

**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 on Friday, September 17, 2010 at 10:00 a.m. in the Egret Room; 25000 Tamiami Trail; Naples, Florida.

Present and constituting a quorum were:

Dale Lambert	Chairman
Richard Ziko	Vice Chairman
Norine Dillon	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
Christine Domingus	Severn Trent Services (Via Telephone)
Jean Kungle	POI Realty
Frank Hawkins	Resident
Dan Kelly	Resident
Tom Mack	Resident
Tom Weis	Resident

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

FIRST ORDER OF BUSINESS

Roll Call

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

The record reflects Mr. Teague, Mr. Cox, Mr. Benson and Mr. Underwood are also in attendance.

SECOND ORDER OF BUSINESS

**Approval of Minutes of the
August 20, 2010 Meeting**

Mr. Lambert stated each Board member received a copy of the Minutes of the August 20, 2010 Meeting and requested any additions, corrections or deletions.

There not being any,

On MOTION by Mr. Ziko seconded by Mrs. Dillon with all in favor, the Minutes of the August 20, 2010 Meeting were approved.

THIRD ORDER OF BUSINESS

Audience Comments

There being no comments from audience members, the next item followed.

FOURTH ORDER OF BUSINESS

Old Business

A. Update of Monument Repair and Landscaping

Mr. Custer discussed the various samples and Board members' preferences.

- The background of the monuments on Newport Drive will be the same color as the one on Cays Drive.
- Four Board members voted to have the finish done with the stone look; and one voted for a smooth concrete finish.
 - The stone look is also concrete, but the finish is different.
 - Upon further discussion, it will be done in the stone look.
- The entire Board is in favor of keeping the cap and the trim the same.
- Two Board members voted in favor of #5-*Blanco* for the cap to contrast with the background paint; one Board member voted for #6-*Tan*; two Board members voted for #7-*Terra Cotta* which matches the tile.
 - Mr. Custer wants to know if any Board member would like to change their vote on this one.
 - Mrs. Dillon likes *Terra Cotta*, but is concerned with fading of the darker colors.
 - Upon further discussion the entire Board was in favor of *Terra Cotta*.
- Three Board members voted for round in shape.
 - The round shape will prevent dirt collection.
 - Upon further discussion, everyone was in favor of the round shape.

- The Board discussed the role the hotel will play.
 - Mr. Custer met with the General Manager of the Sunstream Hotel, Mr. Steve McIntire, who expressed interest in working with the CID.
 - The hotel side of the entrance is considerably more deteriorated than the CID's side.
 - The hotel's President told Mr. McIntire they will find the money to participate in this effort.
 - Billing details have not yet been worked out.
 - The hotel would like to be able to put the hotel name on the panel at their side entrance.
 - They may have permitting issues with Collier County.
 - They asked the CID to provide a letter stating they will not oppose it if they ever do decide to put up this sign.
 - Mr. Teague will do the letter and suggested the Board approve it via motion since it is an official position.

There being no further discussion,

On MOTION by Mrs. Dillon seconded by Mr. Ziko with all in favor, the Sunstream Hotel's request to have their name included on their side of the monument at some point in the future was approved; and Mr. Teague was authorized to prepare an official letter to the hotel giving them approval to do this.

- Mr. Custer suggested Mr. Teague review what the hotel agrees to before approving.
- The hotel agreed to pay \$3,728.
- Mr. Custer clarified the CID will be well within its budget to cover all of the necessary work.
- The lights on the signs have not been working for several months.
 - It was determined the power source for the lighting comes from the hotel.
 - The breaker was bad; and Mr. Underwood is in the process of having it repaired.
 - He will have the photo cell replaced on the time clock.

- The hotel is amenable to the CID having its three lights run off of that circuit.

B. Discussion of Landscape Contract Issues

- Mr. Underwood distributed finished landscaping aerials for the Board's review and approval.
- Staff has not had any discussions with Soto regarding the bidding process.
- Mr. Custer determined Soto is currently cutting all along U.S. 41, as part of their agreement with the CID.
- Mr. Lambert thanked staff on behalf of the Board for all efforts in this regard.
- There are some bad fixtures on Cays Drive.
 - One is so corroded that it will not stay focused.
 - Mr. Ziko suggested the fixtures be replaced with stainless steel to prevent future corrosion.
- Mr. Teague drafted some bid documents for the landscape contractor.
 - Mr. Teague asked that the Board review them and mark them up for any changes by the next Board meeting.
 - The Board will have their changes done and submitted to Mr. Teague by October 1st.
- The vacant lots on Newport Cay are not shown on the aerial for maintenance.
 - Mr. Custer commented that the property owners historically have mowed down to the street.
 - It can be done by exception in the event of a problem.

FIFTH ORDER OF BUSINESS

New Business

A. Discussion of Loan Authorization for \$5.5 Million

- Mr. Teague received a quote from BankUnited, which was not satisfactory.
- The options from SunTrust and BB&T which were presented at the last meeting are still the best scenarios.
 - The Board is basically in favor of SunTrust.
 - Mr. Teague does not have the documents yet because the loan officer he was working with just resigned.
 - Mr. Teague has not rejected BB&T's offer yet.

- Mr. Cox has been working out details with SunTrust's attorney.
 - Mr. Cox has worked with this attorney on other deals.
- Both Mr. Teague and Mr. Cox were in agreement that the documents can be finalized and executed at the next meeting.
 - Mr. Cox does not anticipate any issues which may precipitate the need for an emergency meeting prior to the next Board meeting.
 - The money is only going to be used as needed.
 - The rates have decreased.
- Mr. Benson reminded the Board a large invoice will be coming from Parkson within the next month, which should be paid.
- SunTrust is a solid entity.
- There is plenty of money for the CID to pay bills.
- Mr. Bissell wants to know what will happen with the CID's loan money in the event the bank fails.
 - The money is not subject to the limits of the FDIC and would be picked up by another bank immediately.
- Mrs. Dillon wants to know if execution of the loan may be affected in the event there are new Board members selected at the November meeting as a result of the General Election.
 - The CID is contractually committed to this loan already; and Mr. Cox does not see how this can change things.

Mr. Lambert discussed the poor condition of the road from the North Hotel back to the Water Treatment Plant.

- The roadway floods during rainstorms, which makes it difficult to determine the depth of the water on the roadway.
- The base of the road needs to be built up when it is paved.
- The contractor who is going to do the work for the retention ponds has the equipment to do this work.
- The stone needs to be pushed back into the roadway.
- More stone also needs to be added to build up the base.
- The east road which Mr. Henderson built is not the official roadway.

- Mr. Benson is in favor of getting this work done soon as the conditions will worsen.
- The CID owns the existing road around the front of the hotel on the east side straight back as far as it goes.
- Mr. Henderson's road was never permitted and is on private property.
- Mr. Lambert asked Mr. Benson to look into this and determine a ballpark estimate for the work.
 - Much of the work should be done for less than \$10,000.
 - He suggested staff ask the contractor who is already going to be doing work here for a price.

Mr. Ziko MOVED to authorize Mr. Benson to negotiate a price to improve the roadway to the North Hotel as discussed in an amount not to exceed \$10,000.

- Mr. Ziko asked that Mr. Benson e-mail the cost of the different options for this work to Mr. Teague.
- Mr. Custer recommends this work be done all the way back to the plant building entrance gates; and Mr. Benson clarified this is going to be done.
- This work can be added to the existing contract for digging of the retention ponds as a Change Order.
 - This work has not started yet.
 - Mr. Cox will send them a formal letter with a deadline for the work if it is not started soon.

Mr. Custer SECONDED the prior motion as discussed.

There being no further discussion,

On VOICE vote with all in favor, Mr. Benson was authorized to work with the same contractor who is digging the retention ponds to negotiate a price and execute a Change Order in an amount not to exceed \$10,000 to improve the roadway to the North Hotel as discussed.

- Mr. Underwood indicated the road past the gate going out toward the wells has some bad spots.
 - The CID does not own the road, but has an access easement on it.
 - The CID is responsible for maintenance if no one else is doing so.
 - Mr. Lambert recommended that the same contractor look at this area.

SIXTH ORDER OF BUSINESS

District Manager's Report

A. Consideration of Engagement Letter with Berger, Toombs, Elam, Gaines & Frank to Perform the Audit for Fiscal Year 2010

Mr. Teague presented the Engagement Letter with Berger, Toombs, Elam, Gaines & Frank to perform the Audit for the Fiscal Year ending September 30, 2010 for the Board's review and approval; a copy of which is attached hereto and made part of the public record.

- The fee is the same.

Mrs. Dillon MOVED to approve the Engagement Letter with Berger, Toombs, Elam, Gaines & Frank to perform the Audit for the Fiscal Year ending September 30, 2010; and Mr. Ziko seconded the motion.

- Mr. Custer clarified with the Board that the Board did receive their bid and was in favor of it.

There being no further discussion,

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

B. Update on Utility Billing Issues

Residents of Sunset Cay presented utility billing discrepancies at the last meeting. Mr. Teague distributed a spreadsheet with a summary of the four irrigation meters; a copy of which is attached hereto and made part of the public record.

- Mr. Underwood checked the meter when it came in high and found nothing wrong with it.
- Staff looked at the average use for that particular time during the last three years.
 - The spreadsheet shows a steady increase of water usage at the condominiums.

- All four meters fell under the first tier.
- All four meters were issued a credit in the amount of \$1,156.
- Mr. Lambert suggested the meters may have been read low, which would eventually catch up with bigger usage.
 - Mr. Underwood determined it would take a few months of consistent low readings close to zero to flag the account to be re-read.
 - The meter with the high reading was re-read and the number was confirmed.
- Mrs. Dillon wants to know if staff determined whether or not these residents were sprinkling in the summer.
 - Mr. Underwood has not spoken to their landscape contractor yet.
- Mr. Teague is confident this water went through the meter and was used.
- There may have been a reading issue.
- Mr. Lambert concludes the meters were not read correctly.
 - Mr. Teague confirmed his staff must come up with a process to flag accounts for re-reading when they come in extremely low.
- Mr. Underwood confirmed the meters are being read by one person.
- The meters are less than 15 years old, but they are not new either.
- Mr. Bissell recommends the meters be credited as stated on the spreadsheet, but not to do so from this date on for the same type of problem.
- Mr. Hawkins from Sunset Cay gave some input.
 - Residents are in agreement that the water went through the meter.
 - The probability of all four meters being bad is low.
 - As soon as there is a low reading the HOA Treasurer contacts the landscaping contractor to rule out any problems on their end.
 - The landscaper keeps the irrigation set according to the rules of the county.
 - The irrigation system is checked on a weekly basis.
- All meters have rain sensors as required by the county.

There being no further discussion,

On MOTION by Mr. Custer seconded by Mr. Ziko with all in favor, issue of a credit in the amount of \$1,156 to all residents of Sunset Cay affected by the misread meters was approved.

- Mr. Hawkins wants to ensure the late fees are waived.
 - They keep \$500 on deposit for each account to cover late charges.
 - If the meters are read and billed properly, there should not be a late charge.

The Board was in consensus to waive any late charges on the accounts, as discussed.

- Mr. Ziko's meter was read on August 2nd and the statement came out on August 18th; and he wants to know the reason for the lateness.
 - There should be a standard billing due date around the 15th of the month.
 - Ms. Domingus elaborated on the issue.
 - Meters do not get read on Saturdays, Sundays and holidays; and billings do not go out on those days.
 - The billing date is 28 to 30 days after the meter has been read.
 - Mr. Cox indicated the CID would have to have a rule revision to change the payment schedule.
 - The reading schedule drives the entire process, but it can be modified.
 - The meters are read during the first week of the month.
 - Mr. Ziko's billing statements do not indicate this is always done during the first week of the month.
 - Mr. Lambert asked Ms. Domingus to review the schedule and come up with a proposal for a modification to be reviewed within six months.
- The Board asked for an update on the situation with Mr. and Mrs. Peyton, which Mr. Underwood addressed.
 - Mr. Underwood determined the irrigation water is responsible for the high bills.
 - He is still in the process of reviewing this.
 - Mr. and Mrs. Peyton are currently out of town.

- Mr. Custer indicated their high readings coincided with those in the association.
- The usage went from average to a couple of high months.
- Mr. Custer believes Mr. and Mrs. Peyton should receive credit, as the residents received in the association.
- Mr. Custer requested Severn Trent staff do an audit of their account to determine exactly what happened.
 - Mrs. Dillon suggested an audit be done on all of the homes along Newport as a comparison.
- Mr. Lambert commented these issues arise when residents are not here for the season.
- Severn Trent staff will pull the information together to present at the next Board meeting.
- Mr. Hawkins indicated the association was never billed for the meters Severn Trent installed last year when they were changed from potable to reclaimed water.
 - Mr. Underwood will investigate and get back to the Board at the next meeting.

C. Discussion of Recommendations for Delinquent Utility Bills

Mr. Teague discussed the Aged Trial Balance for the accounts; a copy of which is attached hereto and made part of the public record.

- The nine accounts on the second page were turned off because payments were not received from 2007 through 2009.
- Utility bills eventually get paid on the foreclosed properties.

Mr. Ziko discussed the backflow preventers at Orchid Cove.

- Severn Trent inspects and maintains them.
- Mr. Underwood asked for an explanation as to how Severn Trent maintains Orchid Cove; to which Mr. Cox responded.
 - The CID voted to take over these systems within the community areas, unless there is a repair which will ruin the landscape beyond what is normally done for other communities in the CID.

- Mr. Lambert is not certain whether or not he agrees with this and asked for a review of past motions to clarify these items.
- Mr. Cox indicated these will be investigated and staff will report back at the next Board meeting.
- The Board went back to discussing the delinquency report.
 - Any items with an *F* or an *I* are either finalized or inactive.
 - Some are difficult to track because they have been closed for a number of years.
 - Mr. Cox made some suggestions.
 - The charges related to the old base facilities charges which are now being collected through non-ad valorem special assessments should be written off.
 - A dollar threshold should be set for the small bills which have not had usage for some period of years, as decided by the Board.
 - Everything else should be pursued.
 - A Notice of Delinquent Utilities can be filed; a copy of which can be sent to the current property owner, which will cost approximately \$60 per account; and can be included in the notice.
 - The following three properties should be written off due to the length of time which has passed:
 - Ruth Bower
 - Hopkins Children Trust
 - Carmignani

Mrs. Dillon MOVED to approve writing off payment of the delinquent utility bills for Ruth Bower, Hopkins Children Trust and Carmignani; and Mr. Ziko seconded the motion.

There being no further discussion,

On VOICE vote with Mr. Lambert, Mr. Ziko, Mrs. Dillon and Mr. Custer voting aye and Mr. Bissell voting nay; the prior motion was approved.

- Mr. Cox discussed options for thresholds to write off small balances.
 - An inactive account with a small balance of a certain amount can be written off; with any deposits on file to be applied as the Board chooses.
- Mrs. Dillon is opposed to forgiving the more current accounts.
- Tami Dunn should be written off.
 - She had \$50 on deposit.
 - She probably owed \$57.98; and that was paid off.
 - She has been gone for three years.
- Mr. Ziko is not in favor of forgiving Great Lakes Homes even though they only owe 54 cents because they own other properties in the CID.
 - Mr. Cox does not want the CID to waste postage to collect this small amount of money.
 - The Board should not take personal feelings into consideration in this situation.
 - The CID should have done something to begin with and not let these late charges accumulate.
 - Mr. Cox advised that the Board may want to consider waiving late fees and just collecting usage fees.
- Mr. Teague suggested the Board could set a threshold of \$75 and consider writing off the following accounts:
 - Tami Dunn;
 - Sally Yacques;
 - Cynthia Jackson;
 - Melanie Williams
- Dennis Sayan moved to Italy and his property was foreclosed on.
 - Mr. Cox suggested he could send a letter to the bank indicating how much is owed to the CID and the amount should be paid out from the proceeds of the foreclosure.

- A Claim of Lien can be filed if it is not paid within 30 days.
- This can also be done for the Suncoast Federal Credit Union account.
- Mr. Cox went through the spreadsheet one line at a time.
 - Dennis Sayan should be collected and Mr. Cox will send a letter to the bank.
 - Suncoast Federal Credit Union should be collected and Mr. Cox will send a letter to the bank.
 - Jo Anne/Robert Scott and Vanessa Perez should be finalized.
 - Tami Dunn will be written off.
 - Douglas Parent will be finalized.
 - Raul Palazuelos is a foreclosure, which should be collected; and Mr. Cox will send a letter to the bank.
 - Heather Sines should be collected and Mr. Cox will send a letter.
 - The account for Teibel is under the threshold of \$15 and there currently is no service, nor do they own the property. Therefore, they should be finalized.
 - Sally Yacques, Cynthia Jackson and Melanie Williams have already been finalized and will be written off.
 - Ruth Bower will be written off, as approved earlier.
 - A letter will be sent to Susan Corrigan and the account will remain open.
 - Hopkins Children Trust and Carmignani will be written off, as approved earlier.
 - Great Lakes Homes in the amount of 54 cents should be written off.
 - Jason Lemay must be written off since he was a renter.
 - Tara Halpern will receive a letter.
 - The rest of the Great Lakes Homes accounts will be left off for now.

Mr. Teague discussed other miscellaneous items.

- Availability of the Egret Room for the January and March 2011 Board meetings was discussed.
 - These two dates are not available.
 - The dates can be moved.

- A new location can be considered for these or all meetings.
- Mr. Lambert believes staff at the Egret Room should accommodate the CID based on its past history.
- Mrs. Dillon is in favor of pursuing a different location on a permanent basis, such as Orchid Cove or the office room at the marina.
 - Mr. Cox reminded the Board this is the future location of the fire station barracks.
- The schedule should be advertised as it stands and staff will try to have the party or parties scheduled for that room on those dates change their location.
- Mr. Motwani modified the Union Road sign incorrectly and Severn Trent had to have it changed back.
 - Lykins Signtek Inc. did the work and submitted an invoice in the amount of \$238.50; a copy of which is attached hereto and made part of the public record.
 - Mr. Motwani agreed to pay the bill, but he has not done so yet.
 - If he does not pay the bill, the CID can tell him he cannot have the sign he wants.
 - Mr. Cox advised he may have a notification of bankruptcy sent, which prohibits the CID from taking any further action to enforce payment.
 - Mr. Bissell does not believe the CID has a commitment to the sign company.
 - Mr. Teague gave the order to change the sign back.
 - Mr. Custer and Mrs. Dillon believe the CID needs to pay the bill.
 - The county cited the CID for the inappropriate sign since it is the owner.
 - Mr. Lambert is in favor of the CID paying the bill.
 - Mr. Bissell believes Mr. Motwani owes Lykins Signtek as opposed to the CID.

Mr. Custer MOVED to authorize the CID to pay the invoice from Lykins Signtek Inc. for modification of the Union Road sign in the amount of \$238.50.

The motion failed due to lack of a second on the motion and the Board continued discussion.

- Mr. Teague has not had any further discussion with Mr. Motwani.
- Mrs. Dillon suggests that Mr. Teague contact him.
- Mr. Cox reminded the Board the CID owns the sign; and the CID directed Mr. Motwani to do the modification.
 - It is technically the CID's responsibility to get this paid.
 - It will probably never get paid if the CID waits for Mr. Motwani.
- Mrs. Dillon believes the CID should pay the bill and Mr. Teague should continue to contact Mr. Motwani with regards to payment.

Mrs. Dillon MOVED to authorize the CID to pay the invoice from Lykins Signtek Inc. for modification of the Union Road sign in the amount of \$238.50, and authorize Mr. Teague to proceed with efforts to seek reimbursement from Mr. Motwani for the full amount; and Mr. Custer seconded the motion.

There being no further discussion,

On VOICE vote with Mr. Lambert, Mrs. Dillon and Mr. Custer voting aye; and Mr. Ziko and Mr. Bissell voting nay, the prior motion was approved.

- Mr. Teague addressed questions on the financials at the last Board meeting.
 - W-12 was omitted.
 - Footnote 5 was not actually a footnote, but a negative dollar amount.

The record reflects the Board recessed for approximately 10 minutes.

SEVENTH ORDER OF BUSINESS

Field Manager's Report

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

- The DEP conducted an inspection of the wastewater facilities on August 27, 2010.
 - The inspector indicated the facility has the best effluent in the county.
- A lot more water has been coming into the wastewater treatment plant as a result of the recent heavy rains.
 - There may be some infiltration, but it is not significant.

Mr. Underwood presented Work Authorization No. 40565 to provide MBR flow meter surge protection in the amount of \$4,135; a copy of which is attached hereto and made part of the public record.

- Two flow meters went out during some lightning storms; and each meter cost \$1,400 to repair.
- There was no surge protection.
- There is surge protection on the power coming from the power company, but not on the instrumentation lines.
- The CID paid insurance for this, but the deductible has to be paid.
- The amount of \$994 represents Mr. Migdal's labor and mark-up costs.
- This work needs to be done as quickly as possible.
- Mr. Teague is concerned that this is the first time he is seeing this work order.
- There are four meters, which require eight surge protectors.
- Mr. Benson believes the price is reasonable.
- The actual flow meters were already replaced by Severn Trent Services.

There being no further discussion,

On MOTION by Mr. Ziko seconded by Mrs. Dillon with all in favor, Work Authorization No. 40565 to furnish and install surge protection on the four MBR flow meters in the amount of \$4,134 was approved.

Mr. Underwood discussed a paint quote.

- He received a quote from the same company which is taking care of everything else.
- All painting on the monuments at the entrance to Newport Drive will cost \$3,003; of which the hotel has agreed to pay one-third.

- The roof tiles are dirty and can be pressure-washed for an additional \$300.
- No action from the Board is required since the hotel's agreement to pay keeps the project within the budget.

The Board addressed miscellaneous issues with Mr. Underwood.

- Mrs. Dillon wants to know the status of purchase of *Boil Water Notice* signs.
 - Mr. Underwood is in the process of finding a new sign company, as the one he usually uses is no longer in business.

EIGHTH ORDER OF BUSINESS

Attorney's Report

A. Discussion of Bankrupt Properties and the Impact on the CID

- A new attorney is handling business on behalf of the hotel, but has not been approved by the court to take over the representation.
 - Once he is approved, Mr. Cox believes he is going to file an adversarial claim against the CID.
 - Mr. Cox received a telephone call last Friday informing him that the hearing to approve this attorney will be held on Tuesday.
 - If this is done, Mr. Cox will file a Notice of Appearance as well as a Motion to Dismiss based on the ultimate ruling in the case.
- The Board is in favor of Mr. Cox moving forward in this regard.
- The bankruptcy was filed a few months ago.
- Mr. Cox is not concerned there is going to be an issue, but the entire process may take more time.

B. Update on CID Logo Registration

- Mr. Cox modified the application to address the deficiencies from the county.
- Mr. Cox is going to confer with Mr. Teague to get this done, since he was successful in doing so with another District.
- The CID is not incurring any expense to get this issue resolved.

Mr. Cox discussed the possibility of the CID associating its deferred assessment ERCs to one of the undeveloped properties.

- Mr. Cox met with Ms. Ellis, who prepared a spreadsheet of the history of the assessments between the two parcels.
- The Board proceeded to discuss this at length.

- The total that is owed for the 17 ERCs is \$128,666.
- Each ERC is valued at approximately \$6,053.
- The total amount to transfer the ERCs is approximately \$138,000.
- The value of the ERCs will increase each year by the amount which is levied.
- The transfer will have to be approved by the Board.
- Ms. Ellis keeps the spreadsheet updated on an annual basis.
- Mr. Cox approached the hotel staff to let them know these are available for sale.

Mr. Cox discussed the petition to rename the District from CID to CDD.

- Mr. Cox will try to initiate this at the end of the month.
- He will have to attend a County Commission meeting to request it.

Mrs. Dillon asked for an explanation of the e-mail regarding oil and gas rates in Collier County.

- The notice was published in the Naples Daily News and comes out every seven years.
- This refers to the county's control over all or some portion of the oil and gas mineral rights underlying certain properties.
- These rights can be sold to the property owner.
- The CID is off limits to offshore drilling because it is situated within one mile of an outstanding Florida waterway or tributary.

Mrs. Dillon wants to know the status of the Gun Club Agreement.

- It is done and will be implemented.
- They are waiting for the rainy season to end before commencing construction.

NINTH ORDER OF BUSINESS

Engineer's Report

A. Update on New Water Treatment Plant

- Mr. Benson distributed documents to the Board.
- The plans must be developed to this stage of detail in order to submit the application to DEP for the construction permit.
 - They are in the process of completing the application and they requested the application fee check from Severn Trent Services be sent directly to DEP.

- A cost estimate was put together based on the plans.
- They have a contract with ITT Water for most of the treatment equipment.
- The detailed shop drawings are being reviewed.
- The construction stage comprises the following:
 - Commencement of construction of the building;
 - Yard piping;
 - Site work;
 - Internal architectural work;
 - Electrical work
- A series of internal review meetings have been conducted among the team, including engineers, architects, and operations personnel from Severn Trent including Mr. Migdal, Mr. Underwood and Mr. Dick.
- They are approximately 30 days behind schedule.
- Mr. Benson discussed permit issues.
 - There is an overall plan for water use which provided SFWMD with assurances of use of reclaimed water.
 - Mr. Benson discussed the technicalities as to how the water will be used at the new plant which is consistent with DEP standards.
 - The DEP is not going to require an industrial wastewater permit.
 - This must be acknowledged in the wastewater treatment plant permit and is being processed as such.
 - A Hydraulic Gradient Flow Directionality Report comprising two years of data must be provided according to the District's DEP operations permit, which Mr. Benson explained in detail.
 - Mr. Benson contacted RMA, which is the Geologist they work with.
 - POI has used them in the past.
 - Mr. Benson proposes the District enter into this agreement.
 - It is under the bidding limits.
 - The bid is \$9,695.

Mrs. Dillon MOVED to accept the bid of \$9,695 from RMA to do a Hydrological Study of the groundwater as required for issuance of the wastewater treatment plant permit; and Mr. Ziko seconded the motion.

- Drilling of the wells is not included.
- The bid includes the following:
 - Coordination;
 - Activities;
 - Data review and analysis;
 - Preparation of groundwater level and flow direction maps;
 - Computer impact modeling;
 - Report preparation;
 - Responses to applicable FDEP requests for additional information
- This report will recommend the appropriate locations for the wells.

There being no further discussion,

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

- Mrs. Dillon asked Mr. Benson to do an update on the new water plant and send to Mr. Pepin for posting on the website.
- Mrs. Dillon asked Mr. Benson whether or not he spoke to Orchid Cove regarding the irrigation on the conservation side.
 - Mr. Benson confirmed this belongs to Orchid Cove and is their responsibility.

TENTH ORDER OF BUSINESS

Supervisors' Requests

- Mr. Ziko congratulated Mr. Underwood on the wonderful job he is doing on the mosquito control.

ELEVENTH ORDER OF BUSINESS

Audience Comments

- Ms. Kungle discussed delinquent water bill notifications.
 - She requested that the title company be directed to prepare an estoppel letter when a property is being sold.

- The Board and Mr. Cox are in favor of this.
- Ms. Kungle discussed the meeting room.
 - A new person is handling this and may not be aware the CID has priority in this regard.
 - Mr. Teague will speak to the person.
- Ms. Kungle wants to know if there is an aquifer under the Gun Club; to which Mr. Benson provided an explanation.
 - The groundwater is salty.
 - There was no weir when the canal was originally dug.
 - The area became contaminated with saltwater.
 - Picayune Grand restoration work will not affect this.
- Fees are not increased for frequently delinquent users.

TWELFTH ORDER OF BUSINESS

Approval of August 31, 2010 Financial Statements and Check Register

Mr. Teague presented the August 31, 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.

- On Page 27, the grand total of \$54,900.21 was brought down at the bottom.
There being no further discussion,

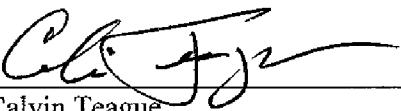
On MOTION by Mr. Bissell seconded by Mr. Ziko with all in favor, the August 31, 2010 Financial Statements and Check Register were approved.

THIRTEENTH ORDER OF BUSINESS

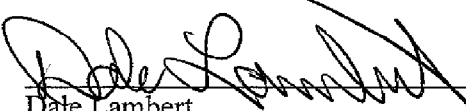
Adjournment

There being no further business,

On MOTION by Mr. Bissell seconded by Mrs. Dillon with all in favor, the meeting was adjourned at 1:35 p.m.



 Calvin Teague
 Secretary



 Dale Lambert
 Chairman