

**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, June 21, 2017 at 9:00 a.m.**, at **The Sports Club at Mediterra (Bella Vita Room), 15735 Corso Mediterra Circle, Naples, Florida 34110.**

**Present and constituting a quorum were:**

Robert Greenberg	Chair
Ken Tarr ( <i>via telephone</i> )	Vice Chair
Mike Bishko ( <i>via telephone</i> )	Assistant Secretary
John Henry	Assistant Secretary/Assistant Treasurer
Dallas Luby	Assistant Secretary

**Also present were:**

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Andy Tilton	District Engineer
Mallory Clancy	Johnson Engineering
Sarah Warren ( <i>via telephone</i> )	District Counsel
Lisa Van Dien	London Bay Homes General Counsel
Danville Ledbetter	Spaulding Point Development, LLC
Mike Radford	M.R.I. UnderWater Specialists

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Adams called the meeting to order at 9:04 a.m. Supervisors Greenberg, Luby and Henry were present, in person. Supervisors Tarr and Bishko were attending via telephone.

**SECOND ORDER OF BUSINESS**

**Chairman's Opening Remarks**

Mr. Greenberg stated that, in the past month, the Board addressed the issue of snakes in the lakes, finalized the easement of the Distinctive Homes, implemented a fire plan and coordinated a pipe inspection with the MCA. These activities revealed the importance of coordinating with the MCA and reducing the number of stakeholders. Mr. Greenberg's vision was for Mediterra to reduce the number of stakeholders by completing the merger with Mediterra

North and, ultimately, merging into the MCA, when the bonds were paid off, so that one entity manages all of the community property. Mr. Greenberg acknowledged that this would not be accomplished during his tenure; however, he hoped to commence the process far enough, so that those who followed could accomplish it.

Mr. Greenberg stated that a lake audit would be performed on June 29, by Mr. Adams, Mrs. Adams and himself, and invited his colleagues to participate. In response to Mr. Greenberg’s question regarding the status of a letter to residents, Mr. Adams would finalize the letter this week and it would be mailed to residents of both CCDs by mid-July. Mr. Greenberg stated that the letter would address the assessment increase and that it would go into effect, to pay for the first phase of the Wildfire Reduction Plan. Because the increase was above the statutory cap, a separate notice must be mailed explaining the history and necessity of the assessment increase.

**THIRD ORDER OF BUSINESS**

**Public Comments [3 minutes per person]**

There being no public comments, the next item followed.

**FOURTH ORDER OF BUSINESS**

**Update: Merger Proceedings**

Mr. Adams stated that Collier County cleared the District for the merger and, today, District Counsel was attending the Bonita Springs City Council meeting, on behalf of Mediterra North CDD. No issues were anticipated, although the item was pulled from the consent agenda, which indicated that a discussion would occur. Once the Mediterra North CDD obtained clearance, documents would be submitted to the Florida Land and Water Adjudicatory Commission (FLAWAC), in early to mid-July and then forwarded to the Governor’s office.

**FIFTH ORDER OF BUSINESS**

**Update: Status of Reimbursement Request from Spaulding Point for District Installation of Aerators in Lakes #75 and #76**

Mr. Adams stated that Management sent a letter to London Bay Homes (LBH), in Spaulding Point, requesting payment for the District’s costs for installation of aeration systems in lakes #75 and #76, recognizing that LBH installed fountains in those ponds without the District’s

approval. In response to a question, Mr. Adams stated that the Developer was not asked to pay for aeration in any other ponds in Mediterra. In Lee County, any pond over 12' was required to have an aeration system. In response to a question regarding the depth of the ponds, Mr. Adams stated there was an aeration system in every pond in Mediterra North CDD, over 12' but this was not required in Mediterra South CDD. Mr. Greenberg asked if the cost for Lakes #75 and #76 were included in the District's aeration plan. Mr. Adams stated that it was discussed but never priced because the fountains were installed. The directive of the Board was to pursue the Developer to fund the aeration systems, so it was never programmed in the project or funded as part of the bank loan.

Mr. Greenberg introduced Ms. Lisa Van Dien, General Counsel for LBH, to address the issue, along with Mr. Danville Ledbetter, Development Consultant for LBH. In response to a question, Mr. Ledbetter stated that he functioned as a site developer and specialized in improvement projects, cultivating, preparing and conveying new communities. Mr. Ledbetter notified Mr. Adams about the project approximately one year ago, as well as the MCA. In preparing to install fountains in Lakes #75 and #76, Mr. Ledbetter first corresponded with Mrs. Adams, through Mr. Andy Knott, in late 2016, regarding a power source. In December, Mr. Ledbetter received an email from Mrs. Adams asking about the permission for the fountain installations and stating that there would be a fee for the aerators. In March, after the improvements were completed, Mrs. Adams sent a letter to Mr. Ledbetter requesting payment of \$17,000 for a license agreement. Ms. Van Dien stated that it was inappropriate for LBH to execute the license agreement, since the fountains would ultimately be maintained by the MCA. Mr. Greenberg stated that there was miscommunication between Danville, Mrs. Adams and the MCA and, at the same time, the CDD ran a program to accelerate aeration in the ponds and improve water quality. Mrs. Adams stated that, when it was brought to her attention that Mr. Ledbetter was planning to install the fountains, she sent him the agreement, clearly stating that the ponds were owned by the District and Mr. Ledbetter would need to obtain approval from the District, prior to installing them; however, the fountains were installed and operating, without prior permission. Mr. Ledbetter stated that he did not receive the agreement until after the fountains were installed. Ms. Van Dien believed that the District was treating the developer differently and questioned why there was a \$17,000 license charge. Mr. Greenberg stated that the CDD may have failed in not establishing a clear and coherent policy in advance of Lakes #75

and #76 being installed and that the developer should have done their due diligence to learn what should been done. He felt that the best way to resolve the issue was to split the cost. Discussion ensued regarding Mr. Greenberg proposal to split the costs.

**On MOTION by Mr. Bishko and seconded by Mr. Luby, with all in favor, splitting the costs, 50/50, between the District and London Bay Homes, to resolve the reimbursement request related to installation of aerators in Lakes #75 and #76, to, was approved.**

**SIXTH ORDER OF BUSINESS**

**Update: Amendment to Conservation Area Permit for Wildfire Resilience, Break and Preserve Management Plan**

Mr. Tilton stated that Ms. Clancy was assisting with the Wildfire plan and would be visible, from time to time, and was in the process of scheduling a pre-application meeting date with the South Florida Water Management District (SFWMD). The meeting was anticipated to occur in early to mid-July. Mr. Tilton asked that, at least, one Board Member attend the pre-application meeting, without advertisement, as the regulator must face the client and address them directly. Mr. Greenberg agreed to attend the meeting. In response to Mr. Greenberg’s question regarding the next step, Mr. Tilton stated that following the meeting with SFWMD staff, and depending on the significance of any required changes, the permitting could be granted immediately. This area of permitting is very much about negotiation.

**SEVENTH ORDER OF BUSINESS**

**Continued Discussion: Lakes 71 and 72 Retaining Walls**

Mr. Adams circulated documents from District Counsel, which included a resolution and a disclaimer of property interest in the retaining wall. Mr. Greenberg provided a summary. Previously, it was discovered that part of the retaining wall was within the lake bank boundary, and therefore, on CDD property. The retaining wall was built to permit specifications and did have latent defects that would materially reduce its useful life, estimated to be 10 to 50 years. The District Engineer was asked to stake the area. An appropriate map was drawn and District Counsel was asked to coordinate with LBH’s counsel and Lucarno’s counsel to reach an agreement. In response to Mr. Greenberg’s question, Ms. Warren confirmed that no agreement

was reached. Mr. Greenberg stated that, when he had those discussions, Mr. Johnson was instructed to convey that, if an agreement could not be reached, the District would disclaim. The first document was a resolution, disclaiming ownership and responsibility for the wall. The second was a disclaimer that would be filed in the land records formally disclaiming right, title or ownership in, and it reverted to whomever owned it before. In light of the meeting he had yesterday with LBH, over MCA declaration issues, Mr. Greenberg asked the Board to table the item another month. Discussion ensued regarding the retaining wall, the agreement and the ponds.

**On MOTION by Mr. Henry and seconded by Mr. Luby, with all in favor, tabling discussion of Lakes 71 and 72 retaining walls to the August meeting, was approved.**

**EIGHTH ORDER OF BUSINESS**

**Discussion: M.R.I. UnderWater Specialists Inspection Report**

Mr. Greenberg asked Mr. Mike Radford, of M.R.I. UnderWater Specialists (MRI), whether clogging was an issue, in any particular lake, and if some lakes were worse than others, or clogged faster. Mr. Radford replied yes and no and circulated photographs of problem areas. In developments with a lot of new construction and an abundance of trees, such as Mediterra, lake clogging was more prevalent than in older neighborhoods, due to extra debris and dirt from landscaping, construction and road debris. Weather dictated much of what occurred with the lake banks in relation to the storm drains, runoff and interconnects. Lake bank erosion, present in Lakes #30 and #31, was caused by a myriad of factors, including droughts followed by heavy rains and land changes that resulted in sand and dirt infiltrating the lakes and clogging the pipes. Mr. Radford referenced a mitered end pipe, which was not protected by a head wall and extended out into the lake. Given that the pipe was positioned away from the bank, it could easily become blocked by heavy rain induced material cascading in front of the mitered end. Mr. Greenberg asked if it made sense, financially, to extend that pipe. Mr. Radford replied affirmatively. Mrs. Adams was directed to identify all mitered end pipes in the next lake audit. Other items referenced included a curb inlet and a blocked head wall in Lake #76. In response to a question, Mr. Radford stated that blocked head walls were all over and not solely by the outfalls. In response to Mr. Greenberg’s question, Mrs. Adams stated that the pipes were cleaned regularly.

Mr. Greenberg asked for an in-depth analysis of the lakes. Mr. Adams pointed out that an analysis was included in the MRI report and was on the spreadsheet and expressed concern about the lakes that suddenly started clogging up, as well as those that clogged repeatedly. He stated that certain lakes were clean in 2015 and 2016, yet were currently 60% to 100% blocked by sand and debris, such as Lakes #24 and #31, in particular. Mr. Radford stated that there were errors in the report, with regard to the lakes, the outfall and Coco 2, and would provide a revised version. Mr. Radford attributed the blockages to concrete mixing trucks, flushing their trucks into the boxes. Mr. Greenberg urged Mr. Radford to alert Management the next time he witnessed suspicious construction activity. Mr. Tarr stated that most of the older neighborhoods did not have blockage issues because, prior to the turnover, the Bonita Bay Group, removed concrete from the boxes. Mr. Tarr stated that the District always used a 25% standard because, over the years, Johnson Engineering indicated that there was very little spare capacity in the system. Historically, the Board chose 25% because that was a reasonable, affordable amount to clean and stated that now, there was 40% as the cutoff. Mr. Tarr felt that Johnson Engineering should comment on this change. Mr. Greenberg stated that the Board should establish a standard, above which, on an annual basis, Staff would obtain proposals and have blockages cleaned without coming to the Board, every year. He suggested establishing a policy that would become routine. The discussion should be about defining the appropriate standard, could it be District-wide and should it be different for various lakes and outfalls. Mr. Adams stated that the District's threshold was always 25% and the cost for maintenance, at that threshold, was \$28,900 versus \$18,900, for maintenance at 40%. Mr. Adams asked Mr. Radford to revise the proposals and resubmit them. Discussion ensued regarding inspecting, surveying, measuring and cleaning the lakes.

**On MOTION by Mr. Luby and seconded by Mr. Henry, with all in favor, surveying in the first four months of each calendar year and cleaning the outfalls at 100% and interconnecting pipes at 25%, were approved.**

Mr. Greenberg stated that, since a policy was established, Management should secure a reasonable estimate from Mr. Radford, to be included in the budget, and consider lake maintenance as a routine operational item, below the Board's level. He asked Staff to coordinate

with MRI to identify potential capital improvements to remediate some of the infrastructure issues previously alluded to and develop an analysis, indicating whether a capital expenditure might reduce operating costs, and present a proposal. Mr. Adams would follow up with Mr. Radford. In response to Mr. Tarr’s question regarding Lake #44, on Page 6 of the MRI report, regarding dog litter bags in the street drain box, Mr. Greenberg stated that the MCA or CDD would send a letter to every homeowner on Verona Lane and indicate that disposing of dog waste bags in the curb inlet was a health and safety hazard and urging residents to use the dog waste stations. If there were no dog waste stations nearby, one would be installed by the MCA. In response to Mr. Bishko’s comments, Mr. Greenberg stated that the motion that was just passed would resolve the issues raised and Staff would evaluate the report and apprise the Board of any items outside of the parameters established by the Board. In light of the motion that was passed, the current proposal would be considered and entered into in accordance with the new policies established by the Board.

***\*\*\*The meeting recessed at 10:13 a.m.\*\*\****

***\*\*\*The meeting reconvened at 10:20 a.m.\*\*\****

**NINTH ORDER OF BUSINESS**

**Consideration of Responses to RFP for Annual Audit Services (Sitting as the Auditor Selection Committee)**

**A. RFP Package**

Mr. Adams stated that, although all of the responders were qualified, contracts were usually awarded to the lowest bidder. In response to Mr. Tarr’s question regarding pricing, Mr. Adams stated that the prices quoted would not fluctuate and, ultimately, the Audit reports would be similar, as all of the firms must meet certain requirements and standards. Regarding the merger, Mr. Adams stated that the merger was disclosed to all of the firms and some of the responders addressed it in their pricing, while others did not.

**B. Affidavit of Publication**

The affidavit of publication was provided for informational purposes.

**C. Respondents**

- i. Berger, Toombs, Elam, Gaines & Frank**
- ii. Carr, Riggs & Ingram, LLC**
- iii. Grau & Associates**

**iv. McDirmit Davis & Company, LLC**

The Board sat as the Audit Committee. The Audit Committee members completed their ranking forms.

**D. Ranking**

McDirmit Davis & Company, LLC was the number-one ranked firm.

**E. Award of Contract/Authorization to Negotiate with Number-One Ranked Firm**

The Audit Selection Committee recommended entering into contract negotiations with McDirmit Davis & Company, LLC, the number-one ranked firm.

**On MOTION by Mr. Luby and seconded by Mr. Henry, with all in favor, declaring McDirmit Davis & Company, LLC., the number-one ranked firm and authorizing Staff to enter into negotiations, with the caveat that any final contract does not include add-on charges, was approved.**

**TENTH ORDER OF BUSINESS**

**Approval of May 17, 2017 Regular Meeting Minutes**

Mr. Greenberg presented the May 17, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

Line 69: Delete “Add” and Change “settled” to “struck”

Line 71: Change “years” to “year’s”

Line 94: Change “consent” to “Court”

Line 95: Change “a” to “an optional”, “on” to “at” and “consent agenda” to “council meeting”

Line 104: Change “resented” to “criticized”

Line 117: Change “remission” to “emission”

Line 235: Change “was free” to “indicated he would” and Insert “as President of the MCA” at the end of the sentence.

Line 289: Change “beds” to “banks”, change “Bay’s” to “Bay” and delete “Developer or the HOA,”

Line 293: Delete sentence after “to” and insert “present the survey to the Board”



**On MOTION by Mr. Henry and seconded by Mr. Luby, with all in favor, the May 17, 2017 Regular Meeting Minutes, as amended, were approved.**

**ELEVENTH ORDER OF BUSINESS**

**Action Items**

Items 1, 2, 3, 4, and 6 were completed.

Items 5, 7, 8, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19 were ongoing

Regarding Item 5, Mr. Greenberg stated that it was tabled.

Regarding Item 9, Mr. Adams stated it was the same as Item 10 and called for its removal.

**TWELFTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial Statements as of April 30, 2017**

Mr. Adams presented the Unaudited Financial Statements as of April 30, 2017.

**On MOTION by Mr. Henry and seconded by Mr. Luby, with all in favor, the Unaudited Financial Statements as of April 30, 2017, were approved.**

**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 addition to report, the next item followed.

**C. District Manager**

- **Next Meeting Date: Wednesday, August 16, 2017 at 2:00 P.M.**

The next meeting will be held on August 16, 2017 at 9:00 a.m., at this location, rather than 2:00 p.m. In response to Mr. Greenberg’s question, Mr. Adams stated that the in-person quorum for the next meeting would be the same as today and urged the Board to inform him of any changes in availability.

**D. Operations Manager**

Mrs. Adams stated that six aeration systems were installed and operating. A \$72,000 invoice was received. Lake 14 came online in the previous week and an invoice was forthcoming. As requested, the aeration systems would be added to the map and submitted to the Association, after the meeting. In response to Mr. Greenberg's question, seven ponds were aerated, thus far. Mrs. Adams would provide a list with the number of remaining ponds to be aerated.

Mrs. Adams was contacted by the landscaping foreman for Crawford Landscaping, representing the Calabria HOA, and informed that they were preparing to perform more vegetation removal in the wetland. Mr. Greenberg stated that Mediterra North CDD was responsible for that but, since the Districts were merging, it was good to know.

**FOURTEENTH ORDER OF BUSINESS****Supervisors' Requests**

In response to Mr. Tarr's question regarding transfer of the assessment rolls to Management, Mr. Adams stated that those responsibilities were already assumed and being managed.

Mr. Greenberg reminded Mr. Adams about the letter to residents regarding the assessment.

Regarding cement deposits in the storm drains, sending a complaint letter to LBH was suggested. Mrs. Adams suggested asking the Developer to pay for the pipe blockage clearing. Mrs. Adams would secure proposals for the pipes in question. Mr. Greenberg directed Staff to write the complaint letter.

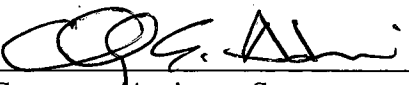
**FIFTEENTH ORDER OF BUSINESS****Public Comments**

There being no public comments, the next item followed.

**SIXTEENTH ORDER OF BUSINESS****Adjournment**

There being nothing further to discuss, the meeting adjourned.

<b>On MOTION by Mr. Luby and seconded by Mr. Henry, with all in favor, the meeting adjourned at 10:51 a.m.</b>
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Secretary/Assistant Secretary



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Chair/Vice Chair