

**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, March 15, 2017 at 9:00 a.m.**, at **The Sports Club at Mediterra (Bella Vita Room), 15755 Corso Mediterra Circle, Naples, Florida 34110.**

Present and constituting a quorum were:

Robert Greenberg	Chair
Ken Tarr	Vice Chair
Mike Bishko	Assistant Secretary
John Henry	Assistant Secretary/Assistant Treasurer

Also present were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Andrew Tilton	District Engineer
Alyssa Willson (<i>via telephone</i>)	Hopping Green & Sams
Greg Pick	MCA General Manager

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 9:01 a.m., and noted, for the record, that Supervisors Greenberg, Tarr, Henry and Bishko were present, in person. Supervisor Luby was not present.

SECOND ORDER OF BUSINESS

Chairman's Opening Remarks

Mr. Greenberg felt that the Board was coming together and was excited about what was accomplished in the past.

THIRD ORDER OF BUSINESS

Public Comments [3 minutes per person]

There being no public comments, the next item followed.

FOURTH ORDER OF BUSINESS**Continued Discussion/Consideration:
Bids Received for Aeration Installation
Services and Funding Analysis**

Mr. Adams recalled that, at the last meeting, bids were submitted from two contractors to complete the aeration projects; TSI Disaster Recovery, LLC (TSI) bid \$400,000 and Wright Construction Group, Inc., bid \$759,166.52. The Board preliminarily awarded the contract to TSI pending funding options. Mr. Adams presented a term sheet from Florida Community Bank (FCB). The interest rate of 4% was competitive for an unsecured line-of-credit. In response to a question, Mr. Adams stated that it was secured based on the District's ability to assess. Mr. Greenberg voiced concern about the \$11,200 cost of issuance (COI) fee. Mr. Adams stated that the fee could be negotiated. Mr. Adams and Mr. Henry felt that the interest rate was appropriate, considering the merger and lake improvements, and recommended the following:

- Not utilizing fund balance
- Funding the full \$400,000, with a 60-month term
- Anticipated funding date of July 1
- Reserve account requirement of \$10,000
- Payment schedule of a twice per year payment with interest only on November 1 and principal and interest on May 1
- Maximum annual payment of \$94,400.
- No prepayment penalties

Discussion ensued regarding the proposal. Mr. Henry voiced concern about meeting the affirmative covenants, such as not taking on any additional debt. Mr. Henry requested that FCB be advised about the merger. Mr. Greenberg stated that any of the conditions could be waived by the bank.

Mr. Adams stated that the affected accounts were identified, recognizing the variance to determine the return on the investment. For capital outlay, aeration would zero out from \$50,000, aquascaping would decrease from \$100,000 to \$50,000, electricity would increase to \$22,500, repairs and maintenance would increase and assessment roll preparation and dissemination agent would decrease. With these changes, there would be repurposed revenue of \$112,606 available and a maximum annual payment in Fiscal Year 2018 of \$94,400, leaving excess of \$18,206. There would be unbudgeted costs, such as COI, debt service reserve and an

interest payment, as a part of the Fiscal Year 2018 assessment levy process. Mr. Bishko believed that it was self-funded, at \$100,000, and presumed that the District would prepay part of the principal to keep interest costs down. Mr. Adams stated that there was an opportunity to prepay.

Mr. Greenberg thanked Mr. Adams, Mr. Henry and Mr. Bishko for providing a funding mechanism to complete the aeration project on an expedited basis. Repurposed revenue in the budget, would cover the first year’s costs of the note; therefore, a special assessment would not be necessary. In response to Mr. Greenberg’s question, Ms. Willson briefly reviewed the term sheet; action would not be taken unless there was Board consensus. Mr. Greenberg stated that District Counsel should coordinate the loan documents with FCB and directed Staff to lock the rate at 4% and lower the COI.

Ms. Willson would review the terms and conditions. Mr. Greenberg felt that the term sheet was straightforward.

On MOTION by Mr. Henry and seconded by Mr. Bishko, with all in favor, awarding the aeration project to TSI Disaster Recovery, LLC, in the amount of \$400,663, and approving the Florida Community Bank term sheet to fund \$400,000 for the aeration of the Mediterra South lakes, subject to reducing the cost of issuance and locking the 4% interest rate, were approved.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2017-4, Approving the District Merger Agreement with Mediterra North

Mr. Adams presented Resolution 2017-4 for the Board’s consideration. In response to Mr. Greenberg’s question, Mr. Adams stated that Section 7 was modified, as a result of the Mediterra North CDD meeting. The Mediterra North CDD Board agreed to two representatives serving on the new Board and identified them but wanted another Mediterra North CDD Board Member appointed, if either or both of those Supervisors were not able to serve.

Mr. Greenberg stated that, if that occurred, the new Board would choose the Supervisors because there would no longer be a Mediterra North CDD Board. Discussion ensued regarding the current Mediterra South CDD seats that would be vacated, the Mediterra North CDD Supervisors that would be appointed to the vacated seats on the merged Board and when the

terms of the seats on the merged Board would expire. Mr. Bishko stated that, at the bottom of Section 7, “one or” should be inserted after “appoint”. Ms. Willson would make this change. Mr. Greenberg requested that a list of all agreements and resolutions be attached to the agreement. Mr. Adams would provide same.

On MOTION by Mr. Tarr and seconded by Mr. Henry, with all in favor, Resolution 2017-4, Approving the District Merger Agreement with Mediterra North, as amended, subject to attaching a list of all Agreements and Resolutions to the Agreement, was adopted.

Mr. Greenberg stated that Ms. Willson’s opinion letter should be attached to the agreement. The letter reflected that the agreement was sound and legal. A similar letter would be submitted to FCB.

SIXTH ORDER OF BUSINESS

Discussion/Consideration of Proposal to Modify Conservation Easement to Allow for Fire Risk Mitigation Activities with the District Conservation Areas

Mr. Greenberg requested that maps and legal descriptions be omitted from future agenda packages, unless there was a reason to include them. Mr. Bishko asked why modifications were not included. Mr. Greenberg wanted the Board to see the easement. Mr. Adams stated that the modifications would be discussed.

Mr. Tilton stated that the filed easement allowed for paths. If the District wanted to include paths, there must be a permit modification showing the paths or the paths could be included in the Wildfire Management Plan. In response to Mr. Greenberg’s question, Mr. Tilton stated that a permit modification entailed a drawing showing the location of the paths and the material used to create the paths. Mr. Greenberg asked if it could be included as part of the fire prevention control program. Mr. Tilton stated that it would be included as an addition to the conservation easement. In response to Mr. Greenberg’s question, Mr. Tilton recommended including the paths in the Wildfire Management Plan.

Discussion ensued regarding the difference between the permit modification and the Wildfire Management Plan.

Mr. Tarr stated that, according to Section 3A of the easement, the District could have a mulched trail that would be closed, when necessary, be use at-your-own-risk and wide enough for a brush truck. Mr. Greenberg suggested including it in the Wildfire Management Plan as a boardwalk that would be an amenity for the community. Mr. Tarr voiced concern about the cost and preferred a fire lane walking trail. Discussion ensued regarding types of trails. Mr. Tilton stated that boardwalks could be included in the Wildfire Management Plan; however, it was premature to hire a Structural Engineer. Mr. Bishko suggested obtaining ideas from the Mediterra Community Association, Inc., (MCA) Parks and Task Force. Discussion ensued regarding the feasibility and potential locations for a boardwalk.

Mr. Tilton would submit the remit amendment to the South Florida Water Management District (SFWMD).

Mr. Tarr distributed a handout about establishment of a Wildfire Task Force. Mr. Tarr would represent the District, Mr. Neary would represent the Mediterra North CDD, Mr. and Mrs. Adams would represent Management and Mr. Greg Pick, Mr. Terry Wood and Mr. Bill Thomas would represent the MCA. Representatives from The Club and Johnson Engineering would be determined. Mr. Greenberg stated that Mr. Rob McWilliams, of The Club, would be the conduit for informational purposes. Mr. Tarr stated that Ms. Mary Wheeler, a resident, volunteered to serve on the Wildfire Task Force.

Mr. Tarr discussed the purpose and scope of the Wildfire Task Force, the Orphaned Lake Banks and the number of neighborhoods that abut preserves. In Phase 1, the District would work with the MCA to develop and implement a wildfire fuel reduction program and Phase II was for Firewise certification. Mr. Tarr outlined the following:

1. Fire line plowing: The least disruptive and least expensive.
2. Manual fuel reduction: Costs depend on the depth of the perimeter zone.
3. Prescribed burns: Forest Service would assist with 250 acres at hourly rates. A foam truck was required.

Mr. Greenberg did not want to discuss costs until there was a plan. If the cost was untenable, the plan would be amended. Mr. Henry requested different alternatives. Mr. Tilton estimated \$12,000 to amend the Wildfire Management Plan; the process would take two months. Mr. Adams confirmed that budget funds were available. Mr. Greenberg requested that the entire Board review the Wildfire Management Plan, prior to submittal to the SFWMD.

On MOTION by Mr. Bishko and seconded by Mr. Henry, with all in favor, authorization for the District Engineer to prepare a Wildfire Management Plan, for submittal to the South Florida Water Management District, in a not-to-exceed amount of \$12,000, was approved.

SEVENTH ORDER OF BUSINESS

Update: Firewise Community Task Force Activities

This item was discussed under the Sixth Order of Business.

EIGHTH ORDER OF BUSINESS

Discussion: Lakes 71 and 72 Continuation of Lake Bank Remediation Efforts and Potential Stabilization Utilizing Rip Rap

Mr. Greenberg recalled that Spikerush was removed from Lakes 71 and 72 and suggested extending the experiment, considering riprap and gauging the community's reaction. Riprap was a possibility for ponds throughout the community, in lieu of plantings. Mr. Greenberg requested a proposal for riprap. Mr. Adams would obtain the proposal.

NINTH ORDER OF BUSINESS

Update: Veteran's Parkway Right of Way Conveyance

Mr. Adams stated that the conveyance of Veteran's Parkway back to the District was proceeding slowly. Mr. Tom Hart engaged a surveyor to prepare the sketch and legal description. At a prior meeting, west of Livingston Road was discussed; however, the County was not interested. East of Livingston Road was not an issue. In response to Mr. Tarr's question, Mr. Adams stated that the property was within the right-of-way and was 30' to 40' additional to what the District owned. Mr. Greenberg stated that the CDD owned from the wall to the road and the plan was to deed or convey a perpetual easement to the MCA. Mr. Tarr asked if there was interest in the CDD creating a dog park. Mr. Greenberg stated that the MCA would never build a dog park because the property was outside of Mediterra and there was a dog park in Bonita. Mr. Henry suggested getting the property deeded and then deed it to the MCA. Mr. Greenberg was in favor of deferring this item until the land was conveyed.

TENTH ORDER OF BUSINESS

Approval of Meeting Minutes

A. February 1, 2017 Joint Public Workshop

Mr. Greenberg presented the February 1, 2017 Joint Public Workshop Minutes and asked for any additions, deletions or corrections. Mr. Greenberg and Mr. Tarr provided the following change to Management, prior to the meeting:

Line 61: Insert “Collier County” after “Bonita Springs”

Line 61: Insert “it” after “assumed”

Line 69: Insert “not” after “springs”

Lines 85, 89 and 92: Change “the County” to “Collier County”

Line 134: Change “Godshall” to “Neary”

Line 139: Delete “fewer”

Line 140: Insert “the” before “voting” and “vs landowners” after “individuals”

Line 263: Change “the merger not change the” to “if the merger would change”

B. February 9, 2017 Joint Public Workshop

Mr. Greenberg presented the February 9, 2017 Joint Public Workshop Minutes and asked for any additions, deletions or corrections. Mr. Greenberg and Mr. Tarr provided the following change to Management, prior to the meeting:

Line 82: Change “wildlife” to “wildfire”

Line 95: Delete “the” at the end of the line

Line 96: Insert “Group, the” after “Bay”

Line 100: Change “rapidly, within two months” to “rapidly, starting within two years”

C. February 15, 2017 Regular Meeting

Mr. Greenberg presented the February 15, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections.

Mr. Greenberg and Mr. Tarr provided the following change to Management, prior to the meeting:

Line 164: Change “\$30,000 to \$50,000” to “\$50,000 to \$30,000”

Line 234: Change “overwhelming” to “underwhelming”

Line 243: Change “A number of insurance companies” to “Some insurance companies” and delete “10%”

Line 253: Insert “South” before “CDD”

Line 254: Change “could” to “might”

On MOTION by Mr. Henry and seconded by Mr. Tarr, with all in favor, the February 1, 2017 Joint Public Workshop, February 9, 2017 Joint Public Workshop and the February 15, 2017 Regular Meeting Minutes, as amended, were approved.

ELEVENTH ORDER OF BUSINESS

Action Items

Lines 212 through 214, on the February 1, 2017 Joint Public Workshop Minutes should be added to the Action Items List.

Mr. Bishko stated that Items 1 through 4 on the Action Items List were out of sequence and should be moved to the end of the list.

TWELFTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of January 31, 2017

This item was discussed following Item 13C.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

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

B. District Engineer

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

C. District Manager

- **Next Meeting Date: Wednesday, April 19, 2017 at 9:00 A.M. (*The Sports Club at Mediterra, Bella Vita Room*)**

Mr. Adams stated that the next meeting will be held on April 19, 2017 at 9:00 a.m., at this location.

- **Acceptance of Unaudited Financial Statements as of January 31, 2017**

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

Mr. Adams presented the Unaudited Financial Statements as of January 31, 2017.

Mr. Greenberg requested that the Combined Financial Highlights Report, distributed by Mr. Adams, be included in future agenda packages and Mr. Bishko requested that, if that was unattainable, it should be emailed two days prior to the meeting.

Mr. Tarr asked about the money transferred to the Bond Trustee. Mr. Adams received the trust statements and would circulate them. Mr. Tarr asked if the Board wanted to know when the funds transferred from Management to the Trustee. Mr. Henry suggested that a Supervisor approve the movement of money in excess of a specified amount. Mr. Adams stated that a lump sum was provided by the Tax Collector and the funds were separated, prior to transfer to the Trustee; however, he would review the process. Mr. Tarr asked if the Tax Collector sent a check or wire transfer. Mr. Adams stated that the funds were in the District's name and Management was an authorized signer; he would confirm. Mr. Adams would provide a reconciliation of the funds, showing when and where the funds were moved and have it approved, via email. Mr. Greenberg requested that this item be placed on the next agenda. Mr. Adams would work with Mr. Henry. Mr. Henry asked if the Report could include upcoming expenses.

Mr. Greenberg asked about the revised MCA Maintenance Agreement. Mr. Adams stated that it was approved, at the last meeting. Ms. Willson stated that, at the last meeting, there was an amendment for the MCA to replace plant material on Orphaned Lake Banks and bill the District. Mr. Tarr stated that a Medici property owner stated that, perhaps, Medici property owners that face the lake bank would contribute to upgrade the plants to Bougainvillea. Mr. Tarr stated that the lake banks in Caminetto were breathtaking and asked what the Board thought about homeowners contributing to upgrades. Discussion ensued regarding owners paying for upgrades. Mr. Greenberg would place this item on the MCA agenda.

On MOTION by Mr. Bishko and seconded by Mr. Tarr, with all in favor, amending the Maintenance Agreement between the Mediterra South Community Development District, Mediterra North Community Development District and the Mediterra Community Association, to enable residents to pay the Districts for plant material upgrades, was approved.

D. Operations Manager

Mrs. Adams stated that fountains were installed in Lakes 75 and 76, in Caminetto. Mr. Danville Ledbetter, of Spalding Pointe Development (Spalding) asked for permission to install

the fountains. Spalding was asked to pay the aeration cost but refused. Spalding installed the fountains without permission. In response to Mr. Greenberg's question, Mrs. Adams stated that the District owned the ponds. Mr. Tarr asked if two electric meters would be on the ponds. Mrs. Adams stated that the District would have its own meters installed but Spalding supplied the electric source. Discussion ensued regarding the electrical source. Mr. Pick stated that the MCA owned all fountains, on the east side, and paid the electric. There were no fountains on the west side. Mr. Greenberg asked District Counsel to send a letter and invoice for the aeration to Spalding, stating that they did not have permission to install the fountains. Ms. Willson would draft the letter and submit it to Mrs. Adams.

Mr. Tarr voiced concern about other fountains utilizing CDD power boxes. Mr. Adams stated that it would be noticeable, as there was a significant difference in the amount of electrical use between a fountain and an aerator.

Discussion ensued regarding the plants in Caminetto. Mr. Henry stated that the plants would be the responsibility of the MCA. Mr. Greenberg stated that London Bay was responsible until turnover to the MCA but would review the recorded covenants for Caminetto.

Mr. Tarr stated that, when he toured the community with Mr. Woods, there was a buried electrical box and what appeared to be an old fuel tank on a small strip of land between Terraza Lane and Amarone Court. The box top was ajar. Mr. Greenberg asked the Operations Manager and the District Engineer to investigate and report at the next meeting.

FOURTEENTH ORDER OF BUSINESS**Supervisors' Requests**

Mr. Greenberg requested reconsideration of Resolution 2016-6, limiting the ability of Supervisors to communicate directly with Staff, to allow the District Manager and Chair to be notified of any communication, in advance, and the Chair having the right to disapprove it. Mr. Tarr asked if the District Engineer billed in 15 minute increments. Mr. Tilton stated that, unless it was a major issue, it was not accounted for.

Ms. Willson recommended sending communications directly to the District Manager to forward to the Chair, so there were no Sunshine Law issues. Mr. Greenberg stated that the amended resolution would be placed on the next agenda.

On MOTION by Mr. Bishko and seconded by Mr. Tarr, with all in favor, repealing Resolution 2016-6, Limiting the Ability of Supervisors to Communicate Directly with Staff, to allow Supervisors to communicate directly with hourly rate District Staff, inform the Chair and District Manager in advance of any communication and the Chair the authority to disapprove communication, at his/her discretion, subject to review and approval by District Counsel, was approved.

FIFTEENTH ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

SIXTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned at 11:08 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair