

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

3 Utility Rate Workshop and Regular Meeting of the Board of
4 Supervisors
5 February 21, 2025

6 The regular meeting of the Port of the Islands Community Improvement District Board of
7 Supervisors was held on Friday, February 21, 2025, at 9:30 a.m. at the Orchid Cove
8 Clubhouse, 25005 Peacock Lane, Naples, Florida.

9 **SUPERVISORS PRESENT**

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

15 **ALSO PRESENT**

16 Neil Dorrill, Manager, Dorrill Management Group
17 Kevin Carter, Manager, Dorrill Management Group
18 Zachary Lombardo, District Counsel, Via Zoom
19 Matt Gilinsky, Florida Utility Solutions

20 **PLEDGE OF ALLEGIANCE**

21 The pledge of allegiance was recited in unison.

22 **ROLL CALL/APPROVAL OF AGENDA**

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

26 **On a MOTION by Mr. Baird and a second by Mr. Truckey the agenda was**
27 **approved as presented, with all in favor.**

1 **PUBLIC COMMENT**

2 No public comment was received at this time.

3 **APPROVAL OF THE MINUTES - JANUARY 2025**

4 **The January minutes were accepted as presented on a MOTION by Ms. Hansen, a**
5 **second by Mr. Kish, and all in favor.**

6 **UTILITY RATE WORKSHOP - JANUARY 2025**

7 **A. Utility Operations**

8 Mr. Gilinsky reported that all operations at the facility throughout the month were in
9 compliance with both contract and regulatory requirements. All wastewater and water
10 distribution standards were met, and the reuse pump system functioned as expected.
11 The facility received 2.28 million gallons of wastewater, produced 3.77 million gallons of
12 water, and the reuse pump station distributed 12 million gallons in January. There were
13 no meter readings in January, but all hydrants were flushed, and 350 gallons of chlorine
14 were used during the month. Additionally, all pump stations were inspected weekly, and
15 odor control checks were performed.

16 A booster pump that supplied the RO trains was disassembled and removed due to a
17 leak and erosion build-up. It was sent off for rebanding and should be returned next
18 week. A leak was also repaired in an old irrigation system in front of the plant, and new
19 meters were installed for a new construction home near one of the retention ponds.
20 There were no accidents or OSHA reportable incidents, and all required safety training
21 was conducted. The replacement filter has not arrived yet. The engineer has contacted
22 the sales representative but has not received a response.

23 Mr. McNamee asked if there were any issues that needed to be addressed or parts
24 ordered. Mr. Gilinsky responded that plant upgrades are still on track to meet the DEP
25 deadline. The plant is also in the process of finding a new company to inspect the
26 ground storage tanks, as the previous provider is no longer in business. Other than that,
27 everything is in good shape. Ms. Hansen inquired if the flush valve at the end of Orchid
28 Cove, which activates every night or every other night, had been looked at. Mr. Gilinsky
29 confirmed it will be reprogrammed. Mr. Truckey expressed dissatisfaction with the
30 FRWA studies, particularly regarding their handling of the lead and arsenic issue. He
31 noted that they avoided addressing the source of these contaminants and how to
32 resolve it. He also mentioned that if the FRWA does not come to calibrate the meters as

1 promised, he would not be willing to continue paying them an annual fee, especially if
2 they are unresponsive by next month.

3 Mr. Truckey inquired about the hole on Newport Drive, asking whether it had been
4 closed. It was confirmed that the hole had not yet been repaired, but Soto is responsible
5 for the fix. Mr. Baird will follow up with Soto to ensure the issue is addressed. Mr. Kish
6 also asked if there is any planned maintenance for the underground culverts on
7 Newport Drive. Ms. Hansen clarified that this is Soto's responsibility. Mr. Kish
8 emphasized that they need to be inspected. Ms. Hansen requested the engineer to
9 create a map of all stormwater drains to clarify the CID's maintenance responsibilities.
10 Once she receives the map, Soto will begin cleaning them out, as he typically does
11 before the rainy season. Mr. Truckey raised a question about the chlorine levels at
12 Newport Drive compared to what is being added at the plant. Mr. Gilinsky explained that
13 the plant's chlorine level is at 3, so it typically reaches 1 at the end of Newport, with
14 anything above 0.6 being acceptable. Mr. Kish requested that the quarterly water testing
15 results be included in the utility report moving forward. Mr. Gilinsky said the reject pond
16 behind the gun club, which is also Soto's responsibility, needs attention.

17 The Parks Department will begin Phase 1 of their work on Well Road. This phase
18 involves berming out in the Everglades, during which they will be adjusting the berms—
19 though not necessarily in the District's favor. Next week they will be moving equipment
20 onto the site. Phase 2 will involve the installation of new culverts on Well Road. Mr.
21 McNamee asked whether an emergency plan needs to be in place in case of a water
22 line break. Mr. Truckey stated that if a break occurs, a temporary line will need to be
23 installed quickly. Mr. McNamee emphasized the importance of having a contingency
24 plan in place, given the likelihood of a break. Mr. Truckey expressed that he was not in
25 favor of purchasing emergency parts "just in case." He shared that FEMA is moving
26 forward with plans for a new water line, and the expected cost estimates will be
27 available next week as FEMA had to price it out themselves. If a favorable offer is
28 received from FEMA, the hope is to have the new line installed before the next
29 hurricane season.

30 **B. Utility Receivables Report**

31 Item D in the Managers Report

1 **MANAGERS REPORT**

2 **A. Old Hotel Site**

3 Mr. Dorrill met with the County and Deputy County Managers two weeks ago to discuss
4 the potential acquisition of the old hotel site or its declaration as surplus property. The
5 County Manager suggested that the District consider an unsolicited proposal to acquire
6 the site, in order to cover the costs the County incurred for demolition. When Mr. Dorrill
7 first raised this issue about a year ago, he was informed that the County spent
8 approximately \$450,000 on the demolition and removal of the old hotel. There is an
9 opportunity to expand the main parcel, either with the current or a future developer. The
10 Board will need to provide direction on how to proceed, and if they remain interested,
11 Mr. Lombardo may be asked to draft a purchase offer to submit to the County.

12 Mr. McNamee shared that MI Homes ended their agreement with Lindsay Case,
13 although he is unsure if this is permanent. MI Homes' concerns stem from noise and
14 potential pollution from the nearby gun club. Initially, MI Homes was interested in
15 purchasing this land from the County for development. Mr. McNamee stated that if the
16 District could acquire the property for \$450,000, it would be a great deal, even if the
17 funds need to be borrowed through a low-interest loan. The land is likely worth more
18 than \$450,000 and the District would be able to control what is built there. Mr.
19 McNamee asked for input from the community, and the consensus from the Board was
20 that the acquisition is worthwhile.

21 Ms. Oswald asked whether there are any guarantees that there is no asbestos or
22 hazardous materials buried on the site from previous clearing activities. Mr. Dorrill
23 responded that there would be a due diligence period allowing for an investigation to
24 determine if any risks, such as hazardous materials, are present.

25 Mr. Lombardo was asked to draft a purchase offer. He inquired about the plan for
26 sourcing the funds, as this will impact the offer draft. The Board was in favor of using
27 funds on hand rather than pursuing a loan.

28 **B. Johnson Engineering Hydrology Agreement**

29 The hydrology study is a requirement for the renewal of the wastewater treatment plant
30 permit. Specifically, it involves further evaluation and testing related to the monitoring
31 well that shows high levels of lead and arsenic near the reclaim pad. Mr. Dorrill believes
32 the District will be the direct client for this project and that it will not be routed through

1 the civil engineer as a subconsultant. The total scope of work outlined in the proposal
2 amounts to \$17,890.

3 Mr. Truckey shared that they have been in ongoing discussions with the DEP for the
4 past year regarding the land and the test well. They have asked the DEP to conduct
5 testing and address the issue. In-house testing has been done on the facility building,
6 effluent, brine from the RO process, and well water entering the plant, and the District
7 has confirmed that they are not polluting the land. However, the DEP has been reluctant
8 to test the source of lead and arsenic, so Mr. Truckey escalated the issue to the EPA.
9 The EPA stated that this is a state matter and that the DEP, which they fund, should
10 handle it. The DEP's response was to incorporate this testing into the water and sewer
11 plant permit, meaning the study must be completed and results submitted to the DEP by
12 August to avoid permit violations.

13 **Mr. Truckey made a MOTION to move forward with the hydrology study with**
14 **Johnson Engineering for \$17,890. Mr. Baird made a second and all were in favor.**

15 Mr. Kish asked what will happen once the source of the pollution is identified. Mr.
16 McNamee explained that the results will be submitted to the DEP, and it will be difficult
17 for them to ignore the findings. Joe Levy from Windward Cay asked Mr. Lombardo if
18 there is any recourse if the source of the contamination is determined. Mr. Lombardo
19 stated that it will depend on what the tests reveal. If the tests can trace the
20 contamination to its source, there is typically an opportunity for recourse. However, for
21 now, the study is a permit requirement, and the District must remain in compliance.
22 Discussions about potential recourse can take place once the data is available.

23 **C. SFWMD License Agreement**

24 Mr. Dorrill and Mr. Lombardo held a teleconference with the SFWMD regarding the
25 license agreement to use the District's parcel, as previously discussed. During the call,
26 Mr. Dorrill also took the opportunity to request that their local offices evaluate a shoal in
27 the canal that appears to be causing issues for boats passing through at low tide. The
28 SFWMD agreed to follow up with their maintenance crews to address this. Mr.
29 McNamee inquired whether they plan to dredge the shoal, to which Mr. Dorrill
30 responded that it's a possibility.

31 The standard license agreement was presented at the teleconference and SFWMD
32 suggested some revisions, including the addition of a substantial use fee. Mr. Lombardo
33 noted that the revisions shifted the agreement from a license to an easement, extended

1 the term, and modified certain operating hours. Mr. Lombardo recommended having Mr.
2 Schaffer from the SFWMD explain the rationale behind the requested changes so the
3 Board can fully understand the request. He also suggested that Mr. Schaffer discuss the
4 project's goals and why it's important that the requested changes align with those
5 objectives.

6 Mr. Bob Schaffer introduced his team. He is the acquisition lead for the real estate
7 bureau, with Mr. Ashie Akpoji serving as the engineering and construction manager,
8 and Ms. Holly Andreotta as the permitting and wildlife manager for the project. Ms.
9 Andreotta explained that the manatee mitigation feature was designed as a warm water
10 refugia for manatees, which was a requirement for both federal and state permits. The
11 feature was completed in 2016. However, after Hurricanes Irma and Ian, significant
12 issues were observed, and repairs are now needed. Sedimentation, erosion, and
13 sediment buildup within the oxbow and pools have led to shoaling, which is hindering
14 the feature's intended operation of providing warm water habitat for manatees.

15 Repairs are mandated to ensure the feature continues to serve as a warm water refugia
16 for manatees. The team has been collaborating with the Fish and Wildlife Commission,
17 the Service, the Corps, and DEP to develop a plan for the repairs. The first phase
18 involves dredging the oxbow and the three pools. The oxbow has accumulated about
19 one to two feet of sediment, while the pools—critical to the warming process—have
20 about five to six feet of sediment. This material will be dredged and used on the uplands
21 portion of the feature. In addition to dredging, erosion and sedimentation on the side
22 slopes and the south connection, where shoaling is evident by the boat barrier, must
23 also be addressed. To prevent future erosion, rip rap will be placed along these areas.
24 The project is necessary, and the funding has already been secured. The team has also
25 applied for the required permits. As part of the project, they are working to secure
26 access to the District's property along the road to serve as a laydown and staging area.
27 This will allow materials to be transported via barge to move equipment down to the
28 feature and have a small trailer onsite. Since the feature is located on an island, access
29 is difficult, so this property by the road is essential for completing the necessary repairs.

30 Mr. McNamee inquired about dredging high spots that are causing difficulties for boats
31 to pass through. Ms. Andreotta responded that sedimentation in the south connection,
32 where the boat barrier is located, will be dredged back to the as-built plans. No further
33 extensions can be made. Access to this feature is not permitted, and if the issue is
34 unrelated to the feature, permits and funding will not cover it. The SFWMD requested a
35 pin or map to better understand the area Mr. McNamee is referring to, in order to

1 determine whether it is part of the construction efforts to repair the feature. Mr.
2 McNamee agreed to provide that information.

3 Rita B from Orchid Cove asked if there is any monitoring of the number of manatees
4 that the project serves. Ms. Andreotta explained that part of the Picayune Strand project
5 to the north aims to reduce the freshwater flow from the Faka Union canals that is
6 impacting the ecology of Florida Bay and the environment. This is a restoration project
7 in the northern part of Picayune Strand. As these harmful flows are eliminated, it's
8 important to note that they were inadvertently acting as a warm water refugia for
9 manatees. Since these flows are being removed, a manatee mitigation project was
10 developed to provide an alternative warm water refugia.

11 The SFWMD and FWC are actively monitoring the Port of the Islands basin and the
12 surrounding canal, including the manatee mitigation project. These agencies, along with
13 the service and commission, are heavily involved in ongoing monitoring efforts in the
14 area. Because flows are still occurring over the Faka Union weir just north of the road
15 and the final plug to stop the flow is not set to be installed until January by the Corps,
16 there is still warm water refugia coming over the weir near the road. Most of the
17 manatees are still going up to the Port of the Islands basin and utilizing the existing
18 warm water refugia. Once the plug is in place, monitoring will continue, as it has been in
19 place since 2016, because manatees need time to find and become familiar with the
20 new refugia. Up to 20 manatees, primarily during colder months, have been observed
21 using the area, along with dolphins and crocodiles. The manatees are still in the
22 process of learning the location and how to access the new refugia. Since the northern
23 area is still providing warm-water habitat, most manatees continue to go to the marina,
24 but over time, they will learn to use the new refugia. The flow changes will not affect
25 water levels in Orchid Cove.

26 Mr. Schaffer shared that the big-picture issue between an easement and a license is
27 that this is a publicly funded project, and the SFWMD is committing public funds to enter
28 into and begin a project. Access to the land must be continuous. A license can be
29 terminated at any time, whereas an easement provides a permit and interest for the
30 duration of the term. The proposed term is 18 months from the project start. They
31 cannot commit to the project with the possibility of termination, while an easement
32 guarantees a permanent interest for that period. When these types of easement
33 agreements are made, and funds are paid, they require approval from the SFWMD
34 governing board. The site is typically exclusive to the SFWMD, which is important for
35 security, for keeping materials exclusive to the site, and for managing contractor work

1 schedules, which often start early in the morning and continue through the day. There
2 are usually no restrictions on working hours, as the goal is to complete the project as
3 quickly as possible without hindering contractor productivity. With board approval, they
4 could potentially reach a \$50,000 figure. Mr. McNamee mentioned that if the land were
5 sold, they would make \$50,000 to \$60,000 in carrying costs. Mr. Lombardo asked Mr.
6 Schaffer for clarification if the \$50,000 was related to an exclusive agreement with no
7 restrictions on contracting hours. Mr. Schaffer responded that to gain approval from the
8 governing board, he was contemplating a maximum change to the terms to make the
9 site exclusive, for security and other reasons. If it were not exclusive, it would come
10 down to security concerns and the interaction of anyone within their site. Ideally, they
11 are looking for exclusive use.

12 Mr. Schaffer requested that work begin as early as 7:00 AM and continue at least until
13 6:00 PM. Mr. Akpoji clarified that they often hold safety meetings around 7:00-7:30 AM
14 and sometimes finish their workday around 3:30 PM, while others may go as late as
15 6:00 PM. He does not believe his contractors will be there for the full 18 months but will
16 complete their due diligence and try to finish as soon as possible. Ms. Andreotta
17 explained that time is of the essence because they want the dredging work completed
18 quickly so the manatee warm water refugia is operating optimally. Sediment buildup
19 could be interfering with the warm water coming up. They want to finish dredging and
20 most of the repair work before the next cold season, ensuring the refugia is available for
21 manatees by December 1. They are aiming to move forward with the project as quickly
22 as possible. Mr. Akpoji mentioned that they work on calendar days and generally do not
23 work on weekends. He also said it's good that they can connect to a water meter and
24 pay for the water used instead of bringing in their own. If there is electricity available,
25 they can also connect to that and pay for its usage. Safety is very important to his
26 contractors, and he conducts inspections to ensure the site remains clean. The site will
27 be left in the condition it was found or better, and a pre- and post-inspection of the
28 seawall will be conducted. No trees will need to be removed.

29 Richard Mishler, a landowner in Port of the Islands since 2001, asked if Ms. Andreotta
30 had been involved in the project since its original build. She confirmed that she had
31 been involved since before construction. He asked how often repairs will be needed and
32 what the alternatives are if the CID does not approve the land use. He further asked if
33 failure to gain CID approval would jeopardize future endeavors. Mr. McNamee replied
34 that it is in the CID's best interest to work with them, and vice versa. He added that the
35 \$50,000 would help cover the land purchase costs for the CID. Mr. Mishler stated that
36 he feels SFWMD has done a poor job of communicating the project to the local

1 residents, and he doesn't believe the manatees are concerned about human activity in
2 the area, as they are often found under the dock where he resides.

3 Ms. Andreotta explained that the Picayune Strand Restoration Project is an Army Corps
4 project, and the SFWMD worked as a partner on the manatee mitigation feature,
5 helping design and build it for the Corps. At the Port of the Islands marina, there is
6 supposed to be an education center, though it is currently being used as a storage
7 room. The educational outreach portion was the Army Corps' responsibility. The Fish
8 and Wildlife Service (FWS) and the Florida Fish and Wildlife Conservation Commission
9 (FWC), both federal and state wildlife agencies, dictated the conditions around public
10 use and access of the feature. SFWMD is complying with these requirements, which are
11 part of the larger Picayune Strand project permits.

12 Mr. Dorrill stated that staff is inclined to approve the easement, subject to Mr.
13 Lombardo's final review, based on the reasons discussed. Mr. McNamee expressed
14 interest in possibly increasing the amount to \$60,000. Mr. Schaffer said that whatever
15 the final terms are, he will present the decision to the governing board. Mr. Truckey
16 noted that the project site is located near a bedroom community. Mr. Dorrill assured that
17 they have made it clear that riprap will not be loaded onto a barge before 7:00 AM, nor
18 will a loud diesel generator be started. Ms. Andreotta clarified that 7:00 AM is when they
19 typically arrive at the site, conduct safety meetings, and complete daily planning tasks.
20 Work is unlikely to start until 8:00 AM.

21 Mr. Akpoji said there will always be a project manager on-site and a contact person
22 available. Mr. Lombardo suggested that the easement document set clear rules instead
23 of relying on ad hoc discussions later. Ms. Andreotta confirmed that their contract
24 documents specify dust control measures that contractors must follow, and the project
25 manager on-site will implement these controls. She also inspects the site with DEP to
26 ensure compliance. She asked if someone from the CID board could be appointed as
27 the point of contact, with the project manager serving as the SFWMD's point of contact.
28 This way, if any complaints arise, they can be communicated directly. The dredging
29 should be completed by December 1.

30 Mr. Lombardo said he can make the necessary changes to the document and present it
31 to the Board at next month's meeting if that works for Mr. Schaffer. Mr. Lombardo also
32 requested the dust control language from Mr. Schaffer that is included in their
33 subcontracts. Ms. Jansen requested contact with SFWMD members to discuss the fate
34 of the 500 manatees previously reported in the Port of the Islands basin. Ms. Andreotta

1 provided her email and will connect her with someone at FWC to obtain that historical
2 data.

3 **D. Aged Receivables Summary**

4 Mr. Dorrill presented the aged receivables report. He mentioned there was one account
5 he would like to keep on the list and recommended writing off the balance. Staff has
6 worked diligently on the receivables, and the total amount in question was \$8,189. At
7 the top of the page is an account for 172 Venus Cay, where a payment was made just
8 before Christmas, and the account is still being tracked. The remaining receivables are
9 from 2023 and are for relatively small amounts. However, two accounts were
10 particularly disappointing: one at 179 Eveningstar Cay for \$1,800 and another at 123
11 Newport Drive for \$622. These are older accounts, and staff is now taking a more
12 aggressive approach. Mr. Carter works closely with Mr. Mitch Gilbert to send final
13 notices and door hangers for shutoffs, which has significantly reduced the number of
14 receivables on the report.

15 Mr. Truckey asked if these receivables were from owners or renters. Mr. Dorrill replied
16 that they were from owners, and deposits are in place. Mr. Truckey then asked if the
17 properties have since been sold. Mr. Dorrill confirmed that the properties now have
18 current accounts under new owners' names. Mr. McNamee inquired whether the \$1,800
19 account could be sent to collections. Mr. Dorrill responded that he was not opposed to
20 that. However, he pointed out that the District's policy is unclear about whether or not
21 the new owner can be held responsible for the unresolved bill in the absence of a
22 deposit. Mr. Lombardo suggested reviewing the policy and providing an opinion before
23 pursuing the new owner for the debt. The matter will be continued for one month, and
24 current owners will be contacted if they owe more than \$200. Mr. Lombardo will review
25 the policy to determine if new owners can be pursued for old debts.

26 Mr. McNamee expressed concerns about placing this burden on new owners. Mr.
27 Truckey then asked what measures are being taken to prevent this from happening
28 again. Mr. Dorrill explained that the receivables are now being tracked bi-monthly, with
29 a much more aggressive approach, and shutoff procedures are followed as necessary.
30 If the balance is less than \$100, those amounts will be written off. Mr. McNamee asked
31 whether the late fee could be raised or if that would require a policy change. Mr.
32 Lombardo responded that any change to the late fee structure would need to be made
33 through the policy documents. He offered to present a proposed change to the late fee
34 structure next month. Additionally, Mr. Dorrill will provide a 60-day receivables report in
35 the backup materials for next month's meeting. Mr. Lombardo will also explore the rules

1 and policies required to change the late fee and look into the possibility of requiring
2 payment before the transfer of title.

3 **E. Utility Rate Analysis Direction**

4 Mr. Dorrill noted that page 16 shows the hypothetical rate required to fully implement
5 the recommendations from the study, which includes the base rate as well as the short-
6 term capital items outlined in the five-year plan. For example, for a single-family home
7 using 5,000 gallons per month, the bimonthly bill would be \$310. This could come as a
8 shock if people don't consider that current water bills are subsidized through non-ad
9 valorem assessments. Mr. McNamee stated that utility rates haven't been raised in
10 years, which was a mistake. He acknowledged that a higher utility bill is inevitable but
11 emphasized that significant improvements to infrastructure and the water treatment
12 plant would bring them up to top-notch standards, avoiding costly rebuilds in the future.
13 The rates will still likely be as cheap or cheaper than those in neighboring areas. They
14 will be workshopping next year's budget in May.

15 Mr. Dorrill added that he needs to know at the May workshop if the board is considering
16 removing the non-ad valorem assessment from the utility fund. For the single-family
17 home scenario, the base rate would be \$128 for water, \$128 for sewer, with a
18 volumetric rate of about \$11 per 1,000 gallons for both water and sewer. The other
19 accounts are tied to meter size. The decision to submeter will be a policy decision for a
20 later date. Mr. Dorrill further explained that if they want to present the budget in May
21 without the ad valorem subsidy, utility rates will need to increase to offset the loss, or if
22 the removal is phased in, that decision should be made in May.

23 Mr. Truckey raised concerns about bulk accounts, such as the two-story building at the
24 marina. He noted that people with bulk meters would pay half or less of what everyone
25 else pays, which he didn't feel was fair. Mr. McNamee asked if Collier County was
26 interested in purchasing the utility. Mr. Dorrill responded that this conversation occurred
27 about a year ago and that the decision is ultimately up to the County Manager and the
28 County Utility Director. He mentioned that if he were in their shoes, he would pursue the
29 acquisition the same way they did with the Golden Gate City and Orange Tree
30 community utilities near the fairgrounds, where small subregional utilities were bought to
31 help build the customer base and enable future growth. Mr. McNamee said that this
32 option should be explored further. The utility consultant was asked to develop a plan
33 that closely aligns with the County's method, and this plan reflects that format to attract
34 the County's interest. Mr. Dorrill agreed to request further analysis on the two-meter
35 base rate for the other compound meters.

1 Mr. McNamee also expressed that he doesn't agree with raising the reclaimed water
2 pricing, which is currently set at 75%, with a recommendation to increase it to 100%. He
3 would prefer to see a middle-ground solution. Mr. Kish clarified that the base rate is
4 \$256 every other month. Mr. Dorrill will have more information to share by April. Mr.
5 Truckey emphasized the need to have most items ready for approval by March, as past
6 discussions have been delayed and they've been pressed up against deadlines. Mr.
7 Dorrill assured that he would reach out to Mr. Ori to get answers to 4-5 questions and
8 add them to next month's agenda.

9 **FINANCIALS - DECEMBER 2024**

10 Mr. Dorrill presented the first-quarter financials as of December 31, 2024. The District's
11 cash position is \$5.4 million, with \$4,073,000 in the operating fund and \$1,320,000 in
12 the utility fund. The District also has fixed assets, net of depreciation, totaling \$8.3
13 million. Payables amount to \$155,000. Additionally, \$458,000 was received in non-ad
14 valorem assessments, which represents approximately 70-71% of the total revenues for
15 the year. Total expenditures are \$127,000 below budget.

16 **The financials were accepted as presented on a MOTION by Mr. Kish, a second by**
17 **Mr. Truckey, and all in favor.**

18 Mr. McNamee stated that since the MI Homes deal fell through, next month they need
19 to address Lindsey Case's ERU six-month extension, which expires on March 22. He
20 reached out to Mr. Case to confirm whether he intended to honor the commitment, but
21 received no response. Mr. Lombardo suggested sending a courtesy notice about the
22 upcoming deadline. He noted that the agreement includes default provisions, which will
23 be enforced if payment is not made on time.

24 Mr. McNamee also mentioned that the gun club, which owns over 50 acres of land, is
25 only paying for 8 ERCs. Mr. Truckey reviewed this today and found that their total non-
26 ad valorem assessment is \$9,000. Mr. McNamee expressed that he believes the gun
27 club is not being assessed fairly and should be charged at least 200 O&Ms, similar to
28 Parcel 13. He asked when this issue could be addressed and changed.

29 Mr. Lombardo explained that this matter was raised during the last rate-setting process,
30 and the gun club sent counsel to argue their position. If the methodology were to be
31 revised, it could be addressed then. Mr. Lombardo clarified that any change would need
32 to be in accordance with the budget cycle, and it would involve a comprehensive
33 evaluation of the entire system, not just a single property. The original hearing

1 determined that the gun club was to be considered a golf course for assessment
2 purposes. A courtesy reminder will be sent by Mr. Lombardo to Mr. Case about the
3 upcoming deadline.

4 **ATTORNEY'S REPORT**

5 The pending litigation with Premier District Management regarding public records has
6 received a settlement offer, along with an additional production of documents yesterday.
7 Mr. Lombardo requested an executive session to discuss the settlement offer, which will
8 take place before the next meeting on March 21st at 8:30 a.m. Mediation for this case is
9 scheduled for the first week of April, with the goal of resolving the matter before
10 mediation.

11 The Prepmac litigation involved a late attempt by the plaintiffs to add a claim for
12 damages. A motion to strike that claim was filed, and the court granted the motion. This
13 means Prepmac's attempt to recover losses was denied, which is good news for the
14 District.

15 **ENGINEER'S REPORT**

16 No engineering report was given at this time.

17 **OLD BUSINESS**

18 No old business was discussed.

19 **NEW BUSINESS**

20 No new business was discussed.

21 **SUPERVISORS REQUESTS**

22 **A. Heavy Metal Testing, Permission On Lindsey Case**

23 Mr. Kish stated that the heavy metal testing requires Mr. Case's permission before
24 proceeding on his property. Mr. Truckey mentioned that he plans to speak with them,
25 and if permission is denied, they will need to go back to the DEP, who will have to
26 conduct the testing on the property. A plan has already been drawn up detailing the type
27 of samples to be taken and specifying that the testing must occur a certain distance
28 from the test wells.

1 **PUBLIC COMMENTS**

2 No public comments were received at this time.

3 **ADJOURNMENT**

4 The next meeting will be on March 21, 2025, at 9:30 a.m. A closed door executive
5 session will occur before at 8:30 a.m. **On a MOTION by Mr. McNamee and a second**
6 **by Mr. Truckey, with all in favor, the meeting was adjourned at 11:30 a.m.**