

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

3               **Workshop and Regular Meeting of the Board of Supervisors**  
4                                   **January 17, 2025**

5   The workshop and regular meeting of the Port of the Islands Community Improvement  
6   District Board of Supervisors was held on Friday, January 17, 2025, at 9:30 a.m. at the  
7   Orchid Cove Clubhouse, 25005 Peacock Lane, Naples, Florida.

8   **SUPERVISORS PRESENT**

9   Steve McNamee, Chairman

10   Dan Truckey, Vice Chairman

11   Russell Kish, Supervisor

12   Kevin Baird, Supervisor

13   Anna-Lise Hansen, Supervisor

14   **ALSO PRESENT**

15   Neil Dorrill, Manager, Dorrill Management Group

16   Zachary 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   All five Supervisors were present in person, establishing a quorum. The meeting was  
22   convened at 9:30 a.m. The meeting was also properly noticed. The notice and affidavit  
23   are on file with the District Office at 5672 Strand Court, Naples, FL 34110.

24   **On a MOTION by Mr. Baird and a second by Ms. Hansen the agenda was**  
25   **approved presented, with all in favor.**

26   **PUBLIC COMMENT**

27   Captain Thormann - Asked about the O&M formula, noting that a company had  
28   previously divided Port of the Islands into different areas to determine how charges

1 should be applied. He pointed out that now everyone is paying the same rate,  
2 regardless of whether they have a house, condo, boat, or non-liveaboard boat. He  
3 highlighted that Stella Maris North has one O&M charge for their condo and doesn't pay  
4 a separate one for their boat docks, while Orchid Cove owners are charged an O&M fee  
5 for both their boat slip and condo. Mr. Dorrill explained that this issue is typically  
6 addressed during the budget deliberations for the upcoming year, which will take place  
7 in May. Mr. Truckey added that some docks are owned by the Master Association, and  
8 those docks share one meter for all users. The key difference is that the non-liveaboard  
9 boats like D dock have tax ID parcels, while properties like Stella Maris docks are  
10 owned through the Master Association and do not have individual tax IDs.

11 Diane Hasbrouck – Asked how much paperwork has been received regarding FEMA.  
12 Mr. Truckey replied that he will be giving an update later in the meeting.

13 Deb Jansen - Sunrise Cay – Asked about the covenants for Parcel 13 being posted on  
14 the District website. The conceptual site plan is currently posted as Mr. Dorrill was  
15 under the impression that this was what was to be posted. Mr. Lombardo clarified that  
16 the covenants can be found on collierclerk.com in the official land records.

17 Joyce Carlino – Ms. Carlino shared that she reviewed the meeting held in June and  
18 noted that a budget had been presented that reflected a raise. When concerns were  
19 raised, it was explained that the budget had been sent out in error. At the July meeting,  
20 Ms. Carlino asked if the raises were accurate, and was told they would be discussed.  
21 However, she pointed out that the resolution to adopt the budget was passed shortly  
22 afterward without any further discussion, and she questioned when the issue had been  
23 addressed.

## 24 **UTILITY OPERATIONS**

25 Mr. Gilinsky reported that all wastewater and water distribution requirements were met.  
26 The reuse pump station is operating properly. 2.03 million gallons were received in  
27 wastewater, the water plant produced 3.49 million gallons, and 11.53 million gallons  
28 were distributed for reuse. A total of 857 meters were read, and 700 gallons of chlorine  
29 were used. The filter is currently at the port and awaiting clearance through customs,  
30 with hopes to have it next week and start installation upon arrival. The hot water heater  
31 failed and was replaced, along with the sediment pre-filters on the ROs, and the  
32 dripping water analyzer at the chlorination tank. No OSHA reportable incidents  
33 occurred. Mr. Gilinsky commented that it was a good month. In response to last month's  
34 request, a count of water meter lids was made, and the order has been placed; they are

1 now awaiting delivery. Mr. Kish asked if the irrigation that was dug up was done by  
2 Soto, which was confirmed, and Mr. Baird will follow up with them about it.

### 3 **UTILITY RATE WORKSHOP - DECEMBER 2024**

4 Utility rate consultant, Raftelis, represented by Mr. Robert Ori, presented the study  
5 initially shared in August again during peak season. The project background involved  
6 preparing a revenue sufficiency analysis and forecasting expenditures and utility needs  
7 for the next five years. The goal was to develop an overall rate revenue recovery plan,  
8 with adjustments based on the forecasted expenditures. Mr. Ori has had several  
9 meetings with staff while preparing the analysis and proposed rates for the fiscal year  
10 2025, which also includes a funding strategy for capital improvements to the system.

11 Mr. Ori discussed several goals and considerations, including securing funding for the  
12 capital plan while ensuring all other revenue requirements are met. The current rate  
13 structure includes a base facility charge and a volumetric charge. The base facility  
14 charge is based on the non-ad valorem assessment and is determined by ERUs.  
15 Typically, the base charge is tied to the meter serving the property. Implementing a  
16 meter-based charge would eliminate the need to pay the tax collector for expenditures  
17 related to placing the charge on the tax bill and would also remove the prepayment  
18 provision for the discount. Mr. Ori shared that the recommended rates are currently  
19 insufficient to meet the expenditure needs of the utility revenue requirements, and the  
20 capital plan as identified. He suggested that phasing in the rates would be a better  
21 approach, and the plan allows for that. The key is to avoid rate shock. Meter-based  
22 billing is the most common approach, and he recommended transitioning to it in 2026.

23 Mr. Truckey inquired about how to adjust for vacant ERCs that are currently paying  
24 taxes for a utility system they don't use and wouldn't have a meter for, as no service is  
25 being received. Mr. Ori explained that typically, if no service is being provided, there  
26 wouldn't be a base charge, but they could be subject to a standby or line maintenance  
27 charge. He gave an example from Martin County in Stuart, FL, where all developments  
28 are charged a standby fee equal to the base rate. He recommended adopting a similar  
29 approach with an ERC-based rate. If vacant properties are reserving capacity or if  
30 capacity is available, they should pay that standby rate. Once they connect to the  
31 system, the standby charge would be removed, and they would then be subject to the  
32 regular water and sewer rates in effect at that time. Mr. Ori also mentioned that these  
33 properties could remain on the tax bill as a billing method until they connect. Mr.  
34 McNamee noted that the current rules and procedures already allow standby charges.

1 Kathryn Kehlmeir - Newport Drive - Asked whether single-family homes would be  
2 treated the same as condos or boat docks in terms of water and sewer rates. She also  
3 inquired if the coverage discussed in the capital improvement plan (CIP) would be  
4 adjusted based on grants. Specifically, she wanted to know if rates would be adjusted if  
5 grants were to cover the CIP, reducing the amount needed to be collected through  
6 rates. Mr. Dorrill responded that the utility does not differentiate based on the size of the  
7 residential unit. Instead, rates are tied to the size of the meter. The base rate is linked to  
8 the meter size and consists of both a fixed and a variable component.

9 Steve Gunther – Orchid Cove – Asked if anything is changing for reclaimed water. Mr.  
10 Truckey responded that Mr. Ori recommended one rate for all.

#### 11 **APPROVAL OF THE MINUTES - DECEMBER 2024**

12 **The minutes were approved as presented on a MOTION by Ms. Hansen, a second**  
13 **by Mr. Truckey, and all in favor**

#### 14 **MANAGERS REPORT**

##### 15 **A. Parcel 13 Utility Relocation**

16 Mr. Dorrill and Mr. Lombardo reviewed the contract language, which gives the  
17 developer the final discretion to relocate at their own cost if they choose to do so. A  
18 preliminary estimate of probable costs was requested from the engineer to assess the  
19 value moving forward.

20 Mr. McNamee shared that he received correspondence from MI Homes, which stated  
21 that their Phase 1 environmental survey identified a potential hazard of lead due to the  
22 nearby gun range. MI Homes requested the lead monitoring well history for further  
23 review. Mr. Truckey explained that in addition to utility staff's readings, the Rural Water  
24 Association has also conducted studies and found lead and arsenic in the wells, with  
25 the levels varying depending on the time of year and changes in the water table and  
26 groundwater flow. A substantial amount of lead and arsenic has been detected in the  
27 well readings by utility staff near the gun range.

28 Mr. McNamee clarified that the test wells are not near the water intake pumps, so the  
29 monitoring results do not pose a threat to the water supply. Other test wells, such as  
30 those near Orchid Cove, have not shown any lead or arsenic contamination, with the  
31 issue confined to the well near the gun range. The DEP and the State of Florida have  
32 been contacted to determine what action, if any, should be taken, but no response has

1 been received yet. Mr. Truckey requested all of the 2024 well readings from Mr. Gilinsky  
2 to assess whether the situation is improving or worsening and is currently awaiting  
3 those records. Mr. McNamee will connect the MI Homes representative with Mr.  
4 Truckey to discuss the issue further.

5 **B. FEMA**

6 Mr. Carter is currently attending an LMS grant meeting. Two issues have been  
7 preliminarily approved for grants: one involves trailer-mounted diesel generators, and  
8 the other focuses on improvements and restoration to the well field road. Mr. Truckey  
9 shared that two projects have progressed through the LMS grant and have been  
10 approved by the County. One of these projects involves securing two generator trailers  
11 needed for pump stations during hurricanes. The remaining projects are being funded  
12 through FEMA grants. The total amount of grants is approaching \$3 million. The water  
13 lines project, however, has faced delays as FEMA continues to request additional  
14 paperwork, resulting in ongoing back-and-forth discussions.

15 **C. SFWMD License Agreement**

16 A standard license agreement was conveyed to the South Florida Water Management  
17 District (SFWMD) for use as a construction staging area. There was some pushback,  
18 but it was explained that this was the standard agreement. A meeting is scheduled with  
19 SFWMD staff, Mr. Dorrill and Mr. Lombardo on February 5th to discuss the matter  
20 further. The Board's position will continue to be asserted, including a \$5,000 fee, which  
21 is renewable with an additional \$5,000 charge for any extensions. Additionally, the  
22 agreement includes pre- and post-inspection of the seawall, a prohibition on the use of  
23 diesel generators, and a requirement to permit a temporary construction pole for any  
24 electricity needed. Mr. McNamee added that there is water in the area available for  
25 them to buy and to use. Mowing of the property is not currently included but Mr. Dorrill  
26 will keep that in mind.

27 **FINANCIALS - NOVEMBER 2024**

28 Mr. Dorrill presented the financials as of the end of November, highlighting \$4,446,000  
29 in cash. Additionally, the district holds \$8.5 million in fixed assets, bringing total assets  
30 to just under \$13 million. The district earned \$11,000 in interest during November. A  
31 total of \$316,000 was received, net of fees, from the tax collector, including the  
32 associated discount. Of this, \$145,000 was allocated to the general fund, and \$177,000  
33 to utilities. Water service was shut off for the utility meter at the hotel. There are other  
34 no receivables beyond one month delinquent.

1 **ATTORNEY'S REPORT**

2 During the last board meeting, there was a question about using the engineering firm to  
3 identify various easements for permit compliance. The engineer was contacted and  
4 provided a quote of \$10,000 for this service. The permit compliance review involves  
5 reviewing existing South Florida permits, confirming what all of the duties are, and  
6 ensuring the District has the necessary property rights in place to perform duties  
7 properly. Ms. Hansen clarified that she wants a map of all the drainage easements. Mr.  
8 McNamee made a motion to authorize the study, which was seconded by Ms. Hansen.  
9 It was then clarified that the engineer's proposal was to identify drainage and  
10 maintenance responsibilities in the vicinity of Newport Drive. The Board desires it for the  
11 entire District. Mr. Lombardo stated that a new quote would be needed for the entire  
12 community. Mr. McNamee withdrew the motion, and Mr. Lombardo will request a full  
13 written proposal from the engineer.

14 In the Prepmac matter, the suggestion is to offer a similar offer of judgment to the other  
15 defendant based on a proportional analysis of \$618.56. The request is for authorization  
16 to make an offer of judgment in the 2019 CA 3923 Prepmac lawsuit to Alligator Boys for  
17 \$618.56. This would ensure both defendants are covered proportionally based on the  
18 amount of property they claimed to own at the time of the lawsuit.

19 **Mr. McNamee made a MOTION to authorize Mr. Lombardo to send the offer of**  
20 **judgment of \$618.56 to Alligator Boys with a second by Mr. Baird and all in favor.**

21 The lawsuit against Premier District Management is set for trial in July. However, based  
22 on indications from the new opposing counsel, it is believed that the matter may be  
23 resolvable before then. An informal resolution is scheduled for the end of the month,  
24 which is hoped to lead to a resolution of the issue. Recovering of attorney's fees and  
25 costs is being pursued and the Florida Statutes provide for that in a public records  
26 lawsuit.

27 **ENGINEER'S REPORT**

28 No engineering report was given at this time.

29 **OLD BUSINESS**

30 No old business was discussed.

1 **NEW BUSINESS**

2 No new business was discussed.

3 **SUPERVISORS REQUESTS**

4 Mr. Kish brought up Mr. Ori's presentation and pointed out that there has only been one  
5 rate increase of 20% since he's been in the community since 2005. He said to him no  
6 rate increases is another form of mismanagement and it should have been forecasted  
7 out. There are still 6-8% rate increases in the future needed based off of what the debt  
8 would otherwise be. There are still more costs coming.

9 Mr. McNamee mentioned that there are options to borrow money at very low interest  
10 rates. Mr. Lombardo explained the nature of SRF (State Revolving Fund) loans, which  
11 are managed by the DEP for water and wastewater systems. These loans offer  
12 incredibly low interest rates, and each year, a portion of some loans are forgiven—  
13 sometimes up to 80-100%, depending on various factors. It is common for Districts like  
14 Port of the Islands to use this program to improve water and wastewater infrastructure.

15 Mr. Lombardo and Mr. Truckey plan to discuss the program further and bring ideas to  
16 the board for consideration. While there are prerequisites and studies required before  
17 entering the program, these studies are beneficial. The District is already working with  
18 the Florida Rural Water Association (FRWA), which is very involved with the SRF  
19 program. Mr. Lombardo noted that FRWA has significant influence in securing loan  
20 forgiveness, as they have a high level of trust with the State of Florida. Many  
21 neighboring districts also use this program. Additionally, the SRF program is generally  
22 more responsive than FEMA grants. The issue with FEMA is that any request for  
23 information puts the applicant back in line, whereas the SRF program typically offers  
24 yearly payouts, aligning more directly with the State's budget cycle.

25 **PUBLIC COMMENTS**

26 Alan Zitto - Dock D - Requested that the board revisit the inclusion of B and D docks on  
27 the tax bill. He also asked for an update on the Scott Prephan lawsuit. Mr. Lombardo  
28 responded that there were no further updates at this time. Mr. Zitto noted that there are  
29 no manatees behind the barrier and that he has been checking behind the wall with a  
30 drone every day for the past two years, having only seen them once during that entire  
31 period. Mr. Truckey explained that there are other reasons for cooperating with the  
32 South Florida Water Management District on their manatee monitoring program. As a  
33 significant government entity, when the District makes requests—such as for dredging

1 the canal—it's beneficial to be on the inside rather than on the outside. He further  
2 clarified that the board has no control over the manatee program or how funds are  
3 allocated for it. Mr. Zitto inquired if the board could request more than a \$5,000 fee. Mr.  
4 Truckey responded that it's probably not possible.

5  
6 Kathryn Kehlmeir - Newport Drive – Ms. Kehlmeir referred to the December meeting  
7 minutes and reread a statement about the tax increase being attributed to the  
8 annexation into the mosquito control district. Ms. Kehlmeir checked the Collier County  
9 mosquito control millage rate, which was 0.1349%. She noted that there was no listing  
10 for mosquito control on either her or Mr. McNamee's tax bills. She disagreed with Mr.  
11 Dorrill's statement, stating that it was not accurate and that the largest increase was due  
12 to the O&M increase. Mr. Dorrill clarified that the point of his statement last month was  
13 to highlight that there were several contributing factors to the tax increase, including the  
14 school board, fire district, and mosquito control.

15 Rick Micheler - 25-Year Property Owner - Expressed concern about the increasing  
16 polarization within the community and said he wasn't sure how to address it. He  
17 suggested the creation of a community center to foster better relationships and  
18 improvement within the community, believing it would also help enhance property  
19 values. Mr. McNamee responded that this idea has been discussed in the past, and his  
20 main question has always been how to fund such a project through fundraising, rather  
21 than taxing it through assessments.

22 John Thormann - Orchid Cove – Commented that he does not understand why there is  
23 not a for-sale sign on the property where SFWMD will be staging to try to recoup some  
24 of the money from the purchase of the property. He also inquired if there were any lead  
25 pipes at the gun range. The Board responded that, to their knowledge, there are no lead  
26 pipes at the gun range.

27 Mr. Dorrill will work with Mr. McNamee to create a schedule of when to discuss the  
28 information from Mr. Ori's presentation during upcoming meetings. Mr. Kish emphasized  
29 that it must be addressed at the next meeting, as it was not discussed at all today.

30 Leo Ramos - Condo Owner - Asked about the status of adding gates. Mr. McNamee  
31 replied that the issue is currently on the back burner due to a lack of significant  
32 community interest.



1 **ADJOURNMENT**

- 2 The next meeting will be on February 21, 2024, at 9:30 a.m. **On a MOTION by Ms.**  
3 **Hansen and a second by Mr. McNamee, with all in favor, the meeting was**  
4 **adjourned at 11:33 a.m.**