

TOWN COUNCIL  
WORKSHOP MEETING  
OCTOBER 30, 1996

The meeting was called to order at 7:40 p.m. Present were Mayor Venis, Vice-Mayor Cox, and Councilmembers Bush and Santini. Also present were Town Administrator Flatley, Mr. Webber and Town Clerk Reinfeld recording the meeting. Mayor Venis explained that Councilmember Kiar was absent due to an illness in his family.

**1. South Broward Utility**

Christopher Wallace, Director of Budget and Finance, stated that the Town was once again pursuing the acquisition of South Broward Utilities (SBU), which generally served the Ivanhoe community and he related the necessity of adequate water and sewer services for the rapidly developing area. Mr. Wallace provided a history of area services and summarized the research and reports from Berry & Calvin and Rachlin, Cohen & Holtz.

Mayor Venis stated that he had heard many complaints about the water rates in the Ivanhoe community and asked if another rate increase was expected. Mr. Wallace explained that the existing rate structures would be utilized.

Lisa Lane of Rachlin, Cohen & Holtz, explained the process of determining the income stream. She stated that a value had been determined which then incorporated the report from Berry & Calvin.

Ms. Lane stated that the net value of what should be paid for the system was determined to be approximately \$8.2 million. She said that an annual accounting would be assessed for extra capacity and explained payment for future connections would be made at the time of connection. Ms. Lane said that a basic per-connection value had been assigned at approximately \$2,600 per water equivalent connection and approximately \$2,400 per sewer equivalent connection.

Ms. Lane explained that all values were subject to negotiation and related that preliminary evaluations in the past had produced a figure below the seller's acceptability. She said that an indication from the seller was again required before negotiations could proceed.

Ms. Lane related that the City of Pembroke Pines was interested in acquiring a portion of the system and said that the report reflected the full value of the system which would be divided according to portions of acquisitions. Mayor Venis asked if Pembroke Pines wanted to acquire the lines which serviced the Town's residents. Ms. Lane responded that Pembroke Pines was looking at a certain service area for which it would acquire the service lines.

Councilmember Santini asked about future annexations. Ms. Lane responded that the system allowed for future capacity.

Irving Rosenbaum, representing SBU, gave details of the available unincorporated areas. He stated that Sunshine Ranches was divided between SBU and Cooper City.

Vice-Mayor Cox remarked that a court decision was still pending regarding Imagination Farms and recalled the initial determination was that Imagination Farms belonged to the City of Sunrise. Dr. Rosenbaum provided information indicating that Sunrise had not demonstrated an ability to service the area. He suggested more investigation into the issue.

Mr. Flatley inquired about the significance of the November 12, 1996 date.

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John Calvin of Berry & Calvin, stated that there were two issues. One, he said, was that the Public Service Commission (PSC) had jurisdiction over all private utilities and the other was circuit court

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action. Mr. Calvin described the November 12th hearing as a final action in Tallahassee on a PSC action from Sunrise's motion for reconsideration. He said that it had been their understanding through reading the PSC documentation that SBU had prevailed in court.

Ms. Lane advised that the PSC had granted an unusual non-exclusive franchise and said that this gave SBU the right to compete for hook-ups in the Imagination Farms area.

Vice-Mayor Cox inquired about Sunrise's recourse should developers choose SBU. Mr. Webber stated that, based on the documentation he had read to that point, Sunrise's availability for recourse in court was over.

Ms. Lane advised that the Ivanhoe service area had not been valued and a per connection would need to be paid.

Vice-Mayor Cox asked about the risk factor in dividing the service area. Ms. Lane explained that Pembroke Pines would pay for a third of the area. She said that the Town would be acquiring a plant with the capacity for increase.

Mayor Venis inquired about the costs for increased capacity. Ms. Lane explained that the expense would be a capital investment for the Town. Mayor Venis asked about the amount of excess capacity at the

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plant. Inquiry was made about the specific area designated for Pembroke Pines. Mr. Calvin explained that Pembroke Pines was looking at 1,100 Equivalent Resident Connection which was everything south of the power lines between Sheridan Street both east and west of Dykes Road. He stated that the result left the Town with 2,300 possible connections.

Mr. Calvin detailed the designated expenditures for the \$1.4 million. He explained the wastewater had been rated at .99 million gallons per day and said that the area was flowing at about 50%.

Mr. Calvin said that wastewater had more options regarding the split than did water and described the suggestion to split at the powerlines. He summarized other options that had been examined including future plant expansion challenges and conversion to a pump station.

Mayor Venis asked about the maximum number of additional connections. Mr. Calvin stated that removal of the Pines area would result in about .3 million gallons per day. He reiterated that 2,300 connections would be available at build-out with an additional 1,000 connections possible.

Mayor Venis asked if releasing one-third of the system was the best decision. Ms. Lane stated that service to the residents was foremost in the desires of both cities. Mayor Venis requested information on the advantages of owning the entire plant and service area. Councilmember Santini inquired about increased costs for benefits.

Dr. Rosenbaum stated that SBU would like to continue discussion and added that the view from economies of scope could indicate expanding manpower, decreasing the cost of the system or other options. He recommended that the Town continue gathering information and reiterated that discussions should continue with SBU.

Mr. Flatley inquired if another buyer could acquire the plant and increase rates. Dr. Rosenbaum responded that this was a possibility. Mr. Webber added that if it was a governmental purchase, the PCS would have no jurisdiction.

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Vice-Mayor Cox recommended that the Town not initiate a bidding war with Pembroke Pines and indicated that Ivanhoe was in the area that Pines wanted to service. She suggested that the Town make a decision about its orientation.

Mr. Wallace stated that other options could be explored and added that the customers were the major concern. He suggested that the Town encourage Imagination Farms to choose SBU for service as opposed to Sunrise. Mr. Wallace related that lowering rates and taxes was also being explored.

Vice-Mayor Cox inquired if retention of the entire service area would provide sufficient wastewater capacity to service the Imagination Farms area. Mr. Calvin responded negatively.

Mr. Rosenbaum discussed other options that were available.

Vice-Mayor Cox asked if improvements other than those specified for the \$700,000 expenditure would be required. Daniel Colabella, Director of Utilities, responded that no additional costs had been projected.

Vice-Mayor Cox questioned the legal ramifications if Imagination Farms choose SBU over Sunrise. Mr. Webber stated that he would need to research this matter.

Councilmember Santini stated her desire to compare the figures between fully owned and shared ownership. Mr. Flatley inquired about the possibility of connecting Imagination Farms with Davie Utilities. Mr. Colabella predicted that the numbers would probably be about the same and said that if the facility could support the area, it was worth the purchase.

Michele Mellgren, Director of Development Services, provided a history of Imagination Farms discussions which had included expansion of the plant.

## **2. Annexations**

Mr. Flatley related that the City Pembroke Pines had invited many residents of the unincorporated areas to view the City's presentation on annexation. He remarked that the unincorporated areas had only two reasons to consider annexations - freedom of choice in the future and water availability. Mr. Flatley referred to the letter from the President of Southwest Ranches Homeowners Association which related the unanimous displeasure regarding Pembroke Pines providing residents with individual presentations.

Mr. Flatley stated that Ivanhoe Estates had requested and received an individual presentation from the Town. He said that the residents had specifically requested assistance with water and explained that 72 lots required connections which could generate approximately \$125,000 per year revenue flow to the Town. Mayor Venis expressed that the connections would be an investment in the community and no negative impact would be imposed.

Mr. Flatley stated that the area could be covered efficiently with the existing Police Department. He said that EMS and fire services were also in place. Mr. Flatley said that the ultimate decision would require a referendum vote which could be distributed over a five year period and explained the procedure.

Mr. Flatley requested input from Council regarding the Lauderdale Isles residents. Mayor Venis recommended that the Town provide presentations in the western areas along with the other cities. He suggested that the Town look at

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Lauderdale Isles in the future. Vice-Mayor Cox expressed that anything north of the New River Canal was remote and should not be pursued.

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Vice-Mayor Cox inquired about the easements at Rio Ranches. It was stated that that homeowner's associations had no enforcement power which presented a problem in the area. The desire to preserve the current lifestyle with trails was expressed.

An unidentified man stated that he had attended the last hearing of the Broward County delegation and said that the question had been posed as to whether a city could "jump" a Broward County park or canal. He said that the answer to both questions was affirmative.

Hilary Scloara, president of Rio Ranches Homeowners Association, inquired about the unofficial agreement with Cooper City not to "jump" the canal. Mr. Flatley responded that there was no agreement and indicated that the residents would ultimately make the decision.

Judy Paul expressed that the Town was the best choice for areas which wanted to preserve their equestrian lifestyle. She volunteered assistance from the equestrian community to enhance Davie's position.

Councilmember Santini suggested that an event be coordinated for an equestrian run in the newly connected area. Vice-Mayor Cox related that the Boys and Girls Club was currently sponsoring an open invitation Ride-A-Thon. Discussion followed regarding lifestyle preservation and equestrian connections to unincorporated areas.

Mr. Flatley remarked about rumors that 148th Avenue would become four or six lanes. He stated that inquiry had been made about the advantage of maintaining a two lane street.

Mr. Flatley concluded that the new video on the Town and prepared annexation materials would be packaged into a presentation for unincorporated areas.

**3. Request from Peter Deutsch's Office**

Earlier in the meeting, Mayor Venis related that the request from Congressman Peter Deutsch's office to televise one hour of a Davie Town meeting had been withdrawn.

There being no objections or further business, the meeting was adjourned at 9:30 p.m.

APPROVED \_\_\_\_\_

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Mayor/Councilmember

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Town Clerk