

1 **PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT**
2 **NAPLES, FLORIDA**

3 Regular Meeting of the Board of Supervisors
4 December 20, 2024

5 The regular meeting of the Port of the Islands Community Improvement District Board of
6 Supervisors was held on Friday, December 20, 2024, at 9:30 a.m. at the Orchid Cove
7 Clubhouse, 25005 Peacock Lane, Naples, Florida.

8 **SUPERVISORS PRESENT**

9 Steve McNamee, Chairman
10 Dan Truckey, Vice Chairman, Via Zoom
11 Russell Kish, Supervisor
12 Kevin Baird, Supervisor
13 Anna-Lise Hansen, Supervisor

14 **ALSO PRESENT**

15 Neil Dorrill, Manager, Dorrill Management Group
16 Zach Lombardo, District Counsel
17 Matt Gilinsky, Florida Utility Solutions

18 **PLEDGE OF ALLEGIANCE**

19 The pledge of allegiance was recited in unison.

20 **ROLL CALL/APPROVAL OF AGENDA**

21 Four Supervisors were present in person, establishing a quorum. Mr. Truckey appeared
22 via Zoom. The meeting was convened at 9:30 a.m. The meeting was also properly
23 noticed. The notice and affidavit are on file with the District Office at 5672 Strand Court,
24 Naples, FL 34110.

25 **On a MOTION by Ms. Hansen and a second by Mr. Kish the agenda as presented**
26 **and Mr. Truckey's full participation due to extenuating circumstances were**
27 **approved, with all in favor.**

1 **PUBLIC COMMENT**

2 Mr. McNamee announced an event on December 31st at 1pm honoring Zach Ludwig
3 and encouraged the community to attend it.

4 **APPROVAL OF THE MINUTES - NOVEMBER 2024**

5 Mr. McNamee gave changes to Mr. Dorrill prior to the meeting.

6 **The minutes were accepted as amended on a MOTION by Mr. McNamee, a second**
7 **by Ms. Hansen, and all in favor.**

8 **UTILITY OPERATIONS - NOVEMBER 2024**

9 **A. Permit Updates**

10 All requirements were met, and the reuse pump is functioning as intended. A total of
11 2.25 million gallons of wastewater were received and treated, 3.3 million gallons of
12 water were produced and distributed, and 9 million gallons of reuse water were
13 distributed. Additionally, 600 gallons of chlorine were used, and 857 meters were read.
14 All pump stations were inspected weekly, and odor control checks were performed. All
15 upgrades at the plant have been completed except for the filter, which is expected to
16 arrive on January 16. The DEP granted an extension for this.

17 Ms. Hansen requested that utility staff check the meter box covers, as some have been
18 reported missing. Mr. Dorrill is communicating with the hotel regarding a six-month-old
19 receivable for an emergency repair done to an irrigation meter. The \$2,000 bill must be
20 made current by the close of the day, or a 48-hour shutoff notice will be issued. Mr.
21 Dorrill requested that utility staff coordinate this with Mr. Carter. Mr. Kish also requested
22 water testing near the liveboards.

23 A blend ratio study on reuse water is to be done per the DEP's request. The three
24 components of reuse water are treated wastewater, supplemental well water, and
25 concentrate from RO. The study will ensure that the ratio of the blend is up to standard,
26 and an additional study will address the well found to have high lead levels. Mr.
27 McNamee asked if the utility staff is in possession of any plans that indicate easements.
28 Mr. Gilinsky confirmed they have many maps at the plant, and Mr. McNamee expressed
29 willingness to review them. Mr. Lombardo noted that Collier Clerk maintains the land
30 records and offered his and his paralegal's assistance. Mr. Dorrill will coordinate with
31 Mr. Lombardo's office and the civil engineer.

1 **MANAGERS REPORT**

2 **A. Utility Rate Workshop Collier County Utility Billing**

3 Mr. Dorrill confirmed the availability of the Utility Rate Consultant for a workshop at the
4 beginning of the meeting next month on January 19.

5 **B. SFWMD License Agreement**

6 Mr. Dorrill provided an update on the SFWMD license agreement regarding the use of
7 the parcel as a staging area for the manatee winter protection project. Mr. Lombardo
8 drafted a revised license agreement, which includes additions such as hours of
9 operation and a security deposit. The agreement stipulates that they will be responsible
10 for paying for the inspection of the seawall before and after the project. A bond is
11 typically used for construction work, and since this is only for staging and not
12 construction, a security deposit is being proposed instead of a bond.

13 **C. FEMA Grants**

14 Mr. Truckey shared that some of the projects on the FEMA grant requests have been
15 combined, with the storage tank and new well lines grouped together. The January 20th
16 date is causing problems due to FEMA staff turnover that day. A couple of grants are in
17 the final stages of being funded, and a lot of engineering work is underway. They had to
18 move forward with water line engineering and are reviewing a lot of paperwork. Smaller
19 projects are progressing, but they are still working on the larger ones.

20 **FINANCIALS - OCTOBER 2024**

21 Mr. Dorrill presented the financials as of October 31, marking the first month of the new
22 fiscal year. The District had \$4.3 million in cash on hand, with \$3 million in the operating
23 general fund and \$1.3 million in water and sewer funds. The District also had
24 \$8,550,000 in fixed assets and \$12,882,000 in total assets. There was \$79,000 in
25 payables with \$12,600 in interest earnings. Additionally, \$4,700 was received from non-
26 ad valorem assessments, paid by the escrow agent prior to the tax bills being issued.

27 The SRF Loan requires an identifiable project. Mr. Truckey will brainstorm a project that
28 would likely need to be paid out-of-pocket, rather than being covered by a grant. Mr.
29 Lombardo suggested consulting the Florida Rural Water Association (FRWA), which
30 specializes in identifying qualifying projects for communities. He clarified that the SRF
31 fund covers wastewater, stormwater, or drinking water projects.

1 There is also the Resilient Florida Grant, which needs to be checked to determine if it
2 applies to CDDs. This grant funding program enables engineers to create a resiliency
3 analysis of an area, and once completed, grants can be issued under this DEP-
4 managed program. One of the major focuses of the Grant this year is stormwater. Since
5 the Resilient Florida Grant is state-funded, it tends to move faster than federal grants.
6 Mr. McNamee noted that work included in grants cannot begin until the grant is officially
7 received.

8 Kathy Oswald – Newport Dr – Ms. Oswald asked why assessed money was included on
9 the tax bill if they were waiting on grants, and why the money wasn't being used. Mr.
10 Truckey explained that there are multiple factors to consider, and they are indeed
11 spending the money. Recently, funds were spent on updates to the water plant, some of
12 which are grant-funded. Moving forward, they plan to adjust how they charge. A
13 consultant suggested an 8% charge to meet the CIP, followed by a few years of 5%
14 increases, until it returns to 3%. This year, they adjusted O&M charges to make them
15 fair across the board, which was thoroughly discussed at the last meeting. To make
16 charges more equitable, they had to change the way they charge, which resulted in
17 some additional revenue. However, they are looking at an 8% increase next year to
18 meet the CIP, which may not be necessary now due to this year's adjustments. Mr.
19 Truckey emphasized the importance of considering the entire picture over multiple
20 years, as there are many moving parts.

21 Mr. McNamee noted that, in the past, they were only assessing for the current year's
22 bills, rather than creating a reserve fund for future projects or the CIP. Currently, the
23 utility portion makes up the majority of the assessment, and they are working to move
24 that portion to the water bill, so it is based on usage rather than being included in the tax
25 bill.

26 **The financials were accepted on a MOTION by Ms. Hansen, a second by Mr. Baird,**
27 **and all in favor.**

28 **ATTORNEY'S REPORT**

29 Mr. Lombardo shared that Premier District Management switched to an insurance
30 carrier counsel and believes they have a productive way to potentially resolve the
31 matter.

32 Regarding the Prepmac lawsuit mediation, it was not settled during mediation. It was
33 suggested to make an offer of judgment, which is a settlement offer, as a tool to move

1 the case forward. The offer of judgment is for \$15,000. If accepted, it will resolve the
2 lawsuit; if not accepted, attorney fees can be recouped.

3 **Ms. Hansen made a MOTION to make the \$15,000 offer with a second by Mr. Baird**
4 **and all in favor.**

5 **ENGINEER'S REPORT**

6 No engineering report was given at this time.

7 **OLD BUSINESS**

8 No old business was discussed.

9 **NEW BUSINESS**

10 No new business was discussed

11 **SUPERVISORS REQUESTS**

12 No supervisors requests were made.

13 **PUBLIC COMMENTS**

14 MI Homes representative Alan Gruber, Director of Land Acquisition, discussed their
15 contract for Parcel 13 with the intent to investigate developing 109 single-family homes
16 on the property. If they proceed with the purchase, they will acquire the property from an
17 owner who has previously submitted site plans for approval to Collier County. MI Homes
18 is using the same engineering firm, Grady Minor, which has completed their first
19 submittal along with the submittal for the environmental resources permit to the water
20 management district, with an extension into January.

21 Mr. Dorrill shared that they had asked the County to either convey the former hotel site
22 to the District or issue a request for proposals from developers. The County seemed
23 inclined to issue an RFP but was reluctant to give the land to the District due to the
24 \$400,000 spent on demolition and remediation. Mr. Dorrill sent a follow-up request
25 introducing Mr. Gruber to the County. Mr. Gruber noted that MI Homes is interested in a
26 Phase 2 development for the area, with plans to convert the hotel density into single-
27 family home density. The project engineer will investigate this possibility.

28 MI Homes also expressed interest in exploring an extension of the ERC payment to
29 align with the closing date of the property. They are targeting a closing in June if they

1 decide to move forward. Mr. McNamee asked if they would pay the \$60,000 fee if the
2 date were extended. Mr. Gruber replied that, while not ideal, they would consider it if
3 something were proposed in writing.

4 Most of the homes MI Homes builds are one story, averaging 1,700 sq. ft., with the
5 largest being 3,000 sq. ft. Mr. Dorrill requested a written ERC extension request to
6 present to the Board at the next meeting. MI Homes is working on completing due
7 diligence on the property and hopes to have all testing and evaluations done in the first
8 half of January. One of the biggest concerns is the noise from the gun range.

9 Deb Jensen – Sunrise Cay – Ms. Jensen requested to see the covenants for Parcel 13
10 and how they will apply to the new owner. She also asked if the community would have
11 an opportunity to talk to the developer about what the new development will be like. Mr.
12 Pires clarified that the covenants are on the deed and will still apply to the property; they
13 are not specific to Mr. Case. The covenants will be posted on the website for community
14 access.

15 Alan Zitto – Marina - Mr. Zitto asked about marina assessments and why it makes
16 sense to equalize them, especially for individuals like him who do not use water or live
17 aboard a boat. Mr. Truckey explained that this was a suggestion from the rate
18 consultant. Mr. McNamee clarified that the assessments are for O&M and are not based
19 on water usage. Mr. Dorrill made the point that the largest charge on the tax bill goes to
20 the school district, even though very few children live in the District, yet everyone must
21 contribute. Similarly, while people may have different levels of road usage, everyone still
22 contributes because they all have equal access. This is what the O&M assessment
23 covers. Florida has a uniform method for applying non-ad valorem assessments, and
24 the District is required to follow this method.

25 John Thormann – Orchid Cove – Mr. Thormann stated that everyone's taxes have
26 tripled and mentioned that Orchid Cove is not in favor of gates. He also asked if there
27 are plans to sell Parcel B. Mr. Dorrill explained that the primary reason for the increase
28 in tax bills this year is that the District was annexed into the Mosquito Control District for
29 the first time, and a millage rate was applied based on the value of the home to support
30 the Mosquito Control District. He also noted that the commercial property is not
31 currently being marketed for sale.

32 _____ Cerda - 162 Newport Dr – Mr. Cerda asked how many ERCs were allocated to
33 Mr. Case. Mr. Truckey explained that the previous board made a contract that
34 addressed 100 ERCs for that property, payable over different years: 33% in year 3, 66%

1 in year 4, and the remaining balance in year 5 of the contract. This was the agreement
2 that Mr. Case originally signed. Mr. Truckey also noted that Mr. Case had already paid
3 the \$60,000 to extend the ERC payment.

4 525 Newport Dr – A resident attempted to initiate the dredging program and reached a
5 point where the state informed him that it had to be handled by the Governmental
6 Board. He passed the information along to Mr. Dorrill to be kept as public records and
7 distributed to the board.

8 Michael Jura – Newport Drive – Mr. Jura asked about the average annual water
9 consumption of a boat in comparison to a condo unit, hotel condo, and a home. Mr.
10 Dorrill explained that the consultant was not asked to make a recommendation
11 regarding having meters on boat slips. A board member expressed interest in gathering
12 information about submetering for the meters already in place at the condominium. Mr.
13 McNamee clarified that the current rules state that any customer of Port of the Islands
14 must have a meter. While this has never been implemented, it is part of the existing
15 rules. Additionally, a member of the dock community approached the board last year to
16 inquire about installing individual meters on the boats.

17 Kathryn Kehlmeier – Newport Dr – Ms. Kehlmeier stated that it is unfair to group
18 everything together. She pointed out that the previous board gave CID the authority to
19 charge liveaboard boats over 40 feet an increase in taxes on the water and sewer side,
20 and the current board has chosen not to consider that. She requested that Mr. Dorrill
21 provide a breakdown of how much a single-family home pays on the water and sewer
22 side.

23 Mr. Kish asked about the netting in the canals and since there are signs on the Newport
24 side indicating that the Port of the Islands owns the other canals he asked if the netting
25 can be stopped there. He mentioned that the workers throwing the nets do not
26 segregate the catch; they throw the net and pull everything out, specifically targeting
27 bait and chum fish from the bottom of the canals. Mr. McNamee asked why the Port of
28 the Islands doesn't own the land beneath the canals. Kathy Oswald explained that her
29 association divided the ownership between the Villas and the Condos. The Villas own
30 the property under the canal and wanted them to pay the county to address any issues.
31 Mr. Cerda clarified that the Villas own the land beneath the canals to have the option to
32 add docks. In order to build docks they also became responsible for removing any
33 invasive species in the protected area. Mr. Lombardo will research the underlying canal
34 ownership that Mr. Kish and Mr. McNamee mentioned. He noted that this is a question
35 of ownership and entitlement and will report back in January.

1 **ADJOURNMENT**

- 2 The next meeting will be on January 17, 2024, at 9:30 a.m. **On a MOTION by Mr.**
3 **McNamee and a second by Mr. Kish, with all in favor, the meeting was adjourned**
4 **at 11:21 a.m.**