



**BOARD OF DIRECTORS  
MEETING MINUTES  
May 16, 2023**

**Directors**

**In Person:** Brian Farrar - President, Wayne Bauman - Vice President, Richard Garner – Treasurer, Vince Marchesani - Secretary, Mike Malloy, Paul Attwood, Larry Kosilla and Bob Bachman.

**Directors**

**Absent:** Jim Murphy

**Staff Present:** John Jenkins, Andy Koebel, Steve Richards, Kim Hoskins, Todd Griglin, Jose Espinoza and Nathalie Galvan.

**Legal Counsel:** Don Thomson of Henderson Franklin

**Meeting** called to order at 5:00 p.m. by President Farrar.

**Minutes:** **Kosilla** moved to approve the Minutes for the May 2, 2023 Board Meeting as revised to reflect Erin Houck-Toll of Henderson Franklin who attended remotely. 2<sup>nd</sup> by **Attwood**. Approved 8-0.

**Member**

**Comment:** None

**Galvan** updated the Board on the Blue Values Program with Florida Blue. Participation in this program allowed for a cap on the increase in 2023 health insurance coverage premium at 8%. BSU has an opportunity to reduce the cap for the 2024 renewal based on adequate staff participation in the program of Personal Health Assessment, Biometrics and Wellness Exam. To date BSU has earned 3 points for a 7% cap in 2024. The goal is to get as many points as possible to cap the premium increase at 5%.

**230516-01** **Dawn Colecchio** with Arthur J Gallagher & Co. presented options to reduce exposure to the large deductible for named windstorms in the 2023-2024 General Liability Package Policy. Options included a named windstorm deductible buy back and a wind parametric. The Board took no action.

**Other**

**Business:** **Koebel** briefed the Board on water treatment plant disinfection system optimization and water flushing reductions. Improvements were achieved

over several years through the purchase of chlorine and free ammonia analyzers, process improvements and staff training. From 2021 to 2022 the water treatment plant saw a 425 million gallons per day (MGD) reduction in water use including 269 MGD (37% reduction) in flushing.

**Jenkins** briefed the Board on several topics including: May 1<sup>st</sup> to May 21<sup>st</sup> water treatment process change from chloramines to free chlorine with few inquiries/complaints; City Council second reading of the ordinance to approve the septic to sewer special service charge is delayed to early June due to an advertising error; redevelopment of the Bonita Springs Golf and Country Club into a residential development and storm water management system has commenced; City staff is ready to provide appraisal results for the old Bonita Springs Golf & Country Club water treatment plant site; water treatment plant operator Scott Hopkinson provided assistance to an elderly woman in distress on BSU property and the woman's mother sent a very appreciative note.

**Jenkins** introduced the topic of reconciling costs for the water treatment plant expansion currently underway. This multiyear project has seen cost increases due to inflation, supply chain issues, and a tight labor/contractor market. A budget of \$42M has seen actual costs approaching \$56M largely due to construction of eleven wells budgeted for \$1M per well with costs closer to \$2.25M per well. **Hoskins** provided additional detail on budget v. actual costs, changes in well drilling plans, ongoing price escalations 2023 budget of \$51M plus renewal and replacement components accompanying plant expansion expenditures.

**Bills:** **Garner** moved to approve payment of the bills presented and Renewal and Replacement Withdrawal Request (2023-7). 2<sup>nd</sup> by **Bauman**. Approved 8-0.

#### **Director**

**Comments:** **Garner** briefed the Board on the Finance Committee meeting. The Committee recommended continuing audit services with Nichols Cauley. **Garner** moved to approve a one year contract extension for Nichols Cauley. 2<sup>nd</sup> by **Bachman**. Approved 8-0.

**Bauman** appreciates staff's efforts to save money including with water treatment adjustments to reduce flushing.

**Attwood and Malloy** are not comfortable with the deductible cost mitigation through the wind parametric option.

**Kosilla** thanked Andy Koebel and the operations staff for doing a great job.

**Farrar** met with staff regarding potential grant funding from the Resilient Lee program from Hurricane Ian recovery funding from the federal government. BSU will pursue such grant funding.

**Meeting adjourned at 5:55 p.m.**