

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

A Public Hearing and Regular Meeting of the Mediterra South Community Development District's Board of Supervisors was held on **Wednesday, September 2, 2015 at 11:30 a.m.**, at **The Club at Mediterra, 15755 Corso Mediterra Circle, Naples, Florida 34110.**

Present and constituting a quorum were:

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

Also present were:

Chuck Adams	District Manager
Craig Wrathell	Wrathell, Hunt and Associates, LLC
Cleo Crismond	Assistant Regional Manager
Dave Robson	District Engineer
Jonathan Johnson (<i>via telephone</i>)	District Counsel
Alyssa Cameron	Hopping Green & Sams
Greg Pick	MCA General Manager

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Nails called the meeting to order at 11:35 a.m., and noted, for the record, that Supervisors Nails, Rowe and Luby were present, in person. Supervisors Tarr and Bishko were attending via telephone.

SECOND ORDER OF BUSINESS

Public Comments [3 minutes per person]

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2015-5, Amending Resolution 2015-4, Rescheduling and Resetting the Date, Time and Place of the Public Hearing for Consideration of the Budget and Non-Ad Valorem Assessments for Fiscal Year 2016

Mr. Nails presented Resolution 2015-5 for the Board’s consideration.

On MOTION by Mr. Luby and seconded by Mr. Rowe, with all in favor, Resolution 2015-5, Amending Resolution 2015-4, Rescheduling and Resetting the Date, Time and Place of the Public Hearing for Consideration of the Budget and Non-Ad Valorem Assessments for Fiscal Year 2016, was adopted.

FOURTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Adoption of the District’s Final Budget for Fiscal Year 2015/2016, Pursuant to Florida Law

*****Mr. Nails opened the Public Hearing.*****

A. Affidavit/Proof of Publication

This item was included for informational purposes.

B. Consideration of Resolution 2015-6, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2015, and Ending September 30, 2016; Authorizing Budget Amendments; and Providing an Effective Date

No members of the public spoke.

Mr. Tarr asked if, at least 60 days prior to adoption of the proposed Fiscal Year 2016 budget, the District filed a copy of the proposed Fiscal Year 2016 budget with the local governing authority, Collier County. Mr. Adams replied affirmatively. Mr. Tarr stated that he checked the Collier County website this morning and, while it contained the final Fiscal Year 2015 budget, the proposed Fiscal Year 2016 budget was not posted on the Collier County website, and questioned if Collier County is required to post proposed budgets on its website. Mr. Adams reiterated that the proposed Fiscal Year 2016 budget was sent to Collier County and it was also posted on the District’s website.

Mr. Tarr noted the \$8,660 “Insurance” line item, on Page 7, which was unchanged from Fiscal Year 2015, yet, later in the meeting, the Board will discuss Directors and Officers (D&O) liability coverage. Mr. Adams confirmed that the proposed Fiscal Year 2016 budget assumes no change in the D&O coverage; however, the District has sufficient funds within its budget and surplus balance to cover the additional cost, should the Board elect to increase coverage limits. Mr. Tarr asked for an explanation of the \$253,465 “Fund balance – ending (projected)” amount, on Page 8. Mr. Adams indicated that, generally, the District should maintain a minimum “Fund balance - ending (projected)” of 25% to 35% of its annual budget to cover expenses from October through mid-December, as well as to cover unforeseen expenses, as assessment revenues do not begin arriving until mid-December. Mr. Tarr pointed out that the coupon rates on the Amortization Schedule, on Page 16, were incorrect; the correct rates were listed in the Unaudited Financial Statements as of July 31, 2015. Mr. Adams concurred and indicated that the budget could be adopted, as amended, with that correction.

At a future meeting, Mr. Tarr wanted an explanation of the other coupon and bond schedules that are in the monthly Unaudited Financial Statements.

Mr. Nails presented Resolution 2015-6 for the Board’s consideration.

On MOTION by Mr. Luby and seconded by Mr. Rowe, with all in favor, Resolution 2015-6, Relating to the Annual Appropriations and Adopting the Budget, as amended, for the Fiscal Year Beginning October 1, 2015, and Ending September 30, 2016; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2015-7, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2015/2016; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date

Mr. Nails presented Resolution 2015-7 for the Board’s consideration.

Mr. Tarr recalled a question from the Mediterra North CDD meeting about a possibly incorrect neighborhood assessment and asked if the issue was resolved. Mr. Adam replied affirmatively; the amount contained in the proposed Fiscal Year 2016 budget was correct.

On MOTION by Mr. Luby and seconded by Mr. Nails, with all in favor, Resolution 2015-7, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2015/2016; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.

****Mr. Nails closed the Public Hearing.****

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2015-8, Adopting the Annual Meeting Schedule for Fiscal Year 2015/2016

Mr. Nails presented Resolution 2015-8 for the Board’s consideration.

Mr. Tarr recalled discussion at the Mediterra North CDD Meeting about Mediterra South’s meetings “running over” and Mr. Adams was tasked with trying to resolve the issue. Mr. Adams indicated that Mediterra North will meet on the third Thursday, of the same months, at 9:00 a.m.; Mediterra North will no longer meet on the same day as Mediterra South. Mr. Tarr asked if the Mediterra South Board would consider starting its meetings at 11:00 a.m. Mr. Adams advised that the District Engineer has a meeting at 9:00 a.m., in another District; however, the Board could defer the District Engineer’s input until he can arrive at the meeting. Mr. Tarr suggested that the meeting time be changed to 11:00 a.m. The Board concurred.

On MOTION by Mr. Rowe and seconded by Mr. Tarr, with all in favor, Resolution 2015-8, Adopting the Annual Meeting Schedule for Fiscal Year 2015/2016, as amended for an 11:00 a.m., meeting time, and authorizing Staff to advertise, accordingly, was adopted.

SEVENTH ORDER OF BUSINESS

Presentation of Annual Quality Assurance Audit: Lake Maintenance

- A. Memorandum**
- B. Evaluation Sheets/Photos**
- C. Maps**
- D. Detailed Specifications**

Ms. Crismond reported that the interconnecting pipe cleaning project was completed a few weeks ago, with the exception of Lakes 27/28, which will be scheduled by the golf course, once its erosion repairs are completed. The littoral planting project will commence the end of September, canna trimming will be performed between the Thanksgiving and Christmas holidays and the spike rush reduction program has been completed. She indicated that the lake and wetland contract is due to expire October 31, 2015. A mandatory pre-bid meeting was held on August 24, 2015 and bids will be presented for consideration at the October meeting. Additionally, clarity about maintenance requirements for the spike rush was added to the detailed specifications. Ms. Crismond met with Mr. Tim Hiers, the new golf course Superintendent, and provided him with a list of lake banks abutting the golf course that require repairs. She will follow up with Mr. Hiers regarding the status of the repairs.

Mr. Bishko referred to the comment, "All Audit Check Points answered "No" require Additional Comments/Information", and noted a few items marked "No" that did not contain a comment. He pointed out that the question, "Is there a CDD or Club owned Aerator/Fountain present?", should be reworded, as the answer would always be "No", if the lake did not have aerators or a fountain.

Mr. Bishko asked what was near the shore in the photograph of Lake 42 and whether it was a normal condition or could be corrected. Ms. Crismond indicated that it was algae and was treated; a lot of the ponds will have higher algae content during the rainy season, due to fertilizer runoff. Mr. Bishko questioned if the conditions on Lake 52 were normal. Ms. Crismond replied no; spike rush reduction was completed on Lake 52 but that lake typically has algae issues this time of year. Mr. Adams stated that algae blooms are normal; the District must utilize a "reactive" approach to treating algae. He further elaborated that, since there are not any preventative chemicals available for use in Florida, algae treatment is a "target" program and the key is to observe and treat it early before it reaches the conditions recently observed in Lake 52.

Mr. Tarr questioned if Lake 52 would be a natural conduit for more algae, since it is the last in the lake chain. Mr. Adams cautioned against making that assumption, as other outfall

lakes do not have the same issues. The impact of wind was discussed. Mr. Robson advised that discharge during the rainy season would tend to make algae spread. Mr. Nails was told by Ms. Crismond that the algae in Lake 52 was not sprayed but, once sprayed, it would disappear within two to three days.

Mr. Bishko was surprised by the amount of spike rush in Lake 61. Mr. Adams indicated that the spike rush is fine, for now; however, the contractor must treat it to maintain the current confines. Mr. Bishko asked if the lower photographs of Lake 69 depicted what the District wanted or if the lake should be treated. Mr. Adams stated that those were part of the spike rush reduction and were “over reduced”; the contractor was immediately put on notice to treat that lake and ensure that it remained part of the routine maintenance plan.

Mr. Tarr recalled that the minutes of the last meeting stated that he raised a question of whether the five main outfall pipes were inspected and Mr. Adams was to “get back to us”. Ms. Crismond confirmed that all five main outfall pipes were inspected and were found to be clean. Mr. Tarr asked if the canna plants to be introduced were the plants that Ms. Margaret Whittaker, The Club representative, requested to add more color. Mr. Adams confirmed that he advised Ms. Whittaker of the planting plan. Mr. Tarr referred to the planned canna trimming and stated that it is important for the contractor to remove the dead material along the ground and asked if “trim” meant “trim and clean”. Ms. Crismond replied affirmatively.

EIGHTH ORDER OF BUSINESS

**Consideration of Interlocal Agreement
Regarding Annual Combined General
Fund Budget**

Mr. Adams presented the Interlocal Agreement for the Board’s consideration. He explained that the agreement memorializes an informal policy that was in place since about 2005 or 2006, when the Districts began sharing operational budgets, with the primary operation being the stormwater system, which was designed and permitted to operate as a single system. The agreement also included the overhead costs related to administering the Districts and sharing those costs, equally, so that each unit would pay the same amount, regardless of where they reside within the Mediterra community.

Mr. Adams indicated that there is a need to add a sentence “Each District further agrees that the District Manager shall select the mediator.” to the end of Section 5, on Page 3.

Mr. Tarr noted that, in his business experience, mediations were never binding but arbitrations were and asked why the agreement did not state “binding arbitration, where the arbitrator will render a final and binding decision”, as there is a difference between a mediator and an arbitrator. Mr. Johnson advised that the verbiage could be changed to arbitration, which can be more formal and expensive; however, binding mediation is allowed under Florida statutes, which is usually less formal and less expensive. Mr. Tarr believed that a mediator did not have legal authority to “bind”. Mr. Johnson stated that, typically, in a judicially ordered mediation, the mediator does not have authority to render a final conclusion but, under Florida law, parties in a contract can agree to empower a mediator with that and use binding mediation. Mr. Tarr voiced his opinion that mediators have different skill sets than arbitrators. Mr. Tarr felt that the agreement should specify that the District Manager could only select a recognized arbitrator, not just anyone, who might have no experience. Mr. Bishko believed that the agreement should define who could be selected. Mr. Nails pointed out Mediterra North approved the current agreement; therefore, if Mediterra South CDD changes the agreement, it must be presented to Mediterra North, again. Mr. Tarr argued that Mediterra North did not adopt it. Mr. Adams confirmed that Mediterra North adopted the agreement, with the additional sentence he previously noted. Mr. Tarr reiterated his opinion that, if the purpose is to “make this correct, so it has durability for decades, this is a very weak, wishy-washy way to select a mediator” and had no issue with stalling approval until Mediterra North agrees to the new terms.

Mr. Luby presumed that the District Manager would select the best mediator possible and questioned if anyone believed that the District Manager would “act in bad faith”. Mr. Tarr stated that there are certified arbitrators and surmised that the cost would not be very much more for an arbitrator, rather than a mediator. Mr. Johnson pointed out that Florida has certified mediators. Mr. Johnson explained that arbitration tends to be more “court-like and formal”, while mediation tends to be less formal, and suggested that the agreement could specify that it must be a certified mediator. Mr. Bishko felt that the arbitration process would be excessive; he would want a certified mediator or, require Chair approval of the selected mediator. Mr. Tarr agreed with using a mediator, provided the agreement specifies that the mediator must be certified.

On MOTION by Mr. Tarr and seconded by Mr. Bishko, with all in favor, the Interlocal Agreement Between the Mediterra North Community Development District and the Mediterra South Community Development District Regarding the Annual Combined General Fund Budget, as originally amended and further amended to include verbiage providing for a certified mediator, was approved.

NINTH ORDER OF BUSINESS**Discussion: Arbitrage Rebate Calculation Frequencies**

Mr. Adams presented information regarding arbitrage calculation requirements; the District must meet both the Trust Indenture and Internal Revenue Service (IRS) requirements. He explained that the IRS Rule requires calculation at least once, every five years, and rebate payments are due to the IRS within 60 days of the computation date. Mr. Adams recalled that the question, at the last meeting, was whether the arbitrage rebate calculation process was necessary, yearly, since it was budgeted, or if it could be completed less frequently. He stated that the calculations could be completed, minimally, once every five years and upon final payment on the "Debt Service" fund.

Mr. Tarr appreciated that Grau & Associates agreed to lower the fee to \$500 per report, based upon the information provided.

TENTH ORDER OF BUSINESS**Discussion: Directors and Officers Liability Coverage**

Mr. Adams recalled discussion, at the last meeting, regarding increasing the Directors and Officers (D&O) liability insurance above the current \$1 million coverage. He advised that the premium amount would increase \$3,325, to increase the coverage from \$1 million to \$2 million, and the cost increases, incrementally, with an increase of \$4,825 for \$5 million of coverage; the increases were, essentially, \$500 per \$1 million coverage increase. In response to a question, Mr. Adams confirmed that Mediterra North increased its coverage to \$5 million.

Mr. Luby noted that, normally, the aggregate would be double the occurrence limit and asked if the aggregate could be changed. He wanted to know the cost for coverage with the aggregate amount double the occurrence amount.

Mr. Adams recommended that the Board approve the coverage presented; he will consult with the insurance agent regarding the premium cost to change the aggregate amount.

Mr. Wrathell was confident that the aggregate was already double the occurrence but will confirm with the agent.

On MOTION by Mr. Luby and seconded by Mr. Rowe, with all in favor, authorization for Staff to increase the Directors and Officers coverage to \$5 million and seek a \$10 million aggregate amount at minimal cost, was approved.

Mr. Tarr asked about increasing Management’s crime policy from \$1 million to \$2 million by the October 1, 2015 renewal date. Mr. Wrathell did not anticipate an issue but will confirm with his insurance carrier; if the Board hears nothing additional, it can assume that Management obtained the requested \$2 million coverage. Mr. Tarr suggested changing the Rules of Procedure to state \$1 million, if \$2 million cannot be obtained.

ELEVENTH ORDER OF BUSINESS

Discussion: Florida CDD Financial Regulatory Due Dates

Mr. Bishko wanted a column added identifying the actual or approximate due date, with the chart in chronological order for the District’s fiscal year. He requested a similar chart containing the operational due dates and/or when items are completed or performed, such as the lake and lake maintenance audits, planting, draft minutes; items dealing with nonfinancial items. Mr. Adams stated that Management will prepare those charts.

*****Mr. Johnson left the meeting.*****

TWELFTH ORDER OF BUSINESS

Approval of May 20, 2015 Regular Meeting Minutes

Mr. Nails presented the May 20, 2015 Regular Meeting Minutes and asked for any additions, deletions or corrections.

Mr. Nails pointed out that, at the last meeting, the Board approved his telephone attendance, by motion but a motion was not made today to approve Mr. Tarr and Mr. Bishko’s attendance, via telephone. Mr. Adams indicated that, after the last meeting, District Counsel

opined that the motion was not necessary or required. Mr. Adams acknowledged the confusion created when he called for a motion approving Mr. Luby's attendance, via telephone, when such motions were never previously required. Mr. Nails questioned the legality of certain Board Members potentially voting to exclude another elected Board Member from participating in the meeting because they must attend via telephone.

Mr. Tarr referred to Page 18 and his request that Ms. Alice Carlson, of AJC Associates, Inc. (AJC), provide a certification indicating that her firm does not provide a discount to any CDD that she performs this type of service for. Mr. Adams confirmed with Ms. Carlson that her firm has a specific fee schedule, which is the same for all of AJC's clients, including the CDD mentioned by Mr. Tarr. Mr. Adams stated that the difference with that CDD was that it chose to budget for AJC's services within its "Debt Service" funds, which would be why only a portion of Ms. Carlson's services would be found in the "General" fund portion of that CDD's budget. Mr. Tarr voiced his understanding but reiterated his question "She confirmed to you that she doesn't engage in negotiated price cutting?". Mr. Adams replied affirmatively.

Mr. Luby referred to Lines 90 and 91, where Mr. Gary Loser, a resident, stated "...and filing a complaint with the Attorney General's Office, which I did" and asked if Mr. Loser filed a complaint and what the disposition was. Mr. Nails confirmed that Mr. Loser filed an ethics complaint against him, which was reviewed by the Ethics Commission and dismissed for failure to constitute a legally sufficient complaint.

Mr. Tarr referred to the discussion of pipes and locations, on Page 14, and asked if Ms. Crismond had an update, as she was to obtain further clarification. Mr. Robson followed up on the pipe information, after being notified by Ms. Crismond and, based on the diver's report about the location with no pipe, the pipe was removed from the original CAD drawing; the lack of a pipe does not impact the lake, as it has another pipe, which connects to other lakes.

On MOTION by Mr. Bishko and seconded by Mr. Luby, with all in favor, the May 20, 2015 Regular Meeting Minutes, as presented, were approved.

- **Action Items**

This item was not discussed.

THIRTEENTH ORDER OF BUSINESS

Other Business

Mr. Adams indicated that the conservation area impact project was completed and the South Florida Water Management District completed the final review. The Consent Agreement remains pending; he advised that an administrative cost and penalty of approximately \$11,000 was applied but The Club will reimburse the District for the costs.

Mr. Adams reported that the Baseline Monitoring Report was completed and will be emailed to the Board. He noted that four or five trees did not survive; the recommendation was to replant those trees in October, once water levels subside. Mr. Adams recalled that the trees were under warranty and would be replanted at no cost.

Mr. Adams stated that billings for all of the initial work and plantings were received from the District Engineer and billed to The Club; the Baseline Monitoring Report bill was not received. Mr. Bishko asked for the total cost incurred for this issue, including the penalty. Mr. Adams believed that the original estimate was \$37,000 and, with fines, penalties and four years of monitoring, the total cost would be slightly below \$50,000, which will be reimbursed by The Club.

Mr. Rowe reported that, this year, 53.25” of rain was received through yesterday; at this time last year, 35.1” was received. He reviewed the annual number of inches of rain received over the past five years.

FOURTEENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Nails presented Resolution 2015-09, related to legal defense. This resolution was an amendment to resolution adopted in 1999.

Ms. Cameron explained that Resolution 2015-09 updates the District’s policy regarding the legal defense of Board Members and rescinds Resolution 1999-11. She stated that Resolution 2015-09 provides for legal representation, in accordance with Sections 111.07 and 768.25, Florida Statutes, which allows for defense of any and all civil actions, except in the case of certain instances in which Board Members have acted in bad faith with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety or property. Resolution 2015-09 updates the Board’s indemnity policy and provides procedures, which must

be followed to ensure legal representation, along with procedures if the Board wants to rebut the presumption of automatic payment of judgments or legal services in identified situations in which protection would not apply and provides procedures for choosing legal counsel. She explained that, if the Board selects legal counsel, the District would automatically pay; however, if a Board Member chose to obtain their own legal counsel, approval of the rates would require Board approval and the Board Member would be reimbursed for the legal expenses. In response to Mr. Nails' question, Ms. Cameron confirmed that this policy was similar to other CDDs.

Mr. Tarr referred to Paragraph 1, Item B., and noted that the District Manager was included. He believed that Mr. Adams was covered, as the Secretary, and Mr. Wrathell was covered, as the Treasurer, and questioned why the District Manager was included since, technically, the District Manager is not a Board Member or Officer.

Mr. Nails stated that the District Manager is not required to be a Secretary or Treasurer; therefore, the District Manager was included to ensure that they are covered, if they are not Secretary or Treasurer.

Mr. Tarr clarified that verbiage, in the first part, did not relate to the District Manager.

Ms. Cameron indicated that the resolution contained standard language and tried to make it clear that the District Manager was covered, as well. Mr. Tarr questioned if Florida law allows the District Manager to be covered under the District or, as a paid entity, must obtain his own liability coverage. Mr. Tarr felt that, in an adversarial situation, the District Manager could be part of a lawsuit, as one reason for lawsuits is the failure of the District Manager; therefore, if the District Manager is not an officer, he should obtain his own liability coverage. Mr. Nails pointed out that the Board can vote to abut payment of coverage, if the District Manager acted outside of their capacity. Mr. Tarr questioned asking residents to fund the legal defense of the District Manager, as a legal entity, which he felt was out of the scope.

Mr. Wrathell stated that, historically, the intent of the resolution is to protect the Board, Officers and Staff of the District against frivolous lawsuits. He explained that, without the coverage, Board Officers and Staff could face the threat of a frivolous lawsuit, individually, which could deter them from taking actions that are in the District's best interests. Mr. Wrathell noted individuals are not covered if they do something wrong.

Mr. Tarr voiced his opinion that the verbiage in Section 1 must be broadened, if the Board wants to include the District Manager.

Mr. Luby agreed about potential conflicts of interest between the Board and the District Manager and, if acting as Secretary or Treasurer, the District Manager should be covered.

Mr. Nails advised that the Board could choose to rebut paying the District Manager's legal expenses.

Mr. Tarr reiterated that the language in the resolution does not incorporate the District Manager; it was designed for Board Members and Officers. Mr. Nails indicated that District Counsel could add "District Manager" to the introductory portion. Mr. Tarr was troubled about including the District Manager and stressed his belief that the District Manager should have his own coverage.

Ms. Cameron indicated that the District Manager is part of District Staff and, when acting within the scope of his authority, as District Manager, under the direction of the Board, the District Manager is operating as the District's agent, which is why the District Manager is covered under the indemnification policy. Mr. Tarr questioned why the District Manager should be treated differently than the District Engineer. Ms. Cameron advised that Chapter 190 names the District Manager as a "member" of the District; whereas, the District Engineer and District Counsel are considered District Staff and act more like consultants.

In response to a question, Ms. Cameron reviewed the relevant portion of Chapters 190 and 768. Mr. Wrathell explained that Chapter 190 describes the duties of the District Manager and surmised that the District Manager is an extension of the Board, who implements the Board's directives.

Mr. Tarr reiterated his opinion that, if the District Manager is included, verbiage should be added to other portions of the resolution.

Ms. Cameron indicated that Resolution 2015-09 will be modified, as requested, prior to the next meeting. Mr. Tarr asked for a redline version to compare Resolution 1999-11 with Resolution 2015-09. Ms. Cameron will provide the redline version at the next meeting.

This item was deferred to the next meeting.

B. Engineer

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

C. Manager

i. Approval of Unaudited Financial Statements as of July 31, 2015

Mr. Nails presented the Unaudited Financial Statements as of July 31, 2015.

Mr. Tarr questioned why the “other bonds” were listed in the Unaudited Financial Statements, when they were not included in the budget. Mr. Adams indicated that the first refinancing included two Mediterra South “Debt Service” funds and one Mediterra North “Debt Service” fund; Mediterra South was recognized as the lead District and bills Mediterra North for its revenues, through an interlocal agreement, to make the payments on the bonds. Mr. Adams concluded that the Unaudited Financial Statements reflect that activity but the budget does it in cumulation. From an accounting and auditing perspective, the statements are required to show the breakout details for each District, which is why the information is included in the Unaudited Financial Statements. Mr. Tarr asked if all the bonds must be carried. Mr. Adams replied affirmatively and the activity must be segregated.

On MOTION by Mr. Luby and seconded by Mr. Rowe, with all in favor, the Unaudited Financial Statements as of July 31, 2015, were approved.

FIFTEENTH ORDER OF BUSINESS

Supervisors’ Requests

Mr. Tarr was pleased that the draft minutes were available within 30 days of the meetings. He asked that the draft minutes be distributed to the Board automatically, without Board Members requesting them.

Mr. Adams confirmed that the draft minutes, in final draft form, will be emailed to the Board, automatically.

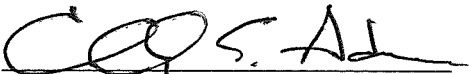
SIXTEENTH ORDER OF BUSINESS


Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Luby and seconded by Mr. Rowe, with all in favor, the meeting adjourned at 12:53 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair