

AUGUST 16, 1989

The Board of County Commissioners, Manatee County, Florida, met in SPECIAL/JOINT SESSION with the Palmetto City Council in the Administrative Center, 1112 Manatee Avenue West, Bradenton, Florida, Wednesday, August 16, 1989, at 1:45 p.m.

The purpose of the meeting was to discuss City of Palmetto/Manatee County negotiations on water agreement.

**MANATEE COUNTY**

Present were Commissioners:

Patricia M. Glass, Chairman  
Edward W. Chance, Vice-Chairman  
Kathy A. Snell, Chairman Pro Tem  
Kent G. Chetlain  
Maxine M. Hooper

Also present were:

August V. Ellis, County Administrator  
H. Hamilton Rice, Jr., County Attorney  
Susan G. French, Deputy Clerk, representing  
R. B. Shore, Clerk of Circuit Court

**CITY OF PALMETTO**

Present were City Council members:

Donald Olmstead, Mayor  
Shirley Vanzant  
Terry Wells  
Ron Witt

Also present were:

Hugh McGuire, Attorney for City of Palmetto  
Steve Odem, City Clerk

Representatives of the various news media were present.

The meeting was called to order by Chairman Glass.

**PALMETTO WATER AGREEMENT**

H. Hamilton Rice, Jr., County Attorney, gave a brief history of the disputed water agreement with the City of Palmetto. He stated that the dispute dates back to 1984 wherein a disagreement arose as to assessment of rates and the manner in which they were increased.

Hugh McGuire, Attorney for City of Palmetto, reviewed revised agreement submitted to the Board August 1, 1989, and outlined four areas of dispute.

**RESERVE CAPACITY**

Mr. McGuire pointed out that the proposed agreement allows a reserve capacity of 1.4 million gallons per day (mgd) and up to 2 mgd if capacity is available. He requested the agreement be amended to reflect a previously agreed upon increase in reserve capacity based upon 75 percent of established reserve.

Mitchell O. Palmer, Assistant County Attorney, explained it was previously agreed that if Palmetto's actual usage for the immediately prior County fiscal year exceeded 75 percent of established reserve capacity for that year, they would automatically be entitled to an increase in reserve for capacity in increments of .1 mgd to a maximum not to exceed 2 mgd.

Concurrence - All concurred with requested amendment.

**ADDITIONAL CONNECTIONS**

Mr. McGuire requested the City be allowed to relinquish the tap at 2nd Avenue and 7th Street in return for connections at (1) Civic Center, (2) 33rd Street and U.S. 41, and (3) Highway 301 and Canal Road.

R. A. Wilford, Public Works Director, advised that allowing additional connections would reduce the County's ability to serve future customers off that line.

Discussion: Palmetto will be paying for water from the line; impact on rate structure; City will not pay impact fees for the connections; whether connection at Canal Road is necessary; etc.

Steve Odem, City Clerk, displayed a map indicating present/proposed taps.

Objection was raised to connection at 33rd and U.S. 41 since the County is already serving that area.

Concurrence - All concurred with additional connections at the Civic Center and 301 and Canal Road.

(Note: See further discussion/concurrence later in meeting.)

#### SERVICE AREAS

Although not a point of contention, Mr. McGuire stated that a map of Palmetto's service area, referenced in paragraph 15 of the proposed agreement as Exhibit "A", needs to be addressed as agreement has not been reached regarding exact location and area.

(Note: See discussion/concurrence later in meeting)

#### TERM OF AGREEMENT

Mr. McGuire stated they are in agreement with the proposed requirement of 5 years notice to Palmetto to terminate the agreement and one year notice to the County; however, the City requests that a stipulation be added that the 5-year notification period would begin no sooner than December 14, 1992 (the expiration date of the existing contract).

Mitchell Palmer, Assistant County Attorney, clarified request from City that notification not be delivered prior to December of 1992.

Board Concurrence - All concurred with request by City.

#### SETTLEMENT AMOUNT

Discussion was held regarding an excess of \$800,000 which has been withheld by Palmetto since January of 1984 for charges which they considered to be excessive.

Mr. McGuire stated that the City has agreed to pay \$500,000 settlement of what is owed to the County within 15 days of execution of the agreement (as indicated in the proposed agreement).

Mr. Chetlain suggested the City of Palmetto pay the Civic Center for money owed for the extension of Haben Boulevard. It was recommended that the matter be handled separately from the water agreement.

Ms. Snell questioned whether water charges from the City of Palmetto to the Manatee Civic Center could be reduced in order to assist the Civic Center with financial difficulties.

Discussion: County provide a separate tap directly to Civic Center; legalities involved; etc.

Recess/Reconvene. All members present.

Alternatives were suggested regarding reduced water charges for the Civic Center: City deduct from the water bill that amount used by the Civic Center; County not bill the City for amount used by the Civic Center.

Discussion: Fairness to all customers; legality; whether Civic Center would be considered to be City or County customer; whether Civic Center can be treated as wholesale customer by the County while using City waterlines; etc.

AUGUST 16, 1989

(Cont'd)

It was suggested that the County tie the Civic Center directly into their waterline whereby the Civic Center would become a water customer of the County and a sewer customer of the City. The City would charge normal sewer rates and the County would charge either wholesale or retail water rates.

Question was raised as to whether the City would allow an irrigation meter on the Civic Center Building so that sewer rates would be charged only for water used in the building (not irrigation, outside washing, etc.) There were no objections.

Mr. Palmer recommended the County have a written agreement to serve the Civic Center as a wholesale customer. He pointed out that Florida Statutes provide that the County cannot serve a customer within municipal boundaries without written permission from the municipality.

Concurrence: All concurred that the \$500,000 payment would be satisfactory in exchange for the City agreeing to allow the Civic Center to become a wholesale customer of the County and a sewer customer of the City.

#### SERVICE AREAS/ADDITIONAL CONNECTIONS

Mr. Rice recommended the service area boundary matter be omitted from the water rate agreement by deletion of paragraph 15.

Mr. McGuire stated they would forego paragraph 15 if the Board allows the City to have the additional tap at 33rd. Mr. Wells suggested consideration be given to a tap at 33rd Street at 14th Avenue rather than 33rd Street and U.S. 41.

Concurrence: All concurred that paragraph 15 be deleted and that the City be allowed a tap at 33rd Street at 14th Avenue.

Discussion followed regarding costs of tapping into the system.

Concurrence: All concurred that the agreement include a provision that the City of Palmetto be responsible for all costs associated with connecting to the system.

#### MOTION

Mr. Rice formulated a motion to approve the agreement between the City of Palmetto and Manatee County submitted to the Board on August 1, 1989, as amended, conditioned only upon final action by the Board confirming the changes made by discussions and agreements made this day.

#### Manatee County

Mr. Chetlain so moved. Motion was seconded by Mrs. Hooper and carried unanimously.

#### City of Palmetto

Mr. Witt so moved. Motion was seconded by Mr. Wells and carried unanimously.

#### MEETING ADJOURNED

There being no further business, the meeting was adjourned.

Attest:

APPROVED:

  
 Clerk  
 Adj: 4:35 p.m.  
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 BOARD OF COUNTY COMMISSIONERS  
 SEPT 11 1989  
 MANATEE COUNTY  
 PALMETTO, FLA

  
 Chairman 11/21/89