

**MINUTES OF MEETING  
MEDITERRA NORTH  
COMMUNITY DEVELOPMENT DISTRICT**

A Public Hearing and Regular Meeting of the Mediterra North Community Development District's Board of Supervisors was held on **Wednesday, August 21, 2013 at 1:30 p.m.**, at **The Renaissance Center, 28121 Palmira Blvd., Bonita Springs, Florida 34135.**

**Present and constituting a quorum were:**

J. Gary Kaenzig	Chair
Brian Neary	Vice Chair
Thomas H. Van Tassel	Assistant Secretary
Frank Godshall	Assistant Secretary
Dan Abrams ( <i>via telephone</i> )	Assistant Secretary

**Also present were:**

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Jonathan Johnson ( <i>via telephone</i> )	District Counsel
Dave Robson	District Engineer
Thomas Philpot	Hopping Green & Sams

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Adams called the meeting to order at 1:30 p.m., and noted, for the record, that Supervisors Kaenzig, Neary, Van Tassel and Godshall were present, in person. Supervisor Abrams was not present at roll call.

**SECOND ORDER OF BUSINESS**

**Proof of Publication**

Mr. Kaenzig presented the proof of publication for today's Public Hearing and Regular Meeting.

**THIRD ORDER OF BUSINESS**

**Public Hearing to Consider Resolution 2013-4, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2013, and Ending September 30, 2014**

Mr. Adams indicated that this budget is consistent with the budget presented at the last meeting. He recalled that, on the operating side, since the current fiscal year, trustee fees were reduced from \$25,000 to \$10,000, as a result of the fees being related to the number of bonds and outstanding amount; as the number of bonds and outstanding amounts decreased, the fee decreased. He advised that “aquascaping” includes \$175,000 for drainage pipe clean out; this was previously a combination of aquascaping and lake bank stabilization, which was split out, in previous years. This year, drainage culvert cleanout was identified and “fast-tracked”. The line item will actually recover unbudgeted expenses from the current fiscal year. In response to a question, Mr. Adams confirmed that the drainage cleanout was rolled into the line item in order to recover the funds; nothing additional is anticipated in Fiscal Year 2014 but it is to recover the funds expended in Fiscal Year 2013. He explained that the Fiscal Year 2013 budget will be amended, in October, due to the additional unanticipated expense and the funds will be recovered during Fiscal Year 2014.

In response to a comment, Mr. Adams voiced his belief that the District will be able to reduce its aquascaping cost next year. He was pleased with the results of the lake audit and the plant population. Mr. Adams confirmed that the \$30,000 “lake stabilization” cost is primarily related to mulch and noted that the amount of mulch might be reduced as aquascaping fills in. Mr. Adams stressed the importance of protecting the upper portion of the shelf, where it is difficult to maintain plants. He indicated that the current contractor’s pricing is better than any others and the quality of work is second to none; Staff could not be more pleased with the success rate.

Ms. Crismond indicated that a planting is scheduled for September 9 and is a 20-day maximum project. Mr. Adams advised that planting now is good because, if the planting was done in June, the perceived best time, there would have likely been success issues, as the water table rose very quickly, which would have resulted in a lot of “floaters”.

In response to Mr. Johnson’s request, Mr. Adams confirmed that the proposed budget was posted on the website and provided to the county, as required.

**On MOTION by Mr. Neary and seconded by Mr. Godshall  
with all in favor, the Public Hearing was opened.**

Mr. Godshall referred to the “Amortization Schedule”, on Page 15, noting that interest is paid on the balance and recalled that, when Bonita Bay had the bond, they paid principal when a lot was sold. Mr. Adams concurred. Mr. Godshall asked if London Bay is paying down principal when it sells lots. Mr. Adams replied affirmatively; when a lot is sold, London Bay pays off the “B” portion of the bond so that the new owner does not assume that responsibility. Referring to Page 14, Mr. Adams pointed out that prepayments have been received. Mr. Adams explained that, if all of the lots are not sold, London Bay will have a “balloon” payment at the end; they must satisfy the obligation by May 1, 2015.

Mr. Godshall referred to Pages 18 through 21, containing the breakdowns for the various neighborhoods. He noted that the prior year “snapshot” contained at the bottom of each of these pages was not updated to “Fiscal Year 2012-2013”; they still reflect “Fiscal Year 2011-2012”. Mr. Adams acknowledged the error and indicated that he will have the information updated.

**On MOTION by Mr. Neary and seconded by Mr. Godshall with all in favor, the Public Hearing was closed.**

Mr. Adams presented Resolution 2013-4 for the Board’s consideration.

**On MOTION by Mr. Van Tassel and seconded by Mr. Godshall with all in favor, Resolution 2013-4, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2013, and Ending September 30, 2014, as amended, was adopted.**

**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2013-5, Making a Determination of Benefit; Imposing Special Assessments; Providing for the Collection and Enforcement of Special Assessments, Including But Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll**

Mr. Adams presented Resolution 2013-5 for the Board’s consideration. He indicated that this resolution directs that the roll be finalized, certified and transmitted to the tax collector’s

office for placement on the November tax bills and authorizes the direct billing to the major landowner.

Mr. Godshall questioned why this item is included. Mr. Adams explained that it appears every year and must be considered, along with the budget. This is a required separate step, apart from adopting the budget. Mr. Godshall wondered why this must be adopted every year. Mr. Adams advised that the levying resolution takes into consideration the District's revenue needs per the adopted budget, each year.

**On MOTION by Mr. Neary and seconded by Mr. Van Tassel with all in favor, Resolution 2013-5, Making a Determination of Benefit; Imposing Special Assessments; Providing for the Collection and Enforcement of Special Assessments, Including But Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll, was adopted.**

**FIFTH ORDER OF BUSINESS**

**Review of Lake Interconnect Pipes and Control Structure Inspection and Cleaning Report from MRI UnderWater Specialists, Inc.**

Ms. Crismond presented the inspection report and indicated that all pipes with blockage of 25% or more were cleaned. Mr. Adams stated that the District's system is consistent with similar systems, with 25% to 40% of the pipes having debris in them; the level of blockage is generally 15% to 20%.

Mr. Adams felt that the pipes will be good for another five (5) to ten (10) years.

**\*\*\*Mr. Abrams joined the meeting via telephone.\*\*\***

Mr. Abrams noted difficulty hearing the conversation. Mr. Adams explained that the meeting is being held in a different room, which is impacting the acoustics.

Mr. Neary asked if this item appears on the Fiscal Year 2014 budget. Mr. Adams indicated that it is included in the Fiscal Year 2014 budget in order to recover the costs expended in Fiscal Year 2013. Mr. Neary asked if the item will be off the budget for the following five (5) years. Mr. Adams stated that a small amount will be budgeted each year to address localized blockage issues. In response to a question, Ms. Crismond indicated that the cleaning cost was \$32,900 and the inspection was \$6,000. Mr. Godshall asked when the costs will appear. Mr.

Adams indicated that the costs will be included on the Unaudited Financial Statements presented at the October meeting. Mr. Adams clarified that Mediterra North CDD's portion of the cost is approximately 25%, or \$10,000.

Mr. Adams discussed the inspection process.

**SIXTH ORDER OF BUSINESS****Presentation of Annual Quality Assurance Audit - Lake Maintenance**

Ms. Crismond presented the Annual Quality Assurance Audit related to lake maintenance. She indicated much improvement since the audit last year. Ms. Crismond recalled that there were numerous erosion problems in the past; however, the current audit reveals only a few resident-related erosion issues that must be addressed; the others were resolved. She reported that the other erosion issues are related to the golf course. Ms. Crismond provided the golf course superintendent with the report and the contractor's information so that the golf course issues can be resolved. In response to a question, Ms. Crismond confirmed that the golf course superintendent was receptive of the information; she will follow up in February to assess the progress.

Mr. Abrams advised that he cannot hear the discussion; therefore, he will leave the meeting.

**\*\*\*Mr. Abrams left the meeting.\*\*\***

In response to a question of property owner related erosion issues, Ms. Crismond reiterated that there were many property owner related erosion issues last year but only a few this year; most property owners resolved the issues. Ms. Crismond noted the overall, vast improvement since last year. Mr. Adams stated that he is impressed with the level of improvement. Ms. Crismond credited the contractor, EarthBalance, for the success of the program.

Discussion ensued regarding the amount of grass in the lakes. Ms. Crismond indicated that she contacted the new manager at the golf course regarding the issue and that numerous lakes are out of compliance. In response to a question, Mr. Adams advised that LakeMasters is responsible for the grass growth within the littoral plants. Mr. Adams noted a problem with grass clippings in the lakes and stated that golf course maintenance personnel were observed

dumping grass clippings into the littoral plants. Ms. Crismond spoke to the golf course manager, who acknowledged the problem and is cooperating.

Mr. Neary noted that LakeMasters sprays on an ongoing basis and voiced his opinion that the employee, who is very experienced, must have noticed the grass problem a while ago. Mr. Neary questioned why the issue was just now identified, after the District's inspection, and not before, by LakeMasters. Mr. Kaenzig suggested requiring a formal report from LakeMasters regarding the Board's concerns and their progress in addressing the issues. Staff will request the report from LakeMasters.

Mr. Adams clarified that the grass issue is the only thing he observed; the remainder of LakeMasters' maintenance program was tight. Mr. Adams discussed torpedo grass and explained that it must be sprayed, at some point, and plants will be lost, as a result. Mr. Kaenzig suggested that LakeMasters could pull the grass, individually, or replace beneficial plants that are killed, as a result of the spraying. Mr. Adams pointed out that LakeMasters could use lighter rates of chemicals but it will discolor the beneficial plants, which could come back or might be lost. Mr. Adams stated that the better approach is to maintain it correctly from the beginning. Mr. Neary voiced his disappointment that Staff discovered the issue, rather than LakeMasters bringing it to the District's attention.

Mr. Adams reiterated that, overall, Staff was very pleased with what it observed.

Ms. Crismond referred to Page 3 and noted that 16 of the District's 76 lakes are out of compliance; overall, the progress is very good.

**SEVENTH ORDER OF BUSINESS**

**Approval of May 15, 2013 Regular Meeting Minutes**

Mr. Kaenzig presented the May 15, 2013 Regular Meeting Minutes and asked for any additions, deletions or corrections.

Mr. Godshall recalled discussion at the last meeting that Bonita Bay possibly did something inappropriate, years ago. He indicated that the Board took action regarding approaching the situation; however, Mediterra South CDD did not, which he feels was a mistake. Noting that Mediterra South CDD directed Mr. Adams to meet with a developer representative regarding the matter, Mr. Godshall asked Mr. Adams to report on the outcome of the meeting.

Mr. Adams advised that the meeting did not take place; the MCA asked him not to do so, as it is involved in settlement negotiations and does not want this to “muddy the waters”. Mr. Adams stated that he has done nothing and is nearly certain that Mr. Abrams has not; there has been no movement on this item.

Mr. Neary questioned if this is all predicated on Mediterra South. Mr. Adams recalled that, as he reviewed the matter, Mediterra North has no requisitions with apparent inappropriateness, in terms of irrigation; Mediterra South might have had some. Mr. Adams felt that, from a business perspective, Mediterra South considered the amount and whether it broke any laws, created issues with the tax-exempt status of the bonds and the cost to pursue the matter legally. Mediterra South decided against pursuing it, as they felt that it did not make business sense, given the statute of limitations concerns and the matter of proving it. Mr. Adams explained that the Mediterra South Board authorized an informal approach, at an appropriate time, with him meeting with the Bonita Bay Group employee who was responsible for the requisitions, for clarification of the requisitions containing irrigation items.

Mr. Neary wondered if Mediterra North can pursue this matter, if Mediterra South, the District with the issue, chose not to pursue it. He understands Mediterra North CDD’s desire to support Mediterra South CDD but questioned what Mediterra North can do.

Mr. Adams advised that Mediterra North CDD can proceed with having its requisitions reviewed and, as Mediterra South CDD’s requisitions are public record, Mediterra North CDD could obtain them and have them reviewed, as well.

Mr. Van Tassel pointed out that Mediterra South is adamantly opposed and, while he believes that both Districts have an obligation to investigate, he is not willing to appropriate additional funds to examine Mediterra South’s records.

It was noted that, at the last meeting, Mr. Abrams was intent on Mediterra North proceeding, regardless of whether Mediterra South proceeds.

Mr. Kaenzig voiced his belief that the \$3,000 appropriated, at the last meeting, was intended to examine Mediterra North’s records. He noted that the MCA has asked the District to hold off, which is probably smart; however, since it was approved, the District maintains the option to conduct the review, at the appropriate time. It was noted that the District could proceed with its audit of the records, without alerting any other parties.

Mr. Adams clarified that the MCA asked him to delay his meeting with the former Bonita Bay Group employee; the examination of the District's records can proceed.

Mr. Godshall voiced his disappointment with District Counsel.

Discussion ensued regarding the records, maps, pipes and control elevations. Mr. Robson discussed the South Florida Water Management District (SFWMD) design criteria and elevations. Mr. Adams asked whether there is a minimal differential between the crown in the road and the finished floor of a home. Mr. Robson advised that, usually, the finished floor must be above the 100-year stage.

**On MOTION by Mr. Neary and seconded by Mr. Van Tassel, with all in favor, the May 15, 2013 Regular Meeting Minutes, as presented, were approved.**

**EIGHTH ORDER OF BUSINESS**

**Other Business**

There being no other business, the next item followed.

**NINTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being nothing additional to report, the next item followed.

**B. Engineer**

There being nothing to report, the next item followed.

**C. Manager**

**i. Approval of Unaudited Financial Statements as of June 30, 2013**

Mr. Adams presented the Unaudited Financial Statements as of June 30, 2013.

**ii. Fiscal Year 2014 Proposed Annual Meeting Schedule**

Mr. Adams presented the Fiscal Year 2014 Proposed Annual Meeting Schedule for the Board's consideration.

**On MOTION by Mr. Godshall and seconded by Mr. Neary, with all in favor, the Fiscal Year 2014 Proposed Annual Meeting Schedule, as presented, and directing Staff to advertise, accordingly, was approved.**



**TENTH ORDER OF BUSINESS**

**Audience  
Requests**

**Comments/Supervisors'**

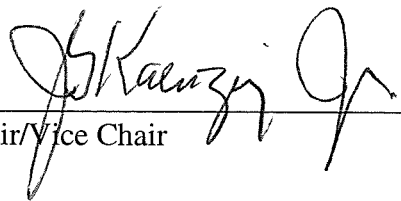
There being no audience comments or Supervisors' requests, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Adjournment**

There being no further business to discuss, the meeting adjourned at 2:22 p.m.

  
Secretary/Assistant Secretary

  
Chair/Vice Chair