PORT OF THE ISLANDS COMMUNITY IMPROVEMENT DISTRICT
NAPLES, FLORIDA
Public Meeting of the Board of Supervisors
September 19, 2025

The public meeting of the Port of the Islands Community Improvement District Board of Supervisors was held on Friday, September 19, 2025, at 9:30 a.m. at the Orchid Cove Clubhouse, 25005 Peacock Lane, Naples, Florida.

SUPERVISORS PRESENT

Steve McNamee, Chairman

Dan Truckey, Vice Chairman, Via Zoom

Russell Kish, Supervisor

Kevin Baird, Supervisor

Anna-Lise Hansen, Supervisor

ALSO PRESENT

Neil Dorrill, Manager, Dorrill Management Group

Kevin Carter, Manager, Dorrill Management Group

Zachary Lombardo, District Counsel

Matt Gilinsky, Florida Utility Solutions

Jared Brown, District Engineer, Via Zoom

PLEDGE OF ALLEGIANCE

The pledge of allegiance was recited in unison.

ROLL CALL/APPROVAL OF AGENDA

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

Mr. McNamee made a MOTION to allow Mr. Truckey to participate via Zoom due to extenuating circumstances and all were in favor.

Mr. Dorrill added Item 6E to the agenda for a review of the bid opening for the raw water main.

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

PUBLIC COMMENTS

Mrs. LaRue – Her father wanted to know if the gated trail behind the water plant is accessible for residents to walk on. Ms. Jensen explained that it is part of the Fakahatchee Strand, and residents would just need to walk around the gate. Mr. Kish noted that he had called the State years ago, and they advised that as long as it is not motorized, walking or riding a bicycle is permitted.

APPROVAL OF MINUTES - AUGUST 2025

Page 3 number of ERCs incorrect

Page 6 line 1 mis-spelled word

Page 7 should be O&M transfer

Page 9 should be Southeast Commercial Parcel

Page 11 line 10 pertaining to streetlights

Page 20 265 meters

The minutes were accepted as amended on a MOTION by Mr. McNamee, a second by Mr. Kish, and all in favor.

UTILITY OPERATIONS SUMMARY

Mr. Gilbert reported that the utility plant met all FDEP requirements as usual. The plant received and treated 2.59 million gallons of wastewater, produced 3.21 million gallons of drinking water, and distributed 7.68 million gallons of reuse. In addition, 36,000 gallons of sludge were processed at the plant. Staff read all meters, used 730 gallons of chlorine, inspected all pump stations weekly, diagnosed a valve issue on a filter, and repaired a water service leak at 161 Cays Drive. There were no accidents or OSHA-reportable incidents.

Mr. Truckey asked how much preparation time would be required for FUS to begin work if awarded the bid. Mr. Gilinsky replied that the question was better directed to Mr. Gilbert, but it would likely depend on material and supply availability. He noted that work could likely begin as soon as the materials are received.

MANAGER'S REPORT

A. Community Hall Sketch

A sketch was presented of what a future community hall might look like. The primary intent is to create a gathering place for the entire community that could also serve as a point of relief during a major hurricane. A local firm was engaged to prepare a CAD drawing, which includes a large gathering room, catering kitchen, sizable storage facility, two restrooms (male and female, each with a shower), a small workout center, and an outdoor covered lanai. The concept envisions the building elevated 6–8 feet above existing grade, with a large generator and a fuel supply sufficient for at least a week. This idea is currently just "spitballing" and not a funded project, but could be considered as part of the community's long-term future.

B. Premium Comparison 25/26

Mr. Dorrill reported that coverage for the District's insurance program has been bound. Following Hurricane Ian, it was determined that the District was grossly underinsured, and the carrier was changed last year. The District is now part of the Public Government Insurance Trust. Similarly sized cities use Brown and Brown to underwrite public risk. A two-year fixed premium was negotiated, resulting in no increase in premium, aside from a small adjustment for new capital assets added to the schedule, such as the disc filter and diesel generators. The total annual premium is $65,004, with coverage effective October 1.

C. Revised FY 26 Utility Rate Adoption

Consider and adopt the revised utility rate structure for the community. Mr. Dorrill explained that this effort has been underway for a year and a half, with the intent of placing utilities on more of a business platform. For many years, the utility system was heavily subsidized through the tax bill and non-ad valorem assessments. The proposed structure replaces that mechanism with a consumption and metered basis, avoiding the additional costs charged by the Tax Collector and Property Appraiser.

The Board retained Raftelis, Florida's leading rate analysis firm, and held three workshops on the matter over the past year, as well as a public hearing in conjunction with the budget process last month. A revised rate sheet was included in the agenda packet. Mr. Dorrill noted a minor typo: the schedule listed a category for a 5/8-inch meter, but none exist in the District—it was carried over from the original structure.

Mr. Dorrill reviewed the rate options, noting that the District has historically used a conservation tiered rate system, with increasing costs per 1,000 gallons as consumption exceeded thresholds. At the Board's request, a flat rate option was created and presented. He cautioned, however, that eliminating the conservation incentive could increase annual costs by up to $100,000. Mr. McNamee asked if this should be re-evaluated, and Ms. Hansen stated that, environmentally, conservation is necessary and the tiered structure should remain. Mr. Dorrill suggested keeping the tiered system for one year while conducting further analysis, with the flexibility to adjust if needed. Mr. Truckey expressed concern that the tiered system treats properties differently, particularly multi-family properties served by one meter.

The proposed tiered rates are as follows: the first 12,000 gallons would be charged at $1.87 per 1,000 gallons, raising the current base to market level; 12,001–24,000 gallons would be $2.18; 24,001–36,000 gallons would be $2.90; 36,001–48,000 gallons would be $3.64; and all usage over 48,000 gallons would be $4.36. Irrigation meters are charged on a straight per-gallon basis with no base rate. Since there are no 5/8 meters Mr. Kish requested the meter size rates be dropped accordingly, the whole Board was in agreement of this.

Board members expressed differing views. Mr. Baird, Mr. Truckey, and Mr. Kish supported a flat rate, while Ms. Hansen supported retaining the tiered structure. The consensus was to leave the structure as proposed but to evaluate alternatives with the engineer for presentation in the winter.

Mr. Gunther noted that Orchid Cove's meter has no non-ad valorem equivalent, which would result in an additional $100,000 in costs for the association under the new structure. It was clarified that there is no base rate for irrigation so that number is incorrect. Base rates apply to potable water which they have two meters of. The base rate will be $128 per month per meter. Mr. Gunther thinks the clubhouse needs to be treated differently than a residential unit. Because clubhouses typically do not receive tax bills, this will be new. For those currently paying through taxes, this change would reduce their tax bill by approximately $1,400. The last rate increase was six years ago, making this adjustment necessary to have funds required to operate and maintain utility system.

Kathryn Kehlmeier of Sunset Cay Lakes noted that her association, which includes a pool and two restrooms, currently pays only water and sewer rates. Under the new structure, it will cost them $128 base rate per meter plus usage. $256 total for water and wastewater split among 52 units.

Kathy Oswald, also from Sunset Cay Lakes, clarified that this will equal $256 every two months. It is about $22 more per unit per month compared to the current $17. All non-ad-valorem for utilities has been taken off tax bill.

Yolanda DeBartolo who is the CAM for Port of the Islands Association/Resort Hotel asked about the impact on their eight commercial units. Mr. Dorrill said it depends on the size of the meter. He estimated that the hotel has a 2-inch meter which would make the base cost $1,027 every two months for water and wastewater, plus $3.65 per 1,000 gallons used. While water bills will rise, Mr. Dorrill acknowledged that there will also be a substantial discount in the non-ad valorem tax bill.

Mr. Truckey added that $225,000 has already been collected in grants, with $1.5 million pending. Mr. Kish emphasized that rates have not increased in six years, and the system has been undercharging; these adjustments are necessary to meet the financial needs of the plant.

Mr. Baird made a MOTION to adopt the proposed rate structure with the changes discussed earlier and to authorize the Chairman to sign the resolution. Mr. Kish made the second and all were in favor. The motion includes the Board reviewing irrigation rates mid-year, with the tiers dropped one line to account for the fact there are no 5/8 meters.

D. Raw Water Well Hardening Engineering

A proposal was presented to engage the District's civil engineer to design hardening improvements for the well field well head sites for the potable water system. Historically, the well heads, pumps, and motors were located at ground level and were all lost during the storm surge from Hurricane Ian. The project is grant-eligible under FEMA mitigation programs. The proposal includes designing an elevated well head site, along with permitting and construction drawings, at a cost of $70,000. If bids are authorized, an additional $24,500 would be required for the construction certification and pay requests.

E. Review of Raw Water Main Bids

Bids were received for the installation of a new water line, including routing it from the wells to the plant. Bid amounts ranged from approximately $1.1 million to $2 million. In addition, just over $4,000 cost to address hardening and elevating the wells. The lowest and most responsive bid was submitted by Florida Utility Solutions in the amount of $1,079,493.98. The second bid totaled $2,246,532. Staff and the engineer recommended awarding the bid to the lowest and most responsive bidder, Florida Utility Solutions, and authorized staff to negotiate the construction contract and present it to the Board for final review and approval. The FUS base bid does not include markup for mobilization which the Board found very honoring of Mr. Gilbert. The other company had $229,000 in their bid just to show up. Mr. Brown confirmed FUS bid is responsive and there are no issues with it.

Mr. McNamee made a MOTION to approve the bid as outlined by Florida Utility Solutions as outlined and direct staff to bring back a construction agreement at a future date. Ms. Hansen made the second and all were in favor.

FINANCIALS – JULY 2025

As of the end of July, the District had $5,357,000 in cash, with $3,374,000 in the General Fund and $1,583,000 in the Utility Operating Fund. Fixed assets, primarily the utility system, totaled $7,841,000 net of depreciation, bringing combined assets to $13.2 million. Payables totaled $122,000.

Mr. McNamee inquired about the remaining 5% of non-ad valorem taxes. Mr. Dorrill explained that this portion is reserved for discounts for taxpayers who pay early, and all tax revenue expected for the year has been received and the discount was budgeted for. Miscellaneous revenue of $50,000 represents costs associated with the South Florida Water Management District’s use of District land for staging areas as part of the manatee mitigation project. Interest earnings totaled $13,200. On the expenditure side, the General Fund was $500,000 under budget on capital projects. Overall, total expenditures were $436,000 under budget year-to-date.

The financials were accepted as presented on a MOTION by Ms. Hansen, a second by Mr. Truckey, and all in favor.

ATTORNEY'S REPORT

Mr. Lombardo reported that the Prepmac trial has been pushed to the October trial docket due to the judge's illness. The case is prepped and ready for trial.

The South Florida Water Management District (SFWMD) confirmed that it will not begin its project until April of next year, which allows other contractors to use the site until then.

Mr. Lombardo distributed a memorandum regarding the Ochopee Fire District. Mr. Kish contacted the state representative and met with Senator Passidomo and her staff stated that they do not get involved in local politics. Efforts are underway to integrate the District into the greater Naples area in order to achieve a lower millage rate. North Collier has expressed some interest. The District desires becoming part of one of these larger districts to reduce its current millage rate, which is approximately three times higher than that of most other areas in the County.

Mr. Lombardo was contacted by Brent Truxton regarding a meeting with the county commissioner about acquiring the old hotel site, with the intent to purchase it from the county. He asked the Board for direction on whether they want him to attend the meeting, as requested by Mr. Truxton. Mr. Truxton is the attorney for Lindsay Case, who wishes to meet with Commissioner LoCastro about purchasing the county parcel to incorporate into the Lindsay Case Development Project. Mr. McNamee noted that he expects the District would likely be ahead in acquiring the property. The meeting is scheduled for November 14th, and Mr. McNamee will coordinate with Mr. Lombardo to ensure a Board member is in attendance. The Board has previously asked Mr. Dorrill about acquiring this property from the County.

Mr. Lombardo summarized Mr. Salvatori's response. Mr. Salvatori expressed his opinion that a specific performance action could be brought against Mr. Case to compel him to fulfill his obligations under the agreement, including the purchase of the ERCs. He addressed the question regarding the County not being assessed and confirmed that the County can levy assessments against itself. The final question concerned tax ID numbers: if two parcels merge into a single folio number, does it affect the amount of assessments? Mr. Salvatori confirmed it does not, as the District's allocation remains unchanged; only the County's tax records are updated.

Mr. Dorrill added that, if Mr. Weyer is retained, his scope of services would include updating and evaluating O&M ERU changes and additions, as well as performing an initial analysis to establish an impact fee for water and wastewater for the community. Mr. McNamee noted that the 109 O&Ms on Parcel 13 should potentially be doubled, as that reflects the original allocation. Mr. Lombardo responded that this could be evaluated as part of the assessment methodology. He explained that moving to a rate-based utility system has reduced some of the impacts of improperly allocated O&Ms, as the utility system is no longer subsidized by non-ad valorem assessments. By the time the budget is adopted next year, the District will have a rate-based utility system and a recently updated and thoroughly vetted O&M system designed to meet the standards and concerns the Board has previously expressed. Mr. McNamee expressed interest in holding a special meeting to address the items raised by Mr. Salvatori and the proposed remedies. Mr. Dorrill suggested beginning by contracting with Mr. Weyer, followed by scheduling a workshop to review these matters before proceeding with the assessment methodology process.

ENGINEER'S REPORT

Mr. Dorrill asked Mr. Brown to provide an update on the initial evaluation of the three mains attached to the US 41 bridge and the anticipated timeline for further work. Mr. Brown reported that structural inspectors had visited the site and taken photographs, and they are currently preparing a summary report. He is also contacting contractors for quotes on both replacement and repair and expects to have the bids within two weeks. The Board is prepared to move forward once the bids are received.

OLD BUSINESS

No old business was addressed at this time.

NEW BUSINESS

No new business was addressed at this time.

SUPERVISORS' REQUEST

A. FEMA Strategies Resolution

Mr. Truckey made a MOTION to adopt the new LMS strategies for 2026 with a second by Ms. Hansen, and all in favor.

B. Orchid Cove Light Pole Agreement

Mr. Dorrill reported that he was able to obtain records of a prior agreement between the former Board and the Orchid Cove community. Agreement does not establish what the nature of the dispute was. However, at that time, the resolution provided that the District would pay for the community's private residential streetlight bill. Staff is currently in the process of segregating the bills to determine the value of individual streetlights versus the lump-sum bill received each month. Agreement is almost 6 years old. Have been paying for those streetlights at about $417 a month according to the summary. Mr. Dorrill suggested canceling the agreement if Orchid Cove has been fully compensated for the dispute that goes back to 2020. Mr. Kish thinks it will be about 2.5-3 years until breakeven. Mr. Dorrill is working to verify through the LCEC bills that the amount is $417. Item is in progress, Mr. Dorrill and staff will complete the accounting aspect and then come back with a recommendation.

C. Meeting Rules and Procedures

Mr. McNamee requested that the Board consider establishing rules and procedures for meeting decorum, noting concerns that some individuals have felt threatened in the parking lot after meetings. The police recommend implementing such rules so they can be enforced if necessary. Any new rules would need to go through the formal rules and procedures process and would publish a notice for the intent of rulemaking. Mr. Lombardo noted that this item is on the task list for October. He will bring a draft of all of the notices and rules to the October meeting. Mr. Frank Lee has drafted the proposed rules, and Mr. Lombardo is currently in possession of the draft/research.

D. September Action Items

Mr. Lombardo and Mr. Dorrill will reach out to Florida Rural Water regarding the initial analysis and the SRF program.

Mr. Lombardo and Mr. Dorrill reviewed the task list. Items not mentioned have been completed.

8. Evaluation RFQ for community security analysis – The deadline is today, but no responses have been received. This request originated from a community petition.

14. Getting Russ Weyer to a meeting – Efforts have been ongoing since August.

22. Prepare RFP for District Legal Services – Has been published, the deadline for responses is the end of the month.

29. Identify former water quality testing vendor to process a claim. This item was identified in an email yesterday. Mr. Lombardo will send a demand letter if, after consulting with FUS, it is determined that there is a claim of professional negligence.

At the last meeting, the Board discussed adding a utility insert for backflow preventers, including pictures, and posting it on the website. Mr. Dorrill confirmed that this has not yet been done and noted that assistance from Mr. Gilbert is needed.

Lisa Blacklidge meeting – Ms. Blacklidge sent a date over next week that Mr. Lombardo is unavailable for. Ms. Blacklidge is basically the planning manager for site plan review. Meeting is regarding the easement use agreement to make sure the County is approving the form correctly. Ms. Hansen will also be at the meeting which will occur before the next board meeting.

38. Orchid Cove Streetlight research – Discussed earlier, still pending final accounting research.

CDD franchise fee research is not complete yet and remains on the list for October.

Landscape research, which came up last month, is being worked on by Mr. Dorrill.

Efforts will be made to have the motion to dismiss heard before trial.

Four items were added based off the discussions today:

1. Mr. Salvatori's request for additional notices, Mr. Lombardo will provide today.
2. Rules of Decorum Rule Change for October
3. Full review of Salvatori memo for October
4. Reach out to Florida Rural Water to try to specifically determine if District qualifies for preliminary report that must be done before able to utilize the SRF program

The action item list will be condensed down quarterly with completed items removed.

Mr. Kish reported on item 36 regarding the potential exit of the Ochopee District, noting that Greater Naples is opening a new fire station approximately 10 miles away. Mr. Truckey explained that previous legislative requests to assume the Ochopee District were not approved due to the revenue the District receives. Current rates in Ochopee are approximately three times higher than elsewhere, and they would decrease if Greater Naples assumed the District. Mr. Lombardo agreed but emphasized that it would be an uphill battle, as changing the boundaries requires legislative action. He noted the need to determine the actual cost of providing fire service specifically to Port of the Islands.

E. Surplus Mosquito Spraying Chemicals and Equipment

Mr. McNamee made a MOTION to declare the mosquito spraying trailer surplus with a second by Mr. Kish, and all in favor. Will offer the chemicals to the Mosquito Control District.

PUBLIC COMMENTS

Kathy Oswald – EMS has been stationed at the fire department since the building was established and asked why they are not there. EMS presence at the fire department is not in the CID's control.

Steve Gunther – Reported that 21 light poles in Orchid Cove are labeled as decorative by LCEC. Nineteen appear on the CID bill, and two on Orchid Cove's bill. The decorative pole charge is $29.71, and the lightbulb charge is $14.17, with average electricity cost about $6. He expressed dissatisfaction with the upcharge for those poles and is pursuing the matter further with LCEC.

Ms. Ramos – Asked how the CID operates without its own building and questioned how a 300 sq ft condo could be compared to a large multimillion-dollar home. Mr. Dorrill noted that there is no requirement for special districts to own a facility and stated that Gateway is the only CDD in all Southwest Florida that owns a meeting facility. He explained that Florida Law has uniform method of assessment. Ms. Ramos expressed difficulty in attending meetings online with cochlear implants and the inability to read lips consistently when the camera is moving. Mr. Dorrill will look into incorporating closed captioning on Zoom.

ADJOURNMENT

The next meeting will be on October 17, 2025, at 9:30 a.m. **On a MOTION by Ms. Hansen and a second by Mr. Baird, with all in favor, the meeting was adjourned at 11:41 a.m.**