

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

A Regular Meeting of the Mediterra South Community Development District's Board of Supervisors was held on **Wednesday, May 21, 2014 at 11:30 a.m.**, in the **Bella Vita Room at the Mediterra Sports Club, 15735 Corso Mediterra Circle, Naples, Florida 34110.**

Present and constituting a quorum were:

Kenneth Nails	Chair
Kenneth Tarr	Vice Chair
Bill Rowe	Assistant Secretary
Michael Bishko	Assistant Secretary
Dallas Luby (<i>via telephone</i>)	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Andy Tilton	District Engineer
Jonathan Johnson (<i>via telephone</i>)	District Counsel
Thomas Philpot (<i>via telephone</i>)	District Counsel
Tony Grau (<i>via telephone</i>)	Grau & Associates
Frank Godshall	Mediterra North CDD Board Member
Don Tendick	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 11:30 a.m., and noted, for the record, that Supervisors Nails, Tarr, Rowe and Bishko were present, in person. Supervisor Luby was attending via telephone.

SECOND ORDER OF BUSINESS

Public Comments

Mr. Nails asked if anyone from the public wished to speak. He explained that the public may speak now regarding any matters and will also be given the opportunity to speak on agenda items, as they are discussed during the meeting.

THIRD ORDER OF BUSINESS

**Presentation of Audited Financial Report
for Fiscal Year Ended September 30,
2013, Prepared by Grau & Associates**

Mr. Tony Grau, of Grau & Associates, presented the Audited Financial Report for September 30, 2013. He referred to the “Independent Auditor’s Report”, on Pages 1 and 2, and advised that the District received a “clean” opinion. Mr. Grau explained that the audit report format changed, based on new accounting standards. On Page 2, he noted that the “Emphasis of Matter” relates to several new accounting standards. As a result, bond issuance costs are now immediately expensed, on government-wide statements, instead of being amortized over the life of the bonds.

Mr. Grau indicated that the Statements in “Net Position” and “Changes in Net Position”, on Page 5, are the government-wide statements and are on the full accrual basis. He explained versions, on Page 5, are condensed; the actual statements are located on Pages 8 and 9. Mr. Grau explained that the decrease in “Net position – ending”, from 2012 to 2013, is the effect of adoption of GASB No. 65. The “Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position”, on Page 10, is on a modified accrual basis; therefore, it does not contain the long-term liability or the capital assets.

Mr. Grau detailed the “Statement of Revenues, Expenditures, and Changes in Fund Balances”, on Page 11, and noted that Page 12 reflects the “Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Net Activities”. Page 15 denotes the “New Accounting Standards Adopted (Continued)”, throughout the year. Page 23 is the “Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual – General Fund”, which shows how the District’s actual amounts compare to the budget. Mr. Grau confirmed that there are no findings for the year, as specified in the “Independent Auditor’s Report Over Financial Reporting and on Compliance and Other Matters”, on Page 25 and the “Management Letter”, located on Page 27.

Mr. Bishko directed Mr. Grau to Page 11 and questioned the \$516,729 deficiency in the “Debt Service”.

It was noted that Mr. Grau inadvertently presented the audited financial report for Mediterra North. Mr. Grau requested additional time to obtain the report for Mediterra South.

FOURTH ORDER OF BUSINESS**Discussion: Policy and Procedure for Timely Reporting by Staff of County and State Ordinances and Statute Violations**

******This item previously the Sixth Order of Business, was presented out of order.******

Mr. Tarr referred to a memorandum, dated October 28, 2013, from Mr. Winston Borkowski, regarding discarded grass clippings. He recalled that Mr. Borkowski stated, in the memorandum, “Based upon the information provided to me for review, Collier County would be the logical regulatory contact. The appropriate county personnel could then assess whether an actionable violation of the county code of ordinances had occurred.”

Mr. Tarr advised that he researched Collier County Code Enforcement and information is provided behind Tab 6. He indicated that he attended a Collier County Code Enforcement board hearing, which lasted three hours. Based on his observations, Collier County Code Enforcement is “not interested in fining”, they are interested in restitution, mediation and making things correct”.

Mr. Tarr referred to the “code enforcement case overview” flowchart and reiterated that “the last thing they want to do is fine, what they want to do is fix”. It was Mr. Tarr’s belief that, if the grass clippings incident were reported, code enforcement would have contacted The Club and requested that they remove the clippings.

Mr. Tarr advised that he reviewed Florida Statute 118, which covers the preserves and lakes. The “CDD Code” does not provide the District with police or judicial authority; therefore, matters such as grass clippings are to be handled by code enforcement. He noted that violations, or potential violations, are not reported to the Board, timely, as meetings are not held on a monthly basis.

Mr. Tarr contended that the “law is the law” and the Board took an oath to uphold it. He does not believe that the Board should judge or determine whether an incident is a code violation; code enforcement is the Collier County entity that was designated to do that. The Board should not be judging its own neighbors, The Club or the landscaping company.

Mr. Tarr believed that all contractors should be required to promptly report any violations to codes, ordinances or statutes to Mr. Adams. Mr. Adams, or other designated staff, will report the incident to code enforcement and the Board will receive a report of the incident, for informational purposes.

Mr. Tarr did not believe that the Board had the power or authority to make a determination on state or county ordinances or statutes. Mr. Nails asked Mr. Tarr if he would like to make a specific motion. Mr. Tarr indicated that he would like to have a discussion.

Mr. Bishko stated that he had a discussion with a gentleman from Bonita Bay who was under the impression that the state is responsible for the lakes but it appears that he is incorrect.

Mr. Tarr indicated that a lesson learned, from Mr. Borowski's memorandum and the work performed, is that it is not a lake; it is a stormwater retention pond.

Mr. Nails disagreed with Mr. Tarr's statement that code enforcement is not interested in fining. Mr. Nails indicated that he was "not elected to be a potted plant" and have Mr. Adams report incidents to an agency. He felt that the law is not black and white, facts are not black and white; determinations must be made, which is what the Board was elected to do. Mr. Nails expressed his understanding that Mr. Tarr is suggesting that Mr. Adams will report directly to code enforcement.

Mr. Tarr stated that is not what he meant by his statements. He explained that, if Ms. Crismond observes someone pouring polluted water, with oil, into one of the ponds, by the time the incident is reported to the Board, there will be no chance to clean it up. Mr. Nails explained that Ms. Crismond can relay the incident to the Board and the Board can make a decision on how to proceed.

Mr. Tarr stated that he would not have a problem if Mr. Nails implements a policy that any type of ordinance or statute violation, especially with respect to Statute 118, will be immediately reported to the Board. Mr. Nails indicated that he would not have a problem with that policy. Mr. Bishko noted that, in that situation, an emergency meeting would have to be scheduled.

Mr. Rowe reported that, on April 18, he observed a chalky blue material in the lakes and was advised by a neighbor that it could be an algae bloom. He reported the incident to Mr. Adams, who reported it to Ms. Crismond and Mr. Bill Kurth, of LakeMasters Aquatic Weed Control, Inc., (LakeMasters), was inspecting the lakes in less than half hour. Mr. Kurth arranged for the lakes to be sprayed and they were clear by Easter Sunday. Mr. Rowe noted that Mr. Adams and Ms. Crismond took immediate action. Mr. Nails pointed out that Mr. Rowe's example is a different situation than Mr. Tarr's position. Mr. Rowe clarified that it will be too late to fix a problem if the Board must wait to schedule a special meeting. Mr. Nails stated that the algae bloom was not a violation, it was a natural event. Mr. Rowe indicated that, at that

moment, no one can be certain that it was not a violation. Ms. Crismond explained that the initial thought was that the cause was an illicit discharge from a new construction site, adjacent to the lake.

Mr. Tarr stated, as an example, that if a paper recycling company was dumping paper in the lake. If someone observed that company dumping waste into the lake, he asked if they should wait three months, until the next Board Meeting, to report it, or, if the appropriate action is to report the incident to Mr. Adams and have him call code enforcement. Mr. Tarr noted that the MCA previously had a list of approved builders. "I witnessed a contractor dumping waste into the lake behind my house". Mr. Tarr pointed out that the District does not have a policy for dealing with these matters.

Mr. Nails noted that it is expected that Mr. Adams and Ms. Crismond will take action on matters such as these and do what is necessary to remedy the situation. Subsequent to their action, Mr. Adams and Ms. Crismond should report the situation to the Board for a direction on how to proceed. Mr. Adams indicated that Staff will consult with the Chair.

Mr. Luby advised that he was not aware of the fish kill last year, until at least three to four weeks after it occurred. He noted that the Board can be notified immediately, via email.

Mr. Bishko agreed that a procedure should be implemented, so that there will be no question as to the procedures and to ensure that no action is taken on an ad hoc basis.

Mr. Luby asked at what point the Board will be notified, as he is uncomfortable with action being taken without the Board's knowledge of the incident.

Mr. Nails agreed that Mr. Adams and Ms. Crismond should take action for incidents such as the algae bloom, during a holiday weekend. It is expected that Staff will communicate the incident and the resolution to the Board, so that the Board can determine if further action is necessary.

Mr. Luby believed that the Board should be notified prior to Staff taking action. He does not want to be informed by other residents, weeks after an incident occurs. Mr. Luby noted that, in a corporate environment, if an employee does not report an incident, the person may lose their job.

Mr. Tarr indicated that Mr. Adams and Ms. Crismond should have a clear understanding of when an event is in violation of an ordinance or statute, either by their own knowledge or through District Counsel. He noted that there were no "ifs, ands, or buts" with the grass clippings incident and, yet, the Board was not notified in a timely manner and there was no

chance for remediation by the time the Board was notified. Mr. Tarr stated that he is encouraged with the concept of implementing a procedure and noted that he is unsure whether Mr. Adams has ordinances and statutes memorized and believes that Chapter 118 is the main statute dealing with pollution and dumping. Mr. Tarr contended that the Board is not comprised of lawyers and regulators and needs to be advised when an event occurs and whether it is a potential violation of the law.

Mr. Nails did not believe that Mr. Adams is the person to advise the Board of potential violations.

Mr. Adams stated that, collectively, Staff has the resources and knowledge.

Mr. Tarr indicated that he would like to make a motion and asked if it will be a rule, a policy and procedure or a resolution. Mr. Adams advised that the District can formalize it as a rule or simply make it an informal policy and procedure. It was noted that a hearing is required to amend policy and/or procedures.

Mr. Adams asked Mr. Philpot if a hearing will be required to amend the Policies and Procedures. Mr. Philpot indicated that the District must undergo the standard rulemaking procedures. Mr. Adams asked Mr. Philpot if District Counsel has identified anything in the latest legislative session that would trigger any additional changes to the Rules of Procedure. Mr. Philpot stated that, once the governor reviews and signs the 2014 legislative rules, his firm will have a better understanding of any type of action that the District will need to take to comply with new laws.

Mr. Adams suggested that the Board approve the process, as outlined today. He noted that the Board might be in a better position to adopt the new procedure, as well as new legislative changes, at its August meeting. Mr. Tarr asked Mr. Adams to draft the procedure. Mr. Adams replied affirmatively.

Mr. Adams voiced his understanding that the Board's desire is for Staff to immediately report to the Board any alarming incident, or incidents, that trigger an ordinance or regulatory violation. Mr. Nails clarified that the incident should be reported to the Board prior to Staff taking any remedial action.

Mr. Frank Godshall, a Mediterra North CDD Board Member, indicated that he was in agreement with today's discussion; however, he believed that there was a difference with when and how a regulatory agency is notified. In Mr. Godshall's opinion, notification to a regulatory agency should be a Board decision. He noted that he does not believe that is Mr. Tarr's opinion.

Mr. Tarr reiterated that he attended code enforcement hearings and fines were not imposed, contrary to Mr. Nails' opinion. Violators were given several months to correct issues; fines were only imposed at the end of remedial period, if the issue was not fixed. Mr. Tarr explained that any taxpayer or Collier County resident has the right to report a code violation. Mr. Tarr indicated that he is unsure if he has the ability to judge when an ordinance or statute has been violated but code enforcement does. His desire was for the District's lakes and preserves to be maintained to the highest standards; therefore, incidents should be reported, as the Board does not have the power to enforce the codes.

Mr. Nails concurred with Mr. Godshall's statement that the Board should determine whether to report an incident to code enforcement; not Staff.

Mr. Tarr indicated that Mr. Borkowski's recommendations were very clear in his memorandum. He pointed out that dumping debris is a code violation and should be reported. Mr. Tarr contended that the decision to report an incident can become "personal", as a Board Member may not want to report a neighbor. He does not believe that the Board should be placed in a position to make that judgment.

Mr. Nails stated that the Board makes judgments all the time, as "it's our job".

Mr. Rowe pointed out that he made a judgment with the lakes. He initially believed it was an illicit discharge, from his neighbor's construction, and it turned out to be algae bloom. Mr. Tarr stated that Mr. Rowe's incident was "supposition" and Mr. Tarr is referring to actual violations.

Mr. Nails suggested authorizing Mr. Adams to draft verbiage for the procedure, leaving open the decision whether Staff should "act" prior to informing the Board. Mr. Tarr stated that he would like to hear District Counsel's opinion on whether the Board can be aware of a violation of a statute and take no action. Mr. Nails stated that it is like saying it is a "black or white" decision, you know it is a violation and the facts. Mr. Tarr asked if "dumping" is a violation. Mr. Nails contended that it depends what is being dumped.

In response to a question from Mr. Tarr, Mr. Adams affirmed that no one is allowed to dump anything into the lakes, including landscape clippings or dirt.

Mr. Nails pointed out that the only unanswered question is whether Staff will report to the appropriate agency or if the Board should hold a special meeting and decide how to proceed. He recalled that, with the grass clippings incident, there was remediation and The Club provided written confirmation that it will not occur again. Mr. Nails noted that the Board did not violate

the law in not reporting the incident to code enforcement. Mr. Tarr asked if The Club cleaned up the grass clippings.

Mr. Johnson presented an analogy. He indicated that, if a neighbor's teenager continuously speeds in the community, a resident can call the Collier County Sheriff's Office and ask them to set up speed traps to deter the speeding, or the resident can approach the neighbor and tell them that the issue needs to be corrected. Mr. Johnson explained that the Board has discretion and is not obligated to report; however, reporting the incident is an option. Reporting the incident removes the Board from the situation and a neutral, third party can decide whether there is a violation and how it should be remediated. Mr. Johnson indicated that the Board must determine whether incidents will always be reported to code enforcement or if a decision will be made on a case-by-case basis. He pointed out that the Board will take itself out of the "loop" if Staff reports incidents directly to Collier County. Mr. Luby felt that the Board will remove itself from the "information loop", as well.

Mr. Bishko believed that it is not the Board's job to determine whether a dumping incident is a violation.

Mr. Nails reiterated his prior suggestion to authorize Mr. Adams to draft the procedure, leaving open the decision whether Staff should "act" prior to informing the Board.

The Board was in agreement.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2014-4,
Accepting the Audited Financial Report
for the Fiscal Year Ended September 30,
2013**

****This item previously the Fourth Order of Business, was presented out of order.****

Presentation of the Audited Financial Statements for the Fiscal Year Ended September 30, 2013 resumed.

Mr. Nails recalled Mr. Bishko's question, on Page 11, regarding the \$516,729 deficiency in the "Debt Service".

Mr. Grau stated that the Mediterra North report he provided earlier applies to Mediterra South, as well, with the exception that Mediterra South had a bond refunding. On Page 11, under "OTHER FINANCING SOURCES (USES)" he noted the "Refunding bond issued" in the amount of \$4,030,000, and the "Payment to refunded bond escrow agent", in the amount of (\$3,981,000)". Mr. Grau explained that the bond issue costs and a portion of the payment to the

bond escrow agent were reflected as a debt service expenditure, in an approximate amount of \$350,000, and created the majority of the deficit. Mr. Grau surmised that the remainder of the deficit relates to the bond refinancing.

Mr. Bishko indicated that accountability was provided for \$350,000 and asked for an accounting of the additional \$166,000 deficit.

Mr. Adams surmised that excess funds, remaining in the system, were used to make payments and reduce assessment levels. He clarified that it is not necessarily a loss; the District was not required to collect all of the assessments to cover the actual expenses for that year. Mr. Bishko asked if the District will continue to experience a loss. Mr. Adams indicated that there might be minor amounts, due to the reduction in debt service reserves. Mr. Grau explained that, going forward, the District will incur minor losses or gains, depending on the timing of the payments. Mr. Grau reiterated that the deficit was clearly related to the bond refund and issuance of new bonds, which will reduce assessments, in the future.

Mr. Bishko asked what triggered the prepayments reflected in Note 11, on Page 22. Mr. Adams explained that either a developer or resident decided to pay down their assessment.

Mr. Godshall indicated that funds accumulate by interest or prepayments and the District prepays in \$5,000 increments. Mr. Adams concurred and noted that payments are made on May 1 and November 1.

Mr. Nails presented Resolution 2014-4 for the Board's consideration.

On MOTION by Mr. Rowe and seconded by Mr. Bishko, with all in favor, Resolution 2014-4, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2013, was adopted.

*****Mr. Grau left the meeting.*****

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2014-5, Approving Proposed Budgets for Fiscal Year 2014/2015 and Setting a Public Hearing Thereon Pursuant to Florida Law

*****This item previously the Fifth Order of Business, was presented out of order.*****

Mr. Adams presented Resolution 2014-5 for the Board's consideration. He indicated that it identifies the proposed public hearing date as August 20, 2014, at 11:30 a.m., at this location. Mr. Adams advised that the budget will be adopted on that date and, today, the Board will approve the proposed budget, set the public hearing date and direct Staff to post the proposed budget on the District's website, prior to the public hearing date.

Mr. Adams stated that the proposed budget is the exhibit to the resolution. On Page 1, he noted a slight increase to "Management" line item. Mr. Adams pointed out that Management has not increased their fees in seven years and is currently proposing a 2% increase on the contracted line items of "Management", "Accounting" and "Field Management"; the amount reflected is a combined fee for both Mediterra North and South.

Mr. Adams referred to the "Water management" expenditures and noted that "Contractual services" remains the same year, over year, based on the current LakeMasters contract. Staff is proposing a significant reduction in "Aquascaping/Drainage Pipe Cleanout", as the aggressive approach in aquascaping, over the last several years, is taking off very well. Mr. Bishko indicated that the plantings are prolific and asked if there are too many. Mr. Adams replied that there are not too many and noted that littoral plants only survive in a certain depth of water. Discussion ensued regarding spikerush.

Mr. Tarr requested that Staff include information regarding spikerush in the next newsletter. He advised that some residents, with lake views, do not have an understanding of spikerush benefits. Mr. Adams explained that spikerush is not aesthetically pleasing; however, it is probably the most effective beneficial in the littoral plant shelf.

Mr. Nails indicated that information is provided to MCA and asked if it is provided to all residents. Mr. Adams stated that mailings are sent twice per year. Mr. Adams clarified that e-blasts do not work well, as not everyone provides their email addresses. Mr. Nails recalled discussions regarding topics to be addressed in the next newsletter and suggested that Mr. Adams review the minutes to ensure that they are all included.

Presentation of the proposed budget resumed. Mr. Adams noted a reduction in "Lake bank stabilization".

With regard to the "Aquascaping/Drainage Pipe Cleanout", Mr. Bishko asked what the cost of the pipe cleanout was. Mr. Adams recalled that the cost was approximately \$40,000 and clarified that the cost was expended during Fiscal Year 2013. Mr. Adams clarified that \$62,000

was expended in Fiscal Year 2014, for aeration, and, moving forward, the budget will include a “Capital Outlay-Aeration” line item.

Mr. Adams indicated that “Total expenditures” will decrease from \$621,188 to \$581,532. He noted that “Net increase/(decrease) of fund balance” reflects the \$79,000 utilized to offset assessments in Fiscal Year 2014.

On Pages 5 and 6, Mr. Adams pointed out Mediterra North’s “Fund balance – ending (projected)” balance of \$178,216, in comparison to their annual budget appropriations of \$165,466. On Pages 6 and 7, he noted Mediterra South’s “Fund balance – ending (projected)” balance of \$221,788, in comparison to annual budget appropriations of \$376,225. Mr. Adams cautioned about becoming too aggressive with projects that will draw the fund balance down below 25% of the annual budget.

Mr. Tarr recalled prior discussions regarding cleaning out the pipes with 25% blockage and implementing a three to five-year clean out program. He asked Mr. Adams for his input.

Mr. Adams suggested cleaning the remaining pipes. He noted that the District receives approximately two plants, supplied and installed, for every \$1; therefore, \$75,000 from the “Aquascaping/Drainage Pipe Cleanout” will pay for approximately 150,000 plants. The remaining \$25,000 can be utilized toward the pipe cleanout program.

Mr. Tarr recalled that, in the prior year, Hypoluxo received 22” of rain in 24 hours and Pensacola experienced mass flooding and stated, “We don’t get a second shot at stopping flooding in Mediterra”. He indicated that the District should do everything possible to prevent flooding in Mediterra, as it can have a disastrous effect on real estate values. Mr. Tarr noted that the MCA spent approximately \$30,000 to remove many lots from the flood zone. He opined that the District should keep the pipes in pristine condition, if funds are available.

Mr. Godshall recalled that aeration was a greater concern in Mediterra South because of the fish kill. He questioned whether the Districts should obtain a scientific opinion regarding the aeration concerns on record, as it can become a “big ticket item”. Mr. Godshall clarified that he is not questioning the validity of Mr. Adams’ statements regarding aeration.

Mr. Adams indicated that he has reports, which he can disseminate to the Board. He stated that a Florida Gulf Coast University (FGCU) professor just concluded a study for Pelican Landing and is working on the final report. The report is expected to be supportive of Pelican Landing aerating as many lakes as they can, as raised oxygen levels assist with plant and fish life and prevents the production of a “muck layer”, which can result in an unhealthy lake. Mr.

Adams explained that several lakes in Mediterra South were aerated, in response to low oxygen levels. Discussion ensued regarding the electrical supply for aeration systems and the associated costs. Mr. Adams pointed out that the aeration system itself is not expensive, in comparison to the overall capital cost; however, installing electric service to the system is a costlier item.

In response to Mr. Godshall’s prior comment, Mr. Adams agreed that aeration can be expensive, in terms of replacing compressors and life-expectancy; however, those costs will not be anywhere near the capital investment cost. Mr. Godshall reiterated that the Districts should have documentation, on record, in case the expenditure is questioned.

Mr. Bishko referred to a report and noted that it does not reflect that the lakes tested have significant problems. Mr. Adams reviewed the report and highlighted that the April, 2013, results came in at “4”, across the board; a level of “3” to “4” is considered the marginal level. In response to a question, Mr. Adams explained that lack of rain and sunshine are contributing factors to decreased oxygen levels.

Mr. Tarr asked if Staff requires a motion to proceed with pipe cleaning. Mr. Adams clarified that pipe cleaning project will continue this fiscal year, until all of the pipes are clean.

On MOTION by Mr. Tarr and seconded by Mr. Bisko, with all in favor, Resolution 2014-5, Approving Proposed Budgets for Fiscal Year 2014/2015, and Setting a Public Hearing Thereon Pursuant to Florida Law for August 20, 2014 at 11:30 a.m., at this location, was adopted.

Mr. Bishko inquired about Bonita Bay’s plan to change the grade on all of their lakes. Mr. Adams explained that their system was installed pre-1993. Communities are required to install littoral shelves, as of 1993. Mr. Adams explained that pre-1993 allowed for steeper banks, which support plant growth. Mr. Bishko asked whether Bonita Bay was “grandfathered” in or if they are required to make the changes. Mr. Adams presumed that Bonita Bay might be required to bring the lakes into compliance as part of a permit application.

Mr. Tilton advised that he is not aware of any requirements for water management districts to make that change, other than the possibility that the community receives water downstream. In that case, the community will be required to make those improvements. Mr. Tilton affirmed that he is making a presumption and is not sure this is the case.

Further discussion ensued regarding Bonita Bay lake banks.

SEVENTH ORDER OF BUSINESS

Consideration of Lake Bank Maintenance Agreement with MCA

Mr. Adams presented the Lake Bank Maintenance Agreement with MCA, originally prepared by District Counsel. Mr. Adams recalled that, initially, MCA requested compensation for maintaining the areas. MCA recently transmitted a revised copy of the agreement and removed several items that concerned Mr. Adams and District Counsel. In their revised agreement, MCA will have the right to enter and maintain, including long-term replacement of materials, with no compensation. The revised agreement also stipulates that the MCA will have authority to pursue compensation for “above and beyond” projects, requested by associations. Mr. Adams noted that it will not have a financial impact on the District; the areas will be maintained, as usual.

Mr. Adams indicated that he identified another group of maintenance areas, as reflected in “Exhibit A: MCA Maintenance Proposal” II; he previously verified that these areas are owned by the District. Mr. Adams confirmed that Staff previously verified that the maintenance areas in “Exhibit A: MCA Maintenance Proposal” I, are owned by the District, as well.

Mr. Philpot advised that the agreement revised by the MCA, contained changes related to compensation and removed liability language, which were important District. He explained that counsel for the MCA has been ill; therefore, Mr. Philpot was unable to discuss MCA’s revisions to the agreement. For the purpose of today’s meeting, Mr. Philpot suggested that the Board consider the revised agreement, in substantial form, and authorize the Chair and Staff to finalize the agreement with the MCA officers and staff.

Mr. Tarr pointed out that Paragraph 3.B., states “Installation, repair or replacement of landscape materials” and contradicts the verbiage in “Exhibit A. I.”, “This does not include any plant replacements”. Mr. Adams concurred and noted that Staff will strike the verbiage in “Exhibit A.I”.

Mr. Bishko noted that pipes run under some of the berms and asked who will be responsible for irrigation. Mr. Philpot recalled prior email communications regarding irrigation; however, the verbiage was not included in the current draft. Mr. Philpot confirmed that he will confer with MCA counsel regarding irrigation. Mr. Bishko pointed out that irrigation includes maintenance of the pipes.

Mr. Tarr read “The CDD desires that the MCA provide landscape maintenance services within presently accepted industry standards”, from “1. DESCRIPTION OF WORK AND

SERVICES.”, and noted that Medici’s contract with the landscaping contractor includes maintenance of the irrigation system.

Mr. Bishko indicated that, on the first page of “Exhibit A”, “Bella Lago”, should be changed to “Bello Lago”.

On MOTION by Mr. Tarr and seconded by Mr. Rowe, with all in favor, the Lake Bank Maintenance Agreement with MCA, in substantial form, and authorizing the Chair and Staff to finalize the agreement with MCA officers and staff, were approved.

EIGHTH ORDER OF BUSINESS

Approval of the Disclosure of Public Financing and Maintenance Improvements

Mr. Philpot explained that, due to the public infrastructure and public financing that supports the infrastructure and its maintenance, the Disclosure of Public Financing and Maintenance Improvements (Disclosure of Public Financing or Disclosure) is a requirement, pursuant to Florida law. The Disclosure officially provides an overview of the District’s infrastructure, its various features and how the public financing was utilized. He noted that the assessment data is also provided. Under Florida law, the purpose of the disclosure is to provide notice to those that are considering purchasing property in the District. Mr. Philpot pointed out that the Disclosure of Public Finance is recorded in the public records, pursuant to Florida law.

Mr. Philpot indicated that District Counsel worked closely with the District Engineer and District Manager to verify the information in the Disclosure. He advised that the Board’s approval of the Disclosure will authorize Staff to record it in the public records.

Mr. Tarr indicated that Mediterra South is not responsible for water, sewer, irrigation systems, recreation and parks. Mr. Adams noted that the Disclosure clarifies that those items were conveyed to Collier County. Mr. Tarr advised that the MCA always owned and managed the recreation and parks and The Club owns the tennis courts. Mr. Adams confirmed that the “Recreation and Parks” paragraph will be removed from the Disclosure.

Mr. Bishko asked about the “Perimeter Landscaping and Fencing”. Mr. Adams indicated that the District assigned the infrastructure and maintenance to the MCA, per the requisition

orders. In response to Mr. Tarr’s question, Mr. Adams confirmed that the Districts do not replace “annual flowers”; therefore, that item will be removed from the paragraph.

Mr. Tarr recalled prior discussions related to the District’s responsibilities regarding plant material and the Disclosure suggests that the District owns it and must replace it. Mr. Adams confirmed that the District does not own the plant material “in those areas”. Mr. Tarr stated that he would like the verbiage corrected as soon as possible. Mr. Adams confirmed that the corrections will be addressed.

Mr. Bishko noted that “Exhibit B” should be changed to “Exhibit A”. Mr. Adams concurred.

Mr. Tarr asked if the Board must review and approve the revised version. Mr. Adams advised that the Board may approve this version, in substantial form. On Page 4, Mr. Tarr noted that the first paragraph, under “What infrastructure improvements does the District provide?”, should be updated, as well.

On MOTION by Mr. Bishko and seconded by Mr. Rowe, with all in favor, the Disclosure of Public Financing and Maintenance of Improvements, as amended, in substantial form, was approved.

NINTH ORDER OF BUSINESS

Notice of General Election: November 4, 2014 [Seats 1 & 2]

Mr. Adams advised that the general election will be held on November 4, 2014 for Seats 1 and 2, currently held by Mr. Luby and Mr. Tarr, respectively.

- **Candidate Qualifying Period: Noon, June 16, 2014 – Noon, June 20, 2014**
 - **Candidates May Pre-Qualify Beginning June 2, 2014**

The candidate qualifying period will be noon, June 16, 2014 through noon, June 20, 2014; candidates may pre-qualify beginning June 2, 2014.

- **Consideration of Resolution 2014-6, Implementing Section 190.006(3)(A)(2)(c), Florida Statutes and Instructing The Supervisor of Election to Conduct the District’s General Election**

Mr. Adams explained that the requirement of public notice, at a public meeting, is satisfied by Resolution 2014-6.

On MOTION by Mr. Rowe and seconded by Mr. Nails, with all in favor, Resolution 2014-6, Implementing Section 190.006(3)(A)(2)(c), Florida Statutes and Instructing The Supervisor of Elections to Conduct the District’s General Election, was adopted.

TENTH ORDER OF BUSINESS

Approval of January 15, 2014 Public Hearing and Regular Meeting Minutes

Mr. Nails presented the January 15, 2014 Public Hearing and Regular Meeting Minutes and asked for any additions, deletions or corrections.

Mr. Bishko referred to last word on Page 6. He recalled that his exact words were “vindictive and disruptive to the operation of our Board.”

Mr. Tarr noted that, in transcribing minutes, the usage of the word “implied” is a subjective view.

The following change was made:

Line 198: Change “vindictive and contrite” to “vindictive and disruptive to the operation of our Board.”

Line 196: Change “implied” to “stated”

Line 160: Change “Board Member” to “Mr. Luby”

Line 388: Change “15433” to “15429”

Line 8: Change “the conflicts” to “to conflicts”

Mr. Tarr noted that today’s discussion regarding the District’s policies and procedures satisfied the discussion on Lines 347 and 348. Mr. Adams replied affirmatively.

Mr. Tarr referred to Line 419 and read “Mr. Adams advised that he was told that it was too late in the season; he will verify whether deer reduction occurred”. Mr. Adams confirmed that deer reduction did not occur and noted that it will be discussed during “Other Business”.

On MOTION by Mr. Rowe and seconded by Mr. Bishko, with all in favor, the January 15, 2014 Public Hearing and Regular Meeting Minutes, as amended, were approved.

Mr. Bishko noted that Line 287 states “...professor who felt that aeration provides no benefit.” and recalled that Mr. Adams mentioned that aeration is of benefit.

Mr. Adams advised that the statement was taken out of context. He noted that the professor indicated that the benefits of aeration will not offset a sharp swing in temperature that results with such a quick drop in dissolved oxygen; therefore, aeration is of no benefit when trying to curb a fish kill related to a sharp change in temperature.

ELEVENTH ORDER OF BUSINESS

Other Business

Mr. Adams indicated that there is renewed interest in the deer culling project. He noted that Mr. Philpot is in the process of drafting a Right to Entry and Indemnification and Right to Entry. Mr. Adams recalled that, the prior summer, the Board agreed that the culling may proceed with a proper agreement and hold harmless indemnification agreement.

Discussion ensued regarding who will perform the culling.

Mr. Adams explained that the MCA will obtain approval from the Fish and Wildlife Conservation Commission (FWCC). The culling will be performed in the preserves, with bow and arrow. Mr. Adams indicated that the MCA will provide the District with the contractor's information and the specific locations where culling will occur. A Board Member requested the dates that culling will occur. Mr. Adams confirmed that the dates will be provided by the MCA.

On MOTION by Mr. Rowe and seconded by Mr. Tarr, with all in favor, authorizing District Counsel to prepare appropriate documents for indemnification to allow the MCA's request for an individual to enter the CDD Preserve for deer culling, and authorizing the Chair to execute the documents, were approved.

In response to Mr. Tarr's question, Mr. Adams indicated that all subcontractors will be advised of the culling dates.

Mr. Godshall recalled that, approximately six weeks ago, he advised Mr. Adams of a severe lake bank "problem" in the Bellezza neighborhood. He noted that nothing was mentioned tonight.

Mr. Tarr stated that, during an MCA meeting, Mr. Craig DiBino, a Bellezza resident and MCA Board Member expressed agitation regarding the lake bank problem. Mr. Tarr indicated that he previously advised Mr. DiBino that Mr. Adams can be contacted directly to report any problems.

Discussion ensued regarding the location of the lake.

Mr. Donald Tendick, a resident, asked whether plant growth in the middle of the pond is supposed to be there. Mr. Adams confirmed that they are beneficial plants.

In response to Mr. Tendick's question, the Board confirmed that the MCA maintains the fountains.

Mr. Tendick asked when the debt service for Cellini will be paid off. Mr. Adams advised that it will be fully paid in 19 years.

Mr. Luby indicated that he would like a preamble included in the Collier County reporting procedures, providing measurable standards of the District's lake maintenance responsibilities. The preamble should state that the District's goal is to maintain the lakes and preserves in the best quality possible.

Mr. Adams clarified that he is preparing an insert that can be included the District's policies and procedures.

The Board concurred.

Mr. Tarr suggested a mission statement and clarified that the rules will relate to reporting violations. He noted that Mr. Luby's recommendation would serve as a mission statement or an objective. This will preserve the integrity of the lakes and preserves, as well as the integrity of the community, with the integrity of the stormwater system.

Mr. Adams noted that there are state water standards, adopted by local municipalities, which, ultimately, have that responsibility and are assumed by the District through the surface water permits. Mr. Adams suggested including a mission statement in the District's newsletter.

Mr. Tarr noted that the District's primary goal is the prevention of flooding via the stormwater system.

Mr. Luby referred to Lines 342 to 348 of the January 15, 2014 meeting minutes and noted that this matter has not been resolved. He agreed that a policy should be in place where all Board Members contact Mr. Adams, not District Counsel, with legal issues and Mr. Adams will disseminate the information to the Board.

Mr. Nails suggested discussing the topic during the next meeting. Mr. Luby noted that the Board was to discuss this item during today's meeting.

The Board agreed to provide Mr. Adams with discretion of when it will be appropriate to contact District Counsel. Mr. Adams advised that any questionable items will be discussed at the next meeting.

On MOTION by Mr. Luby and seconded by Mr. Tarr, with all in favor, directing individual Board Members to engage District Counsel through the District Manager and the District Manger disseminating the information to the remaining Board Members, was approved.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Philpot reiterated that District Counsel will review new legislation and advise the Board of any actions that the District must take to comply with new laws.

B. Engineer

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

C. Manager

i. Approval of Unaudited Financial Statements as of March 31, 2014

Mr. Adams presented the Unaudited Financial Statements as of March 31, 2014.

ii. 530 Registered Voters in District as of April 15, 2014

There were 530 registered voters residing within the boundaries of the District as of April 15, 2014.

iii. NEXT MEETING: August 20, 2014 at 11:30 A.M. (*Bella Vita Room at the Mediterra Sports Club, 15735 Corso Mediterra Circle*)

The next meeting will be held on August 20, 2014 at 11:30 a.m., in the Bella Vita Room at the Mediterra Sports Club, 15735 Corso Mediterra Circle.

THIRTEENTH ORDER OF BUSINESS

Supervisors' Requests


In response to a question, Mr. Adams confirmed that The Preserve “do’s and don’ts” will be included in the newsletter.


FOURTEENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Rowe and seconded by Mr. Bishko, with all in favor, the meeting adjourned at 1:25 p.m.


Secretary/Assistant Secretary


Chair/Vice Chair