

**MINUTES OF MEETING
MEDITERRA
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Mediterra Community Development District held a Virtual Public Meeting on May 27, 2020 at 3:00 p.m. via <https://us02web.zoom.us/j/85468224464> or by dialing 1-929-205-6099, meeting ID 854 6822 4464.

Present, via telephone, were:

Robert Greenberg	Chair
Ken Tarr	Vice Chair
Thomas H. Van Tassel	Assistant Secretary
Mike Bishko	Assistant Secretary
Mary Wheeler	Assistant Secretary

Also present, via telephone, were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Jonathan Johnson	District Counsel
Andy Tilton	District Engineer
Tammy Campbell	McDermitt Davis
Mike Radford	MRI
Brenda Radford	MRI

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 3:40 p.m. All Supervisors were present. In consideration of the COVID-19 pandemic, this meeting was being held virtually, via Zoom, and telephonically, as permitted under the Florida Governor's Executive Orders 20-52, 20-69 and 20-112, issued on March 9, 2020, March 20, 2020 and April 29, 2020, respectively, which allow local governmental public meetings to occur by means of communications media technology, including virtually and telephonically. The meeting was advertised to be held virtually and telephonically and the meeting agenda was posted on the District's website.

SECOND ORDER OF BUSINESS

Chairman's Comments

Mr. Greenberg noted the 14 participants on the call and remarked that attendance for in-person meetings was never this great. He asked Mr. Bishko and Mr. Van Tassel if they

MEDITERRA CDD

May 27, 2020

intended to run as incumbents when their seats expire and disclosed that he already filed his forms with the Secretary of State. As Mediterra is a multi-County CDD, candidates must qualify through the Secretary of State’s Division of Elections.

Mr. Bishko voiced his opinion Management should have provided hard copies of the agenda. Mr. Adams stated, due to the pandemic, Management’s staff is working from home so it is not feasible to produce/copy and ship hard copies. Mr. Greenberg volunteered to print copies for Board Members for future virtual meetings.

THIRD ORDER OF BUSINESS

Public Comments [3 minutes per person]

There being no public comments, the next item followed.

FOURTH ORDER OF BUSINESS

Presentation of Mediterra Community Development District’s Audited Annual Financial Report for the Fiscal Year Ended September 30, 2019, Prepared by McDimit Davis & Company, LLC

Ms. Campbell responded to questions about the following items in the audit:

Note 2, on Pages 14 through 17: Tax Collector discount and Deferred Outflows/Inflows of Resources

Page 7: Deferred charge on bond refunding and the Statement of Net Position

Page 21: Improvement Revenue Note, Series 2016

Mr. Tarr asked if a District loan with Florida Community Bank qualifies as a tax-exempt security. Mr. Johnson replied affirmatively and stated the loan was issued on a tax-free basis.

Page 18: Mr. Bishko asked about fair value measurements and GASB 72 and if the District might have to make a balloon payment in 2023.

Ms. Campbell stated GASB 72 relates to how the fair value of an investment is determined. Level 1 refers to items that are traded in active markets, Level 2 refers to most money markets as they consist of many different investments and the credit rating triple-A, which is the highest value. Regarding the balloon payment, the District’s principal payment is \$865,000, as noted on Page 22, which is consistent with previous payments; there is no balloon.

Page 15: Ms. Wheeler asked about the depreciation of assets.

MEDITERRA CDD**May 27, 2020**

Ms. Campbell referred to Note 4 on Page 19 and stated the improvements, other than buildings, were fully depreciated and the Infrastructure has \$6,763,999 left to depreciate; each individual asset that is capitalized is either capitalized over 10 or 30 years.

Pages 1 through 2, Independent Auditor's Report: Mr. Greenberg voiced his opinion that there was an error on Page 2 under "Uncorrected and corrected misstatements." He requested deletion of the second paragraph and questioned two sentences under "Other Matters." He felt that, if an audit was conducted in accordance to governmental auditing standards, the auditors should have done enough testing to issue an opinion.

Ms. Campbell explained that the sentence, "We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance." simply refers to the required supplementary information in the Opinion paragraph above it. Regarding the required supplementary information about which an opinion could not be expressed, Ms. Campbell stated, in the CDD's case, it was the MBNA outlined in Pages 3 through 6.

Mr. Greenberg requested the following change:

Pages 3 through 6: Insert that an opinion is further limited to those three pages to identify exactly what the supplementary information is that limits the auditors' procedures in the first sentence of the paragraph on Page 3 and in the last sentence on Page 6.

Discussion ensued regarding the Government-Wide Financial Analysis table on Page 4, the "unrestricted" line item on Page 7 and the fund balance on Page 10. Mr. Greenberg asked if he should be concerned about the "excess (deficit) of revenues over expenditures". Ms. Campbell stated the number to focus on should be the ending fund balance of \$10,303; the Board should consider if those estimates would cover the recurring expenses.

Page 23, Internal Control Over Financial Reporting: Mr. Greenberg felt that there were discrepancies in the following sentences:

- "We do not express an opinion on the effectiveness of the District's internal control."
- "During the audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified."
- "The results of our test disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards."

MEDITERRA CDD**May 27, 2020**

Mr. Greenberg felt that those sentences were entirely inconsistent and requested that they be revised. In his opinion, unless there was a material omission by the District Manager or a material cover-up, a material weakness should have been found. Ms. Campbell stated, based on what she tested, there were no findings. The audit was not an internal control audit but, as part of the audit process, her firm examines internal control over the general control over the major processes that relate to the financial numbers. Mr. Greenberg asked if the audit would have identified any issues if internal controls were not in place or sufficient. Ms. Campbell stated, if any internal control issues were identified, they would have been reflected in the letter. Mr. Greenberg commended Ms. Campbell and her firm on a job well done.

Ms. Campbell left the meeting.

FIFTH ORDER OF BUSINESS

**Consideration of Resolution 2020-06,
Accepting the Audited Annual Financial
Report for the Fiscal Year Ended
September 30, 2019**

Mr. Greenberg presented Resolution 2020-06. Mr. Johnson asked if the Chair wanted to adopt Resolution 2020-06, subject to the changes to the audit that he requested and the auditor's agreement, on the record, to make those changes in the final version. Mr. Greenberg replied affirmatively.

On MOTION by Mr. Tarr and seconded by Mr. Van Tassel, with all in favor, Resolution 2020-06, Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2019, subject to the changes requested and discussed being made by the auditor, was adopted.

SIXTH ORDER OF BUSINESS

**Continued Discussion: M.R.I. Underwater
Specialists, Inc. 2020 Drainage Inspection**

- A. Inspection Memo**
- B. Cleaning Quote**
- C. Outfall Inspections**

Mrs. Adams stated that the Board previously requested that MRI representatives attend the next meeting to discuss the five outfall structures, the scope of services and to ask about

MEDITERRA CDD**May 27, 2020**

having MRI utilize specialized equipment to videotape the interior of the outfall structures. The cost would be \$1,000. Mr. Greenberg suggested skipping the presentation and commencing with the discussion.

Mr. Tarr stated that the community encountered a once in 500-year event. with Hurricane Irma, and the pipes had not been checked in five years, so an inspection would be needed. Mr. Radford stated MRI recently completed all of the cleaning for the year and would conduct an inspection, if directed to do so. Discussion ensued regarding the outfall structures, if the ROV Equipment penetrated the full length of the pipe, sinkholes between structures 68 and 68A and repair costs, surplus funds and amending the budget. Mr. Greenberg suggested increasing the budget by \$75,000. Mr. Tarr asked about the stormwater system, mentioned the flooding in Brendisi, after Hurricane Irma, and expressed concern that the area could be flooded again during hurricane season. Discussion ensued regarding a retaining wall, external factors, hydrostatic pressure, flow rate and whether the elevation of the pond is defective. Mr. Greenberg stated this item would be included on the next agenda and Mr. Tilton would be asked to tour the area and address the flooding in Brendisi. Regarding the ROV, add-on in the amount of \$1,000, Mr. Greenberg voiced his opinion that it is an unnecessary expense, given that there is only 10% sediment and debris in only one outfall and the visual inspection was clean. The rest of the Board disagreed; they felt that the equipment was necessary and would benefit the community. Staff would execute and schedule for the review of the outfall structures. Mr. Greenberg asked for Lake 48, adjacent to Brendisi, to be placed on the next agenda for Board discussion.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2020-07, Approving Proposed Budgets for Fiscal Year 2020/2021 and Setting a Public Hearing Thereon Pursuant to Florida Law; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date

Mr. Greenberg presented Resolution 2020-07. The following adjustments would be made to the proposed Fiscal Year 2020/2021 Budget:

Page 3, "Supervisors": Change "6 times a year" to "9 times per year"

MEDITERRA CDD**May 27, 2020**

Page 2: Add \$75,000 for drain pipe repairs

Page 2, "Contractual services": Increase \$211,500 to \$215,000

Page 4, "Aquascaping/Lake banks/pipe cleanout": Change "2020" to "2021"

On MOTION by Mr. Bishko and seconded by Ms. Wheeler, with all in favor, Resolution 2020-07, Approving Proposed Budgets for Fiscal Year 2020/2021, as amended, and Setting a Public Hearing Thereon Pursuant to Florida Law for August 19, 2020 at 9:00 a.m., at Sports Club at Mediterra (Bella Vita 1 Room) 15735 Corso Mediterra Circle, Naples, Florida 34110; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date, was adopted.

Mr. Greenberg asked if Staff knew whether the August Public Hearing must be an in-person meeting, if the emergency orders are still in place. Mr. Adams stated it would be advertised as an in-person meeting, at the usual location, as well as virtual, should the executive orders remain in place. Mr. Adams was asked to send the Reserve Study and budget.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2020-08, Implementing Section 190.006(3), Florida Statutes, and Requesting that the Collier County and Lee County Supervisors of Elections Begin Conducting the District's General Elections; Providing for Compensation; Setting for the Terms of Office; Authorizing Notice of the Qualifying Period; and Providing for Severability and an Effective date

Mr. Greenberg presented Resolution 2020-08 and read the title. Because Mediterra is a multi-County CDD, Supervisors must qualify through the Secretary of State's Division of Elections. Mr. Johnson stated, in Exhibit A to the Resolution, which is the notice of Qualifying Period, it specifies that candidates must qualify with the Supervisor at the Department of State and gives the address for that location. Once a candidate qualifies, the entity who will conduct the election in November would be the Collier County or Lee County Supervisors of Election. Discussion ensued regarding revisions to Resolution 2020-08 and/or Exhibit A to include sending notice to the Secretary of State's Division of Elections, in addition to the Supervisor of

MEDITERRA CDD

May 27, 2020

Elections for both Collier. Mr. Adams would notify the Secretary of State and the Supervisor of Election of the subjects of the General Election and follow up with the offices.

On MOTION by Ms. Wheeler and seconded by Mr. Tarr, with all in favor, Resolution 2020-08, Implementing Section 190.006(3), Florida Statutes, and Requesting that the Collier County and Lee County Supervisors of Elections Begin Conducting the District’s General Elections; Providing for Compensation; Setting for the Terms of Office; Authorizing Notice of the Qualifying Period; and Providing for Severability and an Effective date, as amended, was adopted.

NINTH ORDER OF BUSINESS

Discussion: Cane Toad Remediation Program and Continuance

This item was addressed following Item 13D.

TENTH ORDER OF BUSINESS

Discussion: Approval of South Florida Water Management District Permit Modification for Lake 74 and Next Step(s)

Mr. Greenberg stated that the issues to be considered are approving the Change Order for Mr. Tilton and deciding whether to apply for local approval from Collier County. Mr. Tilton stated the effort to get the South Florida Water Management District (SFWMD) permit was already planned and, whenever the Board desires to go through the local approval process, it would need to authorize it because the Board previously agreed to only authorize items on a task-by-task basis for this project.

On MOTION by Mr. Greenberg and seconded by Ms. Wheeler, with all in favor, the Change Order for additional work related to the South Florida Water Management District Permit Modification for Lake 74, in the amount of \$19,475, was approved.

Mr. Greenberg stated the Board must determine whether to proceed and apply to Collier County for the change. Mr. Tilton stated Collier County has a many of requirements related to obtaining a permit and the process would take up to one year. Discussion ensued regarding the lifespan of the United States Army Corps of Engineers (USACE) permit, lifespan of the Collier County permit, the District permit, the SFWMD and extending the Executive Orders,

MEDITERRA CDD

May 27, 2020

due to the pandemic, to lengthen the lifespan of permits. Mr. Tilton stated the Collier County permit costs \$58,000, which could be paid over several months. Mr. Adams confirmed that this item was not in the budget. Mr. Greenberg polled the Board regarding proceeding with the next steps. Discussion ensued regarding the project, the MCA, imposing an \$8 per door assessment and budget increases. Mr. Greenberg proposed reconsidering the budget to include an additional \$60,000 for the permitting. Mr. Adams would incorporate the additional dollars into the proposed budget and include the SFWMD permitting matter on the next agenda. Mr. Greenberg directed Mr. Adams and Mr. Tilton are to file the extension letter with the SFWMD, as soon as the COVID-19 Executive Orders are lifted.

ELEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of April 30, 2020

Mr. Adams presented the Unaudited Financial Statements as of April 30, 2020.

On MOTION by Mr. Van Tassel and seconded by Ms. Wheeler, with all in favor, the Unaudited Financial Statements as of April 30, 2020, were accepted.

TWELFTH ORDER OF BUSINESS

Approval of March 11, 2020 Regular Meeting Minutes

Mrs. Adams presented the March 11, 2020 Regular Meeting Minutes.

The following change was made:

Line 166: Change \$16,000 to \$17,000

On MOTION by Mr. Tarr and seconded by Mr. Van Tassel, with all in favor, the March 11, 2020 Regular Meeting Minutes, as amended, were approved.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Hopping Green & Sams, P.A.*

There being no report, the next item followed.

B. District Engineer: *Johnson Engineering, Inc.*

There being no report, the next item followed.

MEDITERRA CDD**May 27, 2020****C. District Manager: *Wrathell, Hunt and Associates, LLC*****I. Registered Voters in District as of April 15, 2020**

- **Collier County: 723**

There were 723 registered voters residing within the District as of April 15, 2020.

- **Lee County: 429**

There were 429 registered voters residing within the District as of April 15, 2020.

II. NEXT MEETING DATE: June 17, 2020 at 9:00 P.M.

- **QUORUM CHECK**

All Supervisors confirmed their attendance at the June 17, 2020 meeting.

D. Operations Manager: *Wrathell, Hunt and Associates, LLC*

- **Key Activity Dates**

Mrs. Adams reported the following:

➤ The drain pipe projects were completed on Friday and the report was submitted today and was subsequently emailed to the Board Members by Administrative staff.

➤ The lake audit report was completed and would be included in the next agenda.

- **Discussion: Cane Toad Remediation Program and Continuance**

This item, previously the Ninth Order of Business, was presented out of order

Mr. Adams gave the following update:

➤ Staff entered into the Cane Toad Remediation Program one month ago and caught the end of the Spring tadpole season.

➤ There was an expansion to conducting nighttime adult toad selection/harvesting around the CDD pond area and some neighborhoods followed suit.

➤ Going forward, Staff would like to institute monthly cane toad selection to break the tadpole selection cycle.

➤ Extermination would cost \$850 per month for one visit for the District, MCA and The Club; this would allow the exterminators to collect cane toads three nights per month, throughout the community.

➤ The second breeding season usually occurs in September. Another tadpole selection in all CDD lakes would be carried out to break the tadpole population.

➤ The MCA, through Mr. Tim Richards, committed to its monthly portion of the bill and Staff plans to confer with The Club regarding its portion.

MEDITERRA CDD

May 27, 2020

Mr. Greenberg stated that he would try to get The Club and MCA to each contribute $\frac{1}{3}$ of the cost this year and the CDD would assume the entire project next year; the two breeding periods would be in the budget. Discussion ensued regarding the Cane Toad Remediation Program and the lake banks.

FOURTEENTH ORDER OF BUSINESS

Action/Agenda or Completed Items

This item was deferred to the next meeting.

FIFTEENTH ORDER OF BUSINESS

Old Business

There being no old business, the next item followed.

SIXTEENTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Tarr requested that Mr. Tilton investigate the flooding issue in Brendisi.

Mr. Greenberg requested that Management forward the registered voter information from the Supervisor of Elections (SOE) to Ms. Wheeler and Mr. Van Tassel.

SEVENTEENTH ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

EIGHTEENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Ms. Wheeler and seconded by Mr. Van Tassel, with all in favor, the meeting adjourned at approximately 5:54 p.m.

MEDITERRA CDD

May 27, 2020

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Chuck Adams

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Secretary/Assistant Secretary

DocuSigned by:

Robert Greenberg

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Chair/Vice Chair