already explained in some detail. Mr. Hubbs commented that the combined total of all the improvements was approximately $34,000,000. He acknowledged the Town's major concern presently as being in-town infrastructure and that was what he would like to discuss today.

He added that essentially the City Water Department does not view the customers within the Town of Palm Beach any differently than any other customer. Someone in the Town would be responded to just as quickly as anyone in the City, and it is a goal and a requirement to maintain that equilibrium. The Town's water distribution system was obviously an old system that was in need of improvement. A number of projects had been done in partnership with the Town in the past and some were planned for the upcoming summer. He asked if there were any questions regarding the distribution system?

Mr. McLendon asked what had been done to establish the friction factors in the pipes?

Mr. Hubbs responded that was a good technical question and that they will be assumed initially and then would be tested after the model was put together. A model must be developed first and then calibrated second.

Mr. Shaw remarked that he did not think that the intent of West Palm Beach, as water supplier of the future, was being questioned, but the question was how the relationship was going to work for both the Town and the City of West Palm Beach, as far as an equitable rate and high quality of water. He knew that there were some plans and requirements that were going to mandate that run-off water be re-used and he asked how valuable Palm Beach's run-off water was in the scheme of renourishment of the City's water source.

Mr. Hubbs said that he wanted to emphasize that the City of West Palm Beach had a very strong commitment to be proactive. One of the strong points that brought Mike Wright into the City of West Palm Beach had been his perspective on utility issues. He had a strong background in this and when the Mayor started development of some programs that were looking for innovative ways to do things, Mike was brought into the process. With respect to storm water run-off and that type of re-charge mechanism, clearly that type of thing was on the proactive side of the equation. That type of process had been recognized as an important supply component. The question might be was there a practical large scale mechanism. The potential existed in a multiple of ways. Issues had been discussed with regard to individual cistern systems as an option, and the possibility of storm water utilization for large scale storage. The City was developing raw water ASR technology. That would involve a complicated permitting process. An ASR system using drinking water would be allowed, but it would be more difficult to go into raw water, so what would be done would be to first go into Class I water, then potentially transition into storm water types of injection technology. Mr. Hubbs added that the permitting capacity was not there today for that, but the City was beginning to

go form a partnership with the South Florida Water Management District to be able to allow that to happen a little at a time. So, storm water retention was clearly an important component.

Mr. Shaw responded that he was interested in finding out if the City wanted water from the Town. He wanted to know if Mr. Hubbs felt that the City needed storm water to meet their requirements. He added that he thought in consideration of access to water and decisions made on water, the Town of Palm Beach should be considered not just a user, but a partner.

Mr. Hubbs responded that he would like Mr. Wright to answer questions that would involve policy process.

Mr. Mike Wright, City Administrator, City of West Palm Beach addressed the Council, stating that presently there was a distribution system owned by the City of West Palm Beach, the ownership being with the stockholders in the City of West Palm Beach. In order to do what Mr. Shaw was talking about, the Town of Palm Beach would have to become an equity partner, as opposed to a customer. He added that they would certainly entertain discussions along those lines.

Mrs. Smith commented that perhaps Mr. Wright would be able to tell the Council why the City of West Palm Beach would like to keep the Town as a customer.

Mr. Wright responded that they were in the business of selling water, spending tens of millions of dollars to develop a supply. He believed that in the near future, they would be the main water supplier in central Palm Beach County, and they would love to keep the Town as a customer.

Mrs. Smith asked Mr. Wright if he felt it was important for the City of West Palm Beach to keep the Town as a customer and if so, why specifically?

In response to Mrs. Smith's query as to the Town being the largest customer of the City of West Palm Beach, Mr. Wright said that was true at the moment, but that as the overall distribution system was increased, they did not see a lot of growth on the island, but rather to the west.

Mr. McDonald asked Mr. Olson what the storage capacity was at the moment?

Mr. Olson responded approximately 15,000,000 gallons.

Mr. McDonald asked what the objective would be for the year 2005 for storage capacity?

Mr. Olson replied that they would be shifting to the ASR system and as Walt Schwartz had indicated, the ASR storage well has a capacity ranging anywhere from 30 -100 million gallons, so they anticipated shifting to a different type of process rather than the above ground tank system that was typically 1-5 million gallons.

Mr. McDonald again asked what the objective would be for storage capacity in the year 2005.

Mr. Olson responded that current plans were to budget for 10-12 ASR wells in the water catchment area, assuming that each ASR well would have the capacity of between 30 - 100 million gallons. The storage would shift also from treated storage to raw water storage.

Mr. McDonald asked how many days of capacity these wells would be able to supply based on current usage?

Mr. Olson replied that the average for the year is 25 million gallons and if ASR technology was used, potential storage would amount to several days or even a month.

Mr. Wyett asked Mr. Olson how they envisioned helping the Town with the demand from the South Florida Water Management District to conserve the use of water?

Mr. Olson explained that the Town currently used about 350 to perhaps as much as 700 gallons per day per capita, dependening upon the population at given points. He did not feel that he had a real answer to Mr. Wyett's question, but what had been done historically was to average the Town of Palm Beach with the City system, rather than focusing on a particular component of the West Palm Beach distribution system with an average being 160 gallons per day per capita. There could be some flexibility on averaging, but he noted that he could not speak for the South Florida Management District. He added that the Town had made a very positive effort towards conservation mechanisms, and that a plaudit was in line.

Mr. Wyett observed that it would be difficult to sign a water contract unless all the issues would be addressed.

Mr. Olson commented that if South Florida Water Management decided to look at individual supply areas, such as the Town, it would put them in a position where this component would be out of their hands. He maintained that the City could work with the Town and help as much as possible, but that they could not dictate to the South Florida Water Management District.

Mr. Wyett asked if the use of non-potable water would aid the Town in the equation?

Mr. Olson replied that the City was strongly moving into a re-use program, a wetland augmentations program, utilizing alternate processes. Over the next few years, it would be very important for a system to have a conservation program that included re-use, or utilization of storm water. That would be a very critical component of a conservation program.

Mr. McLendon asked what the objection was to using non-potable water for aquifer storage?

Mr. Olson replied that currently ASR or treated water would be injected into the Floridan Aquifer system, which was about 1,000 feet down. That was the same Floridan Aquifer system that was currently being used for these reverse osmosis plants, so there was a concern that there could potentially be contamination of the system. With multiple ASR wells using raw water in the catchment area would be the most logical way to go; however, they were being forced to do it first using drinking water, then testing it using the lake water. Based on that set of parameters they could then transition into raw water.

Mr. Wyett asked what the anticipated rate of recovery would be on an ASR program?

Mr. Schwartz commented that it was expected to be about 85-90% recoverage.

Mr. Shaw asked what plans the City of West Palm Beach had for going into a non-potable water system?

Mr. Olson replied that there were two aspects of non-potable systems: one would be storm water and the other would be waste water re-use. The City was now in the process of constructing and developing a re-use AWT waste water re-use for wetland re-charge, with a secondary step being going into distribution system for golf course irrigation and supplementing the normal potable process. He mentioned that many cities are looking at dual distribution system, which would require digging up the streets, and putting in new pipes, which is a horrible expense that would have to be carefully evaluated from a cost effective standpoint.

Mr. Shaw remarked that from the conservation point the Town would be aiding the City greatly by going into a dual distribution system and showing South Florida Water Management that there is a major conservation effort to find another means for irrigation.

Mr. Olson replied that it must be understood that the costs of a dual distribution system were astronomical, with typical costs running $10-$20 per inch, meaning that a twelve inch line could very easily cost $120 - $200 per foot for installation of a dual system. The economy of the system would have to be weighed.

Mr. Shaw asked if figures were available as to urban versus downtown areas as far as consumption went.

Mr. Olson responded that a very dense area would certainly be different than an area that would have acre homesites, however, data had not been refined to that point as yet, though computer data would allow that.

Mrs. Smith noted that was the point of view always taken by the Town of Palm Beach-- because of stricter zoning the Town has larger properties. That would be a very important point to look at when water usage in the Town is looked at.

Mr. McLendon inquired as to the waiver of fees for developing the west end project and the rationale behind that.

Mr. Wright explained that the theory behind that was when development was slow and the economy bad, more lines would be built to get customers. When there was a lot of growth, builders will build the water lines and pay the impact fees. The present stage was in between those two scenarios, so the City said that impact fees would be used to build water lines. He added that the other thing looked at was the intention of expansion of the water system to the west and the waiver of fees helped as a stepping stone. He noted that it was a business decision based on the economy and the overall grand picture, not just on the utility system.

Mr. McLendon asked if there were any consideration given to the impact of the school costs?

Mr. Wright replied that the only way he knew to prevent that would be to not allow anything to be built.

Mr. McLendon maintained that he was questioning the wisdom in waiving the fees.

Mr. Wright replied that the fees were not waived but were used to finance the expansion. The impact fees were paying for the expansion.

Mrs. Smith asked Mr. Wright how they planned on keeping customers to the east--why the surcharge imposed on the Town of Palm Beach could not be used for infrastructure construction in order to keep the Town as customers--she thought that would be good business practice.

Mr. Wright replied that he appreciated her conceptualization.

Mr. Wyett noted that Mr. Wright had commented that the Town would become a smaller customer as expansion plans were developed. He asked if the Town had 35% of the water usage and if the rate structure would reflect the increased cost of expansion, would the Town be paying 35% of the expansion cost?

Mr. Wright observed that what Mr. Wyett was asking was what part of expansion was built into their rate structure, and that he did not have those numbers off the top of his head.

Mr. Wyett replied that he would have to assume that if the Town is a 35% customer and the rates continue to go up, part of which would reflect expansion costs, the Town would be helping to finance that expansion.

Mr. Wright responded that could not be assumed, because there were also impact fees which helped to pay a significant part of the capital.

Mr. Olson commented that there were two types of programs involved when talking about capital expansion. Capital expansion at the plant would be a generic type of process, that would be uniform to everyone, as opposed to running a line to a particular subdivision, which would be paid for by impact fees in a totally different funding mechanism that would be dedicated to expansion for that type of process. As the customer base expands, the general cost of service begins to level out. He added that the Town really does not want to be the major utilizer of water, because under those circumstances the Town would pick up a large chunk of money on a proportionate basis. When the base is spread out into a larger service area, the costs of service begin to be spread out.

Mr. Wright added that no part of expansion costs are built into the normal rates, that it would be all impact fees.

Mr. Wyett asked about the cost of expanding the central plant?

Mr. Olson replied that a plant system that would be uniform to the customer base, would involve a revenue bond based on the general revenues that are pledged to that bond and is based on the customer base itself.

Mr. Wyett responded that his concern was that the Town was not expanding and therefore during any expansion program, the Town would not be getting the benefit of what they would be paying for.

Mr. Shaw added that there was also the issue of the inverse rate, and as expansion took place what method of irrigation would the western communities use? That was one of the problems of being a barrier island, such as the Town of Palm Beach--there was no access to water other than to bring it in and one of the reasons for paying the out of proportion use/expense ratio was because one family in the Town may occupy the same land area upon which two or three families could be living in another community, using the exact amount of water per acre, but the Town was being treated as an excessive user.

Mr. Wright posed the opposite argument--someone living in the western communities, having irrigation available, may question the reason for subsidizing a barrier island such as the Town of Palm Beach.

Mr. Shaw replied that he was not asking to be subsidized, but being charged the same amount for water. He felt that residents of the Town should not be penalized. He added that actually two issues were involved: a financial respect to water use, versus having water. The City of West Palm Beach may have the control over the processing of water, but they did not have control over the source of the water.

Mr. Wright responded that it would not surprise him if inverse rates would become mandated as water becomes tighter and tighter in southeast Florida. He surmised that there would be no relief on the horizon for irrigation unless a dual system was implemented.

Mr. Shaw replied that a rate for excessive use must be connected to the concept of size per unit. He thought that the Town does need to look at a dual distribution system because the Town may find itself further at the wrong end of an inverse rate if South Florida Water Management and other governing bodies would be saying that use must be cut back.

Mr. McLendon asked what non-water related costs were involved in the budget of the Water Department

Mr. Wright responded that Ms. Collins would be happy to go through the budget to show those number.

Mr. Olson added that administrative costs were a function of a cost allocation study.

Mr. Wyett noted that from October 1, 1993, and the rate increase of October 1, 1994, plus the 25% surcharge, Town users had reported a 90% increase in cost of water. He inquired as to what citizens of the Town could expect in the next 5-10 years?

Mr. Wright responded that citizens could expect to pay for water that was probably cheaper than the majority of cities in southeast Florida.

Mr. Wyett asked what his costs would be in the year 2000 if he were living on a budget?

Mr. Wright replied that what is planned would be a 4% increase each year through 1998.

Mr. Wyett responded that in 1993 when he called the City's Water Department they told him they had a 40% increase that year. He inquired whether there would be only nominal increases between now and 1998?

Mr. Wright replied that planning now reflected 4% per year through 1998.

Mr. Wyett commented that the City of West Palm Beach and the Town of Palm Beach are interdependent sister communities. The growth of West Palm Beach was very much entwined in the preservation of Palm Beach itself and there was a mutual interest in maintaining that relationship.

Mrs. Smith thanked Mr. Olson and Mr. Wright and the other members of their team for coming to the meeting. She asked if there was any member of the public that would like to ask any questions?

Mr. C. Gerald Goldsmith, of 220 Wells Road, asked if the contract on the C-8 Canal had been signed so that the water could not be diverted back to South Bay or somewhere else?

Mr. Olson responded the contract was still in process and that they believed very strongly that they would have a well-entrenched program.

Mr. Louis Pryor, of 227 Brazilian Avenue, asked if the 25% surcharge to the Town of Palm was going to fund four additional police in West Palm Beach and he wondered if that had happened?

Mr. Wright responded that had happened.

There were no further questions.

VI. ANY OTHER MATTERS

Town Clerk, Mary A. Pollitt, addressed the Council, stating that Mr. Ben Starling wished to address the Council concerning an activity of the Palm Beach Round Table to be held on the weekend. She added that the Charitable Application was late and Mr. Starling would like to explain the situation.

Mr. Ben Starling, Executive Director of the Palm Beach Round addressed the Council, stating that he regretted that the permit had not been filed on time. He had taken over the position of Executive Director in June and this was the first fund raiser that he had been in charge of in the Town of Palm Beach. It had been brought to his attention by the Chairman of the Board that a permit was required and he had turned the matter over to his secretary who, shortly thereafter, had been released from her position. He had since gone through some files, and found the information from the Town of Palm Beach, and realized that the application had not been filed. He had made a phone call and was now before the Council to state his case.

Mrs. Smith replied that the Round Table had been a mainstay in the community for many years. She asked for comment from the Council. Mr. Wyett moved that the application be accepted. Seconded by Mr. McLendon. On roll call the motion carried unanimously.

Mr. Doney next addressed the Council, stating that Mr. Randolph wished to discuss the Adler vs. Town of Palm Beach case.

Mr. Randolph addressed the Council, stating that from an historical standpoint the Town had granted certain variances to Mr. Adler in regard to a property at 127 Oceanview Road. That matter had been in litigation and a brief was due from the Town. The applicant, Mr. Ross, who owned the property, had apparently found a way to build a house without having to obtain variances, although it was his desire to receive approval from the Architectural Commission prior to giving up any variances that he had previously received from the Town. He had announced publicly at a meeting in front of the Architectural Commission that he would give up the variances that he had previously been given. In order for Mr. Adler's attorney to agree that the case was now moot, he had requested that Mr. Randolph receive an action from the Council which would rescind the variances previously granted. Mr. Randolph requested a motion from the Council, based upon the action taken by Mr. Ross to abandon his variances, that the Council indeed rescind those variances previously granted.

Mr. Shaw asked if there was something in writing that said what Mr. Ross and Mr. Adler intended.

Mr. Randolph replied that he had attended the meeting and heard Mr. Ross and that he had given up those rights.

Mr. McLendon made the motion to rescind the previously granted variances. Seconded by Mr. Shaw. On roll call the motion carried unanimously.

Mr. Doney addressed the Council stating that he wanted to advise the Council of the Criminal Justice Commission Countywide Communications Committee, which would be meeting on March 3, 1995. The City of Atlantis City Manager, Earl Moore, had been chairing the committee. There was a letter of conceptual approval being requested from the Town of Palm Beach, to ask the Town of Palm Beach to join other municipalities in requesting that the Board of County Commissioners approve funding to upgrade the backbone of the central 800 megahertz radio system. The big issue was that there was no commitment financially by the Town of Palm Beach right now. Investigation of replacement radio systems would be part of the FY96 proposed budget. The current systems were about eight years old. What Chiefs Terlizzese and Elmore had asked was that the Town express its requests to the County Commission to approve the funding to upgrade the backbone of the central county 800 megahertz radio system. He strongly recommended that this be done. He was planning to send a letter under his signature as Town Manager, prefacing that all was subject to Town Council final approval. The meeting on March 3rd would be significant and important, but there was a time crunch at the county level.

Mrs. Smith replied that this was something that had been talked about for months and it would be beneficial for Town residents to join a county-wide police system.

Mr. Wyett made a motion to approve a letter of conceptual approval for funding to update the radio system to the Board of County Commissioners. Seconded by Mr. Shaw. On roll call the motion carried unanimously

VII. ADJOURNMENT.

There were no additional items and the meeting was adjourned at 3:28 P.M.

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Mary A. Pollitt
Town Clerk

Prepared by:
Sue Eichhorn