

**MINUTES OF MEETING
PORT OF THE ISLANDS
COMMUNITY IMPROVEMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Port of the Islands Community Improvement District was held Friday, December 17, 2010 at 10:00 a.m. in the Egret Room; 25000 Tamiami Trail; Naples, Florida.

Present and constituting a quorum were:

Richard Ziko	Chairman
Norine Dillon	Vice Chairperson
Dale Lambert	Assistant Secretary
Theodore Bissell	Assistant Secretary
Charles Custer	Assistant Secretary

Also present were:

Calvin Teague	District Manager
Daniel Cox	District Attorney
Ronald Benson	District Engineer
Bert Underwood	Project Manager
Roy Carter	Severn Trent Services
Robert Migdal	Severn Trent Services
Alan McLaughlin	Ochopee Fire Control & Rescue District
Greg Galmin	Cardinal Contractors
Bob Hodges	Cardinal Contractors
Gary Jones	Cardinal Contractors
Jean Kungle	POI Realty
Anthony Davis	Orchid Cove
Sam Marchand	Orchid Cove
Yolanda DeBartolo	Resident
Kathryn Kehlmeier	Resident
David Molberg	Resident

The following is a summary of the discussions and actions taken at the December 17, 2010 Port of the Islands Community Improvement District's Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Teague called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

**Approval of Minutes of the
November 19, 2010 Meeting**

Mr. Ziko stated each Board member received a copy of the Minutes of the November 19, 2010 Meeting and requested any additions, corrections or deletions.

- On Page 2 in the first bullet, *won reelection* should replace *ran unopposed*.
- On Page 2, the second bullet under the **SECOND ORDER OF BUSINESS** which states; *The two Supervisors have to pay \$10;* should be deleted, which ensued further discussion.
 - Mrs. Dillon believes the District pays the fee.
 - Mr. Teague clarified the District cannot pay the fee, as it is considered a personal expense.
 - Upon further discussion the Board agreed to delete the statement.
- On Page 3 in the italicized statement in the last bullet under the **THIRD ORDER OF BUSINESS**, *but the hotel property* should replace *which*.
- On Page 7 in the first arrow, *Paving* should replace *It*; and *as needed* should be inserted at the end of the sentence.

There being no further additions, corrections or deletions,

On MOTION by Mr. Bissell seconded by Mrs. Dillon with all in favor, the Minutes of the December 17, 2010 Meeting were approved as amended.

THIRD ORDER OF BUSINESS

Audience Comments

Chief McLaughlin discussed future funding needs for fire services in the area.

- There has been a reduction in their budget of 29% over the past three years.
- All reserves and carry forward funds have been used.
- They are basically a half-million dollars short.
- Firefighters have not had a salary increase for two years and will not get one for at least the next three years, according to their contract.

- This translates to the Fire District going to 1988 staffing levels to cover approximately 1,100 square miles.
- They are going to approach their Advisory Board and ask the Board of County Commissioners to grant an emergency village cap at six.
- They are going to ask residents to pay the same amount which was paid in 2008, which is a millage increase as opposed to a tax increase.
- The Fire District Advisory Board would like to put a public petition out for public support.
- The I-75 issue is an ongoing problem.
 - A small amount of funding for this was received from District 1.
 - There may be federal funding available for structural costs, but not necessarily for operating costs.
 - None of the Commissioners are in favor of a toll increase.
- Other area Districts are getting millage increases as well.
- The increase will be on the ad valorem taxes for fire protection only.

FOURTH ORDER OF BUSINESS

Old Business

A. Update on Hotel Payment Portion for the Monument Repair Project

- They owe the CID \$3,500.
- The CID has not been paid despite numerous telephone calls from Mr. Teague and his staff as well as Mr. Custer.
- Mr. Teague and Mr. Custer will continue trying to contact them; and further action may be considered at the next meeting.
- Mr. Cox confirmed the verbal agreement is as enforceable as a written agreement, but more difficult to prove.
- Mr. Teague confirmed that an invoice was sent to them.
- The CID can take the hotel to Small Claims Court if they refuse to pay.

FIFTH ORDER OF BUSINESS

New Business

- Mr. Custer received comments from residents requesting more festive holiday decorations at the three entrances.
 - Mr. Custer suggested forming a committee to be in charge of this.

- The residents who commented expressed their willingness to contribute to this effort.
- Mr. Lambert brought up the following issues associated with this:
 - Someone must purchase the decorations.
 - Someone must put them up and take them down.
 - There must be an appropriate storage facility.
 - There is no guarantee that people who volunteer will make themselves available when they are needed.
- Mr. Custer volunteered to look into this for next year.

SIXTH ORDER OF BUSINESS

District Manager's Report

A. Review of Landscape Maintenance Bids

- Most bids were close with the exception of Big Tree Inc.
- The current contract is \$84,498.24.
 - The bids from Big Cypress Landscape Maintenance Co., Inc. and Soto's Lawn Service, Inc. were slightly less.
 - The bid from Vila & Son Landscape Corp. was less than \$100 more.
- Mrs. Dillon is concerned the bidders may not have a full understanding of the work which needs to be done on U.S. 41 since there are major differences in the bids for that portion.
 - Mr. Teague confirmed all bidders were working with the same specifications.
- Additional items can be added to the contract by Board members.
- Mr. Ziko commented that Soto's bid sheet was done in much more of a professional manner than the others.
 - Mr. Ziko believes the CID should remain with Soto since there is an approximate difference in the rest of the bids of \$4.
 - Mr. Lambert expressed his willingness to remain with Soto as long as they have a full understanding of the CID's expectations.
 - Mr. Custer does not believe Soto is really looking at issues such as sod replacement and fertilization in their current contract.
 - Mr. Custer was more satisfied with Big Cypress.

- Mr. Soto is willing to do a walk-through of the property on a monthly basis.
 - A Board member should accompany Mr. Soto on this monthly walk-through.
- Mr. Teague discussed his experience with Vila & Son.
 - It is a big firm and does work throughout the state.
- A Resident commented that their HOA met with Big Cypress when they were starting to have issues with them and started having monthly meetings which greatly improved their service.
- Mr. Teague discussed the three potential contractors.
 - He is concerned with the fact that the CID is currently having problems with Soto.
 - If the Board does select Soto, they will have to be watched closely.
 - The other two contractors represent a savings of \$7,000 annually.

Mr. Custer MOVED to approve the proposal for District Landscaping services with Big Cypress Landscape Maintenance in the annual amount of \$77,880; and establish a committee or authorize a Board member to oversee their contract.

There being no SECOND to the prior motion, the motion failed.

Mrs. Dillon MOVED to award the contract for District landscaping services to Soto's Lawn Service, Inc. in the annual amount of \$77,939.52; and Mr. Bissell seconded the motion.

- Mr. Lambert discussed Mr. Soto's letter which stated that he was going to be on property on a weekly basis.
 - He suggested this actually become part of his contract.
 - Mr. Teague suggested he can sign in at the water plant when he does come as an assurance that he was there.
 - Mr. Underwood was directed to accompany Mr. Soto on a monthly walk-through along with a Board member.

- The Board members will be rotated, starting with Mr. Custer.
- Mr. Lambert suggested this monthly walk-through be set up after a Board meeting, perhaps the following Monday.
- Mr. Teague suggested Mr. Custer do this for the first couple of months since he set up the specifications.

There being no further discussion,

On VOICE vote with Mr. Ziko, Mrs. Dillon, Mr. Custer and Mr. Bissell voting aye, and Mr. Lambert voting nay, the prior motion was approved with contract to include weekly walk-throughs to be done by Mr. Soto with Mr. Soto signing in at the water plant; a monthly meeting with a Board member and Mr. Underwood, with Mr. Underwood being the focal point of contact.

B. Consideration of Work Authorization No. 41364 for Backflow Repairs

Mr. Teague presented Work Authorization No. 41364 for backflow repairs in the amount of \$2,995.40 for the Board's review and approval; a copy of which is attached hereto and made part of the public record.

- The life expectancy before repairs are needed on the backflow preventers is approximately four to five years, which is when 116 were installed.
- The valves are to be repaired as opposed to being replaced.
- Mr. Lambert asked for further clarification on purchase of repair kits, as he found them much cheaper on the internet, and discussion ensued.
- Mr. Custer suggested that staff investigate another reliable source to provide these at a cheaper price.
- The actual installation was approximately \$300.
- The Work Authorization was tabled and the individual from Severn Trent in charge of this will attend the meeting and answer any questions regarding the backflow preventers and repair costs.
- Mr. Underwood reminded the Board that every time the backflow preventers are repaired, they must be taken apart, reassembled, recertified and retested.
- This is required by the state and federal government.

Mr. Teague discussed other miscellaneous items.

- The restaurant ERCs were discussed.
 - The hotel is paying for 100.52 utility ERCs and the assessment units are 76.
 - The hotel wanted the flexibility of assigning the ERCs wherever they wanted.
 - They are paying the appropriate amount, but it is not broken down appropriately.
 - Mr. Benson indicated they are paying for unused ERCs.
 - Mr. Cox discussed how this issue came about.
 - o The hotel closed the restaurant because they were preparing to put up another building.
 - o When the economy went bad, they decided to open the restaurant again; at which time the CID should have put the ERCs on the folio number associated with the restaurant.
 - If they decide to move ERCs in the future, they must approach the CID for approval.
 - Mr. Teague, Ms. Ellis and Mr. Benson are working through this issue and are in the process of setting it up properly for presentation at the January or February meeting.
 - o The recommendation will describe how to allocate these ERCs to each portfolio number.

SEVENTH ORDER OF BUSINESS

Field Manager's Report

Mr. Underwood presented the November 2010 Operations Report for discussion; a copy of which is attached hereto and made part of the public record.

- The precautionary boil water issue should have been deleted.
- Parkson completed installation; and all skids have new membranes.
- MBR Circulation Pump #2 which was discussed at the November meeting will be repaired after the start of the New Year, since a crane must be lowered to pull it out of the tank.
 - The repair kit was ordered.

- Mr. Underwood has not yet prepared a notification on the website letting residents know how to turn on and turn off backflow preventers if they are leaving for the season.
- The new light fixtures were installed at the Cays Drive entrance.
 - The other ones still need to be done.

A. Consideration of Work Authorization No. 41113

Mr. Underwood presented Work Authorization No. 41113 authorizing replacement of the lift station control panel and modification of the SCADA in the amount of \$36,371.20 for the Board's review and approval; a copy of which is attached hereto and made part of the public record.

- Mr. Robert Migdal discussed the Work Authorization.
 - This is a budget item involving replacement of one lift station control panel per year.
 - Replacement of the master lift station is the most important one at this time, as it is in the worst condition.
 - All future lift station control panels are going to be fairly similar in price.
 - The only differences will be the fact that some panels are single phase and must be converted to three phase.

There being no further discussion,

On MOTION by Mr. Lambert seconded by Mr. Bissell with all in favor, Work Authorization No. 41113 authorizing replacement of the lift station control panels and modification of the SCADA in the amount of \$36,371.20 was approved.
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EIGHTH ORDER OF BUSINESS

Attorney's Report

Mr. Cox discussed the complaint regarding the adversarial proceedings for the North Hotel bankruptcy.

- The judge set an extremely aggressive timetable for the case.
 - The pleadings were filed.
 - The final answer is due on Monday.
 - The preliminary disclosures need to be in by Wednesday.
 - The depositions need to be done by December 31, 2010.

- Motions for summary judgment are due by December 31, 2010.
- A meeting to discuss pre-trial stipulations will be held January 3, 2011.
- Exhibits are due to the court on January 5, 2011.
- Any objections are due by January 7, 2011.
- Pre-trial stipulations are due January 10, 2011.
- There will be a pre-trial conference on January 11, 2011.
- The trial will probably take place at the end of January.
- Mr. Cox intends to file a motion to dismiss as opposed to an answer, which will put most of the proceeding items on hold.

Mr. Cox briefly discussed the tiered billing structure.

- A rule change is not necessary.
 - A floating tier rate can be set by dividing the actual number of days in the billing cycle by 30 times the tiered rate in order to self-adjust for the additional five days for a 35-day billing cycle.
- Implementation should not be a problem.
- This follows the intent of the rule.
- The Board discussed whether or not residents can turn their own water on and off.
 - The water meter should not be turned off because the seams in the backflow preventer can dry out.
 - Mr. Benson indicated residents should not turn any valves on the water system side of the meter.
 - Residents can turn the service off at the end of the backflow preventer toward the home.
 - The Board discussed this at length.
 - Mr. Underwood will post instructions on the website.

Mr. Cox went back to discussing the North Hotel bankruptcy.

- Mr. Benson, Mr. Teague and Ms. Ellis can provide almost all of the expert testimony.
- Mr. Cox would like to bring on Mr. Bob Duane from Hole Montes to evaluate and analyze the potential land uses for the property and how they relate to the ERCs in

the amount of \$3,500; as well as an additional \$5,000 to attend depositions and provide testimony at trial, for a total of approximately \$8,700.

- If the CID is successful in the litigation, expert witness fees should be reimbursed.

There being no further discussion,

On MOTION by Mr. Lambert seconded by Mr. Custer with all in favor, the request by the District Attorney to hire Mr. Bob Duane from Hole Montes to evaluate and analyze the potential land uses for the North Hotel property in relation to ERCs; attend depositions; and provide testimony at trial in the amount \$8,750 was approved.

A. Update on Century Link Blanket Easement Waiver

- Century Link received the check last Thursday, but has not commenced the work.
- There should not be any delays.
- There is no connection to the retention ponds.

B. Discussion of Orchid Cove Agreement for Acceptance of Utilities

- There has been no progress, and will be discussed at the next meeting.
- Mr. Benson was able to get the legal description originally prepared by the developer's engineer and surveyor for all of the roads in Orchid Cove.
- There is probably an asbuilt survey, but not a core survey.
- Mr. Benson will call RWA to find out if any core samples were done when it was built.
- The Board was in consensus for Mr. Benson to proceed with his contacts.

Mr. Lambert asked Mr. Cox about a charge on his October invoice to send a letter to the auditor.

- This is done every year.
- The auditor gets an opinion which he relies on in order to do the annual audit.
- The auditor seeks from the District Attorney any unasserted or asserted claims against the District.
- Mr. Lambert expressed concern that the fee seemed high.
 - Mr. Cox charges a flat fee for this letter to all of his Districts.
 - There is potential liability when he sends this letter.

The Board recessed for a short time.

NINTH ORDER OF BUSINESS

Engineer's Report

A. Update on New Water Treatment Plant

Mr. Benson distributed a Project Schedule Spreadsheet for discussion; a copy of which is attached hereto and made part of the public record.

- The new plant is expected to be operational in January 2012.
- They are only running slightly behind in the schedule.

Mr. Benson distributed a Preliminary Estimate of Construction Costs dated May 5, 2009 for discussion; a copy of which is attached hereto and made part of the public record.

- The first three items are being handled under the contract with ITT.

Mr. Benson distributed a bid evaluation for construction of the water treatment plant for the Board's consideration; a copy of which is attached hereto and made part of the public record.

- The low bid came from Cardinal Contractors in the amount of \$3,417,563.
- The total cost with the ITT contract in the amount of \$780,225 and the low bid from Cardinal Contractors is \$4,197,788.
- This new total is approximately 10% higher than the preliminary estimate.
- The total does not include the SCADA work necessary to tie everything in.

Mr. Benson distributed the proposal from Cardinal Contractors for discussion and possible consideration; a copy of which is attached hereto and made part of the public record.

- Mr. Benson discussed the five items which each contractor bid on.
 - Item one covers the mobilization bonds to commence the project.
 - Item two covers the main construction.
 - Item three covers money to be withheld for certain items which are done at the end of the job.
 - Item four covers the allowance for county building permit fees.
 - Item five covers certain items such as the alarm system, a forklift to transport chemicals around the building; furniture and other miscellaneous items.
- Engineering costs are covered under a different line item in the CID's budget.
- Hole Montes recommends the Board choose the bid from Cardinal Contractors.
 - They meet all bid requirements.

- Hole Montes has worked with them in the past.
- Their subcontractor for the electrical work, Cogburn Brothers Electrical, has also worked with Hole Montes.
- They have worked on projects this size, smaller and larger.
- Both ITT and Cardinal Contractors will provide training to staff for use of the equipment.
- Most of the material will be made in the United States.
- Cardinal Contractors will be doing most of the work themselves, without using subcontractors.

There being no further discussion,

On MOTION by Mr. Bissell seconded by Mr. Lambert with all in favor, the contract to construct the water treatment plant in the amount of \$3,417,563 was awarded to Cardinal Contractors.

- Mr. Greg Galmin, Vice President and Director of Operations for Cardinal Contractors introduced himself and thanked the Board and staff for allowing them this opportunity; and also introduced other staff members in attendance.
 - Bob Hodges is Senior Project Manager.
 - Gary Jones is the General Superintendent for the West Coast of Florida.
 - o Mr. Jones built the CID's wastewater treatment plant in 1992 for Hole Montes.
 - o He was with a different company at the time.
 - o He has been with Cardinal Contractors for 16 years.
 - Their offices as well as their subcontractors are all local to the area.
 - The Notice to Proceed should be in January.
 - The Superintendent will be on site most of the time.
 - There will be full time supervision at the site.
 - Mr. Jones as well as the company's President will attend a future Board meeting.
 - They will provide a detailed construction schedule on a monthly basis with each pay request.

- o There will be approximately 500 line items.
- o Mr. Benson and a Cardinal staff member will summarize it at Board meetings.
- o Mr. Galmin will send the detailed schedule to Mr. Lambert.
- Mr. Custer recommended that Mr. Lambert be appointed as the liaison between the contractor, engineer and Board.
 - Mr. Lambert is happy to serve in this position.
 - The rest of the Board was in consensus.
- Mr. Benson has started to put together an estimate for their contract for the next phase, which he will e-mail to Mr. Teague to be forwarded to the Board for discussion at the next meeting.
- Mr. Benson believes a part-time inspector is necessary and will cost approximately \$80,000 as opposed to a full-time inspector at approximately \$160,000.

B. Update on Relocation of Fiber Optic Line

- This item was discussed under Mr. Cox's report.

Mr. Benson discussed pavement repairs on Union Road.

- Most of the actual pavement repairs have been done.
- The culvert under the road was in good shape.
- The pipe was in good shape, but was full of silt.
- The minimum work will be done and minimal money will be spent since the road will probably be abandoned in the near future.

Mrs. Dillon asked for a status on research for cost for sludge removal.

- Mr. Benson will address this at the next meeting.

C. Consideration of Proposal from Forge Engineering, Inc. for a Pavement Evaluation of Orchid Cove Roadways

This item was not addressed.

TENTH ORDER OF BUSINESS

Supervisors' Requests

- Mr. Lambert discussed the condition of the shrubbery in the median on Newport Drive.

- The shrubbery appears to be totally gone in some areas and shabby in other areas.
- Mr. Lambert asked for the Board's consensus to do some shrubbery work to get it back to the way it used to look.
- Soto should submit a proposal for shrubbery work once they are on board with their new contract.
- Mr. Custer suggested coming up with a landscape plan to be implemented in phases to save money.
- Ms. Kehlmeier knows a resident who is a master gardener from Michigan and may be interested in doing this work.
 - Mr. Custer would be interested in speaking to her.
 - There may be a core of master gardeners in the community.
 - Low maintenance and native plants are needed.
- Mr. Cox indicated SWFWMD was providing grants to do landscaping plans which involved conversion from water dependent to xerxes species; and suggested checking with SFWMD to see if they are offering this as well.
- There is a fairly active Native Plants Society in Collier County.
- Mr. Lambert asked Mr. Teague to ensure there is enough telephone cable at the Orchid Cove Clubhouse for next month's meeting.
- Mr. Ziko asked for a schedule for installation of the backflow preventers this year.
 - Mr. Teague indicated it is listed under the Capital Improvement Program.
 - The work for this year will probably commence in February or March, as was done last year.
 - The oldest ones will be replaced first.
- Mrs. Dillon wants to ensure the Board is cognizant of how much is being spent of the loan money.
- Mrs. Dillon would like to get Commissioner Colletta to attend a future meeting.
 - Mr. Lambert indicated the meeting date may have to be changed to accommodate Commissioner Colletta since he has something scheduled on the same Friday as the CID's meeting schedule.

- Mr. Custer indicated the Commissioner would like it to be a community-wide meeting.

ELEVENTH ORDER OF BUSINESS

Audience Comments

- Mr. Davis reminded the Board they should get their tables set up at the Orchid Cove Clubhouse prior to the meeting next month and determine whether or not anything else may be needed.
 - Mr. Davis expressed his excitement at having this opportunity to work with the CID Board.
 - Mr. Davis indicated there are already chairs in the room and recommended that someone look at them.
 - Bottled water and soda will be available.
 - The Board will go to the clubhouse after this meeting.
 - The newspaper advertisement was already taken care of.

TWELFTH ORDER OF BUSINESS

Approval of November 30, 2010 Financial Statements and Check Register

Mr. Teague presented the November 30, 2010 Financial Statements and Check Register for the Board's review and approval; copies of which are attached hereto and made part of the public record.

Mrs. Dillon MOVED to approve the November 30, 2010 Financial Statements and Check Register; and Mr. Bissell seconded the motion.

- Mr. Lambert wants to know if money is still owed to Parkson.
 - Final payment was approved, but was paid this month and will not be reflected on these financial statements.

There being no further discussion,

On VOICE vote with all in favor, the prior motion was approved.

December 17, 2010

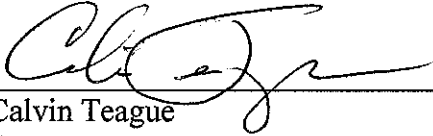
Port of the Islands C.I.D.

THIRTEENTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mrs. Dillon seconded by Mr. Bissell with all in favor, the meeting was adjourned at 1:00 p.m.



Calvin Teague
Secretary



Richard Ziko
Chairman