

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                               **July 18, 2025**

6       The utility rate workshop and regular meeting of the Port of the Islands Community  
7       Improvement District Board of Supervisors was held on Friday, July 18, 2025, at 9:00  
8       a.m. at the Orchid Cove Clubhouse, 25005 Peacock Lane, Naples, Florida.

9       **SUPERVISORS PRESENT**

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

15      **ALSO PRESENT**

16      Neil Dorrill, Manager, Dorrill Management Group  
17      Zachary Lombardo, District Counsel  
18      Lenore Brakefield, District Counsel  
19      Matt Gilinsky, Florida Utility Solutions

20      **CLOSED DOOR SESSION**

21      At 9 A.M. Mr. Lombardo advised that participation in the closed-door session should be  
22      limited to board members attending in person. He then read aloud the relevant statutes  
23      that authorize attorney-client sessions to be conducted in private. Following this, he  
24      introduced the purpose of the session, which was to discuss the case of *Prepmac LLC*  
25      *and Alligator Boys LLC v. Port of the Islands Community Improvement District*. Present  
26      at the session were Mr. McNamee, Mr. Baird, Mr. Kish, Mr. Dorrill, Ms. Brakefield, and  
27      Mr. Lombardo, along with the court reporter. It was confirmed that the Zoom stream had  
28      been terminated.

1 Mr. Dorrill confirmed at 9:44 a.m. that they were back on record and taking a five-minute  
2 recess.

3 **PLEDGE OF ALLEGIANCE**

4 The pledge of allegiance was recited in unison.

5 **ROLL CALL/APPROVAL OF AGENDA**

6 Three supervisors were present in person, establishing a quorum. The meeting was  
7 reconvened at 9:52 a.m. The meeting was also properly noticed. The notice and  
8 affidavit are on file with the District Office at 5672 Strand Court, Naples, FL 34110.

9 Mr. Dorrill added item B under the manager's report: ERC Transfer, Adjustment. Mr.  
10 Lombardo added Prepmac Settlement Offer under the attorney's report.

11 **The agenda was approved as amended on a MOTION by Mr. Kish, a second by Mr.**  
12 **Baird, and all in favor.**

13 **Mr. Truckey and Ms. Hansen's full participation via Zoom due to extenuating**  
14 **circumstances was approved on a MOTION by Mr. McNamee, a second by Mr.**  
15 **Kish, and all in favor.**

16 **PUBLIC COMMENTS**

17 No public comments were received at this time.

18 **APPROVAL OF MINUTES - JUNE 2025**

19 **The minutes were accepted as presented on a MOTION by Mr. McNamee, a**  
20 **second by Ms. Hansen, and all in favor.**

21 **UTILITY OPERATIONS SUMMARY - JUNE 2025**

22 Mr. Gilinsky reported that a temporary repair was made on Saturday after a leak was  
23 identified in the field. To minimize water loss, system pressure was reduced to a level  
24 that avoided the need for a boil water notice or residential water shutoff. Once the repair  
25 was completed, pressure was restored and the system was monitored for the remainder  
26 of the day.

27 Mr. Gilinsky confirmed that all operations were conducted in compliance with  
28 contractual obligations and regulatory requirements. All wastewater and water

1 distribution standards were met, and the reuse system continued to function as  
2 intended. The canal station operated with two pumps. 2.99 million gallons of wastewater  
3 were received and treated, 2.51 million gallons of potable water were produced, and  
4 8.78 million gallons of reuse water were distributed. A total of 780 gallons of chlorine  
5 were used. No accidents or OSHA-reportable incidents occurred.

6 Mr. Kish asked about asbestos in the pipes. Mr. Gilinsky confirmed there was not  
7 asbestos coming from the plant. Mr. Kish asked about the presence of concrete pipes.  
8 Mr. Gilinsky said that from the plant to U.S. 41 there is a concrete pipe, and then from  
9 C900 along U.S. 41, and then from along U.S. 41 to the hotel there is concrete piping.  
10 Mr. Kish wanted on record that there is not asbestos coming out of the plant.

11 Mr. McNamee said a cease and desist letter was sent to Sam Leishear, who posted that  
12 false information about the asbestos and was supposed to print a retraction. Mr.  
13 Lombardo clarified that they sent him a demand letter and, if the desire is to file a  
14 lawsuit, the Board can instruct him to do so.

15 Florida Rural Water reviewed the monitoring well test results and determined that some  
16 of the results had been misinterpreted. Some of the levels were not as high as originally  
17 believed. Mr. Gilinsky directed the Board to discuss any further questions with Mr.  
18 Truckey, as he did not have that information with him.

19 Mr. Kish said it is against the law to use lead pellets for hunting. He explained that there  
20 is supposed to be a barrier in place to prevent shots from getting onto the road, which is  
21 state property and illegal. Florida Fish and Wildlife advised that anytime this occurs, it  
22 should be reported to them, and they will address it. Mr. Truckey said they use lead  
23 shots for target practice. Mr. Dorrell added that lead pellets can also be used for hunting  
24 certain migratory birds.

## 25 **UTILITY RATE, FEES, AND CHARGES WORKSHOP**

26 The proposed changes to the rate structure aim to eliminate the non-ad-valorem  
27 subsidy and establish a uniform base rate moving forward. Regardless of water  
28 usage—even if only one gallon is used or none at all—a bi-monthly base charge of  
29 \$256 is proposed, which includes \$128.38 for water and \$128.38 for wastewater. In  
30 addition to the base charge, a flat rate per 1,000 gallons will apply to both water and  
31 wastewater consumption. Several fee increases are also being proposed: the late fee  
32 would rise from \$25 to \$50; the meter re-read fee from \$10 to \$25; the meter turn-on fee  
33 from \$10 to \$25; the special trip fee from \$30 to \$50; and the fee for requests to turn off

1 service outside of business hours from \$50 to \$100. Meter accuracy field testing would  
2 increase from \$150 to \$200. In cases of repair or damage, a \$150 base fee would apply  
3 in addition to any out-of-pocket repair costs. The deposit required for non-owner or  
4 renter accounts is proposed to increase from the current \$150 to a minimum of \$300, or  
5 an amount equal to one month's billing, whichever is greater. All charges associated  
6 with a property must be paid in full before any ownership changes are made. During the  
7 discussion, Leo Ramos asked whether a 300-square-foot condo is charged the same  
8 base rate as a standard residential home. The response clarified that while all  
9 customers pay the same base rate, the consumption charges will vary based on actual  
10 usage.

## 11 **MANAGER'S REPORT**

### 12 **A. FY 26 Budget Adoption Continued to August 15, 2025**

13 **Mr. McNamee made a MOTION to continue the budget adoption hearing until**  
14 **August 15 with a second by Mr. Kish, and all in favor.**

### 15 **B. ERC Transfer, Adjustment**

16 Mr. Dorrill shared that an error was identified in the assignment of ERCs for Mr.  
17 McNamee's commercial parcel, which was incorrectly assessed as 10 ERCs instead of  
18 the correct amount of 2. As a result, a credit of \$1,404.89 per unit is to be processed for  
19 the 8 overcharged units, totaling \$11,239.12. It is recommended that this credit also  
20 includes the original discount the property owner would have been entitled to, based on  
21 the property's historical tax payments. Mr. Dorrill asked Mr. McNamee to provide tax  
22 records if there were any more years where this error occurred.

23 **Mr. Kish made a MOTION to approve the 2024 tax refund in the amount of**  
24 **\$11,239.12 with a second by Ms. Hansen and all in favor. Mr. McNamee abstained**  
25 **from voting.**

## 26 **FINANCIALS - MAY 2025**

27 Mr. Dorrill shared the financials as of the end of May. There was \$5,501,000 in cash on  
28 hand with \$3.9 million in the general fund and \$1.5 million in utilities. There were  
29 \$7,841,000 in fixed assets with total assets at \$13,343,000. There was almost \$14,000  
30 in interest earnings. \$92,000 was received in delinquent non-ad-valorem assessments.  
31 Engineering fees are above budget. A transposition error was identified in the utility  
32 budget. It was supposed to be \$33,000 and was mistakenly put in as \$3,000. Mr. Dorrill  
33 requested a budget amendment to be approved for the \$30,000 adjustment. Total

1 expenditures remain in a favorable position, with year-to-date spending coming in  
2 \$160,000 under budget.

3 **The financials as presented and proposed budget amendment for the \$30,000**  
4 **adjustment were accepted on a MOTION by Mr. Baird, a second by Mr. Kish, and**  
5 **all in favor.**

## 6 **ATTORNEY'S REPORT**

### 7 **A. Prepmac Settlement Offer**

8 The counteroffer includes six key points which require Board approval. The terms of the  
9 settlement include a "no admission of liability" clause and a joint dismissal, with each  
10 party responsible for its own fees and costs. The counteroffer requires that utility ERCs  
11 be purchased within 30 days of executing the agreement. A utility availability letter  
12 dated January 25, 2018, from the Marina to Collier County states that 16.7 additional  
13 ERCs are needed to support the development outlined in the 2018 site plan. Upon  
14 receipt of payment for the required ERCs, the District will release any claims for past  
15 payments that would have been owed if the correct number of ERCs had been timely  
16 purchased. Furthermore, both the Marina and the current owner will release the District  
17 from any potential claims related to the 2023 and 2024 assessments imposed on the  
18 boat slips, including any requests for reimbursement. Following receipt of the above, the  
19 District will, at the budget adoption hearing, apply an assessment factor of 0.5 for  
20 liveaboard boat slips and 0.25 for non-liveaboard slips when levying general  
21 assessments. Mr. Truckey voiced opposition to reducing the assessment factors to 0.5  
22 and 0.25. Mr. Prephan stated he did not recall the 16.7 ERC purchase requirement and  
23 requested documentation to refresh his memory. Mr. Lombardo clarified that the  
24 September trial is as to the prior assessment methodology. What is on the table now is  
25 settling not just the prior lawsuit but a threatened, future lawsuit and if everyone is  
26 agreeable to the utility ERC change this agreement has the potential to settle three  
27 different disputes in one agreement.

28 **Mr. Kish made a MOTION to approve the counteroffer with the correction to**  
29 **purchase the ERCs at today's cost. Mr. McNamee made the second. Three board**  
30 **members were in favor. Mr. Baird and Mr. Truckey were opposed.**

### 31 **B. Meeting Continuation**

32 Mr. Lombardo asked for this meeting to be continued until next week to discuss and  
33 make the necessary budget adjustments with the .5 and .25 adjustments.

1    **The meeting today was continued until Monday at 1pm on a MOTION by Mr. Kish,**  
2    **a second by Mr. Baird, and all in favor.**

3    **ENGINEER'S REPORT**

4    No report was given at this time

5    **OLD BUSINESS**

6    No old business was discussed

7    **NEW BUSINESS**

8    No new business was discussed

9    **SUPERVISORS' REQUEST**

10   **A. Action Items**

11   Mr. Lombardo reviewed the action items for the next meeting. Of the seven previously  
12   listed items, all were marked complete except for the settlement issue involving Alligator  
13   Boys, which was discussed earlier in the meeting. Five new action items were identified  
14   during today's discussion and Mr. Lombardo asked for them to be confirmed. These  
15   include: extending a settlement offer to Prepmac, drafting the related settlement  
16   contract, and preparing for the continued meeting on Monday. Additionally he asked for  
17   direction on the cease and desist matter involving the pipe claims by Mr. Leishear, Mr.  
18   McNamee advised him to not move forward. Mr. Lombardo will also research Collier  
19   County's rules regarding liveaboards and determine their status based on listing  
20   records. Mr. McNamee inquired about obtaining an opinion on the Parcel 13 contract.  
21   Mr. Lombardo responded that, in their opinion, the ERC contract is automatically  
22   terminated. He noted that assessments on the property are governed by the adopted  
23   O&M assessment methodology, and any future development will require the property  
24   owner to come before the Board to purchase ERCs. It was recommended that Russ  
25   Weyer attend the budget hearing, if available, to discuss the O&M assessments. Mr.  
26   Kish will compile a list of questions for Mr. Weyer in advance of the August meeting to  
27   allow for preparation. Mr. Lombardo added the O&M transfer issue to the task list and  
28   will speak with Mr. Salvatori as soon as possible regarding an analysis of the Parcel 13  
29   transaction, and more broadly, the appropriate process for transferring O&M  
30   responsibilities and ERCs. Mr. Baird asked about the status of the RFP for the  
31   community security assessment. Mr. Dorrill replied that further clarification is needed to

1 define what the RFP should include. He confirmed his understanding of the request for  
2 a consultant, and both Mr. Baird and Mr. Kish indicated their agreement.

3 **B. Terminating Law Firm**

4 **Mr. Truckey made a MOTION to begin the process of terminating the District's**  
5 **current legal counsel and to initiate a search for a new attorney, Ms. Hansen**  
6 **made the second.**

7 It was noted that the District is currently involved in active litigation and would need to  
8 be formally stipulated out of the case before changing representation. Mr. Lombardo  
9 advised against proceeding without legal representation during this time. Mr. Kish  
10 expressed opposition to terminating counsel, citing the number of unresolved matters  
11 currently pending. He also noted his hope that the recently implemented action item lists  
12 would help address concerns about tasks being overlooked. Mr. Truckey and Ms.  
13 Hansen reiterated their dissatisfaction with delays and not receiving necessary  
14 information in a timely manner or ever. Mr. McNamee stated he does not believe legal  
15 counsel should be changed until the Scott Prephan lawsuit is resolved. Following the  
16 discussion, Mr. Truckey withdrew his original motion.

17 **Ms. Hansen made a MOTION to publish an RFP for new representation and keep**  
18 **current counsel until the Scott Prephan and Lindsay Case issues are resolved.**  
19 **Mr. Baird made the second and four board members were in approval. Mr. Kish**  
20 **opposed.**

21 **C. Selling Utility Plant**

22 Mr. McNamee emphasized that the sale of the utility plant should continue to be  
23 pursued. Mr. Dorrill reported that he is acquainted with the newly appointed Utility  
24 Director and is working to schedule a meeting with him this summer to discuss the  
25 matter further. Mr. Kish expressed his belief that managing the utilities internally could  
26 result in long-term cost savings, based on his interactions with the fire district.

27 **PUBLIC COMMENTS**

28 No public comments were made at this time.

29 **RECESS**

30 The next meeting will be continued on July 21, 2025, at 9:30 a.m.

1   **RECONVENE**

2   The meeting was reconvened after being continued at the properly noticed July 18,  
3   2025 meeting, which had been continued to July 21, 2025, at 1pm.

4   **PREPMAC LAWSUIT SETTLEMENT DISCUSSION**

5   Mr. Lombardo reported that a counteroffer, along with all exhibits he could think of, had  
6   been sent to Mr. Prephan's attorney, who is currently out of the country and has not yet  
7   responded. The cost per ERC is still to be determined and was not included in the  
8   counteroffer. Mr. Prephan's business partner, Kevin, was also present on today's Zoom  
9   call and briefly spoke to their attorney. Kevin mentioned that he had spent the weekend  
10   reviewing documents he had not previously been aware of—some dating back seven  
11   years—in an effort to better understand what records existed regarding the ERCs.

12   Mr. Prephan's initial reaction to the proposed settlement agreement included concerns  
13   about the requirement to purchase ERCs and the potential for a future board to reverse  
14   the ERU rate reductions of 0.25 and 0.5. He expressed a desire to remove the purchase  
15   of ERCs from the current agreement and revisit them at a later date. He also indicated  
16   interest in a longer lock-in period for the reduced ERU rates. Mr. Lombardo explained  
17   that, while the current board may choose to make the change now, it cannot bind future  
18   boards to maintain them. Any adjustments to the O&M allocations must be finalized by  
19   the upcoming budget hearing on August 15. He added that there would still be time to  
20   reconvene before that hearing once Mr. Prephan's attorney returns to the country.

21   Collier County approved the site plan improvement based on the utility availability letter  
22   that Prepmac's predecessor provided to the County, and that is where the 16.7 ERCs  
23   came from. Mr. Lombardo does not believe the District is in a position to change that  
24   number without knowing whether Collier County would agree to such a change. That  
25   information has been in the public record the entire time. Mr. Dorrill noted that the  
26   County has a land development code and subdivision regulations, and as a condition of  
27   getting a permit, you have to go through site planning. As part of that process, the ERCs  
28   were developed and agreed upon.

29   Mr. Lombardo described three components to the settlement agreement. One is the  
30   purchase of the ERCs, which have not been assessed for the past seven years. The  
31   second component is the reduction of the boat slips from 1 to 0.25 and 0.5. He sent  
32   plaintiff's counsel the site plan that is on file with SFWMD, which he believes reflects the  
33   current allocation showing which slips are liveaboards, and he is seeking confirmation  
34   on that. He explained that Mr. Dorrill needs to know exactly which slips will be getting



1 which O&M allocation. The third component is an agreement that the lawsuits over the  
2 original allocation method will be dismissed as part of the broader settlement. All drafts  
3 have been provided to the Board members and to Mr. Prephan's attorney. Mr.  
4 Lombardo needs to know how to value the 16.7 ERCs. If the settlement were to be  
5 approved the District would be agreeing to reduce the O&M to 0.25 and 0.5, and the  
6 plaintiffs would agree to drop the lawsuit. Mr. McNamee noted that ERCs can only be  
7 transferred—they cannot be removed to nowhere.

8 Mr. Prephan shared that he had increased the widths of one-third of the docks and  
9 added 56 liveaboard designations. The letter that has been discussed was prepared by  
10 District Engineer Ron Benson to determine the number of ERCs needed to  
11 accommodate this change. It outlined what was required for the marina to get approval  
12 to add 56 additional liveaboard slips. Mr. Lombardo's understanding is that the intent of  
13 the Board was to enforce that letter, but it is now being understood that a reevaluation  
14 of the entire system may be desired. Mr. Lombardo shared that Mr. Benson has also  
15 provided a summary of the ERC process over the years.

16 Mediation has already taken place, but settlement was not achieved at that time. Mr.  
17 Prephan stated that if the 16.7 ERCs were removed from the current discussions, they  
18 would be agreeable to the rest of the settlement offer. Mr. Lombardo responded that  
19 such a proposal did not address any of the District's core concerns and focused solely  
20 on resolving issues favorable to Mr. Prephan, leaving too many items open-ended. Ms.  
21 Brakefield agreed, stating that the offer would amount to "giving everything and getting  
22 nothing in return." The Board concurred.

23 The decision to lower the ERU rate to 0.25 and 0.5 is not part of the lawsuit. The lawsuit  
24 pertains to a methodology the District is no longer using. Mr. Lombardo said the two  
25 parties could agree to stipulate to dismiss the lawsuit and continue to work through the  
26 remaining issues over time as more information becomes available. Mr. McNamee  
27 stated he would like to settle the matter and part ways with the five-year-old legal action  
28 without adding other caveats to it. Mr. Lombardo agreed that stipulating to dismiss the  
29 lawsuit would not resolve the ERC issue or the current O&M allocation issue.

30 Mr. Prephan said the whole issue is that they disagree with the methodology and the  
31 rate of 1.0 as opposed to 0.25 and 0.5. Mr. Lombardo responded that he understands  
32 their position, but that disagreement is not actually the subject of the current lawsuit.  
33 The Board's position is that it does not want to waste legal energy going to trial over an  
34 assessment methodology that is no longer in place on the docks. Over time, and  
35 instead of going to trial, the parties can try to figure out the remaining two issues. Mr.

Prephan ultimately indicated he was not willing to proceed with the settlement without the .25 and .5 adjustment and was not willing to pay for the 16.7 ERCs at this time.

**Mr. Truckey made a MOTION to withdraw the settlement offer and prepare for trial. Mr. Baird made the second and all were in favor.**

## **DISCUSSION ON COMMUNITY BUILDING**

Mr. Truckey believes the District should look into a multipurpose facility that could serve the community during hurricanes, store the generators, and have the capacity to house cots. With appropriate elevation, flooding would not be a concern.

Mr. McNamee shared that Frank Lee provided documentation outlining how to fund such a project, including notice requirements and the entire process. To move forward, the CIP would need to be amended to include the public safety facility. Mr. Dorrill noted that while the CIP can be amended at any time with a Board vote, the end of the fiscal year in September is typically an appropriate time to do so. A budget amendment could be used to fund the preliminary design and permitting phases in the next fiscal year.

Some preliminary analysis is needed regarding what it would take to build a structure like this. Mr. Lombardo and Mr. Dorrill recommended beginning with Johnson Engineering, the District's engineering firm. If a builder or designer needs to be engaged later, that can be addressed at that time. Mr. Truckey asked whether starting with a design-build firm might be more cost-effective than going to an engineer first.

**Mr. Truckey made a motion to spend up to \$5,000 to obtain renderings from a design build firm. Ms. Hansen made the second and all were in favor.**

## **DISCUSSION ON MOSQUITO SPRAYER AND REMAINING CHEMICALS**

Mr. Kish brought up the idea of selling the mosquito sprayer. Mr. McNamee asked how many chemicals remained; it was estimated that approximately \$3,000 worth of chemicals are still on hand. He suggested hiring a mosquito control company to come out and periodically spray until the chemicals are used up. Mr. Dorrill noted that there is a provision in place with the Mosquito Control District, and it was communicated that the District budgeted \$5,000 for the first year of coverage to allow for additional spraying at their discretion.

Mr. McNamee inquired about using the former company, Kish Pest Solutions, to handle the spraying. Their current cost and availability are unknown. Mr. Kish estimated the

1 cost would be around \$500 per spray, whereas the District previously paid \$325 or \$350  
2 per application with that company. The idea would be to pay on a per-application basis  
3 until the existing chemicals are depleted.

4 **Mr. McNamee made a MOTION to reach out to Kish Pest Solutions about**  
5 **performing the mosquito spraying at the price previously paid, using the**  
6 **chemicals currently on hand until depleted. Mr. Baird made the second and four**  
7 **board members were in favor. Mr. Kish recused himself from the vote.**

8 **ADJOURNMENT**

9 **The meeting was adjourned at 2:44 p.m. on a MOTION by Mr. Baird, a second by**  
10 **Ms. Hansen, and all in favor.** The next meeting will be on August 15<sup>th</sup>, 2025, at 9:30  
11 a.m. and will include the budget adoption public hearing.