



1 **The agenda as presented and Mr. Truckey's full participation via Zoom was**  
2 **approved on a MOTION by Ms. Hansen, a second by Mr. Baird, and all in favor.**

3 **A. Rules of Decorum Approval**

4 Mr. Dorrill stated that, as part of the approval process, the Board had before it an  
5 amendment to the District's administrative rules of procedure as they pertain to  
6 decorum, public comment, and related meeting conduct. He stated that the proposed  
7 rules had previously been workshopped and that Mr. Lombardo had prepared  
8 Resolution 2026-2 for the Chairman's signature if the rules were adopted.

9 Mr. Lombardo explained that the item was being handled as an administrative hearing,  
10 which meant the Board would receive comments specifically on the proposed rules from  
11 the public and from the Board. He stated that the language was materially unchanged  
12 from the prior workshop. The proposed rules address general standards for participating  
13 in District meetings, establish a five-minute limit per speaker, and list certain prohibited  
14 content and behavior. He emphasized that the rules are intended to promote civil,  
15 focused, organized meetings while acknowledging First Amendment rights. The rules  
16 are not intended to stop anyone from commenting on matters they wish to address, but  
17 are intended to preserve the record, organize comment, and allow productive public  
18 meetings.

19 Mr. Lombardo further stated that public meetings are particularly important because,  
20 under the Sunshine Law, the meetings are the only setting in which the Board can  
21 discuss District business with each other, consultants, and the public. For that reason, it  
22 is important for the meetings to be organized enough for the Board to receive feedback  
23 and make the decisions before it.

24 Mr. Dorrill summarized that the rules address civility and respect during public meetings.  
25 Prohibited conduct includes yelling, shouting, threats, profanity, vulgarity, personal  
26 attacks, harassment, threatening statements, and similar behavior. He stated that the  
27 proposed rules also provide authority for the chair or presiding officer to take  
28 appropriate action if a meeting becomes disorderly. If necessary, the meeting could be  
29 recessed, law enforcement could be contacted, and the meeting could be reconvened  
30 at an appropriate time.

31 A member of the public asked whether the proposed rules were more advanced than  
32 Robert's Rules of Order. Mr. Lombardo explained that the rules are not Robert's Rules  
33 of Order and do not address how motions are made or how the Board conducts its  
34 business. Instead, the proposed rules address conduct during the meeting itself. He  
35 stated that many CDDs, cities, and counties have versions of similar rules. He noted  
36 that some versions go further, including rules allowing a group speaking on the same  
37 topic to designate one or two speakers, but that the proposed rules for this District did  
38 not include such a provision and were not intended to reduce the volume of public  
39 participation.

1 There being no further public comment on the proposed rules, the public hearing was  
2 closed.

3 **On a MOTION by Mr. Truckey with a second by Mr. Kish, with all in favor, the**  
4 **public hearing was closed, Resolution 2026-2 was approved, and the Chairman**  
5 **was authorized to execute Resolution 2026-2 and the associated amendment to**  
6 **the District's rules of procedure.**

### 7 PUBLIC COMMENTS

8 Liliana Manta - 125 Newport Drive - Ms. Manta stated that she had sent  
9 correspondence to the Board, District Counsel, and management regarding the building  
10 located at 24998 Newport Drive. She expressed serious concern that demolition,  
11 electrical, plumbing, and renovation work appeared to have been discussed and  
12 initiated before a finalized lease agreement was in place and before required Collier  
13 County permits had been obtained. She stated that she had raised the concerns  
14 privately because she believed the project exposed the District and the community to  
15 unnecessary legal, financial, and liability risks.

16 Ms. Manta stated that residents deserve transparency regarding the lease terms,  
17 project costs, permits, and long-term financial obligations tied to the building project.  
18 She referenced discussion from the March 30 meeting regarding leasing the building for  
19 approximately \$1,500 per month as an opportunity to test whether the community would  
20 use the space. She compared that amount to the approximately \$500 per month paid by  
21 prior tenants and stated that she was previously told the community may have been  
22 able to use the building at no cost. She further stated that, on April 16, the CID  
23 discussed approximately \$40,000 in improvements, which she said did not include  
24 additional electrical, plumbing, and container costs that she estimated could bring the  
25 total closer to approximately \$50,000. She also noted that counsel had acknowledged  
26 that, if the lease ended, those improvement costs would not be recovered. In her  
27 opinion, the project had become an expensive test that residents were never asked to  
28 vote on while other community infrastructure continued to be neglected. She also stated  
29 that the CID approved significant improvements to a building it does not own, but had  
30 not approved approximately \$50 to replace the ripped flag outside, and she donated  
31 another flag to the District.

32 Linda - Newport Drive - Stated that the District website is not updated. She stated that  
33 when she reviewed the website calendar, the current meeting date was not listed, and  
34 she would not have known about the meeting if she had not read information posted on  
35 Nextdoor. She noted that the Board has stated it does not post official CID information  
36 on Nextdoor, but that information on Nextdoor was how she became aware of the  
37 meeting. Mr. Dorrill responded that staff had been working on the website earlier in the  
38 week to correct the meeting date information and to make sure the next meetings are  
39 clearly depicted on the homepage. He explained that the District historically met on  
40 Fridays, but the meetings had been moved to Thursdays for the balance of the year,  
41 and that staff was working with a contractor to correct all website references.

1 She also stated that she had noticed declining cell service in Port of the Islands and  
2 asked whether the Board had considered leasing District-owned land for a cell tower.  
3 She stated that a cell tower could potentially generate income for the District and  
4 improve service. Mr. Dorrill stated the District could look into the matter.

5 Sophia Alberto - Sunset Cay - Ms. Alberto stated that Sunset Bay's internet contract  
6 expires in January and that Delamar's contract is also expiring. She said Sunset Cay  
7 had spoken with AT&T, Blue Stream, and was attempting to contact Summit. She asked  
8 if other communities were renegotiating internet contracts and invited them to  
9 coordinate with Sunset Cay to obtain better pricing and service. She stated that Sunset  
10 Cay has 192 units and may have bargaining strength to help bring better service,  
11 including fiber, into the community and into the single-family residential areas.

12 Kathy Olson - Sunrise Cay - Ms. Olson asked whether the District has contract  
13 negotiations for landscaping services and whether the landscaping contract is open to  
14 bids from other landscapers who may reduce costs. Mr. Dorrill stated that the  
15 landscaping contract is a continuing contract with a 30-day termination clause. He  
16 believed it had been renewed for the current fiscal year through September and would  
17 be reauthorized in October if appropriate. He explained that, if the Board authorized  
18 proposals or bids, there would be a solicitation process, and the District may reserve the  
19 right to prequalify contractors due to the District's location. Ms. Olson stated that  
20 Sunrise Cay has a landscaper who works in the area, has several local contracts, and  
21 may be willing to hold pricing for three years. Mr. Dorrill advised that the contractor may  
22 contact him and request to be added to a prospective bidders list if the Board chooses  
23 to move forward with proposals in the fourth quarter of the year.

24 Ms. Olson also asked whether the District had ever considered fenced storage for boats  
25 or trailers on District-owned property. She stated that, since the general store is no  
26 longer available and trailer parking is limited, several residents do not have a place to  
27 store boats or trailers in the off-season. She stated that some residents have had to sell  
28 boats because they do not have trailer storage. She suggested the District consider  
29 whether trailer storage could help residents and generate revenue.

30 A member of the public commented that the District previously had a prequalification  
31 requirement for landscapers to be from Collier County. Mr. Lombardo stated that many  
32 government entities use local preference or award additional points for local presence,  
33 including contractors located in Collier County rather than Broward or Lee County.

34 Alan Zitto - Manatee Sightseeing/Marina - Mr. Zitto stated that, because multiple  
35 residents had discussed District-owned land and costs, he was interested in purchasing  
36 District property located near 289 Cays Drive, the approximately 3.1-acre parcel near  
37 the bridge. He proposed that the District obtain an independent appraisal and that he  
38 also obtain an appraisal, with the parties comparing the values and discussing a  
39 possible price. He stated that he understood the seawall may need work and that, if he  
40 purchased the property, the District may avoid future seawall costs. Mr. Kish stated he  
41 understood the seawall had been inspected before the South Florida/Manatee project

1 and was not aware that it was deteriorating. Mr. Dorrill explained that the Board had not  
2 had a policy discussion regarding selling the property. He stated that, if the Board chose  
3 to evaluate offers, there would be a request for proposals or request for qualifications  
4 process. Mr. Zitto stated he would move his manatee business to the property, build a  
5 dock or floating dock, and potentially move the commercial business away from the  
6 marina. He also stated that ERCs attached to that property could generate additional  
7 revenue to the District.

8 Ms. DeBartolo stated she was present on behalf of A&Y Cam Duo Services for the Port  
9 of the Islands Hotel Resort and wished to discuss water bills. She stated she had  
10 reviewed the September meeting recording and recalled Mr. Dorrill stating that the  
11 hotel's bill would increase to approximately \$1,027 based on a two-inch meter. She  
12 stated the bill instead increased by approximately five times that amount, with three bills  
13 of approximately \$10,000 each, which would bring the annual water budget from  
14 approximately \$30,000 to approximately \$180,000. Mr. Dorrill stated he would address  
15 the issue later in the agenda. Ms. DeBartolo stated that the base rate was intended to  
16 offset the non-ad valorem assessment that had been removed from the tax bill, but that  
17 the increase was of magnitude larger than the amount removed from taxes. Mr. Dorrill  
18 explained that the Board had previously adopted rates based on either the industry  
19 standard tied to the size of the meter or the actual number of units being served, and  
20 that the hotel condominium and marina condominium would be discussed later in the  
21 meeting.

## 22 APPROVAL OF MINUTES - APRIL 2026

23 Page 13, line 8 – The seat up for election should refer to the seat formerly held by Mr.  
24 McNamee, now held by Ms. Sager, rather than Mr. Truckey's seat.

25 **The minutes were accepted as amended on a MOTION by Mr. Kish, a second by**  
26 **Ms. Sager, and all in favor.**

27 **The May 7, 2026, special meeting minutes were approved as submitted on a**  
28 **MOTION by Ms. Hanse, a second by Mr. Kish, and all in favor.**

## 29 UTILITY OPERATIONS SUMMARY - APRIL 2026

30 Mr. Gillespie, with Florida Utility Solutions, presented the monthly operations report.  
31 Operations at the facilities were in accordance with contract and regulatory  
32 requirements. All wastewater plant requirements were met, all water distribution  
33 requirements were met, and the reuse system was functioning properly. The outgoing  
34 pressure at the plant was functioning, and the canal pump station remained at one  
35 pump and was not communicating.

36 The wastewater plant received 4.45 million gallons of wastewater in April. The water  
37 plant produced 3.06 million gallons of drinking water in April. Mr. Gillespie stated that  
38 the numbers were unusual because the water plant typically does not produce less

1 water than the wastewater plant treats. He stated he was looking into a possible issue  
2 with the influent flow meter at the plant, but was reporting the numbers as recorded.  
3 Reuse water distribution totaled 9.5 million gallons in April. Staff tested all auto flushers,  
4 did not read meters in April, and used 670 gallons of chlorine during the month.

5 Mr. Gillespie reported that staff performed weekly pump station inspections, weekly  
6 odor control checks, generator and automatic transfer switch load tests, greased pumps  
7 and motors as necessary, cleaned and calibrated inline effluent analyzers, lubricated  
8 chemical pump tubes, installed new water meters for a home build on Cays Drive, and  
9 performed six backflow preventer repairs. He also reported that the automatic transfer  
10 switch on the well road, previously approved by the Board approximately six months  
11 earlier, was installed and operational. The plant backup generator had failed to start  
12 during one test due to a fuel shutoff solenoid and fuel pump that needed to be replaced.  
13 Those items were repaired promptly. There were no accidents or incidents, and all  
14 safety training was conducted.

## 15 **MANAGER'S REPORT**

### 16 **A. Methodology & Impact Fee Presentation**

#### 17 **Utility Connection Fee Analysis**

18 Mr. Dorrill stated that the PFM Group had two tasks. The first was to review and update  
19 the current methodology and ERU methodology for the non-ad valorem assessment.  
20 The second was to prepare a utility impact or connection fee analysis, referred to in the  
21 community as the ERC charge, which is necessary when an applicant seeks a building  
22 permit for new construction. He explained that there had never been a clear basis for an  
23 impact fee or ERC charge previously, and there were no records confirming whether  
24 vacant properties had previously paid or reserved fees. He stated the analysis was  
25 important because a family seeking to build a new home had recently been told by the  
26 County that the building permit application would need to be accompanied by a letter of  
27 capacity.

28 Mr. Dorrill introduced Mr. Weyer, the District's economist who had historically performed  
29 assessment methodology work, and representatives from PFM. Mr. Plenzler with PFM  
30 presented the utility connection fee analysis. He stated PFM was asked to calculate  
31 connection fees based on information provided by the District Manager and engineer  
32 regarding the existing book values of the systems, the number of equivalent residential  
33 connections historically documented and planned, and the capacities of the systems.  
34 He stated PFM used a standard buy-in methodology, which was the most applicable  
35 methodology for the nature of the system, and calculated connection fees for the water  
36 system, wastewater system, and irrigation/fire system.

37 Mr. Plenzler stated that the connection fee calculation allocates the value of the system  
38 across the available capacity and applies the appropriate factor by development type.  
39 He explained that a single-family residential connection would be charged differently

1 than a marina slip or another development type, so that users pay their fair share when  
2 they request capacity. He referenced the report table comparing the proposed Port of  
3 the Islands fees to Collier County's fees. Mr. Dorrill stated for the record that the  
4 proposed future connection fees total \$15,223.70, consisting of a water connection fee  
5 of \$6,084.70, a wastewater connection fee of \$7,483.00, and an irrigation/fire supply  
6 connection fee of \$1,656.00. The combined Port of the Islands water and wastewater  
7 fee would be \$13,566.70, compared to Collier County's most recent water and  
8 wastewater fees of approximately \$12,084.00.

9 Mr. Plenzler explained that the calculations were based on the plant capacity, gallons  
10 per day, value of the plant on a gallons-per-day basis, and the resulting connection fee.  
11 Mr. Dorrill stated the report provides a basis for future charges, including for future  
12 building permits, and noted that a current applicant for a new home would need to wait  
13 temporarily while the Board considered the report and the fee process. Mr. Lombardo  
14 recommended that final adoption be deferred and handled through a formal resolution  
15 at a later meeting, rather than adopted immediately during the presentation. The Board  
16 accepted the report for discussion, with final adoption to be considered in connection  
17 with the July budget and assessment process.

#### 18 **Operations and Maintenance ERU Methodology Update**

19 Mr. Weyer then presented the operations and maintenance ERU methodology update.  
20 He stated that he had been tasked with reviewing the current methodology, which he  
21 originally prepared in June 2023. He stated that the commercial, hotel, gun club, and  
22 most residential ERUs generally did not change, with the exception of review of single-  
23 family lots that had been split, aggregated, or combined. He recommended that one-  
24 and-a-half lots be assessed as 1.5 ERUs, rather than one ERU. He explained that, by  
25 splitting a lot between adjoining owners, the District otherwise loses the assessment  
26 associated with the generation of the split lot. He recommended that double lots be  
27 assessed as two ERUs because the second lot has the potential for a second home to  
28 be built immediately.

29 Mr. Weyer reviewed government-owned lots, including 27 condominium units and a  
30 two-acre parcel owned by Collier County, as well as the former hotel site on the north  
31 side of US 41. He stated that vacant lands owned by the County should not currently be  
32 assessed because they are not revenue-generating and are subject to statutory and  
33 legal limitations regarding non-ad valorem assessments on public property. He stated  
34 that, if the County sells those units or lots, they can then be assessed. He also  
35 explained that county-owned property can be assessed when it generates revenue,  
36 such as the marina site.

37 Mr. Weyer then reviewed boat slip properties. He stated that liveaboard slips should be  
38 treated the same as residential property and assigned one ERU. General use, non-  
39 liveaboard recreational slips should be assigned 0.25 ERU. He explained that, in the  
40 prior methodology, he had calculated the boat slip acreage and applied the commercial  
41 acreage calculation, which resulted in the 0.25 factor. In the updated review, he also

1 reviewed Institute of Transportation Engineers trip generation data, which produced a  
2 similar result of approximately 0.255 and supported retaining the 0.25 ERU for  
3 recreational slips.

4 Mr. Weyer stated that commercial operating slips were reviewed separately. He  
5 explained that the commercial use calculation considered departures per day, vessel  
6 passenger capacity, and crew size. As an example, he used a commercial fishing boat  
7 with a crew size of two, client capacity of two, and two departures per day, resulting in  
8 eight trips per day. Dividing that by the residential daily trip rate of 9.43 supported an  
9 ERU factor of approximately 0.85. He stated that the commercial use ERU factor could  
10 be calculated based on the particular use, but his recommendation was 0.85 for  
11 commercial operating boat slips. He recommended 1 ERU per wet slips for liveboards.

12 Mr. Weyer stated that hotel ERUs would remain unchanged and that the gun club  
13 recommendation also remained unchanged, with eight ERUs. District-owned property  
14 would not be assigned ERUs while owned by the District, but ERUs would be assigned  
15 if the property is sold to a private user based on the property's entitlements.

16 Mr. Lombardo asked about Parcel 13, the Lindsay Case parcel, and whether it would be  
17 handled as residential rather than commercial. Mr. Weyer confirmed it would be based  
18 on residential units or residential entitlements, not the commercial acreage calculation.

19 Mr. Truckey questioned whether the commercial operating slip factor adequately  
20 reflected larger tour operations such as manatee boats, which may run several trips per  
21 day with several passengers per trip. Mr. Weyer stated that the methodology could  
22 calculate a different factor if the Board selected different assumptions, but that he used  
23 a more generalized annualized approach. Mr. Dorrill asked whether the factor took into  
24 account weather, seasonality, and differences between charter fishing captains and  
25 eco-tour vessels. Mr. Weyer confirmed that it did. Mr. Lombardo clarified that the Board  
26 would ultimately decide whether to adopt the recommended factors, and that the  
27 consultant was providing the methodology and supporting basis.

28 The Board accepted the methodology update for discussion, with final adoption to be  
29 considered later in connection with the assessment rule and budget process.

### 30 **B. FY 27 Budget Approval**

31 Mr. Dorrill presented the preliminary tentative budget for fiscal year 2027. He described  
32 it as a maintenance-year budget. He stated there was no proposed increase in the  
33 operating and maintenance assessment, which would remain at the current rate of  
34 \$721.26 per equivalent residential unit. The total general fund budget for next year was  
35 proposed at \$910,105.00, which was a slight decrease from the current year's budget of  
36 \$930,605.00.

37 Mr. Dorrill explained that he used a 2.8% cost-of-living increase where appropriate,  
38 including accounting, the utility contractor, and the landscape and maintenance  
39 contractor. Most other line items remained at current budget levels. He reviewed the  
40 administrative cost center, which includes insurance, legal advertising, minute

1 transcription, tax collector and property appraiser fees, website hosting, and the annual  
2 fee charged by the State. The administrative cost center was proposed at \$219,525.00,  
3 approximately \$6,500.00 higher than the current year.

4 Under operations and maintenance, Mr. Dorrill stated the budget includes field  
5 management, street lighting, repair and maintenance for the building, and repair and  
6 maintenance for grounds and drainage facilities. Repair and maintenance for the new  
7 meeting facility would primarily include custodial cleaning and minor maintenance on a  
8 weekly or bi-weekly basis. The repair and maintenance grounds line item reflected the  
9 existing landscape maintenance contract and included an increase of approximately  
10 \$2,000.00. The landscape and irrigation cost center, including irrigation repairs and  
11 maintenance, remained unchanged at \$124,000.00. The lake maintenance contract,  
12 including lake bank and algae treatment, increased slightly to \$2,500.00. The road cost  
13 center, which includes pressure washing of sidewalks, minor sidewalk repairs, and  
14 roadway signage, remained unchanged at \$10,300.00.

15 Mr. Dorrill stated that the capital side included a \$25,000.00 landscape improvement  
16 line item. Although little had been spent as of mid-year, the District was beginning to  
17 incur eligible costs associated with the new median, signage, and electrical work at the  
18 entrance. The operating contingency was reduced slightly, but still available for  
19 unforeseen operating costs, including hurricane or tropical storm-related horticultural  
20 debris removal or cleanup. The annual contribution into the capital reserve fund  
21 remained \$350,000.00. Mr. Dorrill stated the general fund budget remained balanced  
22 with no increase to the assessment rate.

23 Mr. Dorrill reviewed the utility budget and stated that fiscal year 2027 would be the  
24 second year in which there would be no assessment subsidy for the utility system. The  
25 system would be operated from fee revenue. He stated that the six-month actual  
26 revenue number included amounts collected and, for the most recent billing cycle,  
27 amounts billed. He noted that the hotel condominium and marina condominium may  
28 contest their most recent base charges, but the amounts were reflected as billed or  
29 received because the District bills bimonthly and there is a delay between meter  
30 reading, billing, and collection. The total utility budget remained balanced at  
31 \$1,568,300.00 based on the current rate schedule.

32 Mr. Kish questioned whether the cost to compensate Orchid Cove for electrical charges  
33 remained in the budget as an expense. Mr. Dorrill confirmed that the current budget  
34 included the private street lights in Orchid Cove. Mr. Kish stated that he wanted to  
35 eliminate the charge. He stated that he had contacted LCEC and the County and had  
36 reviewed property records. He referred to property associated with Orchid Cove and  
37 stated that, in his opinion, the prior arrangement should be treated as a wash and the  
38 District should stop paying the electric bill for those private lights.

39 Mr. Lombardo stated that a property record he reviewed appeared to attribute the  
40 property to common elements of Orchid Cove, including a clubhouse, lake, and other  
41 common area, and that he would need to look further into the issue. Mr. Kish stated that

1 his primary goal was not to charge Orchid Cove for the property, but to eliminate the  
2 expense of the District covering the electric bill. Mr. Dorrill said the agreement that was  
3 entered into in its current form has no termination provision. Mr. Lombardo said he  
4 believes the contract can be terminated. Ms. Hansen and Mr. Baird agreed the issue  
5 needed to be resolved and not continually deferred.

6 Mr. Truckey also stated that Eveningstar Cay may have decorative or additional lighting  
7 beyond the standard public lighting, and that the District should review both Orchid  
8 Cove and Eveningstar Cay to determine whether there are private or upgraded poles  
9 being paid by the District. He stated that LCEC billing does not make the issue simple  
10 because the billing identification numbers and pole numbers must be cross-referenced.  
11 The Board discussed providing notice to the affected communities that they may be  
12 required to assume responsibility, by way of an agreement, for the difference between  
13 standard public street lighting costs and any additional or upgraded private lighting. The  
14 consensus was to give the communities approximately 60 days while staff develops an  
15 inventory and determines the ownership and billing details.

16 Mr. Dorrill stated that the District needed to determine whether the lights are on private  
17 streets, whether the lights are District-owned or condominium-owned assets, and  
18 whether the Board has made a public benefit determination regarding street lighting  
19 throughout the community regardless of ownership. He stated the District should be  
20 consistent.

21 Mr. Dorrill said the budget for sludge disposal is proposed to increase. The current  
22 sludge disposal budget is \$20,000 with \$17,700 already spent mid-year. In recognition  
23 of this the budget for next year has been increased to \$35,000.

24 Mr. Jensen, speaking on behalf of Orchid Cove, said the Sister's Capital thing is not a  
25 lot. There are 28 vacant units on parcel two that the County owns. The one owned by  
26 Sister's Capital went up for auction last year and Orchid Cove went to purchase it. They  
27 ended up getting it for free. They pay the tax on it but it is a phantom lot that will never  
28 be built and that they have been possession of for less than a year.

29 He stated that there is a written agreement between Orchid Cove and the CID from  
30 2020. He stated that Orchid Cove had been paying for electric service for years since  
31 2007 when others were not, and that the agreement was reached in lieu of a dispute or  
32 lawsuit. He stated the CID agreed to pay for the upgraded poles for the streetlights in  
33 perpetuity, that Orchid Cove had obtained a legal review, and that Orchid Cove believes  
34 the agreement correct.

35 Mr. Dorrill stated that the current projected utility revenue was based on the current  
36 Board-adopted rate schedule and the Board's requested base rate adjustments. Under  
37 the current schedule, the base rate is based on either the meter-size equivalency or the  
38 actual number of units being served. Mr. Dorrill explained that a two-inch meter would  
39 typically be charged five base rates, but the hotel condominium and marina  
40 condominium may have many individually owned units behind a two-inch meter. He  
41 stated that the Board's prior motion had recognized either the industry standard tied to

1 meter size or the actual number of units being served. The intent behind the base rate  
2 was to replace the prior non-ad valorem utility assessment that had been removed from  
3 the tax bill.

4 Mr. Kish stated that he had obtained rate information from the City of Naples and Collier  
5 County. He stated that the City of Naples base rate for water-related service was  
6 approximately \$151.00 every 60 days, Collier County's base rate was approximately  
7 \$172.00 every 60 days, and the District's base rate was \$256.00 every 60 days. He also  
8 compared sewer and commodity rates. He stated that the City of Naples sewer rate was  
9 approximately \$3.68 per thousand gallons, capped at 30,000 gallons, and that Collier  
10 County's sewer rate was approximately \$7.46 per thousand gallons, capped at 15,000  
11 gallons. He stated the District's sewer rate was comparable at approximately \$7.50 per  
12 thousand gallons at 75% of potable use. He stated that the District's water usage rate  
13 was low compared to Collier County and the City of Naples, but that the base rate was  
14 too high.

15 Mr. Kish further compared the hotel base rate to other hotels. He called the County and  
16 got the information for the Glades Motel, built in 1954 and containing approximately 15  
17 rooms, had a water bill that averaged approximately \$67.00 per room every 60 days. He  
18 also reviewed WoodSpring Suites, a newer hotel with approximately 123 rooms, and  
19 stated its water bill averaged approximately \$47.00 per room every 60 days. He stated  
20 that the District was charging the Port of the Islands hotel \$256.00 per room every 60  
21 days, which he believed was not appropriate. Mr. Truckey stated that the Port of the  
22 Islands hotel is complicated because the property is divided among the hotel rooms,  
23 kitchen, restaurant/bar, association components, and other condominium ownership  
24 interests, and that the District needed to review the hotel structure as a whole.

25 The Board discussed whether the base rate should be reduced and whether the  
26 consumption rate should be increased. There was a suggestion that reducing the base  
27 rate and increasing consumption rates could be more equitable because a single-family  
28 homeowner with a pool and higher water usage benefits from low commodity rates. Mr.  
29 Truckey stated that, based on the District's anticipated overage from the base rate,  
30 reducing the base rate by \$56.00 per billing cycle, from \$256.00 to \$200.00 bimonthly,  
31 would approximately offset the excess revenue. He stated that he had estimated 900  
32 doors, multiplied by \$56.00 and six billing cycles, for an approximate \$302,000.00  
33 reduction, which was consistent with the projected overage. Mr. Dorrill stated that the  
34 District was approximately \$156,000.00 over budget at mid-year, assuming the hotel  
35 condominium and marina condominium paid the new bills and could be approximately  
36 \$300,000.00 to \$330,000.00 over budget for the year if those amounts were paid  
37 through year-end.

38 Mr. Lombardo stated that the District could bring forward a resolution at the next  
39 meeting. Mr. Dorrill stated he would recalculate the utility budget using a \$56.00  
40 bimonthly reduction in the base rate and transmit the recalculated tentative budget to  
41 the County. The Board discussed continuing to monitor revenues and possibly

1 reevaluating consumption rates later if needed. Mr. Kish was happy with the decrease  
2 and still believed the rate was unfair for the hotel. Mr. Truckey agreed.

3 **On a MOTION by Mr. Truckey with a second by Mr. Kish, with all in favor, the**  
4 **Board directed staff to revise the tentative utility budget by reducing the base rate**  
5 **by \$56.00 bimonthly, from \$256.00 to \$200.00 bimonthly, to prepare the**  
6 **appropriate resolution for the Chairman to sign, and to recalculate and transmit**  
7 **the updated tentative budget to Collier County. The general fund budget was**  
8 **accepted as presented.**

### 9 C. CID Building Update

10 Mr. Dorrill provided an update regarding the District's use of the building. He stated that,  
11 working with the Board's liaison, Mr. Baird, the District had spent approximately  
12 \$48,000.00 to date. He had also received additional receipts for reimbursement relating  
13 to the new air conditioner, roof-related repairs, demolition and reinstallation of kitchen  
14 cabinetry, and minor plumbing and electrical repairs. A separate electrical invoice  
15 included costs to run new service to the median in front of the building for the landscape  
16 and signage work previously authorized by the Board.

17 Mr. Dorrill stated that the Board had previously authorized expenditures up to  
18 \$54,000.00 for credits against the District's \$1,500.00 per month lease. Based on  
19 invoices in hand and anticipated costs, including tile work and exterior painting, he  
20 believed the District would need additional authorization. Mr. Baird stated the exterior  
21 painting was expected to be approximately \$3,500.00. Mr. Dorrill stated that  
22 approximately \$54,000.00 would be offset by lease credits, and the amount above that  
23 would be treated as a separate repair and maintenance expense. He also stated that  
24 the cost of cleaning the building would be an additional operating expense, estimated at  
25 approximately \$150.00 per cleaning, and that electricity for the building would be borne  
26 by the owner and included in the rent.

27 **On a MOTION by Mr. Baird, with a second by Ms. Hansen, with all in favor, the**  
28 **building improvement authorization was increased to \$62,000.00.**

### 29 D. Additional Irrigation Well Estimate

30 Mr. Dorrill stated that, following discussion at the prior meeting regarding high chloride  
31 levels in makeup water from the canal used in the irrigation system, he had asked the  
32 District Engineer to evaluate drilling a well upstream of the weir to help replace that  
33 source of water. He had not yet received a proposal, but reported that the engineer  
34 preliminarily advised that there may not be a good source of fresh water in the initial  
35 zone because of saltwater influence from the canal, the weir, and surrounding  
36 groundwater. He stated the engineer also believed the water immediately north of the  
37 weir could be salty due to high tides.

38 Mr. Truckey clarified that his intent was to evaluate expanding the District's well field  
39 away from the canal, not drilling a shallow well next to the canal pump station. He stated

1 that the District is installing a new 10-inch HDPE line as part of the grant-funded work  
2 and that the line should provide the volume needed to bring water in from the well field.  
3 He stated the District should consider decommissioning the old canal pump station  
4 rather than spending substantial money to repair it, especially because the canal source  
5 is subject to saltwater intrusion. Mr. Dorrill acknowledged the clarification and stated he  
6 would redirect the engineer to evaluate the cost of a new well in the well field, the ability  
7 to bring raw water through the new line, and the potential to discontinue use of the canal  
8 pump station.

#### 9 **E. Registered Voter Certification**

10 Mr. Dorrill reported that the Supervisor of Elections certified that there are 662 active  
11 registered voters residing within the District's legal description. He stated the  
12 certification is informational and is required before the qualifying period for seats up for  
13 election in the fall. He stated packets had been provided to Ms. Sager if she desired to  
14 run for a new term, and that a packet could be provided to Mr. Truckey by email or hand  
15 delivery.

#### 16 **FINANCIALS - MARCH 2026**

17 Mr. Dorrill presented the financials as of March 31, 2026. At the end of March, the  
18 District had approximately \$5,700,000.00 in cash, including approximately  
19 \$3,004,319.00 in the operating fund and \$1,380,000.00 in the utility fund. The District  
20 also had approximately \$6,917,000.00 in fixed assets, primarily land, utility system  
21 facilities, and the original road network, which has been fully depreciated. Total assets  
22 on hand were approximately \$12,616,000.00. On the liability side, approximately  
23 \$63,000.00 in payables were outstanding.

24 For the general fund, Mr. Dorrill stated the District received \$3,583.00 in special  
25 assessments during March before taxes became delinquent. He expected some  
26 additional collections to be booked in April because payments made at the end of March  
27 are deposited by the tax collector in early April. Interest earnings for the month were  
28 \$11,676.00, and year-to-date interest earnings were approximately \$70,000.00. Year-to-  
29 date assessments were approximately \$657,000.00 against a budget of approximately  
30 \$815,000.00, representing approximately 85% of annual revenues through the first six  
31 months. Across the cost centers, the general fund was approximately \$195,000.00  
32 under budget, primarily because there had been no major capital improvements and  
33 contingencies had not been used. On the utility side, expenses were approximately  
34 \$51,000.00 under budget, except for the unanticipated increase in sludge hauling and  
35 disposal costs. Mr. Dorrill stated Florida Utility Solutions was doing a good job  
36 maintaining the system and completing repairs separately authorized by the Board.

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

1 **ATTORNEY'S REPORT**

2 Mr. Lombardo stated he had been asked to prepare a letter of intent or offer for  
3 acquisition of the Collier County hotel parcel, identified as 12323 Union Road. He  
4 explained that, in April, Collier County considered soliciting proposals to have the hotel  
5 site developed. The County's executive summary identified approximately \$389,683.00  
6 in costs in the property, including demolition, cleanup, and tax deed costs. He stated the  
7 Board could make an unsolicited offer directly to the County if it wished to do so.

8 Mr. Dorrill stated he had spoken twice with the deputy county manager. The County's  
9 actual out-of-pocket expenses for the code enforcement case and subsequent  
10 demolition of the old hotel were approximately \$388,000.00. The County had also  
11 referenced an outstanding tax lien of approximately \$1,200,000.00, but Mr. Dorrill stated  
12 the District had also lost assessment revenue when the prior owner did not pay. Mr.  
13 Lombardo stated the parcel is approximately 6.86 acres, and the County had advertised  
14 it as having 16 units per acre, or approximately 110 residential units. He stated the  
15 County's stated concept was workforce or affordable housing, with units below 60% of  
16 area median income, rather than the higher 100% or 120% AMI levels often seen in  
17 affordable housing projects. He stated the County had been seeking a developer  
18 partner rather than simply the highest price.

19 The Board discussed acquiring the property to control the future use of the site. Board  
20 members stated that, if the District owned the parcel, it could decide later whether to sell  
21 it and what deed restrictions to impose. Mr. Lombardo recommended that, if the Board  
22 wished to proceed, the offer include a 60-day due diligence period, a 30-day closing  
23 after due diligence, and environmental due diligence. He stated an appraisal could also  
24 be obtained during due diligence if desired. The Board discussed the County meeting  
25 schedule and the importance of having a Board representative attend if the matter is  
26 considered by the County Commission. Ms. Hansen agreed to attend if needed.

27 **On a MOTION by Ms. Hansen, with a second by Mr. Truckey and all in favor, the**  
28 **Board authorized an offer to Collier County in the amount of \$400,000.00 for**  
29 **acquisition of 12323 Union Road, Naples, FL, with a 60-day due diligence period**  
30 **and a 30-day closing period.**

31 Mr. Lombardo then reviewed the need to confirm summer meeting attendance and  
32 quorum. He reminded the Board that three members must be physically present to  
33 establish a quorum, although remote participation may be allowed in certain  
34 circumstances. The Board discussed availability for the June 18, July 16, and August 20  
35 meetings. Mr. Lombardo stated the June meeting is important because the utility rate  
36 reduction is expected to be voted on, and the July meeting is important for final budget  
37 adoption.

38 In response to a question from Mr. Truckey regarding the 2018 marina ERC issue, Mr.  
39 Lombardo stated that the District now has numbers from the consultant's report and

1 therefore has a basis to move forward. He stated he would check with Mr. Dorrill  
2 regarding timing and whether a full motion would be needed.

### 3 **ENGINEER'S REPORT**

4 No engineer's report was given.

### 5 **OLD BUSINESS**

6 Mr. Truckey asked to discuss the US 41 median. He stated that he believed the District  
7 should stop maintaining the median, return it to grass, and discontinue the  
8 approximately \$35,000.00 per year maintenance cost. He stated that he did not believe  
9 the State, County, or Naples would negotiate with the District to improve the median  
10 while the District remained under contract to maintain it. Other Board members stated  
11 that the County had shown little interest in taking it back and that, if the County  
12 maintained it, the District may still be responsible for the cost. The Board tabled the item  
13 for future discussion.

### 14 **NEW BUSINESS**

15 No new business was discussed.

### 16 **SUPERVISORS' REQUEST**

#### 17 **A. Parcel 13 Redevelopment**

18 A developer introduced himself, his partner, Mr. Andy Jones of Phoenix Construction,  
19 his wife, Leanne, and his banker, Ronaldo. He stated that he and Mr. Jones develop a  
20 substantial portion of retail commercial centers in Naples. He stated he was previously  
21 given an opportunity approximately 10 to 12 years ago to purchase the large parcel next  
22 to the shooting range, but another party offered more and purchased it. He stated he  
23 was aware of the pending litigation between Mr. Case and the District.

24 He presented a concept for a luxury RV development on Parcel 13. He stated the  
25 project would include approximately 300 to 305 individually owned fee-simple lots. He  
26 described the anticipated buyers as high-net-worth individuals with RVs ranging from  
27 approximately \$1,000,000.00 to \$3,000,000.00. The concept included a state-of-the-art  
28 clubhouse with offices, a welcome center, a commercial pool, and other amenities. He  
29 also referenced a nine-hole executive golf course. He stated the development would be  
30 intended to be one of the nicest luxury RV developments in the country.

31 He stated he was also interested in purchasing the District's 3.1-acre parcel and the  
32 approximately seven-acre County-owned former hotel parcel. He stated he had met with  
33 the County and believed the County responded positively to the concept. He explained  
34 that the project would require reinstating or modifying zoning to allow the RV use, as the  
35 current entitlement relates to residential units. He stated he was also interested in  
36 purchasing all or part of the shooting range property if that became possible.

1 He stated that he had already extended an offer through counsel to Mr. Case's counsel,  
2 but that Mr. Case wanted to close quickly, without contingencies, and wanted to be  
3 released from liability associated with the District's ERC claim. He stated that, subject to  
4 closing on the property, he would be willing to place a substantial deposit with the  
5 District and work with Mr. Lombardo on future obligations.

6 Mr. Lombardo stated the developer's negotiations with Mr. Case were not within the  
7 Board's control. However, the Board has a restrictive covenant on Parcel 13 that would  
8 be contrary to the concept shown, and any developer would need to ask the Board to  
9 amend the restrictive covenant. Mr. Lombardo also stated the ongoing ERC issue and  
10 litigation would need to be resolved. Regarding the County hotel parcel, Mr. Lombardo  
11 stated the Board had already authorized an offer and would continue with that offer  
12 unless the Board directed otherwise. Regarding the District's 3.1-acre parcel, he noted  
13 that another party had also expressed interest earlier in the meeting, the District had not  
14 declared the property surplus, and any sale would need to go through the appropriate  
15 public process.

16 Ms. Hasen public asked whether the lots would be sold or rented and what the average  
17 price would be. He stated the lots would be sold, not rented, and estimated an average  
18 lot price of approximately \$250,000.00. He stated that many buyers would add casitas,  
19 which could increase value, and that improved lots could potentially sell between  
20 approximately \$850,000.00 and \$1,200,000.00. Board members commented that the  
21 concept could produce additional units and revenue and would remove or change the  
22 gun club issue if the shooting range property were acquired.

## 23 PUBLIC COMMENTS

24 Mrs. Manta asked whether the CID is in the business of owning real estate or creating  
25 HOAs. She questioned why the District would require a process before a private party  
26 could purchase District land, while also authorizing an offer to purchase the County  
27 hotel parcel. She stated that, in her view, purchasing land and making decisions  
28 regarding the community building should involve more consultation with the community.  
29 She also questioned whether the District should seek bids each year or when contracts  
30 end for services such as landscaping, management, and other work. She referenced  
31 the 2.8% increase proposed in the budget and stated that she had previously  
32 communicated with staff regarding entrance landscaping, electrical work, and the  
33 District-owned area near the building. Her allotted time expired.

34 A resident asked whether the District sends out requests for proposals each year or  
35 when contracts end for services. Mr. Lombardo explained that the District has a  
36 procurement policy and is not required to issue yearly RFPs for all services. However,  
37 he stated the Board may advertise for services whenever it chooses, and government  
38 contracts are typically terminable on terms favorable towards the government for  
39 budgetary purposes. He stated the appropriate time for that discussion is during the  
40 budget cycle. When asked whether any RFPs had occurred during his tenure, Mr.  
41 Lombardo responded that RPFs were put out for the District Engineer and District

1 Counsel. Mr. Lombardo does not know of any government that has advertised a full  
2 slate of all positions at one time.

3 Kathy Olson asked whether the approximately \$35,000.00 median maintenance cost  
4 discussed earlier was included in the landscape and maintenance budget. The Board  
5 responded that the cost is part of the District's landscape-related expenses and that the  
6 District had previously accepted responsibility for the median maintenance. She  
7 thanked the Board for the clarification.

8 Leonardo Ramos stated he is associated with the condo hotel community. He asked  
9 that, if the District has questions regarding the hotel condominium, the District  
10 communicate with the Port of the Islands Resort Condominium Hotel Association board  
11 or the property management company, A&Y Cam Duo Services, rather than only with  
12 an individual tenant or business operator. He stated the association board and property  
13 management company can help provide accurate information. He also asked about the  
14 base rate, noting that many hotel units are approximately 300-square-foot studios with a  
15 bathroom sink, kitchen sink, toilet, and shower. He questioned how that could be treated  
16 the same as larger homes with multiple bathrooms, pools, and other water uses. The  
17 Board responded that it intended to review the hotel structure and charges further.

18 Ms. DeBartolo suggested a possible solution for the marina and hotel condominium  
19 entities. She stated that, because the former non-ad valorem assessment of  
20 approximately \$721.00 had been removed, the District could consider adding that  
21 amount back to the 94 units in the hotel association and the 177 marina units while  
22 continuing to charge usage. She stated that could generate approximately \$67,000.00  
23 from the hotel and \$127,000.00 from the marina, or approximately \$195,000.00, and  
24 may be more fair than the current base rate structure. Mr. Kish stated he would speak  
25 with her after the meeting because he wanted to better understand the numbers and  
26 structure.

27 John Thormann - Orchid Cove - stated this was the second time the Board had  
28 discussed purchasing property without first obtaining an appraisal. He stated he  
29 believed the District should obtain appraisals before purchasing or selling property. Mr.  
30 Lombardo stated that, if the County accepted the District's offer, an appraisal could be  
31 obtained during the due diligence period.

32 Cynthia Alberto - Orchid Cove - stated she supported the motion to offer \$400,000.00  
33 for the County parcel. She stated she did not believe an appraisal was necessary at that  
34 amount because the property is worth more than that. She also asked residents  
35 interested in internet service coordination to speak with her after the meeting.

36 A resident asked whether permits were obtained for work performed in the building and  
37 whether the building is insured. Mr. Baird responded that licensed contractors were  
38 used where required, and that permitted work and inspection would be handled  
39 appropriately. Mr. Lombardo and Ms. Hansen stated the District obtained liability  
40 insurance for the building when the lease was signed.

1 A member of the public attempted to yield time to another speaker. Mr. Lombardo  
2 advised that yielding time is not provided for under the rules and recommended that the  
3 Board not allow it.

4 **ADJOURNMENT**

5 The next meeting will be on June 18, 2026, at 9:30 a.m. **On a MOTION by Mr. Baird**  
6 **and a second by Mr. Truckey, with all in favor, the meeting was adjourned at**  
7 **12:39 p.m.**

8