

**MINUTES OF MEETING
FIDDLER’S CREEK COMMUNITY DEVELOPMENT DISTRICT #2**

The Board of Supervisors of the Fiddler’s Creek Community Development District #2 held a Regular Meeting on June 22, 2022 at 10:00 a.m., at the Fiddler’s Creek Club and Spa, 3470 Club Center Boulevard, Naples, Florida 34114. Members of the public were able to listen and participate at 1-888-354-0094, Participant Passcode: 709 724 7992.

Present were:

Elliot Miller	Chair
Victoria DiNardo	Vice Chair
Linda Viegas	Assistant Secretary
Bill Klug	Assistant Secretary
John Nuzzo	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	District Manager
Tony Pires	District Counsel
Terry Cole	District Engineer
Joe Parisi	Developer’s Representative
Valerie Lord	Foundation Representative
Jose Castillo	Fiddler’s Creek Director of Facilities
Ed Jasiiecki	Fiddler’s Creek Director of Safety
Richard Renaud	Fiddler’s Creek Security
Jody Benet	Fiddler’s Creek Irrigation Manager
Bill Benson (via telephone)	Keefe McCullough

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mrs. Adams called the meeting to order at 10:00 a.m. All Supervisors were present in person.

SECOND ORDER OF BUSINESS

Public Comments: Non-Agenda Items

No members of the public spoke.

THIRD ORDER OF BUSINESS**Presentation of Draft Audited Basic
Financial Statements for the Fiscal Year
Ended September 30, 2021, Prepared by
Keefe McCullough**

Ms. Viegas noted that the audit in the agenda books is not the most recent and stated that she made a number of corrections that were incorporated but the updated version was not included in the agenda.

Mr. Miller wanted it noted that there was a reduction in the deficit from the prior year audit, as shown on Page 3, under Financial Highlights. Mr. Benson stated the improvement of approximately \$1.76 million was noted in another section of the report but he would add it to the Financial Highlights section, as well.

Mr. Miller referred to Page 5 and questioned the decreased "Interest income" from \$53,763 in Fiscal Year 2020 to \$607 in Fiscal Year 2021. Mr. Benson stated he would look into it further but it might be that so much money was set aside in debt service for Fiscal Year 2020 that the CDD had less in liquid idle funds in Fiscal Year 2021 or that monies were grouped in with "Miscellaneous income". He noted the audit software groups items consistently from year-to-year; the CDD had considerably less idle money than in the prior year. Mr. Miller asked for that to be noted in a generic statement at the bottom of the Table, instead of in the footnotes. Mr. Benson will add a generic statement below Table, on Page 5, to explain the variations.

Mr. Miller asked for the Page 6 "General Fund Budgetary Highlights" to be updated to include the actual amounts that revenues were over budget and actual expenditures were under budget, resulting in a favorable variance of approximately \$209,000. Mr. Benson would make the change.

Mr. Miller referred to the Balance Sheet on Page 7 and asked at what rate Capital Assets are depreciated. Mr. Benson stated that major infrastructure assets are depreciated over 40 years; short-lived assets, such as office furniture and computers, are depreciated between five to seven years.

Mr. Miller referred to the "Deferred charge on exchange of bonds" and asked what is the basis. Mr. Benson stated when bonds are refinanced or exchanged, they are amortized over time; it is not a current-year item. Asked if it should be cited, Mr. Benson stated Page 14 lists the "Provision for amortization of deferred charge on exchange of bonds" in the amount of \$7,401; this income would be amortized over the life of the bonds. Mr. Benson stated that the

rules for bond amortization have changed multiple times over his career; the rules in effect at the time of the bond exchange are applicable.

Regarding "Investments" on Page 20, Mr. Miller asked what the "Local Government Surplus Funds Trust" (Trust) is and at what rate interest is paid. Mr. Benson stated that local governmental entities invest their surplus funds in the Trust which earns very little because, as a governmental entity, the CDD's investment policy and permissible investments are extremely limited. Mr. Miller asked if its interest rate is better than banks. Mr. Benson stated it is not.

Regarding "Note 7 – Commitments" on Page 28, Mr. Miller asked for the amount of the completed improvements the CDD committed to acquire from the Developer. Mr. Benson did not believe there is a specific amount; the CDD committed to acquire the infrastructure limited to the Series 2014 and 2015 Capital Projects Bond Funds. There is \$280,000 in the 2014 fund and \$280,000 in the 2015 fund; should the Developer complete work, the CDD is committed up to \$560,000. Mr. Benson stated he would add a note indicating that, as of September 30, 2021, approximately \$560,000 remains in the Capital Project Bond Funds and there were no specific commitments outstanding in 2021.

Regarding "Internal Control over Financial Reporting" on Page 30, Mr. Miller asked for the cost to get an opinion on the effectiveness of the CDD's internal controls. Mr. Benson stated it would be a much more detailed evaluation and estimated that the cost would be \$10,000. Mr. Miller voiced his opinion that this is a material item that the Board should discuss.

Regarding "Financial Condition and Management" on Page 33, Mr. Miller asked for the meaning of the statement that the CDD did not meet any of the conditions described in Section 218.503(1), Florida Statutes. Mr. Benson explained that it is a good thing that the CDD did not meet those conditions.

Mr. Benson stated there are certain financial emergency conditions and criteria, such as a deficit in funds, that would require the management company to advise the Board and submit a corrective action plan. Mr. Miller asked how far the CDD is from the troublesome area. Mr. Benson stated the CDD is not close to being in a troublesome position. In his opinion, it is highly unlikely that the CDD would meet such conditions at the current pace.

Mr. Miller asked why the number of CDD employees compensated is zero on Page 34. Mr. Benson stated CDD Staff and Managers are not direct CDD employees.

Mr. Miller asked why, if the report states the opinion that the CDD complied in all material respects with the specific requirements of the Florida Statutes, it also states that the examination does not provide a legal determination on the CDD's compliance. Mr. Benson stated the report is standardized across the industry and procedures are checked for compliance with the Statute but, legal determinations are not made, as the auditors are not attorneys.

Ms. Viegas thanked Mr. Benson and his team for their quick turnaround and corrections to address the items she submitted. Mr. Benson thanked Ms. Viegas for her detailed review. He believed all her changes were made.

Regarding Note 11 on Page 29, Ms. DiNardo observed that the coronavirus (COVID) outbreak's effect on the economy and the CDD's progress were mentioned. She asked if inflation should be added as a factor. Mr. Benson stated that inflation is having a broad impact. Causes and effects of inflation and how to note the impact of inflation and investments on future audits were discussed.

Mr. Klug asked if this discussion is relevant to this audit or if it is hypothetical. It was agreed it is not relevant to this audit.

Mr. Miller asked the Board to share their opinions regarding whether an in-depth internal controls review should be conducted for an additional cost of \$10,000.

Ms. Viegas asked Mr. Benson if he saw anything during his normal audit procedures dealing with the District Management Team that would raise concerns regarding Management's internal controls and that would require a detailed review. Mr. Benson replied no. In his opinion, the CDD has one of the best Management teams. He always communicates any concerns he has to his clients. He deals with numerous management teams and Districts. He does not believe there is any issue that requires an in-depth internal control review.

Mr. Miller asked for opinions from the other Board Members. Mr. Klug noted that Mr. Benson could have made \$10,000 by saying it is needed; therefore, based on Ms. Viegas' question and Mr. Benson's response, he saw no need for it at this time. Ms. DiNardo and Mr. Nuzzo concurred.

Mr. Klug voiced his opinion that it would be an unnecessary expense. Ms. DiNardo asked if the audit will be submitted timely. Mr. Adams replied affirmatively; it can be emailed.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2022-04, Hereby Accepting the Audited Basic Financial Statements for the Fiscal Year Ended September 30, 2021

Mrs. Adams presented Resolution 2022-04.

On MOTION by Ms. DiNardo and seconded by Mr. Nuzzo, with all in favor, Resolution 2022-04, Hereby Accepting the Audited Basic Financial Statements for the Fiscal Year Ended September 30, 2021, as amended, was adopted.

FIFTH ORDER OF BUSINESS

Health, Safety and Environment Report

A. Irrigation and Pressure Washing Efforts: *Jose Castillo*

Mr. Castillo stated he is the new Director of Facilities. His department is responsible for tree canopy trimming, irrigation, and pressure washing sidewalks, curbs, and monuments. Monuments are routinely cleaned, and additional monument cleanings are performed when requested. He stated that, depending on the situation, emails should be sent to IrrigationUsers@Fiddlerscreek.com or Pressurewashing@Fiddlerscreek.com.

Mr. Castillo reported the following:

- Tree Canopy Trimming: No hardwood trimming is scheduled in June. Juniper pushed trimming of the high palms along Sandpiper Boulevard to US 41 to July.
- Irrigation Projected Usage: 20 programmable satellites within the villages are programmed to run Monday, Wednesday, and Saturday, from 9:00 p.m. to 8:00 a.m. Last month, 11 watering cycles were completed with two rain holds.
- In the common areas of CDD #2, nine programmed common satellites are programmed to run Tuesday, Thursday, and Sunday. Last month, 11 watering cycles were completed, with three rain holds. No watering is done on Fridays.
- Approximately 12 million gallons of water were used in the villages. The common areas in CDD #2 used about 7.1 million gallons of water.
- Pressure Washing: During the past 30 days, Campanile Circle, Lagomar Court, and Carmini Court were pressure washed with the old machine. He hoped the new machine would be operational by the end of the month; all parts are in, and the machine was being assembled. Veneta will be completed by the end of the month. In July, crews will proceed to Aviamar and

the surrounding communities. Streets, sidewalks, and monuments are done according to schedule; additional areas of concern are cleaned upon request.

➤ Current Month Projected Plan: Areas in red on the graphic were completed, including sidewalks, monuments, and curbs. Areas in green represented the current month's cleaning, and yellow areas are scheduled for the next 30 days.

Mr. Klug asked if the 20 programmed village satellites represent 100% full participation or if there are any rogue HOAs that still do their own irrigation.

Mr. Benet stated both CDDs have some outside builders whose satellites are in manual mode because they are still under construction, primarily in Oyster Harbor and Marsh Cove. The older, established HOA satellites are all programmed into the central computer. There are approximately 40 village satellites and 26 CDD common area satellites in the entire community programmed into the central computer. Approximately 24 satellites are in manual mode. Mahogany Bend, Isla Del Sol, and Mulberry homes in CDD #1 have individual manually programmed clocks; some have battery timers.

Mr. Miller asked if all CDD #2 villages are compliant with the procedures. Mr. Benet stated he makes sure all contractors understand and comply with County watering regulations.

Mr. Parisi stated he would give an irrigation update during the Developer's Report.

Ms. DiNardo asked if all of Fiddler's Creek is in compliance with all County regulations. Mr. Benet stated he does not see much deviation, but, when he notices any, he addresses it.

Ms. Viegas asked Mr. Castillo why the times allowed for watering changed from 9:00 p.m. to 4:00 a.m. to 9:00 p.m. to 8:00 a.m. Mr. Castillo indicated the County allows watering from 9:00 p.m.-10:00 a.m. As it takes longer to complete watering during the summer, the hours are extended.

Ms. Viegas noted that Mr. Castillo was asked to send his contact information to Mrs. Adams at the last meeting to be circulated to the Board, but it was not received. Mrs. Adams stated she sent it to Corporate to distribute. Mr. Castillo distributed his business card to the Board. Mrs. Adams stated the information would be emailed again.

B. Security and Safety Update: *Ed Jasiiecki*

Mr. Jasiiecki gave the monthly PowerPoint presentation and discussed the following:

➤ Community Patrol officers are not emergency first responders; 911 should always be called for an emergency, and then call Community Patrol to report the incident.

- The automated gatehouse telephone number, 239-529-4139, can be used to register guests and vendors. The member website and the Fiddler's Creek mobile app are also available.
- Community Patrol can be reached at 239-919-3705. The safety@fiddlerscreek.com email address is the preferred method of communication for questions, concerns, and visitor registration. Phones and emails are monitored by all three gatehouses and supervisors 24 hours a day, 7 days a week, and they are generally quick to respond.
- Occupancy Report: May occupancy was decreasing, and occupancy was currently at approximately 70%, with approximately 1,252 occupied residences.
- Gatehouses and Patrols: All three gatehouses are operational and manned 24 hours a day, seven days a week.
- Two Community Safety Patrols respond to calls 24 hours a day, seven days a week.
- There are two permanent Traffic Hawk radar speed detection devices and one portable detection unit which is moved around the community. May speeding violations decreased significantly as more people see the devices in use.
- All golf carts encountered have been properly registered and are in compliance. Residents are encouraged to call if violations are observed; resident education is ongoing.
- May gate access was down to 18,000.
- Incidents are decreasing in all categories. Parking and open garage doors are the most common. Residents are alerted personally, or notices are left to inform residents when possible.

Mr. Miller asked if any violations were sent to the Fining Committee. Mr. JasiECKi stated Ms. Lord sends warning notices and repeat offenders are brought before the Committee.

Ms. Lord stated 40 to 50 letters are sent each month for speeding five miles per hour over the speed limit, to make people aware of the speeding issue, as awareness is critical. The first speeding hearing will be held in July. Mr. JasiECKi stated the majority of the warnings before the Committee have been related to parking related offenses; warnings issued for speeding seems to be an effective deterrent. The consensus was that the Fining Committee is not for first offenders and that repeat offenses are not typically seen.

Mr. Miller asked if each road patrol is allocated to a specific CDD. Mr. JasiECKi stated when the patrols are not working together to address an issue, they assign each patrol to one CDD to ensure coverage and maintain visibility throughout the day and night.

➤ The slide showing the number of incident reports by CDD shows that the numbers are fairly evenly split.

Ms. Viegas asked where the 3,011 number of units came from on the occupancy slide. Mr. Jasiacki stated the information came from the Membership and Access Control database, which keeps track of the number of deeded units.

SIXTH ORDER OF BUSINESS

Update: Status of Taylor Morrison Faulty Design Issues and Potential Claim for Associated Engineering and Legal Expenses

Mr. Pires provided the following update:

➤ He drafted an initial temporary Access and Construction Agreement to which he will attach Mr. Cole's exhibits. A meeting will be held with residents to address any questions. Mr. Hough, the Taylor Morrison (TM) attorney, ran everything by Mr. Keith Norton, of TM. Mr. Norton needs to check with Mr. Rick Featherstone to ascertain if there are road and valley gutter issues. They feel they might not have caused the damage and will review all the items.

➤ Mr. Hough was advised that the Release and Settlement Agreement cannot be general because there are still punchlist items in Oyster Harbor.

➤ The issue of latent defects was raised; Mr. Hough stated those can be carved out.

General and specific releases were discussed. Mr. Pires will draft the release. Mr. Miller asked Mr. Pires to make it a very specific release, not a general release with exceptions.

Mr. Miller asked if the CDD can raise the amount of legal fees to be paid by TM, as it is taking considerably more of Mr. Pires' time. Mr. Pires stated the legal fees amount is locked in.

Mr. Pires stated his understanding that there are new lake bank erosion issues in Oyster Harbor due to drainage issues related to downspouts and gutters. Mr. Cole concurred. Mr. Pires stated that TM wants to resolve this issue. Mr. Miller noted that this continues to drag on.

Ms. DiNardo asked if a release would cause issues in the future. Mr. Pires stated, if latent defects are found in the future, there would be a carveout for latent defects.

Mr. Cole stated this would be an ongoing discussion. A big storm several weeks ago created a lot of erosion in between Oyster Harbor homes in CDD #2 owned tracts, mostly because there is no piping from the downspouts into the lakes. The erosion issue is very widespread, particularly when several inches of rain is received. As far as he knows, downspout

pipng is not a Collier County requirement; it is a house issue, not a site issue. When the Developer builds lakes and gets approval of the slopes, there are no houses yet, so the Developer gets his excavation bond money back from the County. The CDD agreed they were okay when built; erosion occurs several years later when homes are built, primarily because pipes are not installed from the downspouts into the lakes.

Mr. Miller asked if this impacts the borders of the lake. Mr. Cole replied affirmatively. Not every lot is affected but sporadic erosion happens even if there are geotubes. The erosion happens above the tubes. He met with TM a year ago and TM replaced a number of valley gutters and completed a number of punch list items. An inspection of the rear of the lots was done at that time, and corrections were made and signed off on. Now, point discharge issues are being identified and these issues will come up for years. CDD #2 is responsible for the lake tracts, but the cause is from an external source. Other CDDs have proactively fixed the problems to protect their assets by obtaining license agreements to go onto the land and run pipes from the downspouts to the lakes.

Mr. Miller asked what percentage of homes are missing pipes. Mr. Cole stated, while he does not know the percentage, his inspector identified at least a dozen more recently constructed homes in Oyster Harbor, which might be Phase 3. Asked about older homes, Mr. Cole stated they have not seen that many problems because the sod might be established, and erosion might depend on other factors such as the time of year the house was built and the type of soil. He recalled identifying the same problems in Veneta a few years ago that were corrected. More recently constructed homes might not have experienced a very significant rain event since they were constructed.

Mr. Miller asked if this is more of an issue in Oyster Harbor in CDD #2. Mr. Cole replied affirmatively. Asked if that is also true in Marsh Cove in CDD #1, Mr. Cole stated he has not seen that many problems. Many of those homes are piped with yard drains along the rear of the lots along Fiddler's Creek Parkway and many of the homes are piped to the lakes.

Mr. Klug asked about piping versus French drains. Mr. Cole stated French drains would not handle the problem of downspouts coming down from roofs; they need to be piped from the downspouts and then run from the lot line to the lakes.

Mr. Klug noted that the erosion problem impacts an area that is CDD responsibility, but, since the issue was on non-CDD property, he felt that the CDD would need a license agreement

to correct the issue. He asked, if this is an HOA problem, should the HOA correct it as opposed to the CDD. Mr. Miller felt that the HOA might have a claim against the Builder.

Mr. Cole did not know all the legalities but, in his opinion, it seems to be a homeowner issue. He stated that the HOA or The Foundation might be able to address it, but he is not sure that lot runoff would be an HOA responsibility in Oyster Harbor.

Mr. Klug stated the HOA maintains the landscaping. He believed Mr. Cole is stating that, since the water flowing from the downspout is the issue, it would be the homeowners' responsibility and not the HOA or the CDD. Mr. Cole stated that is his opinion, but he does not know the HOA's involvement with Oyster Harbor. Mr. Miller stated, at this point, the Oyster Harbor HOA is controlled by the Developer and Mr. Parisi graciously set up monthly meetings at which this issue should be brought up. Mr. Klug stated he brought it up to consider whether CDD #2 should get licensing agreements and fix the issues.

Mr. Parisi stated, like any other problem, there are multiple ways to address it. In his opinion, pipes coming from every home is not necessarily the answer; French drains were done in Majorca, and they worked well.

Mr. Miller asked Mr. Parisi to raise the issue at the next Oyster Harbor HOA meeting.

Mr. Parisi stated he believes the problem is the water between the homes and not the lakes, as it seems the solutions were left up to individual homeowners. He suggested working with Mr. Cole to address possible solutions.

Mr. Nuzzo stated that everyone needs to agree with what needs to be done, but he believes that who will pay for it is the question and Mr. Cole needs to identify the issue or issues. He stated that vendors reported that homeowners are speculating and the last amount he heard was \$600,000. He expressed his opinion that the matter needs to be analyzed and a determination made regarding the costs and who is responsible for the expense. He asked if TM is off the hook for the repairs.

Mr. Klug asked if the erosion is surface erosion in the valleys between homes or on the lake bank. Mr. Cole stated, while both types of erosion exist, the prevalent erosion issue being observed right now is between the homes.

Mr. Nuzzo stated the latest erosion issue raised was at the lake banks. He reiterated his opinion that this is a financial issue, and it is essential to identify the issues and determine who

must pay for the repairs. Mr. Klug stated his belief that TM complied with code requirements and the County signed off on construction, so TM might argue that they have no responsibility.

Ms. DiNardo asked if the CDD is responsible for the lake and the lake bank erosion. Mr. Miller replied affirmatively. Ms. DiNardo asked how often the banks are refurbished. Mr. Cole stated it depends on the cause; the point discharge between houses is a finite cause. The geotube repairs were necessitated by wind and wave action which necessitated replacing several hundred feet of geotube. Presently, the budget includes \$30,000 annually for repairs. Three larger phases of repairs were completed. Over the last 15 years there have been three or four phases of repairs and they need to be done in perpetuity. The one-time situation with drainage from the lots is different; until it is fixed it will keep occurring.

Mrs. Adams stated, once the downspouts are fixed by homeowners, the CDD can do repairs.

Mr. Miller stated the CDD faces the consequences of homeowner action or inaction. If the CDD has a claim against homeowners for causing the erosion, one issue is whether the CDD should create and enforce a claim against the homeowners or the HOA to prevent erosion on the banks. The other issue is what will be done between the Oyster Harbor HOA, that is controlled by the Developer, and the homeowners.

Mr. Nuzzo stated he agreed and feels that the Oyster Harbor homeowners need to be made aware of the issue and their need to address it. Some homeowners have tried to fix the problems on their own with popups and French drains, but there is no standard for them to follow. He believes the process must be thought out and addressed before lake erosion occurs.

Mr. Miller asked Mr. Parisi if this can be addressed at the HOA meetings. Mr. Parisi replied affirmatively and stated his belief that there are not too many areas causing erosion. He agreed that they need to be dealt with.

Regarding a claim against homeowners, Mr. Pires noted that the homeowner owns the property causing the damage and the property owner is responsible for maintaining the property.

Mr. Nuzzo stated Oyster Harbor homeowners need to know how to fix the issues properly to prevent additional issues going forward.

Mr. Pires stated, if the design for drainage was achieved and met County specifications, the fact that the County allows that to exist without requiring the drains must be considered.

Mr. Cole discussed the effects of factors such as heavy rain, and sod and soil on erosion, and stated there is a big difference between ½" and 6" of rain.

Mr. Parisi stated many interrelated factors are being mentioned and everyone will need to work together on a solution. Mr. Miller noted that the Developer will work with Oyster Harbor homeowners; the CDD can only articulate the issues and address them within the context of the CDD's scope of authority.

Mr. Klug stressed the need to be proactive and cognizant of setting a precedent for other villages that may have the same issues.

Ms. DiNardo noted that the County approved the Certificate of Occupancy (COO) and asked why the County did not take into account the heavy rains that occur. Mr. Cole discussed the County inspection process for sitework related to building permits, including sod, landscaping, and drainage to the street or the lake. Future erosion cannot be predicted.

Mr. Parisi stated the lots are designed for drainage toward the lakes; as seen in Mulberry, once grass is established the effects are better.

Mr. Miller observed that, while the grass is getting established, lake erosion might occur.

Mr. Pires asked if an erosion control plan is implemented during lake construction. Mr. Cole stated erosion control plans are in place during lake excavation; once the lakes are completed, sod is applied up to the top of the bank. The lakes in Oyster Harbor were accepted several years ago. When homes are built, there should be erosion control around the lot for the home, but the Developer has already finished its work before the homeowner takes occupancy.

Mr. Miller noted an HOA meeting was scheduled with the Developer and homeowners.

Mr. Klug asked if there will be more damage to the lakes the longer this goes unresolved which will be more costly. Mr. Cole replied affirmatively.

SEVENTH ORDER OF BUSINESS**Developer's Report/Update**

Mr. Miller stated he would like Mr. Parisi to discuss the Neighborhood Information Meeting (NIM) scheduled for July 7, 2022. He received a number of irrational concerns, including meetings being planned for summer, when no one is here. The same concern was raised at another neighborhood meeting and the response was that the meeting dates set by the Administration are "out of our control."

Mr. Parisi stated that is also true in his case and the Commissions often take considerable time off during the summer; NIMs are typically held in June and July.

Mr. Miller stated a concern was raised that the Developer is doing this to influence the County Commissioners to approve its Isles of Capri development. Mr. Parisi stated there is no connection; he would not develop and build 750 units to build 100 units somewhere else. The NIM primarily relates to Section 29, which looks like it connects to Fiddler's Creek property on the map, but it is separate. Access to Section 29 will be from Auto Ranch Road which goes straight to US 41; there will be no connection to Fiddler's and no access to Section 29 from Fiddler's. Apartments will be developed on the property and, of the 750 units, 20% will be available to essential workers eligible for income subsidies. All rental units will be the same. While Section 29 is part of the Fiddler's Creek PUD proper, it is separate, and no access to Fiddler's Creek amenities will be provided. Other minor items would be addressed at the NIM, including a CRC Development at the Collier Boulevard/Fiddler's Creek Parkway area of the development, and apartments proposed at US 41. Those residential components added to commercial properties would be helpful.

Mr. Parisi reported the following:

- In Oyster Harbor, construction is moving across from Kumamoto into Belon and Fanny Bay north.
- In Dorado, six buildings are moving forward and will be underway soon.
- The exit gate from Publix, that has been under construction, is coming up for COO. Wiring to the gate was completed and it is operational; the permit was issued and the COO for the gatehouse will be issued any day. A "Meet and Greet" with Halvorsen and Security will be held to finalize emergency procedures and how the exit gate will work. It was hoped that final COO will be received tomorrow, June 23, 2022. The gate will only be an exit from Publix, not an entrance.
- The golf clubhouse is under construction. Landscaping was removed and the roadway entering from Marsh Cove, Arboretum Drive, is under construction for utility access. A lake will be dug on the back side, along the boundary line near Lake 70, for golf course irrigation.

Mr. Miller asked if there is an update regarding construction of the new Wellness Clubhouse. Mr. Parisi stated it was agreed that construction will commence when there are 400 COOs on homes in Oyster Harbor. He believes there are 200 COOs now, so it will be more than

a year away. Plans will be filed so permitting and construction can begin when the appropriate level is reached.

➤ The Site Development Plan (SDP) for the construction compound on Sandpiper Drive at Cherry Oaks Trail is being processed by the County. Clear out is ongoing; Juniper was sent to remove debris and Carter Fence will repair the fence.

Mr. Miller asked if Juniper is still committed to having labor and equipment on site for hurricane response. Mr. Parisi stated he will confirm with Juniper.

➤ A meeting was held with Mr. Cole, Mr. Benet, and others regarding redoing the irrigation. Baseline was likely to be selected, as a 10-year warranty and some other important components are offered. A meeting will be held with representatives and villages will be broken down by neighborhood. Meetings will be held to determine and address each village's individual needs; some have more urgent needs, and some systems might be able to be combined to lower costs. Vendors will present proposals and respond to questions.

Ms. Viegas thanked Mr. Parisi for his time last evening on a phone call with Mr. Mark Strain discussing her concerns about equivalent residential units (ERUs) which are charged the annual CDD #2 Operations and Maintenance (O&M) assessments. She asked if all on-roll and off-roll ERUs are accounted for and paying their fair share. She noted that Mr. Parisi offered to arrange a meeting with Mr. Adams, Mr. Cole, Mr. Parisi, Mr. Strain, and Ms. Alice Carlson to address the issues she raised and to make sure the ERUs are correct in the budget. She noted the Boundary Amendment would impact assessments and the budget.

Ms. Viegas noted that, at the last meeting, she asked Mr. Jasiiecki how the Publix trucks were exiting since the gate was still not fixed, and he stated that the Publix trucks were going around the building and exiting. Ms. Viegas asked why the entrance is needed given that Publix was able to keep its business running for months without it. Mr. Parisi stated he was lucky that no complaints were received, as he would have been in violation. An agreement was made when the deal was signed; the gate should never have been closed and he would have had an issue with employees if complaints were received.

Ms. Viegas asked when the new General Manager will be introduced to the Board. Mr. Parisi stated he will be introduced at the next CDD meeting.

Mr. Cole reported the following:

- The Stormwater Management Needs Analysis Report was submitted to the County today and acknowledgment of receipt was received.
- The number of crosswalk signs needs to be confirmed; an updated proposal will be obtained from Lykins.

Ms. DiNardo asked if a cost was submitted for preparation of the Stormwater Management Needs Analysis Report. Mr. Cole stated the CDD was billed for preparation of the Report and an amount was budgeted accordingly.

Ms. Viegas asked for the status of the Aviamar Trellis repairs that she emailed to Mr. Cole and Mrs. Adams on May 24, 2022. Mr. Cole and Mrs. Adams did not recall the email. Mrs. Adams stated it will be her issue to address. Ms. Viegas offered to resend the email.

NINTH ORDER OF BUSINESS

Update: Status of Traffic Light

Mr. Cole stated comments were received from the Florida Department of Transportation (FDOT) on the initial plan submitted. Mr. Jim Banks will submit another report in July.

Mr. Miller stated, at a recent NIM he attended, a road was proposed to accommodate 1,000 cars exiting Collier Boulevard from Roost Road. The builder was not sure a traffic light would be approved. Mr. Banks was hired to work on it.

Mr. Cole stated that the State could have required an alternate study that would have delayed the project for years, but they did not. FDOT's comments were general. The contractor is working on the plans to address the comments and will submit them by the end of July. They are moving forward with soil testing. It was hoped that approval for the light will be in January or February 2023, with the light installed by the fall of 2023.

Mr. Miller asked if 7-Eleven is participating in any of the meetings. Mr. Cole stated they are not; the amount they will contribute is based on their fair share of the traffic.

TENTH ORDER OF BUSINESS

Update: Status of First Horizon Term Sheet for Revolving Line of Credit (Renewal)

- **Consideration of Revolving Loan Agreement**

Mr. Miller stated the draft Line of Credit agreement received from the bank was not acceptable; it had no resemblance to an agreement with a CDD and seemed to be for a commercial entity and would have imposed personal liability on Board Members. He sent an email to the bank detailing the changes needed, but the bank has not responded. In the meantime, Mr. Pires presented a draft agreement he used successfully with another CDD and the same bank that addresses all of Mr. Miller’s concerns.

Mr. Adams stated he sent Mr. Pires’ agreement to the bank and asked if it can be used; a response from the bank is pending.

Ms. DiNardo asked if there is any other bank the CDD can go to if this bank says no. The feeling was that there is not, but the bank should accept the agreement since it agreed to it with another CDD.

This item was deferred.

ELEVENTH ORDER OF BUSINESS

Update: Funding for Traffic Signal at US 41 and Sandpiper Drive

Mr. Miller recalled that CDD #1 wants part of the Halvorsen contribution to CDD #2, as noted at previous meetings, and reiterated his long belief that CDD #1 does not have any right to it. CDD #1 hired a lawyer who gave them a confidential report. Mr. Adams stated that CDD #1 is waiting until the full CDD #1 Board is present at a meeting to discuss the matter.

Mr. Miller asked for this item to be removed from the agenda unless there is an update.

TWELFTH ORDER OF BUSINESS

Update: Implementation and Management of the Master Irrigation System

This item was discussed during the Seventh Order of Business.

THIRTEENTH ORDER OF BUSINESS

Update: Status of Traffic Light

This item was a duplicate and discussed during the Ninth Order of Business.

FOURTEENTH ORDER OF BUSINESS

Continued Discussion: FY2023 Proposed Budget

Mr. Adams stated he implemented the majority of the items discussed at the last meeting. Ms. Viegas submitted many corrections, some of which were missed, and some were made.

Mr. Adams noted he received information regarding the questions Ms. Viegas submitted after the last meeting regarding her concerns about the ERUs.

Mr. Adams presented the total reconciliation of ERUs that he, Mr. Strain, and Ms. Carlson prepared; the analysis will be sent to the Board. He noted that CDD #1 had 263 off-roll units, mostly in Marsh Cove, and Ms. Carlson reviewed the transfer of property between CDD #1 and CDD #2. Some possible Hidden Cove units were added to the list, but not included in the Fiscal Year 2023 budget. In the coming Fiscal Year, changes in Oyster Harbor Phase 3 are possible. The schedule of ERU activity will be shared with the Board. Mr. Parisi requested a copy of the ERU analysis.

Mr. Adams stated Ms. Viegas asked why two Debt Service Funds showed assessment amounts that increased year-over-year and stated the reason is because those funds assessed what is needed to make the principal and interest payment amount for the current year, instead of assessing the Maximum Annual Debt Service (MADS). Some excess cash was probably deleted in the trust estate. Ms. Viegas noted that was in Oyster Harbor. The consensus was that now the steady maximum will be assessed. Mr. Adams stated those amounts were already noticed; raising the 2014-3 and 2015-A1B2 from where they were the previous year, to MADS, they would increase by approximately \$25 and \$5, respectively.

Ms. Viegas asked several questions regarding the revised proposed Fiscal Year 2023 budget and why certain changes were made. Staff and Board Members responded to questions regarding line item increases, decreases and adjustments.

“Water management: Fountains” and “Other contractual” were discussed. Ms. Viegas stated she would not have increased the “Fountains” line item by \$5,000, and recommended an increase of only \$2,000, at most, for the water bills.

Ms. Viegas asked the Board to reconsider the amount put into contingencies to avoid the O&M assessment increase. Mr. Miller voiced his preference for an assessment increase rather than having inadequate Contingency.

Changes made to line items at the previous meeting were discussed.

Ms. Viegas recalled that the Mailed Notice to property owners regarding any increase must be reviewed by the Board so the errors that occurred last year do not happen again.

Ms. Viegas went through the corrections in the rest of the budget that were missed to make sure they are made in the next draft.

Ms. Viegas raised an issue with changes made to the Series 2014-3 fund budget which had changed since the last draft. Mr. Adams stated he does not touch those pages and leaves it up to Ms. Carlson.

The following changes were made to the proposed Fiscal Year 2023 budget:

Page 1, “Fountains”: Change \$170,500 to \$167,500

Page 3, “Engineering”: Change “llc” to “LLC”

Mr. Adams stated he would forward the draft of the Mailed Notice to the Board for review before it is mailed to property owners. He noted there is adequate time for review.

FIFTEENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of May 31, 2022

Mrs. Adams distributed the Financial Highlights Report and responded to questions. Ms. Viegas asked for copies of the General Ledgers that Mrs. Adams was requesting. Mrs. Adams stated she emailed a revised report late yesterday with updates. Ms. Viegas stated she did not receive it.

Ms. Viegas asked, if the Roadway Maintenance item is for the Aviamar land bridge repair, why was it only \$15,000 rather than the \$38,000 that was presented. She asked if it was a partial billing. Mr. Cole stated the billing is only partial; there will be more bills.

The financials were accepted.

SIXTEENTH ORDER OF BUSINESS

Approval of May 25, 2022 Regular Meeting Minutes

Mrs. Adams presented the May 25, 2022 Regular Meeting Minutes.

The following change was made:

Line 240: Change “was” to “were”

On MOTION by Ms. DiNardo and seconded by Ms. Viegas, with all in favor, the May 25, 2022 Regular Meeting Minutes, as amended, were approved.

- **Action/Agenda or Completed Items**
Items 10, 17 and 18 were completed.

SEVENTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Woodward, Pires and Lombardo, P.A.*

Mr. Pires stated the attorney for CDD #1 sent copies of the final ruling on the boundary amendment for CDD #1. Following recording, a letter will be sent to the County to activate the amendment for CDD #2.

Ms. Viegas asked for the results of the Amaranda Board meeting regarding the dead palms. Mrs. Adams stated they were supposed to take care of them. Ms. Viegas stated she saw that the dead palm visible from the road was removed, but there was no replacement, as required. Mr. Pires stated he will send a letter to Mr. Carter asking when they will be replaced.

B. District Manager: *Wrathell, Hunt and Associates, LLC*

- **NEXT MEETING DATE: July 27, 2022 at 10:00 A.M.**
 - **QUORUM CHECK**

The next meeting will be held on July 27, 2022.

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

The Monthly Status Report was emailed to the Board and provided as a handout.

EIGHTEENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned at 12:39 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair