

MINUTES OF THE SPECIAL TOWN COUNCIL MEETING HELD ON JULY 9, 1998

I. CALL TO ORDER AND ROLL CALL

The Special Town Council Meeting was called to order by President Lesly Smith at 9:30 a.m. on July 9, 1998, in the Town Council Chambers. The roll was called, and the following Elected Officials were found to be in attendance: Mayor Paul Ilyinsky; President Lesly Smith; Councilmen Jack McDonald and Leslie Shaw. President Pro-Tem Sam McLendon and Councilman Allen Wyett arrived shortly after the meeting started. Also in attendance for all or part of the meeting were: Assistant Town Manager Peter Elwell; Town Attorney John Randolph; Police Chief Frank Croft; Public Works Director Al Dusey; Planning, Zoning & Building Director Robert Moore; Zoning Administrator Paul Castro; Town Engineer James Bowser; and Town Clerk Mary Pollitt.

II. APPROVAL OF AGENDA

A motion to approve the agenda was made by Mr. Shaw and seconded by Mr. McDonald. The motion carried 3-0. *(President Pro-Tem McLendon arrived at 9:35 a.m., and Mr. Wyett arrived at 9:40 a.m.)*

III. REQUEST FOR WAIVER TO SECTION 12-51 OF THE TOWN CODE OF ORDINANCES, HOURS OF CONSTRUCTION, BY MR. JAMES BRINDELL FOR THE FOLLOWING PROJECTS *(Deferred from June 9, 1998 Town Council Meeting)*:

Attorney James Brindell addressed the issue of extended work hours at the Esplanade facade first.

A. NEIMAN MARCUS

B. ESPLANADE FACADE

Mr. Brindell requested construction hours start at 7:00 a.m. No work will be done on Sundays or holidays and work will commence on August 1, 1998. The work will be completed by November 15, 1998. An off-duty police officer will be available to the Police Department to perform the same functions in the 100 block of Worth Avenue with regard to the Esplanade renovation as is required for the Neiman Marcus project. Mr. Brindell said that construction workers will be parked in the existing Esplanade garage.

Mr. Brindell introduced Don Jones, Vice-President of Development and Construction for the Goodman Company, and Steve Smith, the Project Manager for both projects from the Weitz Company.

Mr. Moore said the staff met, prior to this meeting, with representatives from Mr. Goodman and the Weitz Company. A tentative plan was agreed on that Mr. Brindell incorporated in a letter to Paul Castro dated June 29, 1998. In the letter, Mr. Brindell requested some time extensions - some of which will go into the season and start a little early. Mr. Moore said the two projects are somewhat intertwined and will affect traffic control and concerns from Public Works and the Building Department. He said that the issues regarding the nuts and bolts of how this will work will be addressed at a pre-work conference which is held before the issuance of a building permit. At that conference, all staff members - - Fire, Police, Public Works, Town Engineer, Building & Zoning - - all are present and all minutes and agreements from that meeting become a special condition of permit. The permit is not valid unless the nuts and bolts of the actual agreement are complied with.

Mrs. Smith said she thought the 7:00 a.m. time for beginning construction was too early for the residences who live in the building at 100 Worth Avenue.

Mr. Brindell said the 8:00 a.m. to 8:00 p.m. time would be acceptable to his client.

Mr. Brindell offered to discuss both the Neiman-Marcus and the Esplanade project requests for extension of construction hours at the same time.

Mrs. Smith said it would make more sense to do that since they are located across the street from each other.

Mr. Brindell said that the Weitz Company was doing both projects and had considered a number of options to complete the projects. The objective was to have the least amount of disruptive impact upon the majority of the citizens. Mr. Brindell presented a diagramed proposal for a plan during the construction period:

- The work is scheduled to begin on August 3, 1998, with demolition and excavating the hole for the garage;
- The foundation columns for the building will be constructed next followed by the walls and decks for the garage;
- The concrete pour for the top of the garage or the bottom floor of the building will be next - - this is a logical stopping point that can be closed in during the winter season - - with a projected completion date of December 11, 1998.

Mr. Brindell said from November 15th to December 11th, steel reinforcing and forms will be built for the first floor pour. The pour will take approximately two days. To finish the building as rapidly as possible and not extend the project into a third build season, he requested the project be allowed to start up on April 4, 1999, in lieu of the May 1st requirement. Between April 4th and May 1st, steel reinforcing for the upper floors will be put in place, and the forms for the next pours for two floors will also be put in place.

Mr. Brindell stated the interior and exterior finishes would be started on approximately August 20, 1999, with an expected completion date of October 4th. After that, Neiman-Marcus would do its fixturing and merchandising within the structure. He added that thirty days were built into the construction schedule for inclement weather or delivery delays. If delays did occur, the Neiman-Marcus portion of the project would be pushed forward to January, 2000.

Mr. Brindell promised that no work would be done on any Sundays, holiday, or the Friday and Saturday after Thanksgiving. He mentioned the requirements, already discussed, regarding the traffic coordination using a delivery coordinator and the Police Department. Construction workers will be parked outside of the Town and bused to the site until the construction of the garage is functional. Management personnel will be parked in the Esplanade garage or the building garage when it is available. Other details will be worked out at the pre-conference meeting with the Building Department.

Mr. McLendon asked if the demolition could not start immediately and questioned why it should wait until August 3rd?

Mr. Brindell replied the appropriate approvals have to be obtained before demolition including the ARCOM approval. Additionally, the architect has to draw up sufficient plans for the issuance of bids. He said August 3rd is the earliest realistic time that demolition can begin.

Mr. Moore said the issue of demolition would not be any faster because the architect's foundation plans are necessary before they could go ahead. The Building Department will expedite the permits as soon as the information becomes available. Mr. Moore mentioned that the Town did not impose the need for an off-duty police officer to direct traffic on Worth Avenue, but Mr. Brindell offered to do this as part of the condition of approval.

Mr. Shaw asked if it would not be kinder to the neighbors to start the demolition two weeks sooner, between the hours of 10:00 a.m. to 3:00 p.m.?

Mr. Moore responded that could be done if the Town Council so wished. He said the property would probably sit for a while during which time the plans were being prepared.

Mr. Brindell said he appreciated the comments, but, as a practical matter, he did not think they would be ready to do the demolition until August 3, 1998.

Mr. Brindell agreed that the demolition could be done between the hours of 10:00 a.m. and 3:00 p.m., as suggested. He clarified that the request included working past December 1st at the Neiman Marcus location as stated in his June 29th letter - - the work this year would proceed to December 11, 1998.

Mr. Wyett stated he was concerned about the residents on Peruvian Avenue and questioned what activities would take place there during the extended construction period.

Mr. Brindell responded that the deliveries would occur on Worth Avenue - not on Peruvian Avenue.

Mr. Wyett said he would like to see that Peruvian Avenue would not be used before 9:00 a.m. or after some time certain.

Mr. Brindell said a construction trailer would be located on Peruvian and agreed not to use Peruvian Avenue before 9:00 a.m. or after 5:00 p.m.

Mr. Shaw questioned the flow of trucks from the middle or north bridges to the construction site and suggested the trucks might be allowed to make a left hand turn, if necessary, at Royal Palm Way to minimize the trucks turning onto Worth Avenue. Mr. Shaw referred to a letter from the Worth Avenue Association that suggested a permanent directional sign for Worth Avenue parking be located at Royal Palm Way and Hibiscus.

Police Chief Croft mentioned that a pre-construction conference would be held on July 10th to discuss many of the traffic issues presented at this meeting. He said the Police Department will work out many of the details regarding the routing of construction traffic and traffic control.

Mrs. Smith added that the Town Council supported the position of the Police Chief and left the traffic study to the Police Department.

Police Chief Croft mentioned that two projects will be taking place simultaneously at least for a period of three or four months. He said that Mr. Brindell was of the opinion that the police officer they are providing will be able to handle both situations to the north and to the south. Chief Croft said he would like to make it clear that he would like to retain discretion and as the project proceeds, if more than one police officer is needed while the two projects run simultaneously, he would insist on the two officers.

Mr. Brindell agreed that was acceptable.

Mr. McDonald made a motion to approve the request for the extension of hours as requested in Mr. Brindell's letters dated June 29, 1998, with hours from 8:00 a.m. to 8:00 p.m. and to include the special conditions developed at the scheduled pre-work conference. Demolition hours will be 10:00 a.m. to 3:00 p.m. with no deliveries on Peruvian Avenue before 9:00 a.m. or after 5:00 p.m. Saturdays will be allowed after the first of December. The motion was seconded by Mr. Wyett.

Mr. Elwell asked the Town Council to consider the April, 1999, start date of April 12th to allow for the Easter holiday and the exodus of season visitors. He mentioned that a request for extension of hours will be heard at the next Town Council meeting for another party, and the requests should be handled in a similar way.

After discussion, the Town Council agreed the Neiman Marcus project will be allowed to work on Saturdays until December 11th and the first week before the start up date of April 12, 1999, would be used for mobilization only with no extra hour needed during that week.

On roll call, the vote carried 4/1 with Councilmen McDonald, Shaw, Wyett, and President Pro-Tem McLendon casting affirmative votes and Mrs. Smith casting a negative vote.

IV. CONSIDERATION OF THE TOWN'S FUTURE WATER SUPPLY AND DISTRIBUTION SYSTEM

Mrs. Smith, responding to a memorandum submitted to Town Council members, said she was not prepared to vote on any referendum or site location for any water plant, and any action at this meeting would be premature.

Mrs. Smith said the order of speakers would be Mr. Elwell, Mr. Randolph, Mr. Hartman, and Mr. Dusey will speak when he feels it will be appropriate. After that, ample time will be allowed for public comment. Anyone and everyone who would like to speak will be provided that opportunity.

Mr. Elwell said copies of the briefing that were prepared by the Town's water resources consultant, Mr. Hartman, were distributed. The briefing document presented the most important issues that need to be addressed as the Town Council continues to move forward on the project. He noted that Mr. Hartman needed to present the major points from the briefing document and particularly to relate those to a slate of recommendations which he made and has staff concurrence as the appropriate next step in the continuing process for potential independence for the Town while preserving all options as the Town reaches decision points later in the process.

Attorney Randolph commented that the Town is in litigation with the City of West Palm Beach over some of the issues relating to water. However, the discussion at this meeting does not relate to the litigation, and there should be no discussions relating to that issue.

Mrs. Smith requested that the Town Council members refrain from asking questions of Mr. Hartman until he finished his presentation.

Jerry Hartman, Hartman Associates, said he was the Town's water resource consultant. He said his company reviewed the Town's accomplishments from 1990 to 1998 and utilized the reports and presentations from vendors and consultants. Mr. Hartman emphasized that his company is looking at a master approach. There is not a detailed site situation or any recommendation for a site. Also, there is not a detailed recommendation as to the mix or the facility parameters.

Mr. Hartman said the mission is for independence and an overall water system that meets the potable, fire flow, irrigation, and other water needs reliably at a reasonable cost. Mr. Hartman reviewed the goals as outlined in his report. Mr. Hartman reported that a large portion of the water system is built with asbestos cement pipe that is no

longer in use, and there should be an on-going renewal and replacement program in the Town to replace this type of piping material in the Town. Mr. Hartman said a major issue is to gain control over a water system. He identified additional goals as procuring the best possible system, implementing the most effective operations, and having competitive rates to those presently charged by the City of West Palm Beach.

Mr. Hartman reviewed the thirty year water franchise agreement between the City of West Palm Beach and the Town beginning with the year 1965 and running to 1995. He stated the City of West Palm Beach owns the assets within the Town of Palm Beach including the meters and all of the lines which the Town has the right to acquire after the term of the franchise agreement.

Mr. Hartman said there are five crossings of the system which he found to be either inoperable or in poor condition. Only the Southern Boulevard crossing which was constructed in 1950 had adequate valve performance. The piping system, both at the 20" and the 24" crossing, need to be replaced with 24" crossings. He said it means that the crossings serving the Town have been found to be suspect relative to the isolation and the planned replacement to equal the present hydraulic condition. The hydraulic analysis was conducted by the City of West Palm Beach. That hydraulic analysis showed certain areas of pressure problems and the need for capital improvements in the system. Mr. Hartman said the bottom line was that their report showed an overall piping system that is fairly detailed for today that shows the extent and magnitude of the transite pipe and also the extent and magnitude of renewals and replacements.

Mr. Hartman said that approximately \$1.6 million worth of renewals and replacements have been done in the past nine years. The Town has paid approximately \$40 million to the City of West Palm Beach during that time or 37% of the City's revenues. Renewals and replacements, as reported by the City of West Palm Beach's engineers, are required and a capital improvement plan is necessary to replace pipes in the Town. Mr. Hartman pointed out that these things were pointed out by the City of West Palm Beach but were not implemented for correction.

Mr. Hartman said that the Town of Palm Beach experienced over 208 main breaks in the past 8 years—which is a very high number. The piping system in certain areas of Town has repeated breaks. A rationale conclusion of the review of the documents showed that for the long term public health, safety, and welfare, renewals and replacements are necessary.

Mr. Hartman reported that approximately 16MGD on a maximum daily flow is utilized by the Town, and that is the type of supply facility necessary for the community. Due to the variability of demand, storage requirements in the order of 8 million gallons are required. He noted that golf courses are high demand users, and some on-going projects continue to provide irrigation type water for some of the golf courses.

Mr. Hartman said the resources are there and they are dependable for an independent supply of water. The Florida aquifer is one of the most productive aquifer systems in the United States and is a very good supply for brackish demineralization, reverse osmosis, other types of demineralization, or more saline demineralization. He said that a consumptive use permit could be obtained from the water management districts. This is not a draining of the fresh water resources of the State of Florida, because brackish water resources are not fresh water resources of the State, and they do promote fresh water resource conservation.

Mr. Hartman said his firm went through an approach and analysis aspect of how to get to the goal. To have an independent water system, with that goal, a service area is required. The customers and the delivery system has to be secured, and the system needs improvement to provide for a long term, high quality system for the customers. Documenting the Town's demand is important. A revenue stream, or something pledged, for financing improvements is necessary. Mr. Hartman said all of the options have to be considered.

Mr. Hartman summarized the available approach options:

"Presently, the City of West Palm Beach finances, owns, designs, builds, and operates the water system in the Town with the Town having the option to purchase the system at the term of the contract. The present situation is a 'BOOT' with a neighboring City as the vendor. A previous Town Council believed that the above was the best approach at the time. Significant delegation of authority to the City occurred, and the economics of scale were achieved yet not shared with the Town in a fashion acceptable to the Town. Renewals and replacements were not accomplished in an appropriate fashion by the City. Over the past 20 years, asbestos-cement or Transite pipe replacement has not occurred at a pace to assure system integrity, match public works projects effectively, renew the system in a perpetual fashion (perpetual service is an obligation to the water customers), or to assure low asbestos fiber release (an appropriate Aggressivity Index or alternatively provide pk(s) levels to replace the calcium-based coating) for the system. The five (5) crossings which supply the Town all provide a level of hydraulic support, yet the valves are not in good shape and a couple of the crossings should be replaced (based upon the City's engineering studies). Hydraulic improvements for the Town have rarely been made by the City. Finally, the City has profited by serving the Town and most recently with the 25% surcharge increased profits even more both before the term of the contract and following the term period in the contract.

"The Town Council now has the decision again of the approach and level of delegation of authority to the City of West Palm Beach, a newly formed not-for-profit entity, the Town itself assuming more control, a privatizer or team of privatizers, or combinations thereof."

Mr. Hartman said the Town should have certain rights in a typical system. When the Town pays an impact fee, the Town has purchased the right for capacity in the City of West Palm Beach's plant.

Mr. Hartman said one of the options would be to create an authority and gave an example of an authority which would include the Town of Palm Beach, the Town of South Palm Beach, and the City of Lake Worth. He reported that a possible total of 47 options could be considered (as outlined in table 5 in his briefing document). He said that every business has four common elements in implementation: financing, ownership, design-building, and operations. Those four elements can be combined in many different ways.

Mr. Hartman said that the National Director of Standard & Poor's, Seth Lehman, agreed to provide a workshop for the Town and credit the fee, \$6,500, against any future rating for any portion of debt the Town may have. A typical rating would be in the order of approximately \$25,000. This would provide a national perspective in addition to a state perspective. He added that financing could also come in the form of loans, grants, matching funds, state revolving loans, or federally subsidized loans. Mr. Hartman said his second recommendation was that the Town should not finance something that someone else owns and lose the equity position in it as is the current situation with the City of West Palm Beach owning the water system.

Mr. Hartman said the logical vendor for partial bulk supply, emergency supply, or peaking supply as a back up supply is the City of West Palm Beach. Privately, to replace the supply at lower than a bulk rate would be very difficult vs. the retail rate with a surcharge. Mr. Hartman recommended the Town investigate the costs associated with the present system for a potential future decision relative to potential acquisition. That would provide a basis for direction for renewal and replacement investments. Additionally, it would be prudent as a steward for the community to identify the "bad" areas and have them repaired.

Mr. Hartman said the highest risk component of the program is water supply treatment and brine disposal. He said that reverse-osmosis product water is known as a very high quality water and is a higher quality water than conventional treatment techniques of coagulation and sedimentation which is the technical term for the City of West Palm Beach's plan.

Mr. Hartman said the biggest thrust in water utilities in the last decade has been the private contract operations for efficiencies, technologies - - temporary and long term. He mentioned that the present water system dates back to the 1890's in the transmission and piping. Much of the system was built from 1920 to 1950. Refurbishments control the system to have the integrity and the hydraulic capacity for the fire protection the Town needs.

Mr. Hartman recommended the Town move forward at this time to prepare and submit an application for a Consumptive Use Permit and for the Brine Discharge Permit. He said that the recommendations were intended to open as many alternatives as possible to the Town, improve the Town's negotiation position, to have the ability for an alternative supply, and to move forward, concurrently, in all areas at the least cost - - to have the most information to make an informed decision.

Mr. Hartman said he believed the Town should be financing and owning the water system complete for the portions they own. The Town Council should provide the public policy to assure the appropriate service. To have the Town's rights maintained and rights enhanced, the Town should pursue the permitting process, look at optioning sites, start the contract procurement and management process, assess the value of the system, look at contracting functions, notify the City of West Palm Beach offering negotiations for bulk, partial bulk service, emergency and/or peaking supply,

Mr. Hartman read the eight steps he listed under "Requested Direction" in his report:

1. Investigate and refine approach and issues as directed, and report to the next meeting.
2. Prepare and submit for the Consumptive Use Permit and for the Brine Discharge Permit.
3. Support Town's Attorney for preparation of:
 - Service Area Ordinance
 - Public Hearing Documents for Privatization and/or Utility Acquisition
 - Other legislative documents
4. Initiate preparation of procurement RFP documents for: (a) prequalification, and (b) privatization bids.
5. Secure options for sites for facilities program.
6. Initiate financing activities for Town's project.
7. Initiate local land use approval activities and modifications to Town's Comprehensive Plan.
8. Appropriately notify City of West Palm Beach for activity of Town, and discuss potential for bulk service, partial bulk service, emergency interconnections, and/or peaking supply.

Mr. Wyett said he agreed with most of Mr. Hartman's comments and thought the Town Council should proceed with

the various permits. He asked for the requirements for the brine disposal permit?

Mr. Hartman replied some analysis would have to be done relative to locations acceptable for brine disposal. Diffusion options, ocean outfall options, and deep well injection options could be considered. If the brine is of sufficient quality to be mixed with raw water, irrigation options would exist. That would be the first step. Mr. Hartman said the first four goals should be accomplished before the end of the year.

Mr. Wyett said that every year the Town delays, \$1 million to \$2 million is paid to the City of West Palm Beach that would not be paid if the Town owned its own system, and that fee will be rising. Mr. Wyett said he wanted the public to understand that while the Town Council did not want to hurry and do the job wrong, there should be no delays because that is expensive and unnecessary.

Mr. McLendon said that one of the first proposals presented to the City of West Palm Beach in 1995 was a request to provide information regarding the value of the distribution system. The Town stated at that time it would like to own its distribution system and buy wholesale water from the City of West Palm Beach. The Town has never received a proposal regarding those two issues despite repeated requests. Mr. McLendon said West Palm Beach has contracted with other municipalities along the way as well.

Mr. McLendon said he had no doubt about the way he would like to see financing done, and that was with the Town's excellent rating that would preclude financing the debt service cost through anyone else. He agreed that the Town should start a multi approach to have at least the two major options started. One would be to apply for the Consumptive Permit and the other would be the discussion of options on the saline disposal. He asked what percentage of the gross supply is rejection of saline discharge?

Mr. Hartman responded it depended on the system utilized and can go from, typically, 10% rejected to as high as 30% rejected for the types of the brackish water Palm Beach has.

Mr. McLendon said his recommendation would be to refine the report for, perhaps, the August meeting, to make the Consumptive Permit applications, and also indicate the Town's proposal to cooperate with the South Florida Water Management District if they are still looking for aquifer characteristics that would be collected as data from any cooperative well program. He said he had not thought that legal papers for a service area were needed; however, since that was the recommendation, he thought it was appropriate to proceed along those lines for the Town Attorney. Mr. McLendon said he thought it was early for a public hearing, because many of the basic decisions have not yet been made.

Mr. McLendon said he thought it was very important for the Town to proceed in two parallel directions so that there would be no doubt for what the intent would be for the control of the Town's distribution system while leaving the options open for a reverse osmosis system or other system.

Mrs. Smith asked Mr. Hartman why the Town should not initiate the procedure for the reverse osmosis program at this meeting to supply water to the Par 3 Golf Course - - similar to the projects that have been done at the Palm Beach Country Club and the Everglades Club?

Mr. Hartman replied there could be direction by the Town to present a proposal at the next meeting associated with that aspect but to proceed with final design and construction would require some preparatory time.

Mrs. Smith asked if that project could not stand alone?

Mr. Hartman responded that project could stand on its own. There may be a blend of horizontal wells and brackish supply together that would minimize the cost for that facility.

Mrs. Smith asked Mr. Dusey what the condition was of the pipes in the Town that he has seen while doing construction on the roads?

Mr. Dusey said that as a grouping, the pipes were in very bad shape. Much of the old system is very old and needs to be replaced. Mr. Dusey said there are pressure problems in certain parts of Town because the pipe sizes are inadequate. West Palm Beach has identified those areas as part of their studies but, as of yet, has not done anything about them.

Mrs. Smith asked Mr. Hartman how the process would work to assess the value of the pipes in the Town of Palm Beach and how much would it cost?

Mr. Hartman replied that the process involves a due diligence investigation - - testing/evaluation step - - in addition to a hydrant test. Continuous pressure recorders would have to be put in place, and an environmental audit of the properties would be necessary to make sure that environmental encumbrances were taken care of. Appraisal of the real property and the easements would have to be done. Finally, an evaluation would be done based on three approaches - - the cost approach, business approach, and a comparable sales approach. He said that one million gallons of storage on island would be very small.

Mrs. Smith asked Mr. Hartman if he had any idea what the cost might be?

Mr. Hartman said it would be on the order of \$75,000 to \$85,000.

Mrs. Smith asked if there would be any reason not to do the study and assessment of pipes regardless of the direction that might be taken?

Mr. Hartman said he thought the Town should do the study regardless of the direction that is taken.

Mayor Ilyinsky thanked Mr. Hartman for the completeness of his presentation. He said from a philosophical point of view, he is proud to be part of the running of a town that has a better rating than some banks, however the issue is still using taxpayers' money and preparation of a yearly budget. He believed the Town needs to do something regarding becoming independent from the City of West Palm Beach in terms of water supply, but he implored the Town Council not to be in a hurry as that would be an unmitigated disaster. He questioned the cost of being too cautious over not being cautious. Mayor Ilyinsky said that to date, the discussion revolved around wonderful improvements but not one mention of cost was made. He wanted to proceed with enormous caution, and he wanted to know the cost of every single step taken. He said he did not want to live in a Town for the next ten years that would be in a continuous process of being dug up. Mayor Ilyinsky realized these things have to be done, but he urged the process proceed with enormous caution and know specifically what the price will be on every single move that is made, and not let the public understand that if the Council commits to "A" and they would have to commit to "Z". Mayor Ilyinsky implored the Council to move ahead cautiously, diligently, and display as much knowledge as possible. This is the largest public works project that the Town of Palm Beach has ever been involved with - - or possibly ever will be.

Mr. Shaw said he understood the issue was not the cost of water to the Town of Palm Beach, but the Town is faced with the issue of "are we going to have water". He said he looked at the existing infrastructure (the piping/distribution system) in the same way as the middle bridge is perceived - - it is on its last legs and has to be replaced before it fails.

Mr. Shaw said the Town has made every effort to work with the City of West Palm Beach, and in some cases, they made an effort to work with the Town, but they are between a rock and a hard place. He said the City of West Palm Beach realizes they cannot afford to replace the system by their own admission - - that it is falling apart by their own admission - - and the best thing for them to do is to throw up their hands and say, "You figure it out."

Mr. Shaw said the Town is trying to assure all of the residents that they are going to have water ten to twenty years from today. Mr. Shaw said he saw no assurances from the City of West Palm Beach that they are going to spend any money that is necessary to upgrade the system. He said the word "asbestos" was on everyone's mind. There are federal mandates to remove asbestos from buildings and to remove it from consumer contact. He expressed concern as to what "asbestos" means in terms of the Town's drinking supply, and maybe something needs to be done to address the issue of removing the pipes from the ground. It is not a question of how much the Town residents pay for water. He thought all the residents can live with what they are paying for and could live with what it may increase to. If it increases because the mains break and there is no pressure and the Town does not have a quality water system, then it is a waste of money.

Mr. Shaw said he thought it would be prudent to go along with Mr. Hartman's recommendations. He said that the cost that is coming directly to the residents is that amount of money that the Town is expending to analyze the system and set a direction. Water costs money. The cost of that water is what is paying for the distribution system. The cost of that water is what is paying for the processing system. It is not coming out of the taxpayer's pocket. The Town residents have paid over and over again for a system and a lot of that is for operating cost. The water resource is not something to be purchased, and the biggest expense is in the distribution of it. Mr. Shaw said it would cost the taxpayers money to get to the point of a Town's water supply; however, those dollars can be paid back.

Mr. Shaw said the Town Council should focus on reliability and long term, and when that is acknowledged that that is the issue, and not if the price can be reduced by 20 cents per gallon, then the Town Council will know where they are. When that commitment is made, then the issues of where it goes and how it gets into the ground will be issues that are very sensitive to the residents.

Mr. Hartman said, based on the water quality testing that he saw from the City of West Palm Beach, high continuous levels of dissolved asbestos were not shown in the water. However, an index that looks at maintaining the cement coating over the asbestos on the pipes is not good in the system. It is a fact that every time the system is tapped or every time the system is broken, there is a short term release of asbestos. The health effect is a long term exposure and it is in very high quantities. He did not think that this would be an immediate health problem; however, it is not a good thing.

Mr. McDonald asked Mr. Dusey with approximately 25 main breaks per year, if any of the 25% surcharge paid over the past approximately four years by Palm Beach residents was directed to improving the system?

Mr. Dusey replied that not a penny had been committed to the improvement of the system.

Mr. McDonald asked what percentage of West Palm Beach's water business was the Town of Palm Beach?

Mr. Dusey replied that presently the Town accounted for about 37% of the business.

Mr. McDonald asked Mr. Dusey if he knew what the surcharge money was being used for?

Mr. Dusey responded the revenues (\$1.3million - \$1.4 million) went into the general revenues for the City of West

Palm Beach. In previous years, the City indicated they were paying for additional police officers. Mr. Dusey said he was not sure where that stood presently.

Mr. McDonald said he felt that many of the Town's residents thought the Town Council took a tough negotiating posture with the City of West Palm Beach because of the objection to the surcharge, although the thought was that the water bills have not increased that much and why not just give in, pay the surcharge, and resolve the issue. Mr. McDonald said that was not really the issue. The issue was the system itself, and it is such poor condition. The City of West Palm Beach obviously has no intention of improving it, and the system will fail. He said he did not see how the Town can continue with the present system. Mr. McDonald said he thought other arrangements should be made.

Mr. McLendon said the projected cost figures that were presented and discussed by the engineers would be paid for from the water revenues, not taxes. This would be in the form of revenue bonds presumably. Mr. McLendon said another important fact that has generally escaped any of these types of projects is the fact that the life expectancy of water mains and the distribution system, even though it would be bonded for a thirty year life, will be sixty to seventy-five years. After the thirty year pay off of the debt service, the system will have many years of life left. Mr. McLendon asked Mr. Hartman if the financial community looked with disfavor on a "ballooning effect"? For instance, if a thirty year bond were done for \$10 million and interest would be paid for the first twenty-eight or thirty years and then refinance the bonds, could that be done?

Mr. Hartman replied bank loans have been handled in a "balloon" fashion over terms. The risk with a balloon payment is the comparison of the interest factor at today's rate, in the order of 5.5% or if subsidized, 2.7%, with the interest rates twenty years from the present and the availability of low interest. He said that conceptually Mr. McLendon was correct; however, with the risk exposure he probably would not recommend that.

Mr. McLendon asked Mr. Hartman how probable was the 2.7% interest?

Mr. Hartman responded that interest rate was a potential. The State's revolving loan program is a federally subsidized program in the State of Florida. An application would be made for it to go forward with the process. Mr. Hartman said he could not give a percentage for it, because he did not know the Town's ranking points yet. Mr. Hartman said he cannot guarantee that would work, but that was the reason he suggested a financing work shop with the Town Council during August or September would be very beneficial.

Mr. Wyett said, considering normal inflation, he did not want to tell the Town's residents of the year 2030 that the system will be a cheap system. They will have a reliable and affordable system with maintenance costs. He said the studies he has seen stated that reverse osmosis plants can be calculated at ½ of the inflation rate of the country, because the plants and financing are in place. Therefore, it is supplies and labor.

Mr. Wyett said he would like to clarify some comments made by Mayor Ilyinsky regarding tearing up the Town. Mayor Ilyinsky is concerned, as is everyone, about digging up the Town. Mr. Wyett said the Town would not be dug up in one year, and it may take from three to five years to replace the pipes. Some of the pipes can be used; however, the asbestos pipes obviously have to go. If an agreement can be reached with the City of West Palm Beach, another pipe may be inserted inside the present pipe -- avoiding all dig up. Mr. Wyett said the Town will be somewhat inconvenienced. He thought the inconvenience would be worth the price.

Mr. Wyett added that he did not want to rush with the project but that he did not want to "dilly-dally" either, and there is a big difference between rushing and taking forever to get some place. Mr. Wyett said he wanted all due diligence done. The project should be done in the best manner, shape, and form. The Town should deal with good firms, like Mr. Hartman's, and good bidders. Mr. Wyett said everyone should be qualified to give the Town of Palm Beach the very best that is available in the United States.

Mrs. Smith asked for public comment.

Dr. Sten Lilja, 1330 N. Ocean Boulevard, addressed the Town Council. Dr. Lilja said he would like to correct the record by Mr. Hartman who stated the efforts went back to 1990; however, the efforts go back to 1988 and the first report he was aware of was dated September, 1989, and addressed to Mr. Doney.

Dr. Lilja addressed Mr. Hartman's statement of the necessity to go ahead quickly to file for the water supply and brine discharge permits. Dr. Lilja said the nine year old Montgomery report stated the Town uses 8 million gallons of water per day. He said he heard the figure today is 16 million gallons. He thought that number could be subject to re-regulation and he has always maintained that taking water out of the aquifer is a regulated source and that could be tightened in future years. Dr. Lilja said he was not proposing sea water desalinization but that should not be forgotten.

Dr. Lilja said that no mention was made of leakage in the system, and that is important to look into to determine the correct figures. He said the quality of the water from West Palm Beach is poor in his opinion. He said that could be checked by looking in the showers and toilets; however, reverse osmosis water would take care of that problem.

Dr. Lilja said it was easy to say that no tax dollars would be involved, but the costs will probably be charged on the water bill. He suggested it might be better to have it charged on taxes, because it is "tax deductible".

Dr. Lilja said it is obvious that the Town has to be dug up and piping replaced. He asked if it would be a good idea to bury the power cables, telephone, and television cable at the same time? He suggested those utility companies

may contribute to the cost of doing that because they will benefit from it.

Dr. Lilja said he remembered when Comcast received permission to dig up the Town and bury a coaxial cable. Dr. Lilja recalled he objected to that, because that was not satisfactory because of the future technology. Dr. Lilja mentioned the possible \$40 million beach restoration program and urged everyone to think about the total of funds involved with these two projects.

Hugh Davis, 218 Kenlyn Road, addressed the Town Council regarding the issue of water independence from the City of West Palm Beach. Mr. Davis said he was concerned about the possibility of building water treatment on the island. He stated he did not think the Town seriously considered building the water treatment facilities and thought it was negotiating strategy to be used with the City of West Palm Beach. Mr. Davis said one of the proposed locations is adjacent to his property although it is rated as the lowest of the eight sites. He said that no one in the Town lives far enough away from any of the eight sites not to be impacted by them.

Mr. Davis said he made an effort to secure two previous reports - - one in 1990 and an Executive Summary Report that went along with that. An irrigation water report and a subsequent report, "Irrigation Water System with Aquifer Storage and Recovery" was another report he reviewed in addition to the law suit between the Town and the City of West Palm Beach. Mr. Davis reported he reviewed a 1997 independent lab report rating the quality and analysis of the water from the City of West Palm Beach. After reading all of these, Mr. Davis said he made an effort to leave the politics and economics out of his thinking and tried to think of what the Town's goals are. He said he thought three sources existed: sea water which is cost prohibitive at this point; wells in the Floridian aquifer which are relatively expensive compared to other methods; and superficial sources such as run off and rain water which is fairly easy to treat, but the Town has no real availability to those sources.

Mr. Davis said he encouraged everyone in the Town to get the reports and read them, and he did not find them too technical. They are overviews of the problems the Town faces. He said the reports may be obtained in the Town Clerk's office, and in an hour or two, an overview can be obtained of the problems the Town is facing. He urged everyone to try to look at the bigger picture. He saw that as, "How is this whole system going to impact the Town?" The big picture is if the Town wants the plants in Town and should the Town be in the water treatment business.

Mr. Davis said most of the reports include references to controlling the odor. Reading between the lines, Mr. Davis said that obviously these plants generate odor and noise in addition to the consideration of aesthetics. Referring to the Montgomery Report, Mr. Davis noted the cost increase figure of 260% over the average water bill assuming the best source of brackish water. The costs would be higher if the water source were not as good or other toxins had to be treated.

Mr. Shaw noted that report was eight years old and newer figures are available.

Mr. Davis, after a lengthy presentation, requested that no action be taken at this meeting and wait until the seasonal residents have an opportunity for input into the process. He asked that the Town Council present all possible information to the residents.

Mrs. Smith said that perhaps the residents did not have all of the information because, as Mr. Davis indicated, the residents may not have taken the Town Council seriously. She said the Town Council is moving ahead - - gathering information with reports from consultants. Mrs. Smith restated she did not anticipate any referendum or any plan being agreed on at this meeting. No action of this magnitude would be taken in the summer where, as someone mentioned, it would be done "under the cover of darkness". That is not the way that this Town Council operates. Mrs. Smith noted that Mr. Davis spoke well for almost twenty-five minutes, and everyone will have the opportunity to speak as long as he wants to.

Mr. Wyett offered to bring Mr. Davis up to date with information that may allay some of his fears with facts.

Mr. Davis reiterated his greatest concern was with the aesthetics in the Town and the quality of life of the residents. He was sure the Town could go into the water treatment business.

Herbert Horowitz, representing an international funding group for engineering and a construction group, addressed the Town Council. After hearing Mr. Horowitz's presentation, Mayor Ilyinsky said he would like to make a point of order regarding Mr. Horowitz's presentation, noting that the purpose of this meeting was to consider the Hartman report and not present Mr. Horowitz's company to the Town Council. Mayor Ilyinsky deferred to Town Attorney Randolph.

Mr. Randolph confirmed that the meeting was intended to hear Mr. Hartman's report and have any public comments regarding the report. He agreed with Mayor Ilyinsky that this was not a meeting to hear proposals that anyone might want to present.

Mr. Horowitz said one of the considerations was the appropriation of \$75,000 at this meeting, and his company was prepared to save the Town that amount of money. He said that he felt that was pertinent to the meeting.

Mr. Wyett said the Town did not want to be obligated to any company that did not have an open bid.

Mr. Horowitz replied there would be no obligation.

Enrico Caruso, resident of the Town, congratulated the Mayor on his comments and the way he expressed the feelings of the citizens. Mr. Caruso said half of the people want a desalinization plant because they have something to gain, and the other half have something to lose in their water bills.

Eric Adams, resident of the Town, said his concerns were stated very well by Hugh Davis. He said the residents have not read the reports, and he hoped the information could be disseminated to the residents. Mr. Adams noted that Mr. Davis had circulated information. Mr. Adams said the preservation of the Town is what the Town is about, and he hoped that the citizenry can be properly informed about what choices are available.

A discussion followed regarding the issue of replacing pipes because of an asbestos problem and providing information to the citizens.

Mr. McLendon referred back to Dr. Lilja's comments and explained the difference between the 8 million gallons per day usage and the 16 million gallons per day usage as stated recently. Mr. McLendon said the average daily usage is 8 million gallons per day, but when a plant and water system are designed, the design has to allow for the highest usage or 16 million gallons.

Mr. McLendon said the City of West Palm Beach tested the asbestos content of the water; however, he did not see the actual reports but understood the tests did not show any large amount of fibers. He said that asbestos did not have the same health impact if suspended in water as it does if it is in the air and inhaled in the lungs. He asked Mr. Hartman to verify that it was only the long fibers that can possibly do something if they are in the water.

Mr. McLendon said it was he who visited the Palmo location and possibly caused Mr. Davis's concern over the site. He said other potential sites have been considered in West Palm Beach and in Phipps Park.

Mr. McLendon said in order to improve the Town's negotiation position, the Town needs to proceed on two tracks: 1. to know the Town has the capability to build a reverse osmosis plant; and 2. improving the Town's position regarding wholesale water purchase. He added the pipes have to be replaced as they will continue to be a problem.

Mr. Hartman responded that Mr. McLendon's analysis of the asbestos situation was accurate. He added that the asbestos issue is not an imminent health impact but was not good.

Mrs. Smith said the asbestos issue is very important and asked if the Department of Health has checked the plant in West Palm Beach to determine if the asbestos levels are acceptable?

Mr. Hartman replied that more asbestos fibers are released when pipes break, but as an engineer he wanted to state that asbestos cement pipe is not as structurally sound as other piping materials and that is one of the reasons it does break so often. With time, its average service life is less than other piping and that is why it is an issue.

Mr. Wyett said the preliminary ideas presented to him showed that a plant may be located behind the Fire-Rescue Station in Phipps Park with an underground storage capacity of approximate 4 - 6 million gallons of water. He noted that the park would be torn up when the storage facility was constructed but would be restored after the construction. He said that everyone must recognize that the plant cannot be in someone else's backyard. All of the plant can be located in West Palm Beach and that is under study, in which case, subterranean transfer of water would be used. If that is the case, no plants would be located on the island; however, only three plants may be needed - one in the south - one close to the middle - and one plant near the present 1 million gallon storage capacity. He requested the Town Council have a chance to locate sites that are not objectionable, and there is no such thing as a second class citizen in the Town of Palm Beach and no one on the Town Council would vote to decrease the value of any property by putting in water plants where they should not be.

Mrs. Smith responded that the Town Council has not yet decided to have water plants, and the discussion for sites is premature. She said they are certainly not going to be on Palmo Way.

Mr. Shaw said the issues presented at this meeting were discussed so the Town Council could understand from the standpoint of how the project has to be approached. That was the discussion and not the location or numbers of the water plants. He said the Town Council was here to understand how to better educate themselves so they can do what they were elected to do - to run the Town for the benefit of the residents. It is not an issue of pipes or severing ties with West Palm Beach, but an issue of where the Town needs to be ten or twenty years from today. Mr. Shaw said after comments from the public were heard, he thought it was time to make a motion to accept Mr. Hartman's recommendations.

Dick Bresee, resident of West Palm Beach, addressed the Town Council and stated the asbestos issue is an overblown subject. He said hundreds of millions of dollars were spent removing asbestos that never should have been spent.

Polly Earl, resident of Palm Beach, addressed the Town Council and said everyone talking about the water issue should address the issues with a desire to understand and a desire to look at the possibilities. She said new reports are coming all the time with new information, new statistics, and new figures. Mrs. Earl said she was hearing positive things from the reports and that the Town has a chance for water independence for basically the same costs that are paid by residents presently. She said, possibly, independent water systems make better neighbors, but those are issues to be decided in the future. Mrs. Earl said she thought that with the guardians (Town Council) the Town has, nothing will be built that will be noxious to its neighbors. Mrs. Earl said the Mayor and Town Council deserve

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commendation for having brought the water issue this far, presenting it to the public, and working very hard at trying to find a solution to a problem that could be a menace to the Town in the future.

Mrs. Smith asked Mr. Shaw to list the recommendations he mentioned earlier and asked that the Town Council take into consideration her recommendation to move the Par 3 part of the non potable system ahead, prior to waiting for the final determination of what will be done for the entire Town.

Mr. Shaw said that two other golf courses in the Town are actually ahead of the Town in planning for irrigation of their golf courses. One has a very successful reverse osmosis plant and the other one will be coming on line. He suggested that the Town Council authorize the staff to proceed with a reverse osmosis plant for the Par 3 golf course. He said that was the first item to be moved.

Mr. Shaw said he would approve to go ahead and evaluate the existing system at a cost of \$75,000 - \$85,000. He said he did not believe there was a clear understanding of what is out there, and that needs to be done. Mr. Shaw said the other thing that should be actively pursued is the application for the consumptive use permits and the brine discharge permits. He said that would be his motion - - to include those three items.

Mrs. Smith said the project is being piece mealed and asked what the cost would be for the two applications? Mrs. Smith said she understood the meters were discussed.

Mr. Elwell said the meters would be discussed later in the meeting.

Mrs. Smith questioned if the costs were approaching the \$500,000 level if the water meters were included? She said the cost of the meters was approximately \$175,000.

Mr. Dusey responded the cost for the meters would be in the range of \$150,000 to \$175,000. He said the staff would need some design funds to start that project, and he would return to Council when bids were received. At that time, the costs could be determined. Mr. Dusey recapped that \$100,000 was authorized to gather information, \$85,000 was appropriated for the Hartman Report, and study money needed to be appropriated for the reverse osmosis plant.

Mr. Hartman said to include the items presented at this meeting would require approximately \$350,000 to \$400,000 total investment if everything is approved.

Mr. Elwell clarified that \$100,000 has already been appropriated for the general purposes and has helped the staff arrive at the present time. The \$100,000 applies to the eight recommendations as listed in Mr. Hartman's report including the permits.

Mr. Hartman explained that the report and investigations to date have cost approximately \$28,000 with approximately \$72,000 left of the authorized \$100,000.

Mr. Elwell said the \$100,000 has been authorized; the \$28,000 has been spent; and the other items can be worked on with the remaining amount. He said that if the Town Council agrees as Mr. Hartman has recommended, and the staff concurs with that recommendation, \$75,000 - \$85,000 would be needed. The approved \$100,000 would continue to fund the general program and beyond that would be the cost of the meters. Mr. Elwell said he thought the Town Council should consider the meter issue separately.

Mr. Hartman pointed out that approximately half of the \$350,000 appropriation would be for the installation of the meters.

Mr. Shaw said he thought the Town Council had conceptually agreed to install the meters, otherwise the Town would not have made a request to West Palm Beach to install them. He said at this point, approximately \$75,000 to \$85,000 needs to be added to the evaluation process because the Town needs to know the flow of water to be able to design a system and what the value of the existing system is. These are integral parts of the study. Mr. Shaw pointed out that the Par 3 golf course plant would essentially be self funding - - to be paid for by the cost for irrigation water that the Town would normally pay to the City of West Palm Beach.

Mr. McLendon asked if the water meters would be located on the Palm Beach side? Mr. Dusey said that was correct.

Mr. McLendon said that was not where they should go. After discussion, Mr. McLendon said if the meters are not in West Palm Beach, the Town would not have the ability to buy wholesale without making some arbitrary allowance for the amount of water that might be lost from the pipes subsequently.

Mr. Dusey said he was quite surprised that the City of West Palm Beach was allowing meters to be placed on the system; however, he did not have the nerve to ask the City for permission to dig up their streets to install meters over there.

Mr. Shaw said he would like to see the meters installed as close to where the water would be used as possible.

Mr. Wyett said the location of the meters should be left to the experts. He asked if the metering would be put out to bid or awarded?

Mr. Dusey responded it was a design and bid process.

Mr. Shaw's motion died for lack of a second.

Mr. Wyett said he wanted to discuss the Par 3 golf course situation. He said that he checked and the reverse osmosis units would occupy the space of approximately two forty foot trailers. Mr. Wyett said that situation would be good if the Town decided not to go forward with reverse osmosis plants, but building a major plant in the area at a later time would not make any sense nor would it be economical to have two plants in the area. Mr. Wyett said the savings of water for irrigation for the Par 3 course would be between \$40,000 and \$80,000 a year. Mr. Wyett said doing a preliminary cost structure would cost money that may be redundant and that made no sense to him.

Mrs. Smith said when she discussed this idea with Mr. Hartman and Mr. Dusey, she asked them if it would be possible to build a plant large enough that could be adapted at a later time for non potable use in the entire south end. She said they reported that would be very possible and could be tied in, if it were built and designed properly, to the entire system that the Town decided to pursue. Mrs. Smith said she understood the Town Council would not be authorizing the Par 3 system at this meeting, but Mr. Hartman and Mr. Dusey were asked to come back to the Town Council with a proposal that the entire Town Council would discuss and address at a Town Council meeting.

Mr. Wyett said he just wanted to point out that the irrigation south of Sloan's Curve is substantial. It is probably at least equal to the total Town's consumption for irrigation which is approximately 50%. A plant for 50% of the area south of Sloan's Curve would not just be the equivalent of two trailers - it would be almost half of the total water supply that might eventually be built. Mr. Wyett said he would like to save an additional investigation until a decision is made on reverse osmosis, and it is very likely that the area south of Sloan's Curve will be one of the first beneficiaries of a new plant.

Mr. Hartman, responding to questions from Mr. Wyett, said the cost for the proposal would be nothing. Mr. Wyett withdrew his objection.

Mr. Elwell summarized that, previously, the Town Council authorized a request be made to the City of West Palm Beach to install the water meters, and the City granted permission. He requested the Town Council take additional action to authorize staff to proceed to refine the details of what needs to be accomplished, how the bidding process would proceed, and refine the cost estimate. Mr. Elwell said that Mr. Dusey did request \$25,000 from the Designated Reserves in the General Fund for the purposes of designing which was included in the original cost.

Mr. Shaw made a motion to approve the actions as stated by Mr. Elwell. The motion was seconded by Mr. McLendon. On roll call, the motion carried unanimously, 5 - 0.

Mr. Shaw made a motion to approve the evaluation of the system and authorize \$75,000 to \$85,000 from the Designated Reserves in the General Fund. The motion was seconded by Mr. Wyett. On roll call, the motion carried unanimously.

Mr. Shaw made a motion to proceed with the permit applications with funding to come from the previously authorized \$100,000. The motion was seconded by Mr. Wyett.

Mr. Hartman said the \$100,000 initial allocation to cover the preparation of those documents would not include a "request for additional information" part of the application. Mr. Hartman explained, that within the permitting process, the Water Management District requests a two week notification period where notices of intent are published in a local newspaper. Any party or anyone can object to the issuance of the permits, and that objection can be determined to be either non-substantial and over ridden by the agency itself or the party could have appropriate standing and go to a division administrative hearing under Chapter 120, Florida Statutes.

Mr. Wyett asked Mr. Shaw if his motion intended the permit should be prepared and submitted or prepared only?

Mr. Shaw responded it was prepared and submitted.

Mr. Elwell said the process described by Mr. Hartman was a very standard process with a fourteen day advertising period and the potential for anyone to intervene is there anytime the Town applies for a permit from a State agency. Mr. Elwell asked if Mr. Shaw's motion intended to pull the permit issue off Mr. Hartman's list or if it was not intentionally separated, it might be more efficient to recommend approval of the consultant's list as the next step in the program.

Mrs. Smith replied she was not prepared to go with all of Mr. Hartman's recommendations at this meeting. Mr. Shaw said he also was not prepared to do that.

On roll call, the motion carried unanimously.

Mr. Shaw said the last issue discussed was whether or not to proceed with a plan for a reverse osmosis plant for the Par 3 golf course - to ask staff to prepare a proposal based on what the needs would be. He said what the Town Council was looking for was the Par 3's consumption, what are the projections for consumption in other areas, and what other options may be.

Mr. Shaw made a motion to proceed with a proposal for a reverse osmosis plant at the Par 3 golf course that staff would prepare with no additional costs. Mrs. Smith passed the gavel and seconded the motion. This will be on the July 14th Town Council agenda.

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Mr. Dusey noted that the installation of computers at the Par 3 golf course will control water usage this year and reduce the demand on the system.

On roll call, the motion carried 4-1 with Mr. McDonald casting a negative vote.

Mr. Elwell said Mr. Hartman had suggested a potential workshop be held on financing or would the Town Council like to schedule either a financing meeting or a general special meeting on water or should the staff provide a report at an appropriate time at a future Town Council meeting?

Mr. Shaw said he thought the Town Council should hear the answers to the questions posed at this meeting before any meetings are scheduled. Mr. Shaw suggested a specific meeting be held later regarding financing.

Mr. Elwell responded that if the Town Council agreed, the staff will proceed as directed at this meeting, and when sufficient progress is made and a presentation is made to the Town Council at a monthly meeting, a special meeting can be decided upon at that time.

The Mayor and Town Council agreed with those comments.

Mrs. Smith said that the Town of Palm Beach is in an enviable position of being the only municipality in the State of Florida with that bond rating, and the Town does not have a problem, fortunately, with financing.

Mr. Wyett said he agreed with Mr. Shaw, and the report did not include the idea of having at least the water section of the system owned by a successful bidder. More discussion would have to take place about that, and if the Town elected not to own the system, but elected to enter into a long term supply of the system for water only, there would be no financing involved, because that would be taken care of by the successful bidder.

V. ANY OTHER ITEMS

There were none.

VI. ADJOURNMENT

The meeting was adjourned at 12:50 p.m.

Mary A. Pollitt, Town Clerk