

**Homosassa Special Water District
Elevated Tank Workshop
December 1, 2014**

A workshop was held on Monday, December 1, 2014 to discuss the Elevated Water Tower.

Present were:

Commissioner Seibert
Commissioner Jeeves
Commissioner MacRae
Teresa Olds (HSWD Staff)
Area Residents:
Judy Biston
Marian MacRae
John Wilcox
Dee Dee Wilcox
Winston Perry

Commissioner Sipos
Commissioner Bitter
Dave Purnell (Superintendent)
Denise Lyn (HSWD Attorney)
Anthony Dimmino
Robin McClure
Ron Schultz
Richard Sipos
John Grannan

Commissioner Seibert called the Workshop to order at 4:00 PM

Commissioner Seibert asked that Attorney Lyn open the meeting with her research that was presented.

Denise: I prepared a memo as I thought that might help you in receiving the information that will be discussed tonight. What I understand you are here for a workshop and the agenda states that there will be discussion but I was under the impression there was going to be a presentation.

Rodney: If I may correct the Board. The presentation comes in December at the Regular Monthly meeting. This was a workshop and if I might clarify that a little bit more. At the meeting last month my comment was it would have been nice if we would have sat down with these people in the very beginning and had a workshop with them to see if we could find some middle ground. What we could do help them out. How this workshop got scheduled for today was the Chair's wishing and that's what we are here for.

Dennis: I don't remember it that way. I don't remember asking for a meeting, someone else did.

Denise: I thought we were here tonight to receive the presentation from the Society so that you could make your decision at your regular Board meeting.

Dennis: That was my impression to.

John Wilcox: I thought at least from my perspective I think I am the one that brought it up and asked for it. We meet with the County Historical Society next week, one week prior to the Regular Board Meeting. This was to get input from both perspectives in what would be acceptable for the Board for us to move forward and our input to that for what our vision may be and how we can reach a common ground for our meeting with the County Historical Society than one week later the 15th was always the agreed upon date for us to perform the presentation. The reason this date was taken or chosen and we had a large debate on what day of the week this should be held on because on the 8th the County Historical Society meets and Homosassa is a Heritage Council underneath that umbrella.

Dennis: Let's do this. I would like the Attorney to go through her memorandum (on file) that she sent and to clarify some things because I think after reading it, it will have a big bearing on where this thing is headed. From what she found out when she did the research for us.

Denise: My understanding at the last meeting I wrote down 3 questions that you all needed answered or that I felt that you needed answered. So I start off my memo, discussing the 3 things that I understood that we needed answered.

- First: Is whether the District can lease the tower and the surrounding real property. Those two are separate things. One is tangible one is real. I guess some could argue the tangible has now become a fixed to the real. I didn't get into that minutia of deciding because both of those items or one of them if they're fixed are both your property. So whether or not you can lease that to the Society and that is how I have abbreviated the name the Society for a long term lease and my understanding is they without knowing all the details they want to preserve the tower is my understanding and that is the way that I worded the question.
- 2nd: Can you lease surplus tangible personal property to a not for profit organization, which I know that they are not organized as a not for profit as of yet, but perhaps they could become organized in that method.
- 3rd: What is the significance of the tower being included in the Master Site File? That was the information that was brought to you late before the last meeting and I hadn't had a chance to review that.

So those are the 3 questions that I came up with and hopefully those are the questions that you wanted answered.

In the packet you have the history of how we got here, the Background information. I think I accurately reflected on how we got here. The District powers I went through your enabling legislation and quoted your purposes which are why you even exist. It's important to remember that you are not a body of General purpose Government. You are not a municipality you are not a County. You are a Special purpose Government created specifically to do one thing and that is to provide potable water. All of those powers that are incident to providing that water. So when it comes to issuing bonds to upgrade your system, do your water line improvements they can all be considered incident to your powers or your purpose of providing potable water. I went through and I reflected those and then I reviewed the law which is quite straight forward. I didn't find contrary law. I didn't find anything that I thought I needed to distinguish other than what I wrote. Which basically you are created by statute or legislation for one purpose. Some of the most important parts of the law that I felt were that if you don't have an expressed power non can be implied. If there is any question whether or not you have a power it's to be resolved against you having that power. In other words if your legislation doesn't say you can do it and there is a question whether you can do it the law says you can't.

I talked about some Attorney General opinions that referred to something similar to what you are thinking of doing. There was one district that wanted to buy property next to it and in order to do that they would have to remove a not for profit entity that had been operating there and they wanted to buy property elsewhere to basically provide a substitute home for that not for profit. Because they felt bad that they were taking over that area and the Attorney General said no. While that is a nice thing to do it's not something that you have the power to do. Also the Englewood, I don't remember the exact name of the Special District had some property and they wanted to, the Englewood District is the one that wanted to buy property elsewhere and put the not for profit over there. I went through and summarized those.

I also looked at the Master Site File designation. I researched that, I researched County ordinances relating to historical preservation. I looked to see if there were any Federal Laws about historical preservation or any State and basically everything that I found listed in here most of them are quotes directly from the Internet from the Divisions web site.

We did notice an error in the application that was filed and I have included a copy of the application which is the age of the tower. In order to be included in the Master file it has to be 50 years old. The tower is not 50 years old yet. But of course it will be in a year or so I'm not sure of the exact date.

Anthony Dimmino: Asked Attorney Lyn to repeat what she said.

Denise: I said that in order to be included in the Master Site File a structure has to be 50 years old unless it has other historic relevance. Don't get me wrong if less than 50 years it would still have to have some other historic significance which the tower doesn't.

The way that the tower would get in the Master Site File if it was 50 years old and it's a year or so short. So technically it shouldn't be listed yet. I don't find that to be conclusive or even relevant to your consideration. So I went through all of that and you can find that I did an analysis at the end and where I talk about 3 issues. I lumped the 2 issues together because you have already determined that the tower is not needed and basically resolve that in the first 2 issues that if you have property which is not needed for your intended purpose you cannot lease and you shouldn't continue to own it. You should endeavor to get rid of it and cannot expend any more District funds on it. Because you have already stated that you don't need it for your purposes. That is issue 1 & 2 and the # 3 it's nice that the tower is considered of significance sort of because it's 49 years old perhaps 50 soon. But really it's of no consequence to you because there is Not State or Federal or local ordinances or laws that tell you that you have to do or not do anything with the tower just because of its age. The 3rd issue as to the significance I resolve that there is no significance and there are no requirements for you to do anything in particular because of the historical or the age. That is the conclusion of my research and I am happy to discuss any of it with you if you need to.

Dennis: The tank was built in 1966 not 1964.

Denise: 65, I think.

John Wilcox: I have a question on that and I might be tipping my hand here but is that the completion date or...

Dave: That is the completion date.

John Wilcox: People have said when you set the cornerstone because that is typically when those dates are used from.

Dave: It's actually the plaque that is on the man hole itself. It states constructing October something, 1966. Completed.

Dennis: That is still just a year or two difference.

Denise: I don't find the years to be an issue as the fact that even if you assume that it should be in the Master Site File it still doesn't mean anything to your determination because the historical nature of it. This body was not created to preserve historical structures. You were created to provide potable water.

Rodney: So Miss Lora if I may in that dissertation that answered your main question that you had at last month's meeting. So what does that mean?

Lora: Nothing

Rodney: It means nothing.

Lora: That's right

Rodney: There you have it.

Lora: There we have it.

Dennis: The main thing is that it's not a historical site at this time. There are a few years different. 2nd is that you answered the question that we can't lease the property.

Ron Schultz: I'm sorry did you say that, I heard just the opposite. In your summary on the document that we have the express power to lease.

Denise: You have the express; the District has the express power to lease property in furtherance of its purposes.

Ron Schultz: Yes and the avoidance of expenditures is the purpose which allows the purposes of the District to continue. It is an indirect but nevertheless a benefit to the District.

Denise: No it's 2 issues. 1st: You can only lease property if you're leasing it in furtherance of your purpose, which is to provide potable water A, then B, if you do not own it because you need it in furtherance of your purposes than you can't spend any money on it. So it's 2: You shouldn't own it if you don't need it and you can't lease it if you don't need to lease it for water purposes. You can lease a building if you need it for a pump house or something that you need to run your system you can lease something for that purpose. You can't lease it to preserve it for history.

John Wilcox: Isn't it true thought that if the lease brought revenue into the Water Board that would be for the furtherance of potable water?

Denise: No.

John Wilcox: Because lowering the rates or lowering the operating income is not something that does that?

Denise: No and there are Attorney General Opinions that speak directly to that issue. Revenue is not revenue generating is not a purpose of the District. The District is to provide water. We are supposed to break even. We are not supposed to generate income. We are supposed to generate what we need in order to provide water not just to make money. Because you guys have had the same issue with all those cell tower

leases. Dennis you and I have fought for years over this issue. You wanted to put that out there you have always argued to me that the income would offset blah, blah, blah and I have told you over and over again that is not a proper purpose. I have been telling them for years at the Board meetings.

Dennis: I have wanted to put up cell towers for years.

Ron Schultz: I'm still confused on this Denise. If they can't expend any monies that have not been directed the avoidance of expenditures is a benefit to the District.

Denise: Perhaps depending on what the particular issue is.

Ron Schultz: Well we have a significant expenditure to remove the tower that will come into the Board unless they find an alternative and what I was under the impression we were doing is try to find an alternative to save the Board some expenditures. What we discovered in our research was that there was lots of money available for the preservation, repair and preservation of a historical structures. So the first step in getting those grants is to identify a historical structure now whether it's when you get the building permit or when you finish it that's not the. But by the time any grant could be gotten it will be 50 years old.

Denise: Ron I think the only problem with your proposal is that the District doesn't have the power to own something. Sure the Society can own it and then go and get the grants. Absolutely nobody is arguing that.

Ron Schultz: The District doesn't have the power to own something?

Denise: To own something that it doesn't need.

Ron Schultz: There is no way of telling whether in the future that land will be of benefit. I'm just saying there is no way to tell so that is not an absolute argument.

Denise: For the foreseeable future they have made a legislative decision that they don't need it.

Ron Schultz: But anyway, where I was headed was quite simply in order to get those monies the grants require that the grant applicant be either the owner or somebody that leases the property. Now from the perspective of this group, which is a not for profit organization as part of the Historical Society, we are a branch of the Historical Society and therefore a not for profit organization that's established. It doesn't matter to us whether the Board goes for the grants or you lease it to the Historical Society and the Historical Society can go for the grants. Either way preserves the tower and is perfectly reasonable to us. What we are trying to help you do is avoid the expenditures which is significant of tearing it down. It is of no expense to you to have it preserved,

continued and repaired and could in the future with a correct wording in the lease become available to the District at any time.

Dennis: Ron my understanding of what she is saying is that we can't lease it to you. So that sort of moves that out of the ballpark. 2nd of all how are we guaranteed that we are going to have grant money to pay for all of this when you can't guarantee grants. Anyone that has been involved in grants realizes how tough it is and what grant money is available. So where does that put us?

Ron Schultz: We agree whole heartedly that we can't guarantee anything in this world. But given an arbitrary number a one year hesitation on demolishing it whether it is the Board or the Historical Society that applies for the grants. If the grants occur you are benefiting and you have lost nothing, no expenditures in the meantime. So it sounds like a win win.

Lora: We could make money with the tower if we sell it.

Ron Schultz: You can sell the land.

Lora: We can sell the whole kit and caboodle with the tower. So my suggestion as it has been from the beginning is buy it.

Audience Member: What is the price?

Lora: That's why we are going out for bids. Buy it then you can have it and you can do what you want with it. It has nothing to do then with our Water District.

Ron Schultz: I very much appreciate that Commissioner unfortunately as a part of Citrus County Historical Society we can't own it, we can only lease it.

Lora: Than get together a group that has the money that wants to buy it that wants to lease it to you. We cannot lease to you according to the law and therefore you should find a group or make a group or have a private owner. They could buy it and lease it to you.

Dennis: We can't lease it, you can't buy it, we are not guaranteed in a year even if you fix it up, and it's not a part of our system any longer Ron, it's not an advantage to us.

Anthony Dimmino: But as long as you have it in your system you're going to be paying high maintenance costs on this thing. It's gonna need to be kept in good enough repair. If you give them the year they are asking for your gonna have to maintain that for another year. That is going to cost money and if something major happens to the

thing, a leg rusts out and the thing starts to collapse whatever happens then you're on the hook for the rest of it. It's a no win situation for the Board and it's so clear to me that it's not within your mandate to do this. Your mandate is to provide me and all these other nice people her with water. I appreciate what they are trying to do. This community has had that thing almost 50 years and they want to preserve it and that's fine, but they should buy it. They came here at the last meeting with 400 signatures on a petition stating they wanted this thing preserved. You mean to tell me that you can't raise enough money out of those 400 people to buy this thing. If it's that important to the community.

Ron Schultz: I believe the entire issue is one of timing. Which is because of and Denise by disabling legislation it can sell or lease it's property so long as it's incurred for the District purposes. And the Board is the final authority on whether or not something pushes it's, is within its authority save a traditional determination to the contrary and if the Board decides that not expending money is to the Board's benefit.

Denise: It's the purpose; the purpose shall be to supply potable water for public, domestic, industrial and fire protection, that's it. It doesn't say to raise revenue, that's all they get to do.

Ron Schultz: They can't avoid expenditures.

Denise: They may be avoiding expenditures; they are avoiding whatever the cost is to maintain it. If it cost I don't know they were throwing around quotes of 17,000 to demolish it. So 17,000 to demolish it or 200,000 thousand plus to maintain it they are avoiding expenditures. If those are the numbers, but we don't know because they haven't been out to bid. But if those are the numbers they are avoiding 17,000 vs 200,000.

Ron Schultz: No because the 250,000 would no longer be on the table.

Denise: Right

Ron Schultz: Because the lessor would have the responsibility for all of the maintenance. So the 250,000 is a century red parrot it's the expenditure of 17,000 or whatever it takes to tear it down. That we would like to have you avoid and quite simply again it's a question of timing and what we are asking is sufficient time to make the applications in either your name or the Historical Society name that is immaterial. But we would like the time to make those applications and the authority to make those applications.

Dennis: Ron if we were to keep the tank, to take the liability away from us the tank would have to have some type of structural engineering done for it. Ok, do you agree?

with that to make sure it would stand and to do that properly I'm not sure anyone in here knows what the cost of that would be? But it's not; I don't think it's very cheap.

Ron Schultz: And the lease would be required to do that.

John Wilcox: I've had a qualified engineer volunteer to do it at no cost.

Richard Sipos: Is he licensed in Florida?

John Wilcox: Yes.

Discussion.

Richard Sipos: My name is Richard Sipos and I'm speaking here as a rate payer, rate payer only. I have listened to the banter about the Kabuki Theater that has been going on for the last 10 months on this tower. I was out there the other day looking at the water tower itself. I'm going to use the term "unanalyzed condition" meaning that there is no structural evaluation on this tower that says it's going to stay, stay for 100 years or fall down tomorrow. If you look at this photo (on file) there is a failed member. The failed member is bent. The reason why that failed member is bent is that the wind rods are pulling on it. Pulling on the leg, the leg is bowed. There is no documented analysis for this failed configuration. In the October 2013 report it said that the structural condition of the tower is critical and yet nothing has been done to address the criticality, basically it says there are failed members there. There has been no structural evaluation that has been performed to verify the adequacy of the tower and as a result the current situation is in Engineering space, the tower designer and the engineer that designed it and the erector have liabilities associated with the performance of their work and since it is no longer in the original configuration all liability belongs to the Commissioners who vote to make the decision here and the District rate payers like me. I'm concerned as a rate payer that this thing would fall and have consequential damages it's going to cost me out of my pocket.

Recommended actions are:

- Sale or remove the tower immediately, promptly repair it back to its original configuration and have the original designer or engineer verify so that you got some documentation that it meets the original structural valuation.
- Perform a structural analysis and I wouldn't even go there because it will cost you about 100,000 and all that will do is identify failed flaws and the condition of the tower is going to continue to degrade. You're last engineering report 13 months ago it was strictly a material condition report, it was not a structural evaluation other than the fact that it stated the structure is degrading.

Dave: That is structural not just cosmetic it is structural. Tim is a licensed engineer. DEP requires that once a year on these towers as per structure.

Richard Sipos: He says that is going to stand.

Dave: The report says that it will stand, that it is in critical condition, it is now in critical condition and in 5 years from now it will be totally unrepairable.

Richard Sipos: I would like to see that stress analysis. Let me tell you something, if I don't get a satisfactory response as a rate payer, I plan to take this above the Commission. Denise is the Attorney General the proper location to take this for investigation.

Rodney: Are you serious?

Richard Sipos: I'm serious as a heart attack Rodney.

Denise: I can't give legal advice to anyone but my client, especially if you're talking about suing the Board.

Dennis: Let me ask one quick question. In that report though and maybe it's not in the report but he did say that any strong wind or hurricane may knock it down.

Dave: When it was built it was built for 125-150 mph winds. When it was built. It's no longer in that condition, it has reached critical condition. When Rodney ask him if it's going to cost more in 5 years, Tim's answer was don't kid yourself, you don't have 5 years.

Richard Sipos: When was that, 3 years ago?

Dave: That was after the October report.

Rodney: If I may, and if I recall....were you finished?

Richard Sipos: No.

Rodney: Please continue.

Richard Sipos: In light of having fail barriers and the fact that the Water District and the commissioners now own all liabilities, I would at least consider putting some barriers up as it is a public safety issue. I would also have the District investigate their insurance coverage to ensure that the consequential damage through the negligence is covered end of story.

Rodney: You got way too much time on your hands Dick.

Dennis: We appreciate it Dick.

Rodney: This is very thought out Dick, your wife should have, Commissioner Sipos should have that analysis report that you are requesting. We were all given a copy.

Richard Sipos: The stress analysis I've got.

Rodney: There was no stress analysis done there was an engineer's report.

Dave: This is required by DEP.

Rodney: So if you look at that report and you deem it necessary to come after the Board than saddle up.

Richard Sipos: Do I have the authority to call the engineer directly? Where do I find the stress analysis report?

Dennis: We will get you a copy.

Rodney: Let's go back and I can see where this is getting uncivil and I apologize for my part of it. I was under the assumption that this was going to be a workshop to discuss how the District could help facilitate the Council in the endeavors to restore this tank for historic purposes.

Dennis: Rodney we were trying to do that but we were trying to find out where we stand as a District legally if we can do anything and that is why we had Denise do the research to come back and look at what we have and how we can work with them. Apparently the research is indicating that we don't have much leeway here.

Rodney: And I appreciate that Dennis, and I appreciate you allowing this to take place whole heartedly I do, but I will take exception to her report. Nothing on you Denise, but she uses a couple of case law examples that have nothing to do with a Special Water District and a water tower. She is calling out building a new building for some nonprofit animal shelter that apparently the people like the building that they are leasing and want to build another building and get that building back. I don't see any comparisons. She also states in there that she would like to if the wish of the Board to take this for further action deamination and quite frankly I would like see that determination if we need to take it that far. Does the District have the authority to lease that tower to a Historical Council?

Bob: Let me make one statement. Turn to page 5 of our Attorney's Report. Go down to the final analysis in the issues. The issue that was brought up was whether we may

lease the tower and surrounding real property to the Old Homosassa Historic Preservation Society for long term lease to preserve the tower. Whether the District may lease surplus tangible personal property, real property to a not for profit organization to preserve the tower. Her answer: The District has already determined that this property is not needed to serve the District's purposes. The improvements and the condition of the tower have made such obsolete to the District. Given the determination of the tower is surplus property to the District and does not further the District's purpose. As such the District cannot expend District resources in restoring this property and must be disposed of in a reasonable manner consistent with the opinions of the Attorney General. She refers to a case leasing property for the long term is no longer necessary for the District's purpose would be inconsistent with the District's enabling legislation. The she goes in talking about the file on the Historic property which is nothing but a file.

So that narrows it down, we have no other option.

John Wilcox: Can I ask the Superintendent a question? Take the cost out of the equation; if the tower could be restored to a functioning status would it add benefit to the Water District?

Dave: No.

John Wilcox: For any reason?

Dave: Not it actually hurts the system, because it floats on the system and the water becomes stale and becomes bad. It adds a health hazard to the District. That's why the pumps were put on it to try to keep the water circulated in the tank all the time. That is the only reason why the pumps are there.

Dennis: The whole thing is we can't lease it, you can't buy it and that is where it stands.

Denise: They may be able to buy it; you haven't put it out to bid yet.

Dennis: You might be able to buy it once it goes out to bid. You might be able to buy it for \$5.00 if nobody is bidding.

Rodney: Can we give it away?

Dennis: No that is the first thing I said.

Denise: No you can't give it away which is why I got into the one Attorney Report. You have to alienate it in a reasonable manner. Now if you make legislative findings that \$5.00 is reasonable which would be difficult because you have already been told

\$17,000. I think you have to take the 2 in conjunction with each other and then if you were to sell it for \$17,000 you could make the argument that well we are not having to spend \$17,000 so that's reasonable under other circumstances.

I'm just giving you one example. I don't think you could do \$5.00. I don't think you can do zero, because the real property alone is worth more than that. But it's up to you all if you can find legislative findings. I'm not a policy maker.

Dennis: In other words if someone would bid say \$100 on it then that's it. We couldn't sell it for that?

Denise: If you could somehow come up with some legislative findings as to why that is reasonable than you could do it.

Dennis: Like you said we would have to tear it down so it would save us the cost of tearing it down. So that to me alone would justify it in my mind.

Denise: I can't make your findings for you.

Dennis: But if we do it we're the ones to say we are the ones selling it and then someone has to challenge it other than that it's done. It's a done deal.

Denise: Correct.

Dennis: So that's the whole thing, it's where we stand. You either have to buy it or find someone to buy it. We don't want to own it. You don't want to own it through the Historical Society, we can't lease it, we don't want to lease it. But we can't so it's to the point you need to find someone to purchase that and work with them. That is the only thing I can see is to go ahead and try to buy it and then try to figure out how to get somebody to help you out with it. You have the group, if you go and get enough people interested in helping you by taking donations, collecting money for it you could get enough money to do it for the Historical Society even though it's in someone else's name and let them lease it to you. You could do it that way. That would settle the things that we can't handle legally. Legally I don't see us being able to do it, according to what the research says.

John Wilcox: I don't disagree with you one bit but it's a matter of timing. We came in April and to be honest with you like Rodney says we have been adversarial for 8 months at least in my mind. We have been adversarial and we don't want to be adversarial. Our goal is to preserve the tower. Granted we would love it to be functioning, but we want it to be standing. It takes time to make an organization that can buy it. It takes time and that's all we are really looking for is time. But since the get go we have been fighting a preconceived notion that this tank is going to fall down at any time at least my opinion of the Board's actions has it's been moving along pretty

quickly. So quickly we can't set up what we want to do. We have to be adversarial so that has made you mad and it's made us mad.

Jim: I'm not mad at anyone.

Dennis: I appreciate what you're saying, but you have to look back we actually started this in January. I've got the minutes we started in January.

John Wilcox: Yes but the fact is I became aware of it in April.

Dennis: And we extended it because we didn't realize how long it was going to take you to get organized. You got organized, we extended it again. That's how we feel is that we have been extending it for you.

John Wilcox: And that is the purpose of the workshop is to find out what avenue we need to go down, so in 2 weeks we can make our presentation to the Board and hopefully sway them to allow us enough time to go down an avenue that is mutually beneficial for the both of us.

Bob: What is enough time, that's ambiguous?

John Wilcox: I don't disagree with you. From the get go we have been adversarial. So you make a move, we make a move, you make a move, we make a move. We haven't been doing this in such a way that both could be moving forward positively.

Bob: But in the meantime we have an obligation to make that tank safe.

Dennis: To protect the District and to protect us as a Board.

John Wilcox: I don't think even with the bid I read and the Engineers report it's not going to fall down tomorrow. In 5 years your report or your presentation said in 5 years it would be beyond repair. It didn't say it was going to fall down. So the beyond repair to be a functioning tank that is the statement it made in that report.

Dennis: It falling down is based on storms. Let's face it mother nature has something to play in this.

Lora: I don't think you should even bother making your presentation in December. Because there are 2 options. Sell it or demolish it.

John Wilcox: Well those are your 2 options.

Lora: No. That is we can't lease, so you guys if you want it buy it. That is the only option. I don't think there is anything else. I mean you have had 10 months; it should have been enough to be out there raising money, getting organized. I mean you

should have been collecting money as people left the April meeting. How much are you willing to give? But you sat around and did nothing for 3 months before we heard again from you all.

Bob: Do we have to put it out for bid to sell it?

Lora: Yes we do.

Jim: It seems to me that the Preservation group needs a business plan with a part A and a part B. Part A is the accusation as full owners of the tower and Part B this Board has nothing to do with but there is going to be an ongoing and substantial expense of maintenance. This is what you are going to have to consider before you acquire that piece of property that seems to be the solution.

Rodney: Jim if I may and Lora I'm sorry I was going to interrupt you but Jim got to say something. First off were you finished?

Lora: Yes.

Rodney: One of my biggest fears in putting this out for bid to the Council is that somebody else would out bid them and their only purpose is to restore that thing as a historical piece to the community. I know that there are people out there that don't give a rat's patootie about historical significance to anything and there are those people out there that have a lot more money than this Society could ever come up with that could just as well buy that thing and watch it be torn down just out of spite. So the problem is that if we do put it up to bid, there is a very big chance that they won't be able to get it, that's it.

Denise: This Board has to use a reasonable manner to alienate its property. It doesn't have to go to the highest and best bidder. The Board can make legislative findings if for example you had a demolition company bid \$500 and you had the Society bid \$100 the Board could make a decision that it wanted to sell its property to the \$100 bidder because the purpose behind it was a better purpose. So even if someone came in and bid \$500 you don't have to take the \$500 bid, you could take the \$100 bid. I mean you could. I can't tell you what that purpose would be, but you all can.

Rodney: And all that is wonderful on paper and I ask back to you is that guaranteed and that is what you asked them. It's not guaranteed, but you expected the Council or this Board expected the Council to go out and hit the pavement. Get all this money together, get all these people together, get all these studies together, find out what's got to be done to save this tank, get these people to back it up and then you come up with a plan, then No you don't get it guys I'm sorry we're going to have it demoed. They would have lost everything and all the credibility that they have put out there for the past 8 months because this Board decided to act arbitrarily against them and that

ain't right and that's why we decided to hopefully have this workshop to try to find some common ground to be able to help them out.

Anthony Dimmino: I don't think the Board is acting arbitrarily. I don't think that is a proper statement.

Robin McClure: Do you have to have bids for it?

Denise: Yes.

Robin McClure: So you couldn't just sell it to us?

Lora: No

John Wilcox: I have a couple of questions about the bidding process. Does the bid have to be above the Appraisal, you had an appraisal done in October.

Dennis: I have no idea what the appraised value is.

John Wilcox: No I'm not saying that, my question is: does the amount we bid have to be above that. Dennis: No.

Denise: So long as you make legislative findings stating that for whatever legislative reason you believe that X dollars is appropriate.

Dennis: And that is where we can justify it because of the cost to maintain it or the cost to tear it down. We could sell it for a very small amount. That is my own opinion. Like I said the first time this came up I offered to give it to you all, you know that is the way I feel about it. Ok to get rid of it, it takes it off our books gets rid of our liability and our costs, etc.

Richard Sipos: I would like to commit to give you the first \$200 to buy that are you going to match that?

John Wilcox: Yeah.

Ron Schultz: I've already pledged more than that.

Rodney: That is the first positive thing I've heard come out of this meeting tonight.

Richard Sipos: Now if you get the other 495 people that signed your petition to put up \$200 you would be in business.

Dennis: So I think that it's what we want to do. There was one other person that expressed interest but I don't think they were serious. If they wish I will talk to them and see if they could talk to you all so you could get together. They didn't want me to mention their name but I'll see if they want to get together with you all. When you look at what Denise has done, where we are headed you're talking about cost we've had a lot of money going to this ourselves. It's cost us a lot of time paying our people, going through all of this. I think Denise shows that we can't lease it; you can't buy it, so we have to have somebody but it and you all lease it from them. If it be one in your group or whatever and go from there. You don't have to maintain it like we have to maintain it. That is the other problem. We have to meet certain regulations to maintain that tank. Where you all don't have to so fixing that leg isn't bad. You might have someone go up there and weld it yourself. If that holds it and gives you more time to get more money together to continue on your project that's great. We would love to see you do that.

Audience Member: What about what Rodney said about if someone did out bid us.

Dennis: Again we are going back to the fact that we can award that bid to who we feel it should go to.

Dave: The most responsible bid.

Dennis: Historical Society to me right now would be the best.

Denise: You don't know that. You don't know who is going to bid. You can't predetermine things.

John Grannan: My name is John Grannan and I am the president of the Citrus County Historical Society. I would ask that the Board give us, give them some more time. It took the Historical Society almost 8 years to get the County Commissioners in Inverness to vote to decide to restore the Old Courthouse. For eight years they kept thinking that they would knock it down and make it a park or something like that. These kinds of efforts take time and there are some people out there who have done this already. The Historical Resources Advisory Board the first of the month they had a workshop on the certified local government getting that up here and there was a speaker there from St. Petersburg. She is a historic planner for the city of St. Petersburg and they restored a water tower. Unfortunately when I tried to contact her it was the week before Thanksgiving and most people had taken the whole week off. So I'm hoping to hear from her to find out how they did it, some resources, but we may not have that in 2 weeks. I don't understand what the hurry is; why not wait a few more months.

Dennis: Let me ask a question, obviously someone wants to buy it. You all do. So if we went out for bid and you bought it then why can't you just then do what you're doing?

John Grannan: The Historical Society would not want to buy it.

Dennis: I realize that, we are saying that one of your group members buy it.

John Grannan: The Heritage Council is part of our organization. This is something that we have been working on for many years is to have a Heritage Council formed down here in Homosassa and it took something like this to get people motivated. Which is just a repeat of what happened in Hernando in 1999 when the School Board wanted to give away the old school up there. They got motivated they got galvanized, and they went out. That's what these folks are doing.

Dennis: I understand what you're saying, you're talking about an individual buying it from us in the next, when we put it out for bid and then they are gonna be there to help work with you all because obviously it's going to be one of your group.

John Grannan: The Heritage Council can raise money that would go towards the restoration.

Dennis: That's what I'm saying once they bought it you would have all the time in the world.

John Wilcox: I think the concern of the individual want to buy it is your same concern would be the liability. So in order to avoid liability you would have to set up an LLC, something to limit your liability. Once again that takes time. But if that's the way we have to go I'm all for that. But you have to set up something that protects the individual. You know I could write a check for \$10,000 and buy it, unfortunately now I have something that adds real liability to me and that would be my concern, just like it's your concern. But we don't have to go at this rocket ship pace. We need time to set up a LLC or get with the Historical Society and work towards it. Something reasonable.

Anthony Dimmino: You can set up an LLC in 2 days. It would be a real one as I've done it before.

Dennis: We have been fooling with this all year. I think we have been ample in giving time and extending and extending. There is some misunderstanding there to. I always thought you all were trying to raise money. Plus getting into the Historical Society. I thought you all were raising money for that from day one. I thought that was the whole purpose of that. That was my interpretation. We feel like we have given you plenty of time on that aspect of it.

Marian MacRae: Back in July I sent an email and asked what kind of ball park dollar would it amount to, to repair it and maintain it as a non-functioning structure and I was told that had been asked of Mr. Purnell by one of the Board members it was to be

presented at the meeting in July and that never came up. We can't really ask for things if we don't know our goal. We asked for that information and we weren't given that.

Dennis: You were asking us to get information for you on that?

Marian MacRae: According to my memo one of you spoke to Dave and he was working on that dollar amount as requested by the Board in the meeting in July. So apparently one of you guys did and I was looking forward to finding that so we could get our pledges so that we would know what we would allow our people to know what we are doing.

Denise: To buy it?

Marian MacRae: To repair it. I was just looking for information on what it would cost to have it as a non-functioning structure that was just a ball park; we can't ask people for things if we don't know what we're asking for. So we wanted to get an idea.

Denise: I would hate to see Dave come up with anything non-functional. Because if it's nonfunctional you shouldn't have it.

Marian MacRae: My question was the packet that was prepared detailing the repairs needed to the water tower was prepared for maintenance and repair to keep it online. Obviously all of those repairs would not be needed if taken off line. What do you think would be necessary to repair and maintain it as a non-functioning structure? That was my question.

Dave: The difference from the last time the tank was renovated and this time as Tim had said in the meeting was like \$40,000. But what he gave us was a maintenance contract where each item was not put in. The last renovation that we did we did interior and exterior. So it's just my personal opinion without getting an inspection to go and do a line item on that I would think you would probably be in the \$15,000 to \$20,000 neighborhood to repair the 4 struts that go around it. We all have been talking about 1 strut; there are 4 struts that are bad.

Marian MacRae: We needed numbers to approach the public with and we didn't have them.

Dave: I don't have real numbers.

Marian MacRae: We didn't want real numbers just a ball park. Just an idea of what our goal would be so we could make a proper presentation.

Dennis: I thought going forward just collecting money to buy it without them knowing the cost to repair it.

Marian MacRae: Well you keep saying you're going to tear it down anyway so what am I going to do with everybody's money, .25 cents and things they buy, bricks they buy if you say well that's really great thanks guys – demolish the tank. You can't take pledges and we have gotten pledges but we have to know what we are going to use them for. We have to explain to the people what we're using their pledges for.

Judy Biston: When was it last renovated?

Dave: 2002.

Judy Biston: What is the procedure when it goes out to bid? Is it advertised in the Newspaper, the local paper?

Denise: Advertised for what, repair?

Judy Biston: For sale.

Denise: Normally it would be in the newspaper, but I'm sure everyone sitting her will get a copy of it of that ad if they want it.

Dennis: Isn't it also advertised in a book?

Dave: No this wouldn't be in the Dodge Report; this is to sell the property.

John Wilcox: Typically would be once a week for 3 weeks.

Denise: No just one ad, one time. But we will get you all copies of the ad if you want.

Richard Sipos: Did you all send out a bid package to the perceptive bidders?

Denise: Absolutely the ads are already done. We had them at the last meeting for the Board to approve.

Lora: Just as an example, Steinhatchee just repainted their water tower and it's very similar to ours, same size same everything and it cost them \$212,000 because of the lead based paint which we have. So that's just a ball park.

John Wilcox: I listened to the audio from Tim's and I think his number was \$212,000 to \$220,000 over 10 years and that included painting, repairs, removal of spider assembly inside the tank, various struts and all that. So there \$220,000 was probably a lot more than just paint.

Dave: The \$220,000 that she's speaking of is sandblasting the paint and when you do that you have lead paint you have to tent the tank which becomes very, very expensive.

John Grannan: But do you have to paint it? You can paint over the lead paint?

Dave: That's what we did in 2002. It lasted about 3 years, 3-5 years before it fell apart.

John Grannan: I know, we just spent \$30,000 getting the old lead paint off the Hernando School, but we could have just painted over it. What is the yearly cost to maintain it now?

Dennis: We haven't maintained it we have spent a little money on it but not much.

Dave: We spend about \$2,000 a year.

John Grannan: The Crystal River water tower was put up in 1927 when they got running water they put their little pump house there which still stands there. I know they are not using it but they keep it full of water of course.

Dennis: Well you have to.

John Grannan: They are, so far they are keeping their water tower and it's much older than the Homosassa water tower.

Denise: We don't know if it's needed in their system. We have determined and this Board that it's not needed in our system. They may still need it in their system it may be useful to them.

Dennis: You may want to talk to Crystal River because I have heard some things.

John Grannan: Me to. But the Historical Society will take them on to. We have people that are keeping an eye on the situation up there.

Bob: Our legal counsel has advised us that the District cannot expend District resources in restoring this property. We have only one option and that is to dispose of it at a reasonable manner consistent with the opinions of the Attorney General. So we have no option.

Lora: That's right.

Bob: It's surplus property. We cannot spend any money. We can't lease it. The only thing we can do is demolish it or sell it.

Dennis: We have already decided that is what has to be done. It has to go out for bid. We were going to put it out in simultaneous bids. Bid to sell it and bid to demolish it. Open the bids to sell it first and if someone brought it we wouldn't open the bids to demolish it.

Denise: No you would open them and reject them.

Dave: But you would need to know the cost for your cost analysis.

Denise: You might need that information to determine your legislative purposes.

Dennis: That is where we stand at this point and time. Understanding your situation of collecting money and things of that nature and yes understanding where that money is going to is to save the water tower. Understand though that someone may out bid you that is something that we don't know. I don't know who would want to buy it.

Denise: There might be a salvage company that wants the metal.

Dennis: Yeah but that lead paint kind of screws that up.

Dee Dee Wilcox: In response to what Mr. Jeeves said in regards to the District maintaining it see that is where we can offer our services and to maintain it that is something we were willing to take over that responsibility. So the District would not have to do any maintenance. In regard to any fees and that is where personally I felt we already purchased the tower and the tower is ours. That is where from a business standpoint with us wanting to maintain it and taking it off your hands we were doing you a service because you wouldn't have to pay the money to tear it down and you would be doing a service to the community by letting it stand as a historical structure.

Lora: Which it is not.

Dee Dee Wilcox: It is.

John Grannan: We think it is, maybe you don't but we do.

Lora: It won't be for another 2 years.

John Grannan: Says who. Are you a historian?

Dennis: That's not the point.

Denise: The Master Site File requires a 50 year age for any structure to be included in the Master Site File.

John Grannan: So what do you have for a date?

Denise: 1966.

John Grannan: We have 1964.

Dave: Where did you get that date? The plaque on the tank says 1966 and always has.

John Grannan: Well if I find conflicting information I will be glad to send it to you.

Dennis: You have been put into the records. We got the information from the State and we did investigate it. It's not what they consider a historical site but you have been placed in the books.

Denise: Structure, not site. They said they have nothing to do with what happens to it.

John Grannan: They accepted it.

Denise: They accept everything that you send them. Everything that you send them is put in the file. Now if the District wanted to they could file a new application correcting the incorrect information on the previous application if they wanted to and anybody could. I could send them a new application.

John Grannan: The one we sent in said 1964.

Denise: Correct and that information is incorrect. So we could quote, unquote send a corrected application if we wanted to or anyone could. That is the information that I got on how the Master Site File is maintained. You could have 5 applications on the same property, site, structure and really the designation is of no significance except if you want to receive State or Federal funds that is the only significance of being in the Master Site File. Of course with cemeteries we want to know where all cemeteries are for genealogy. It serves a wonderful purpose but in this case it is of no impact on the Board decision.

Dennis: It's in the records it's not a historical structure they said but it's in the record.

John Grannan: I have one more question I apologize for being late but why can't you lease this out?

Denise: The District has specific purposes that it was created for. It is not a general purpose government like a City or a County. It is a special purpose government. Like you were saying we thought you would do it because it's a good thing to do, well they don't have powers to just do good things, they don't have moral health safety welfare good of the people mandate. Because they are not general purpose government they

only provide potable water

John Grannon: That's pretty moral, clean water, safe water.

Denise: So maintaining something that is no longer needed for that purpose is contrary to their legislative designation. So they can't since they have already declared that they don't need it.

Dee Dee Wilcox: Has it been declared surplus property?

Denise: I know that a majority of them have stated they wanted to go out for bid. I don't know that we have ever declared it surplus. But that is just a matter of saying it, designating it before they put it up. I don't know if they ever found anything saying they had done that.

Dennis: We had mentioned it. We are still looking through the records. We asked that it be declared but we are still looking through the records to find out if it was ever declared. Along with that, thanks to Rodney we are looking at a few other pieces of property that we could put up for sale that we are not using which would be nice and I want to thank him for that.

I don't know what to tell you all. We've discussed it, we have talked about it and we would still like to send it out for bid. Those bids would be awarded in January. We have been working with it and we would like to get it off our books. We would like to get rid of the liability factor for ourselves as commissioners. We are liable as well as the District itself since we haven't had it structurally inspected and done properly, that can put some liability on us. That is what we are looking to do the bid thing; I don't know what to tell you about the bid thing. It can go out to bid. The bids are going to be advertised in the paper. How many people will read that I don't know? So we don't know who will bid on it. That is where the Board has stood and would like to continue to stand on the fact that it goes out to bid.

John Wilcox: Recap, it is my impression the Board is pretty much set on selling or placing it out for bid unless we can get a persuading argument on the 15th when we meet with you.

Denise: They can't make a decision at a workshop.

John Wilcox: No I said on the 15th us as a group will give a presentation. We could wow you, I have a feeling it's not, but we could. But let's say it goes out for bid. Your opinion was the Board through its legislative ability could say buyer X we think would restore this piece of property.

Denise: I'm sorry my ears are not working.

John Wilcox: I said when the bids are read if our entity is the lower bidder it could very well be awarded the rights to buy it at that amount based on legislative discretion.

Denise: Correct.

John Wilcox: I just want to make sure that is a fact.

Denise: That is my opinion.

John Wilcox: But you advise the Board so they would take your opinion.

Denise: Not always. I know one person that doesn't like it.

Rodney: I didn't say I wouldn't abide by it. I just didn't like it.

Richard Sipos: I'm going to make a suggestion. If I were the Board I would open all bids because if anybody is going to charge you for removing it that is cost avoidance. If someone bids \$100 your total net value to the system is cost avoidance.

Denise: We are selling it as is.

Richard Sipos: What I'm trying to tell you is if somebody bids requesting \$16,000 to tear it down and these people bid \$100 the net is \$15,900 and that would be the cost avoidance.

Dennis: It justifies us selling it for that price.

Denise: I think the Board would be obligated to throw out any bid that doesn't comply with our bid request which is to take it as is, so that bid would be thrown out.

Dennis: I understand what he's saying, what Richard is saying is if I understand what he is saying, my clarification is I had made the statement that we would open the bids to purchase first and you said we had to open it concurrent.

Denise: Just open them all.

Dennis: Just open them all and then decide which bid you want to accept. We will be able to see what the cost is to demolish to take it down and what bids here are to purchase it so if someone is purchasing it than we do not accept the bids to demolish it.

Richard Sipos: What I'm saying is when you justify your bidding you need to take into account your cost by not having to pay someone to take it down.

Dennis: Definitely that is a consideration.

Richard Sipos: Which would be a benefit to whoever bids it.

Audience Member: What date will it appear in the paper?

Dennis: We haven't done that yet.

Dave: They would have to do that at a Board meeting.

Audience Member: That would be set at the December Board meeting?

Dennis: Yes.

Denise: Anyone that would like it personally emailed to them put your email address on here and we will personally email it to you.

John Grannon: Can the Board reject all of the bids?

Dennis: Yes we can.

John Grannon: And they don't have to have a good reason for that?

Dennis: I would hope we have a good reason.

Denise: You don't need a reason.

Dennis: No we don't need one I just hope we would be able to do it. So you come to the meeting in December. Again, information that we received today should help you understand our position and where we are and what you need to do.

Dennis: Thank you Tony. He gave the first donation.

Teresa: So you want both advertisements brought to the Board at the December meeting to go out the following day?

Dennis: Yes

Rodney: It just needs to be brought to the meeting for the Board to decide. We can't make a decision at a workshop.

Denise: Well it was already directed at the last meeting, what you were going to do. You don't have to readdress it, it was addressed at the last meeting that is what you were doing is delaying it for one month.

Dennis: If no one has anything further I will close the workshop.

