

**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, January 15, 2014 at 1:30 p.m.**, at **The Renaissance Center, 28121 Palmira Blvd., Bonita Springs, Florida 34135.**

Present were:

J. Gary Kaenzig
Brian Neary
Thomas H. Van Tassel
Frank Godshall

Chair
Vice Chair
Assistant Secretary
Assistant Secretary

Also present were:

Chuck Adams
Cleo Crismond
Jonathan Johnson (*via telephone*)

District Manager
Assistant Regional Manager
District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 1:46 p.m., and noted, for the record, that Supervisors Kaenzig, Neary, Van Tassel and Godshall were present, in person. Supervisor Abrams was not present.

SECOND ORDER OF BUSINESS

Public Comments

Mr. Kaenzig indicated that no members of the public were present.

THIRD ORDER OF BUSINESS

**Acceptance of Supervisor Dan Abrams'
Resignation; Seat 2; Term Expires
November 2014**

Mr. Kaenzig presented the letter of resignation from Mr. Abrams.

On MOTION by Mr. Van Tassel and seconded by Mr. Neary, with all in favor, the resignation of Mr. Dan Abrams, dated October 21, 2013, was accepted.

A. Consideration of Appointment to Seat 2

Mr. Kaenzig asked for nominations. Mr. Godshall nominated Mr. David Risley to fill Seat 2; term expires November, 2014, and discussed his qualifications. No other nominations were made. Mr. Neary seconded the nomination.

On MOTION by Mr. Godshall and seconded by Mr. Neary, with all in favor, the appointment of Mr. David Risley to Seat 2, term expires November, 2014, was approved.

- **Administration of Oath of Office** *(the following to be provided in separate package)*
 - **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
 - **Membership, Obligations and Responsibilities**
 - **Financial Disclosure Forms**
 - i. **Form 1: Statement of Financial Interests**
 - ii. **Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - iii. **Form 1F: Final Statement of Financial Interests**

This item was deferred to the next meeting.

In response to a question, Mr. Adams indicated that the announcement of the November Election of Officers will be made at the May meeting. If Mr. Risley wishes to run for Seat 2, during the upcoming election, he must register during the candidate qualifying period, in June.

B. Consideration of Resolution 2014-2, Electing Officers of the District

Mr. Adams presented Resolution 2014-2 for the Board’s consideration. He advised that this item can be deferred, as the Oath of Office was not administered to Mr. Risley.

Mr. Kaenzig noted that he has served as Chair for the past two years and recommended that the slate of officers be reconsidered to give other Board Members the opportunity to fill other positions.

Mr. Kaenzig nominated Mr. Neary for Chair. No other nominations were made.

Mr. Neary nominated Mr. Godshall for Vice Chair. No other nominations were made.

Mr. Adams advised that Mr. Kaenzig, Mr. Van Tassel and Mr. Risley will serve as Assistant Secretaries. He will serve as Secretary and Mr. Wrathell will serve as Treasurer and Assistant Secretary.

On MOTION by Mr. Godshall and seconded by Mr. Van Tassel, with all in favor, Resolution 2014-2, Electing Officers of the District, as nominated, was adopted.

FOURTH ORDER OF BUSINESS

Public Hearing to Hear Public Comment and Objections to the Adoption of the Rules of Procedure, Pursuant to Sections 120.54 and 190.035, Florida Statutes

A. Affidavits of Publication

- **Notice of Rule Development**
- **Notice of Rulemaking**

Mr. Neary presented the affidavits of publication for today’s Public Hearing.

B. Consideration of Resolution 2014-3, Adopting Rules of Procedure of the Mediterra North Community Development District; Providing a Severability Clause; and Providing an Effective Date

Mr. Neary presented Resolution 2014-3 for the Board’s consideration.

Mr. Godshall recalled that the Mediterra South CDD held lengthy discussions today regarding a potential conflict of interest for Board Members who are also members of The Club.

Mr. Adams summarized that the Mediterra South CDD Board took action to include a reference to Florida Statute 112.3143, dealing with conflicts of interest, into Section 2, Paragraph 6, of their adopted Rules of Procedure. He noted that District Counsel advised that conflict of interest items are handled on a case-by-case basis. For continuity purposes, Mr. Adams recommended that the Mediterra North CDD Board approve the same revision.

Mr. Adams indicated that no members of the public were present; therefore, there would be no public comment or testimony.

Mr. Godshall indicated that the Mediterra South CDD Board also discussed a situation of an individual Board Member contacting hourly District Staff. At that meeting, Mr. Adams

advised that he is the person that Board Members should contact and noted that the District Manager's fee is set, while the District Engineer and District Counsel's fees are not; therefore, if the Board Members continue engaging the District Engineer and District Counsel, individually, the Board might wish to establish protocol.

Mr. Adams indicated that establishing protocol and policy and setting thresholds will be included as a discussion item on the next agenda. He noted that the event referenced, during the Mediterra South meeting, resulted in legal expenses of approximately \$800. Mr. Adams felt that it is important for the Board to discuss protocol and policy so that Supervisors do not operate independently and, potentially, incur large expenses.

In response to a question, Mr. Adams indicated that the incident that raised this topic was that a Mediterra South Board Member consulted District Counsel for input regarding the potential for Board Members to have a conflict of interest, by virtue of their participation as a Board Member and as a member of The Club, and how a Supervisor's vote, on items that may impact The Club, rises to a conflict of interest. He recalled the discussion regarding grass clippings and the question was whether there was a conflict of interest in the manner in which certain Board Members voted. Mr. Adams stated that Mr. Johnson will discuss this matter later in the meeting.

Mr. Kaenzig pointed out that few residents could serve on the CDD Board, if they could not be a member of The Club; most residents are members of The Club. Mr. Godshall concurred.

It was noted that, if a subject of great importance arose, Supervisors should go through Mr. Adams and, if necessary a special meeting could be held.

Mr. Neary asked if any of the \$800 legal expense, generated by the Mediterra South CDD Board Member, would be incurred by Mediterra North CDD. Mr. Adams replied no; it was District-specific legal advice.

In response to a question, Mr. Adams indicated that, once both Boards agree on a process or protocol, it can be adopted by resolution, in the short-term; however, he would like to eventually incorporate it into the Rules of Procedure.

On MOTION by Mr. Godshall and seconded by Mr. Kaenzig, with all in favor, Resolution 2014-3, Adopting Rules of Procedure of the Mediterra North Community Development District; Providing a Severability Clause; and Providing an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Update: Lake Maintenance Activities Report (LakeMasters)

Ms. Crismond recalled that the lake maintenance contract was considered, at the last meeting. She noted discussion regarding dissatisfaction with LakeMasters Aquatic Weed Control, Inc. (LakeMasters); however, the new contract was awarded to the existing contractor. Ms. Crismond indicated that she and Mr. Adams recently inspected the property and found the quality of work to be much improved. She advised that Staff will continue monitoring the conditions and notify the Board of any findings.

In response to Mr. Neary’s question, Ms. Crismond confirmed that the grass issue is nearly resolved; the difference is “night and day”, compared to the prior conditions.

Mr. Adams stated that he met with LakeMasters’ President and Vice President. He discussed the weather and water conditions, which might have caused the issues. Mr. Adams stated that, regardless of unusual circumstances impacting the conditions, the contract is “performance based”; therefore, LakeMasters was put on notice and probation. He indicated that LakeMasters spent a lot of time addressing the issues brought to their attention; Management has observed a major change in the conditions but will continue pressuring the contractor. Mr. Adams stated that, if the improvements do not continue, the Boards will “move swiftly” to terminate LakeMasters and hire another contractor. He noted that he and Ms. Crismond currently work with another lake maintenance contractor who has significant resources and currently maintains high-end projects in the area; Management believes that this contractor could easily step in and assume the contract. Mr. Adams felt that other local contractors are “hit or miss”. In response to a question, Mr. Adams advised that the contractor’s pricing is competitive.

Mr. Adams advised that LakeMasters also maintains the Preserve areas. In response to a question, Mr. Adams explained that issues in the Preserve areas are generally observed along the perimeter; it is usually not necessary to enter deeply into the Preserve. He noted that the

wetlands were under tight monitoring programs, during their early years; however, the area must still be monitored and meet permit requirements, in later years.

Mr. Godshall recalled that the Mediterra South CDD approved installation of aeration in certain lakes and that the Board inquired about Mediterra North CDD sharing the cost. He opted out of cost sharing, at this time but recommended that Mr. Adams should provide the Board with information regarding the Mediterra South CDD’s lakes.

Mr. Adams noted that the water system is interconnected and the health of the system is important to both Districts. The system operates under a single surface water permit. Mr. Adams stated that fish kills are a naturally occurring event, in Florida, related to temperature changes. He explained that aeration helps mitigate fish kills and prevents them from recurring. It also improves bacterial activity to breakdown the “muck”. Mr. Adams suggested including a \$30,000 to \$50,000 capital outlay “aeration” line item into the next budget. He noted that the budgeted “beneficial plants” line item should decrease, over the next few years; as it decreases, the “aeration” line item could be increased.

A Board Member asked about the status of the payments being withheld from LakeMasters. Mr. Adams indicated that the payments will be released soon.

SIXTH ORDER OF BUSINESS

Approval of October 16, 2013 Regular Meeting Minutes

Mr. Kaenzig presented the October 16, 2013 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Kaenzig and seconded by Mr. Godshall, with all in favor, the October 16, 2013 Regular Meeting Minutes, as presented, were approved.

SEVENTH ORDER OF BUSINESS

Other Business

There being no other business, the next item followed.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i. Discussion: Potential Conflicts of Interest

Mr. Johnson summarized that there is no inherent conflict of interest for a Board Member who is also a member of The Club. He added that, to the extent that the Board makes decisions, from time-to-time, which can impact the expenses of The Club, erosion repairs, water quality, etc., those votes do not arise to the level of conflict of interest insofar as those activities can be expected to occur in The Club's budget. He felt that the only situation which give rise to a conflict of interest would be if the District was considering filing legal action against The Club that could have unexpected and significant impact on The Club's budget. Mr. Johnson noted that the standard for determining whether a conflict of interest exists is whether the Board's actions inure to the "special private gain or loss" of a Board Member. A gain that is spread throughout a general class is exempt; however, he would seek an opinion regarding whether members of The Club rises to the definition of a "class".

Mr. Godshall asked, if the Board consisted of three golf or sport club members and one or two social club members, would it open an opportunity for the social and/or non members to take action against The Club because the three golf or sport members could not vote on the issue.

Mr. Johnson noted that this scenario could occur; however, if a majority of the Board Members could not vote due to a conflict of interest, the rules provide that a successful vote must be by a majority of the Supervisors present. He explained that a Supervisor is considered "present" even if they have a conflict of interest and must abstain from voting; therefore, the Board would be faced with a pragmatic problem, if only one or two Supervisors are able to cast votes. Mr. Johnson pointed out that, if the proceeds from a lawsuit against The Club resulted in funds being spread across the group, the Ethics Commission could rule that class exemption applies so there is no conflict of interest and the golf and sport club members could vote.

B. Engineer

Mr. Godshall advised that he had questions for the District Engineer. Mr. Adams indicated that he was unaware that Mr. Godshall had questions; the District Engineer only attends meetings when his attendance is requested.

Mr. Godshall noted that the District pays a lot for irrigation. He stated that The Club owned the irrigation infrastructure and was able to separate itself from RCS, through legal means, and install its own pump stations, resulting in cost savings. Mr. Godshall suggested that the District consider installing its own system.

In response to Mr. Godshall’s question, Mr. Adams indicated that The Club pumps from Lake 1. He was unsure which lake RCS pumps its irrigation water from. Mr. Adams advised that he will research this matter.

Mr. Godshall questioned ownership of the lakes that the South Florida Water Management District (SFWMD) pumps from. Mr. Adams indicated that the water is owned and controlled by the state; a permit can be obtained to utilize the water. Mr. Adams noted that the District does not “own” the water; it has retention ponds that receive water and, in this case, a permit was obtained to augment the system through well pumping or drawing the water from the ground and into the lakes. Mr. Godshall asked what ties RCS to Mediterra. Mr. Adams explained that RCS has the Consumptive Use Permit that overlies the property and they own the infrastructure.

In response to Mr. Godshall’s question, Mr. Adams advised that the life expectancy for the transmission lines is 75 to 100 years. He noted that valves and fittings might need repairs, over the years. Mr. Adams stated that the pump station building will likely need to be replaced in 20 to 30 years.

Mr. Adams indicated that he will identify the lakes containing aeration on the lake and wetland maps.

C. Manager

i. Approval of Unaudited Financial Statements as of November 30, 2013

Mr. Adams presented the Unaudited Financial Statements as of November 30, 2013. He noted minimal activity. Mr. Adams pointed out one-time annual expenses, including insurance and the District filing fee. On-roll assessment revenue collections were at 17% and the off-roll assessment collection was received, on schedule. Mr. Adams pointed out that the bond interest payments were made in November.

On MOTION by Mr. Kaenzig and seconded by Mr. Godshall, with all in favor, the Unaudited Financial Statements as of November 30, 2013, were approved.

Mr. Godshall indicated that the seats occupied by himself, Mr. Van Tassel and Mr. Risley expire this November and asked Mr. Adams to explain the election process.

Mr. Adams indicated that the District recently met the required threshold of the number of registered voters residing within the boundaries of the District; therefore, the District will now transition from the landowner-elected process to general election. He stated that the Board must make an affirmative declaration of the seats that will be up for election, which will be done at the May meeting, via resolution. Mr. Adams advised that the qualifying period will be announced and the District will coordinate with the Supervisor of Elections to advertise the qualifying periods and conduct the election.

ii. NEXT MEETING: May 21, 2014 at 1:30 P.M.

The next meeting is scheduled for May 21, 2014 at 1:30 p.m.

NINTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Neary pointed out that "Audience Comments" should be included in this section.


Mr. Adams indicated that "Audience Comments" will be added to future agendas.

TENTH ORDER OF BUSINESS

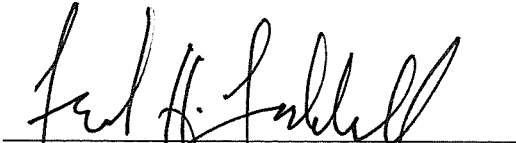
Adjournment

There being no further business to discuss, the meeting adjourned at 2:42 p.m.

On MOTION by Mr. Godshall and seconded by Mr. Van Tassel, with all in favor, the meeting adjourned at 2:42 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair