



**BOARD OF DIRECTORS
MEETING MINUTES
May 3, 2022**

Directors

In Person:

Brian Farrar-President, Vince Marchesani-Vice President, Paul Attwood-Secretary, Bob Bachman-Treasurer, Richard Garner, Larry Kosilla, Mike Malloy, Ben Nelson and Wayne Bauman

Staff Present:

John Jenkins, Steve Richards, Andy Koebel, Kim Hoskins, Lisa Karnow, Jose Espinoza, Lori Nalli and Tim Augustine

Legal Counsel:

Don Thomson of Henderson Franklin

IN ACCORDANCE WITH THE CENTERS FOR DISEASE CONTROL (CDC) SOCIAL DISTANCING GUIDELINES DUE TO THE COVID-19 PANDEMIC, SOME DIRECTORS, STAFF, MEMBERS, AND OTHERS ATTENDING THIS MEETING DID SO REMOTELY UTILIZING THE ZOOM MEETING ONLINE PLATFORM.

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

Minutes:

Nelson moved to approve the Minutes from April 19, 2022 Board Meeting. 2nd by **Attwood**. Approved 9-0.

Member

Comment: None.

220503-01

Courtney Stevenson presented the Florida Section of the American Water Works Association (FSAWWA) Poster Contest Awards to the winners of the Drop Savers Water Conservation Poster Contest, this year all winners were from Bonita Springs Charter School: first grader Corinne Provenzano, second grader Daniel Rueda Chica and fourth grader Arwen Mouritsen.

220503-02

Dawn Colecchio from Arthur J. Gallagher & Co. made a presentation on the 2022/2023 renewal of the Property and Casualty Insurance Coverage and Workers' Compensation Coverage including Excess Liability, Executive Liability, Cyber Security and Pollution Liability policies. Recommendation was for coverage from Philadelphia Indemnity Insurance Company and Bridgeable Employers Insurance. Premiums overall increased by 12% as a result of increased property values, sub-contractor costs and increased cost in Excess Liability coverage. **Marchesani** moved to approve the policy renewal as presented. 2nd by **Garner**. Approved 9-0.

220503-03 **Richards** presented a Resolution determining 2021 allocable margin, reasonable reserves and capital credit allocation. The allocable margin totaled \$945,422. However, the Company is experiencing significant increases in operating and capital costs due the impacts of inflation, supply chain issues, and a tight labor market. The Consumer Price Index (CPI) for the South Region for the year ended March 31, 2022 was 9.1% and the Board recently approved a 3.5% rate indexing. Additional reserves will be set aside to respond to these economic conditions and an allocable margin of \$0 was recommended. **Bachman** moved to approve the Resolution determining 2021 reasonable reserves and allocating capital credits. 2nd by **Kosilla**. Approved 9-0.

220503-04 **Koebel** briefed the Board on two wastewater collection system repairs on Kentucky Street and in Fountain Lakes. Due to the locations and depths of the projects, contractors have been reluctant to undertake the projects. Haskins, an underground contractor routinely used by BSU, has agreed to do the work on Kentucky Street on a time and material basis. It is important to get the project done before the summer rains start. **Bauman** moved to approve the wastewater collection system repairs on a time and materials basis. 2nd by **Malloy**. Approved 9-0.

220503-05 **Hoskins** presented a Temporary Service Agreement (Agreement) with Damio Enterprise LLC (Property Owner) for a lot located in Estero Springs. BSU does not have facilities in the area and the Agreement will allow the property owner to receive temporary service from Lee County Utilities until BSU can serve. **Garner** moved to approve the Temporary Service Agreement subject to Lee County's written consent. 2nd by **Marchesani**. Approved 9-0.

220503-06 **Hoskins** reported on New Construction Project Status.

Other

Business: **Jenkins** discussed a Department of Environmental Protection's (DEP) warning letter received due to several minor sanitary sewer overflows. Staff will meet with DEP and is preparing information in response. Jenkins briefed the Board on a meeting with representatives of the Bonita Bay Water Quality Task Force, their consultant at FGCU, representatives of Resource Conservation Services (RCS), and their consultant Water Sciences, Inc. to discuss water quality studies on the lakes in Bonita Bay and related topics. BSU will continue monitoring surface water quality issues in the service area.

Bills: **Garner** moved to approve payment of the bills presented and Renewal and Replacement Withdrawal Request (2022-8). 2nd by **Attwood**. Approved 9-0.

Director

Comments: **Bauman** thanked everyone at BSU for the low worker's compensation coverage renewal cost; both field and office staff.

Nelson briefed the Board on the Member Services Committee Meeting. There was discussion on the strategy for rate indexing Member communication, the Member Communication Program & Strategy, the on-hold messaging system, and stated he felt BSU was making good progress with the strategy for Member communication. He also stated that the "call out box" on the website and the bill insert is a great way to get the rate increase message to our members.

Bachman feels the messaging and website are looking great, he sees something every day relating to the great work being done by BSU, and the messaging and content is well done.

Marchesani received information about a certain area in South New Jersey with galvanized pipes that have been in the ground for 30-40 years. The pipes needed to be replaced due to corrosion which is giving off lead and cadmium. He inquired about galvanized pipes in the BSU service area. **Koebel** stated according to the Lead and Cooper Rule, BSU will be looking at properties and service line material but he did not believe there was much galvanized pipe in the area.

Kosilla stated it was a good Member Services Committee Meeting and thanked Jennifer Hamilton for her hard work and felt the programs were moving in the right direction.

Farrar discussed the rate indexing message and wanted to make sure the member information was sent to all Board members.

Malloy stated he received the Notice of Indexing Rate Adjustment but did not see any plans on how to get the message out to members.

Meeting Adjourned at 6:12 p.m.