

**MINUTES OF MEETING  
MIROMAR LAKES  
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Miromar Lakes Community Development District's Board of Supervisors was held on Thursday, December 11, 2014, at 2:00 p.m., at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

**Present and constituting a quorum were:**

<b>Mike Hendershot</b>	<b>Chairman</b>
<b>David Herring</b>	<b>Vice Chairman</b>
<b>Bernie Donoho</b>	<b>Assistant Secretary</b>
<b>Alan Refkin</b>	<b>Assistant Secretary</b>

**Staff present:**

<b>James Ward</b>	<b>District Manager</b>
<b>Greg Urbancic</b>	<b>District Counsel</b>
<b>Charlie Krebs</b>	<b>District Engineer</b>
<b>Paul Cusmano</b>	<b>Calvin Giordano &amp; Associates</b>
<b>George Keller</b>	<b>Calvin Giordano &amp; Associates</b>
<b>Bill Reagan</b>	<b>FMS Bonds</b>
<b>Danny Tyler</b>	<b>Nabors, Giblin &amp; Nickerson</b>

**Audience present:**

<b>Mike Elgin</b>	<b>Miromar Development Corporation</b>
<b>Tim Byal</b>	<b>Miromar Development Corporation</b>
<b>Mike Risso</b>	<b>Resident</b>

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Ward called the meeting to order at 2:00 p.m., noting that the record should reflect that all members of the Board were present at roll call with the exception of Supervisor Ballinger.

**SECOND ORDER OF BUSINESS**

**Consideration of Minutes**

**a. November 13, 2014, Regular Meeting**

Dr. Herring mentioned on page 14, where the name Rick Daley was shown, the surname was Eudaley.

Mr. Hendershot noted on page five, **Herbertson and Rotenberger** was misspelled, asking if Mr. Ward wished to correct the minutes at the present meeting or preferred Board members to forward their corrections to him, so he could make the necessary changes.

Mr. Ward stated if they were just spelling errors, the Board could give him the correct spellings and he would make the corrections. The minutes could be approved subject to the correction of the spelling errors noted by the Board.

Mr. Donoho mentioned a change on page eight, paragraph seven, where the sentence should read, "Miromar should agree to maintain the aforementioned land."

<p><b>On MOTION by Mr. Hendershot and seconded by Mr. Donoho, with all in favor of approving the November 13, 2014, Regular Meeting minutes subject to the changes noted above and any additional spelling corrections.</b></p>
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**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2015-2, delegating to the Chairman or other official the authority to approve the sale and terms of sale of the District's Capital Improvement Revenue Refunding Bonds, Series 2014 in the par amount of not to exceed \$19,950,000.**

Mr. Ward stated item three was the primary purpose of the Board's meeting, indicating Danny Tyler, the District's bond counsel from Nabors, Giblin & Nickerson was present to review the item.

Mr. Tyler stated Bill Reagan would speak about the refunding first, after which he would cover the legal aspects.

Mr. Reagan recalled discussing the refunding at the Board's September 2014 meeting and getting the Board's general approval, noting the market was still in the District's favor, though it was taking them a little longer to get organized. The refunding was similar to what the District did previously, and for all practical purposes, the refinance were viewed as new money, as there was no build out, other than a very small area. He thought they were a day away from having a finalized offering document they could put into the

market. They were still at about four and a half percent, 12 percent plus savings, and he hoped to get a little more, so things were in good shape. While the District was in its second phase of what could be called a build out community, that was on the marketing end, as the allocation area had minor build out and needed additional infrastructure.

Mr. Hendershot stated that there was something in today's paper for Colonial Country Club refinancing, at something like 3.7%?

Mr. Reagan stated that was probably a built out CDD and although a good portion of this CDD is built out, the area subject to the 2003 assessments, has minor build out and has need for additional infrastructure. He mentioned that within one of the legal documents in the delegated award, parameters were set out. For instance, on timing, if things were in good shape next week, and the District went ahead and posted its information for review, particularly with the holidays so near, it was unlikely any organization would initiate a purchase. He said there were some very large institutional buyers capable of handling a transaction of this size, so if the District could have the documents ready by next week and have them posted. However, for \$20 million, it was more likely to be picked up by more than one institution. The aim was to close the transaction in the first week in January.

Mr. Refkin asked if when the bond company sold to more than one institution, was the pricing the same for all the institutions involved.

Mr. Reagan said yes, the pricing would be the same.

Mr. Refkin asked what would be the fee for the transaction, essentially the spread.

Mr. Reagan replied their discount was about 1.3 percent, as he reduced his company's fee down considerably since the last transaction.

Mr. Hendershot asked if the 12 percent savings took fees and discounts into account, as well as the buying down early of part of the debt.

Mr. Reagan stated that the developer would be making a pay down, and they had to pay their interest up to the closing date, which was one of the reasons why they were in an awkward position, but he did not want to escrow those funds until May 1. With that caveat, the developer agreed to pay the one-percent premium to call the bonds early and, mathematically, it was about a break even for them versus waiting until May 1; it was about \$100,000 each way. He indicated the bond company had to make sure that the developer was given adequate time when he priced.

Mr. Refkin commented when an institution purchased a bond, they pay the accrued interest.

Mr. Reagan affirmed they did, but if the developer were to prepay the bonds, they would be charged interest until May 1, and they were going to shorten that period to the closing date on January 1, and the developer had to pay the premium, so it was about the same.

Mr. Refkin asked if when the bond company got the District out of one bond and into another, was the District paying a principal transaction fee on the sale of the old issue.

Mr. Reagan answered no, they were just calling those bonds, and the District only paid the premium. Mr. Tyler would present the Board with an overview of the documents and seek the Board's approval on the timing issue. He said the three documents in the backup including the preliminary offering documents that were already enhanced, and any other changes made would improve them to make the deal better for the District and bondholder.

Mr. Tyler remarked that the documents before the Board represented a delegated award resolution, noting there were two ways for a government to do such bond sales. They used to always do an award resolution, meaning the underwriter had to schedule a marketing period around when the Board would meet, so the Board could approve the bond purchase agreement, and tickets could be written for the bonds. He stated they came up with a better way, both for general purpose governments and special districts like the CDD, it's called a delegated award, which meant they did not give the Board Chairman unbridled discretion, rather they delegated to the Chairman, within set parameters, the ability to execute and deliver a bond purchase contract, and to execute and deliver the rest of the documents to close the transaction, if the underwriter came back with a proposal that was within the parameters.

He said in order for this to take place, the Board had to approve the documents related to the transaction. The agenda package contained documents that indicated the bonds would be issued under a master indenture that was adopted when they did the first series of bonds for Miromar Lakes. He noted there was a supplemental indenture for each subsequent bond issue that contained the details of that particular bond issue, and this kept them from having to reinvent the wheel every time they did it. The form of the

supplemental indenture would have the principal amounts, the bond form, the redemption provisions, the maturity dates, etc. that all related to this particular series of bonds. The documents included a bond purchase contract that both Mr. Urbancic and he reviewed, and it was a standard form of a bond purchase agreement with the same outs that would obligate the underwriter once it was signed to purchase all the bonds at the price set forth, including all the provisions.

Mr. Tyler indicated the package included a number of the closing documents that they would execute and deliver when they closed the bond issue. There was also a red herring prospectus that would be the preliminary limited offering memorandum for the bonds, and it would contain information regarding the proposed bonds, the development, the assessments, the assessment area, and a description of the rest of the documents. Thus, it contained all the information material to an investor in making an informed decision as to whether or not to purchase the bonds, and it was geared mostly to an institutional investor, as opposed to a retail investor; as with the state of development, these bonds were not retail quality bonds.

He said contained in the package was also a document called the Continuing Disclosure Agreement that was the SEC's backdoor way to go around something called the Tower Amendment that prohibited the SEC from requiring governments to make periodic reports. The SEC then passed a rule that said in order for an underwriter to buy bonds from a municipal government, they had to enter into an undertaking to provide annual and certain material event disclosure; in some ways, it enforced a somewhat streamlined 10K and 10Q procedure.

The parameters included \$19,320,000 not to exceed and a minimum annual debt service reduction of ten percent. When Mr. Reagan went out to market the bonds, there would be an order period, and they would keep adjusting the interest rate on the bonds based on the amount of interest, almost like an auction, so it was a true supply and demand kind of efficient market. He said it would not behoove Mr. Reagan to get anything less than the maximum amount of savings possible. The maximum maturity date was May 1, 2035; the maximum underwriter's discount was \$276,850, which translated to 1.3 percent, a maximum cost of issuance at \$120,000, and an optional redemption no later than May 1, 2025, at par. He said this was a ten-year call protection that was typical of such bonds.

Mr. Hendershot asked if they were comfortable with all the reps and warranties, that there were no issues with those as the bondholder.

Mr. Urbancic affirmed that was consistent with what was done the last time, and consistent with what he saw on other transactions.

Mr. Refkin asked for a reminder of what the savings would be.

Mr. Tyler replied, at the current market rate, the savings were shown at ten percent, which was lower than what Mr. Reagan was showing, but that was to give flexibility.

Mr. Reagan concurred, the Board was being shown a minimum savings that would give the Board flexibility.

Mr. Donoho asked if ten percent was the guaranteed minimum.

Mr. Reagan affirmed the Chair could not approve the deal unless it was ten percent, so they would have to keep working until they got to that point.

Mr. Hendershot asked if on the income side, that was based on certain assumptions, including any pre-purchase by the developer, etc.

Mr. Reagan remarked the prepayment would not affect the savings level.

Mr. Tyler stated the prepayment helped the rate theoretically, as there was less exposure; it might save the District about 50 basis points.

Mr. Ward asked if there were any questions from the Board or audience.

Mr. Rizzo asked if the bonds were rated by the agency.

Mr. Reagan said they were not rated.

Mr. Hendershot referred to the document, AJC Associates, Inc., containing information on all the units, stating there were a few designated properties in the back that either were not on the \$19 million bond roll or he could not find them if they were traceable. It was mainly the numbers at the end where it said one was a \$3 million slot that had a maximum annual debt service of \$249,000, and he could not find that in the other charts.

Mr. Ward stated, the back pages were detailed folio numbers or property ID numbers, so they would be aggregated into one of the other numbers on the chart.

Mr. Hendershot questioned if the prepayments were not allocated to any properties, and it was just debt.

Mr. Ward replied that the prepayment was allocated, referring the Board to the Analysis Charts on page one of four, and at the bottom of the page where it said "Revised

debt allocation payment”, it showed \$3.7 million as the reduction to bring the figure down to the \$19.3 million par debt and the properties it was allocated to. All that took place between this chart and the chart Mr. Hendershot referenced previously was that the analysis chart had a little more detail in it, as it had the exact folio numbers.

Mr. Byal stated they found an issue where one of the strap numbers, as reflected on the map, was a mitigation parcel that somewhere in the allocation it received a \$3.8 million portion of the debt, so they pulled off and redistributed that among properties that could actually pay that amount of debt.

**On MOTION by Mr. Refkin and seconded by Mr. Hendershot, with all in favor of approving Resolution 2015-2.**

**FOURTH ORDER OF BUSINESS****Staff Reports****a. Attorney**

Mr. Urbancic mentioned his update on public records given at the Board’s last meeting, distributing a recent newspaper article to remind the Board of the firm he mentioned was using the public records law for not so ethical purposes. He wished the Board to stay aware in case they ever received a public records request, as the one mentioned in the article was a simple request sent to the principal of a Marco Island charter high school for a recent payroll transaction. The principal stated he either did not receive the email or deleted it, and the school was now embroiled in a lawsuit, as the aforementioned not-for-profit and the law firm that shared an office that made public records challenges filed a lawsuit and were now litigating. It was now basically an attorneys’ fees generator.

He urged the Board to remain aware of how easily lawsuits could evolve from such simple public records requests, and to immediately relay any requests related to the CDD coming to them that appeared suspicious to Mr. Ward or him.

Dr. Herring noted Board members each had email addresses and those email accounts were part of the public record, and he felt sure a request like that shown in the newspaper article would go directly to his spam folder.

Mr. Urbancic said, in reading the article, it was being alleged that the law firm had software that could detect whether or not an email had been read. Thus, if the email went to spam and was never read, that was a line of defense. However, in the article, it was alleged that the principal actually read the email.

Dr. Herring asked if Board members would be held personally responsible or as a CDD.

Mr. Ward stated it was the entities who were being sued. The best thing to do was for the Board to pay attention to the emails they received, as oftentimes emails to do with legitimate business went into his spam folder, as they had viruses attached to them.

Dr. Herring inquired if board members of other CDDs said they were contacted by any of the abovementioned group.

Mr. Urbancic stated he was not aware of any, but he had been contacted by this group, but he responded and gave them the records they requested, which he recalled was information about the two upcoming meetings.

Mr. Ward affirmed they had, stating they asked for very innocuous information, making the request deliberately simple, so that the public entity would overlook sending the information, thereby enabling them to file a lawsuit.

Mr. Urbancic concurred, stating they only made the records request one time, and if the entity failed to deliver, they filed a lawsuit and a request to settle for about \$3,000, and the more the public entity fought, the higher the fees increased. The State and the Attorney General were currently looking into how such abuses of the system could be stopped. He urged other District staff to stay alert as well, as they could get a public records request; they had been known to target engineers and other consultants, as under the 2013 law, support staff was responsible for responding to public records requests.

Mr. Krebs asked if the request would have to specify to which CDD they were referring to, as engineers and consultants often worked for more than one CDD.

Mr. Urbancic affirmed there had to be some indication as to which entity the public records request was related to.

Mr. Ward pointed out that, as agents of a public entity, engineers and consultants like Mr. Urbancic and he held public records that had to be kept in accordance with the law,



so there was an obligation to respond to requests for those records. A failure to respond to such requests could result in the District being sued.

Mr. Urbancic affirmed they needed to pay attention, possibly having their offices look at the article being referenced, noting there were numerous similar articles in Florida newspapers that showed they were targeting engineering firms.

Mr. Ward pointed out that in the article, it said the firm filed 140 lawsuits in 27 Counties since January, so it was very important for everyone to watch and be careful.

**b. District Engineer**

Mr. Ward indicated Mr. Krebs and Mr. Cusmano would give a combined presentation.

Mr. Krebs referred to the memo provided in the Board's backup that dealt with the residential drainage connection that went into the lakes, noting he worked with Mr. Cusmano to draft a memo and create an exhibit to hand out to the residential associations. This was to facilitate their being able to connect their household drainage into their lakes, so they did not get a mishmash of everything that took place in other communities, such as Sienna. He said the memo outlined how the connections should be made, the procedure for them to notify the District before and when they were doing the work, and information on the contractor that would be doing the work. They would then follow up with residents when the work was completed to ensure installations were consistent with the District's expectations.

Mr. Donoho asked what were the remedies in situations where the installation was below the required standard. It appeared there should be another paragraph in the memo.

Mr. Krebs replied, in reference to the water quality testing, they would wait to see what kind of cooperation they would get from the developer, such as Center Place, and if they would have an adverse effect on the water quality. If the engineers did not receive a positive response from them, the decision had to be made whether to take the matter to the District or to the County, but it would be an open-ended question. When it was discussed in the public hearing, the developer gave the impression that they would be responsive to anything brought to their attention if they were creating an adverse effect.

He doubted the same people would be in charge of the land when it was developed, and he thought they would get the land entitled, flip it, and then they would disappear. If it got to that point, the next step would be to go to the County with data showing that the lake was deteriorating and it was not the District's fault, and if no response was forthcoming,

then the matter could be taken to the South Florida Water Management District (SFWMD). He said, ultimately, SFWMD was the final agency in charge of water quality.

Mr. Hendershot thought much of the District's work was being done under the NPDES.

Mr. Krebs replied what was being done under the NPDES was they were using the county's monitoring wells to show that there was no degradation to the outstanding Florida water, such as the Estero River and the upstream areas. The memo was to indicate the District knew what was going on in the lake prior to anything that was happening with Center Place, and the matter could be monitored, so when Center Place came online, the engineers would do another series of testing throughout the year. After that, the situation would be monitored to ensure everything remained status quo. He said if problems were detected, they would first ensure everything was functioning well on the District's side to make sure it was not the District's doing before going anywhere else.

Mr. Hendershot asked why the District should care if there was a problem.

Mr. Krebs stated if it got to a point where it violated the Class Three Water Standards the State set up, the District would be responsible for addressing the matter, as the lakes were owned by the CDD.

Mr. Hendershot understood that the CDD owned the lakes, but what the District was doing was to benefit of the developer and help them make sales.

Mr. Krebs commented, looking at it from a long-term point of view, when everything was built out and the developer was no longer around, the onus would be on the residents, so everything that came back would be to the benefit of the residents. Thus, if the engineers knew that the system was working properly as far as the internal lakes, the dry retention areas, the storm water system, etc., and there was still a problem with the water quality that could definitely be proven not be coming from the District's system, the next step was to look into external impacts. He noted the only external impact would be Center Place or, in the future, Alico Road would discharge into that lake as well.

Mr. Cusmano reminded the Board this was in the future, as, presently, there was no one starting development out there or anyone near planning on breaking ground. They were setting up a monitoring process to establish a baseline for going forward.

Mr. Refkin asked if they had a baseline involving such things as the BOD rate.

Mr. Krebs affirmed this was what they sought to establish, as they knew generally where it should be based upon what they had been using for the county wells in their annual report. They would hire someone to take test samples, possibly in three locations: by the upstream of the weir, by the beach club near the marina, and by the bridge to establish that baseline, so they would know that the lake was consistent in all locations. He said if one area was higher than the other, they could address that.

Mr. Refkin believed the BOD rate was almost guaranteed to go up when development began, as it was the amount of dissolved oxygen in water.

Mr. Krebs said it was important for them to know where all of that was going, as the water quality was supposed to be taken care of on the internal lakes. The recreational lake, if everything was working correctly, should not see that big of a fluctuation, as with all that runoff, everything was going into the District's internal lakes first and being treated there, and then it would flow into the main lake. He said there might be some annual fluctuations, but they should be consistent, and if there was an increase in boat traffic and that level was going up, the engineers needed to know where it was coming from. Ultimately, if the water quality degraded to a point where the standards were being missed, the District had to justify why.

Mr. Hendershot asked if the baseline would have been any different if the carp had not been put into the lakes.

Mr. Krebs answered no.

Mr. Refkin added if the BOD rate got too high, the carp would die, as they would be unable to breathe.

Mr. Krebs concurred, stating the lakes' dissolved oxygen and the biological demand went hand in hand. Establishing the baseline now was important so they could begin tracking the situation, mostly because the District would begin seeing runoff coming into its site that it had no control over due to the presence of multiple users. He said it was important for the CDD to protect itself, as the permit was in the District's name, and if anything went wrong, it was to the CDD they would come to first. They were looking to implement the monitoring system in 2015.

Mr. Cusmano affirmed in late 2015 to roll into 2016, and there was a meeting on December 16 with FWC, FGCU, some residents, Bob White, Mr. Krebs, Mr. Elgin and he to

discuss various matters that had been brought up, as they too had lake quality concerns. The information provided at that meeting would be sent to Mr. Krebs for him to analyze, and they would give the Board a report with recommendations going forward. He received bids for testing from two different labs, one was for \$7,600 based on their specifications; that is, a two-year monitoring with all the tests stated by Mr. Krebs. The other bid was for \$10,000 from Lake Master, as they sent their test results out to a lab for analysis.

He said the company that would test the wells also did testing for Mr. Elgin, noting the owner, Doug Wells, had been testing the bathing and beach areas for years, so he was familiar with the lake, the tests, all the entities involved, etc. He received the bids two days ago.

Mr. Hendershot observed the water use monitoring services said \$595 per sampling.

Mr. Cusmano stated that was the bid from the original report that went into Mr. Ward on December 1, and prior to that they were using only five testings, and the number of locations had not been selected, etc. Later, with more discussion, they received another report from Mr. Krebs that identified the six testings, the locations outlined in the letter, and how the monitoring should be done. This information was sent out to the vendors that bid on the job before, and the final number was \$7,600 for two years of testing. He would break the costs down more in his report at the next Board meeting.

Mr. Ward sought clarification that, from a timing perspective, the aim was to start the monitoring system in fiscal year (FY) 2016, beginning October 1, 2015.

Mr. Krebs affirmed this to be the case.

Mr. Ward noted the cost would anticipated to be in the FY 2016 Budget.

Mr. Hendershot asked if there was any advantage to implementing the monitoring earlier.

Mr. Cusmano said the system could begin earlier, but he first wished to get in the reports from the aforementioned December 16 meeting and review the documents of what transpired with Mr. Krebs to determine if it was necessary to start earlier. It was still unknown when construction would begin, so it was important to first see what the reports presented at the meeting contained. It might be best to begin the monitoring at the beginning of the next fiscal year at the end of the rainy season.

Dr. Herring wondered how it could be possible that the County Commission would allow developers to do what they did and not monitor their own discharges into the lake, then placing the burden on the District to prove that the problem stemmed from developer activities and not from the District.

Mr. Krebs replied that the County was hands off on the situation, stating it was a SFWMD issue.

Mr. Elgin commented the answer was the matter was undetermined, as Center Place did not have zoning, as they were in the middle of a process that involved getting a permit from the SFWMD. A request for additional information (RAI) came out from the SFWMD in the present week from that applicant, and there was language in there that specifically discussed the developer's testing, etc. What District staff was proposing was, for the protection of Miromar Lakes, the CDD, the Master Association, etc., there was need to establish their own baseline studies on their side to make sure these entities understood what their system was doing. This would enable a better understanding of if and when that system was impacted by outside influences.

Hopefully, when the above entities got through the process with the developer and all their agencies, that they would be held to the same standards as the District was voluntarily imposing on itself, if not more. This was being diligently pursued to make sure that their assets and those of the CDD were protected.

Mr. Krebs stated the only thing that was outside of that that was not a part of Center Place was the Alico Road widening and the runoff into the District's lake it would create. The implementation of the monitoring system would help protect the District against the county. Should the water quality decline and it was possible to verify it was not Center Place, the issue would be isolated to the county and run off from Alico Road.

Dr. Herring asked if testing could be specific enough to say which of the two outside entities was causing the problem.

Mr. Krebs stated it was more important to prove it was not the District.

Mr. Elgin mentioned attending a meeting earlier in the day regarding the Alico Road widening project at which there was considerable discussion about water quality. Due to the volume coming off Alico Road, it had to be remodeled and included in the Center Place application as a requirement of the zoning process. He said, therefore, Center Place would

be responsible for the County road too, as it would be discharging through their system. If Alico Road was not pretreated effectively on the county right of way, they would have recourse to go back to the county, say it was not functioning properly and ask them to address it.

Mr. Hendershot asked if the District had to build the turn lane, and Center Place build another turn lane with the widening of Alico Road.

Mr. Elgin replied the plans Mr. Hendershot mentioned had to do with a county project for design and construction of the widening of Alico Road, and it was a County project with county funding, design and construction. It was not related to any of the developers.

Mr. Ward asked if there was further input from the Board or the audience.

Mr. Risso, resident, sought confirmation that the monitoring system was to be implemented in October 2015.

Mr. Cusmano clarified the cost for the monitoring would be put in the FY 2016 budget, but a date for implementation was not set.

Mr. Risso asked if the CDD was responsible for the north and the south lakes.

Mr. Krebs answered no, stating the north lake was under different ownership.

Mr. Risso observed even though Miromar Lakes had property exposed on the north lake, no testing was slated for that area.

Mr. Krebs affirmed this to be the case, stating the north lake was not the CDD's lake. There was a very slim portion that was the CDD's property along some of the residential uses that had been turned over to the District, but it did not extend out.

Mr. Elgin recalled that the Lake Masters contract talked about treatment within 100 feet of the shoreline regardless of ownership.

Mr. Cusmano stated this was correct and the reason Lake Masters treated the edge.

Mr. Krebs stated the point of testing at the bridge was to determine what was coming in from the north lake.

Mr. Risso inquired how often during the two-year period would testing be done.

Mr. Krebs replied in the first two years the water would be tested four times a year, once each quarter, and after that it would be once a year during the rainy season to ensure the District was still following the baseline.

Mr. Cusmano mentioned at the December 16 meeting, information would be presented about the carp, noting the District handled the carp program as outlined, and there was considerable discussion on the matter. At present the District had no problems with its carp program.

Mr. Elgin noted, in reading Mr. Krebs' proposed water quality monitoring program, it pertained to water quality, the nutrient load, turbidity, and adjacent development concerns. The discussions on the carp was a little different, and while they overlapped when speaking about dissolved oxygen and BOD, they were essentially two separate conversations based on the lakes, despite it being the same water, and a distinction should be made.

Mr. Krebs concurred, stating the monitoring for the water quality was to make sure the District was in compliance with its permit requirements and the specifications as to what they considered Class Three waters or recreational waters.

Mr. Risso stated that the concern from a lake user's perspective was that the fishing sport side was collapsing, and he understood this was mostly attributable to the carp taking out all the weed base and the clay basin. He asked if this was also Mr. Krebs' understanding.

Mr. Krebs stated the carp was in the lake to help reduce the aquatic vegetation that posed a problem for the sport boaters, and it had become a costly issue to have Lake Masters spray, as they were unable to keep up and maintain it. The carp program was the alternative solution.

Mr. Risso asked if anyone from the District had been out on the lake in the last year, as the carp ate the bulrushes went up into the shallow water, almost out of the lake along Alico Road trying to get at the vegetation. He thought they would eventually eat the berm at Alico Road soon.

Mr. Refkin believed the carp had a natural life span of about five years, and they had been in the lake for about two years so far.

Mr. Risso thought if the lake was left with the carp for another three or four years, there would be no sport fishing left.

Mr. Cusmano noted from the emails he received and the information sent to him, he saw groups on opposing sides of the debate on the carp program; one group said the carp was fine, and the other said they were not. He had professionals that said the District

met its specifications of putting the carp in. Until he analyzed the information from the December 16 meeting, he could not commit to whether the carp should be removed.

Mr. Refkin added it was a complex problem, as every time the water was treated the, the District spent about \$60,000 dumping chemicals in the water, and it cost the residents a fortune. The carp program seemed to be a good, though not perfect, solution. He believed there was natural leeching in the filings, and when the carp ate the plants in the lakes, the plants were not completely removed, and regrowth was generated by the sunlight.

Mr. Elgin preferred not get into the technical aspects of the situation, and the upcoming December 16 meeting seemed to have expanded to include a number of people from a variety of fields, such as water use experts that had done a lot of work on the Miromar's lakes for him and testing for the developer. There were also a civil engineer, and there was Mr. Cusmano with more recent knowledge of the situation, along with numerous professors from FGCU. Bill Kurtz was invited, as he had maintained the District's lakes and had been a part of the natural and chemical processes since the beginning, and his experience with lake systems was extremely extensive.

Mr. Cusmano mentioned, to date, he received 80 pages of data via email and had read every one of them, and the suggestions for the lakes depended on who sent them. The residents' concerns differed from those of the boaters and the fishermen, and the latter two had views on the carp that differed significantly, and he would include the analysis of that feedback in his report on the December 16 meeting to the Board.

Mr. Risso asked if Mr. Cusmano would be the representative for the CDD's interest at the December 16 meeting.

Mr. Cusmano remarked he preferred not to say expert, but he was the person who would put the information together to meet with the experts at the meeting.

Mr. Risso recalled hearing at some point that the CDD engaged the services of an expert to advise the Board.

Mr. Elgin answered no, noting Mr. Cusmano mentioned Bob White would be attending the December meeting, and MDC engaged Mr. White over the past year to providing expert testimony at a zoning hearing. Mr. White, Mr. Krebs, Marine Services and he had been on the lakes a number of times, and they had people that did this for a living,



some of whom were experts, but Mr. White had not been engaged or paid by the CDD. The developer was still paying Mr. White's to date.

Mr. Risso asked if part of their tests included seeing what their metal count looked like, as around the docks there was hardly any fish left in the lake, and there was no spawn, cover, etc., reiterating that sport fishing in the lakes would soon collapse completely.

Dr. Herring asked if there was an organized group of fishermen on the lake.

Mr. Risso expressed surprise that Mr. Cusmano expected a presentation at the December meeting in this regard, as he did not have one, and he was not an expert. He used the lake for both water sports and for fishing, so he knew about the condition of the lake, and he had been on the lake for ten years, so he knew what it was before, what it was like when it was weed choked, and he knew what it was like currently. He opined the present condition of the lake was worse than it had ever been. There was no organized group of fishermen, just people that were interested in the lake.

Dr. Herring stated the Board consisted of residents of the District, and it was not an adversarial situation, as implementing the carp program had been a Board decision, the goal being to ensure everyone enjoyed the lake. The Board was trying to come up with the best solution that kept everyone happy, and had a vested interest in making sure the lake was healthy. With all the chemicals that were used to control the weeds in the lake, he would not eat any fish caught in the lake.

Mr. Risso said no one ate the fish they caught.

Dr. Herring thought Mr. Risso needed to convey to the other residents that this was not an adversarial situation.

Mr. Risso believed the problem was inconsistent communication on whether the lake was being tested, what programs were implemented for the lakes, etc.

Mr. Cusmano said this was part of the reason for the December 16 meeting, and the list of attendees had grown from an internal dialog among residents to include expanded communications among outside interested parties from as far back as June. Once it got to the point where FWC became involved in November, the decision was made collectively to meet and talk about all the concerns. No one had been hired specifically to make a presentation at the meeting.

Mr. Elgin clarified that some of the residents reached out to the FGCU person, and that circled back to MDC, and the FWC was a communication between Mr. Cusmano and him, and Dennis, who did the initial inspection of the District's lakes and issued the permits; he was a biologist. Part of the meeting would be about education and/or proposed testing, etc., as the aim was to devise long-term management for the lake.

Mr. Risso wished to know who was responsible for doing that from the CDD's perspective; that is, who directed an entity to collect the data, analyze it, and make recommendations to the Board.

Mr. Cusmano reiterated he would be collecting and analyzing all the data, and making a report to the Board that would include recommendations. He would keep Mr. Risso informed of whatever was transpiring with the meeting, etc. and he could keep the residents he was in contact with updated.

Dr. Herring thought the subject discussion brought out that there was a perception that activities were going on with the board, not just the carp program, that the residents did not know about. He stated, as long as he had been on the Board, other than Rick Eudaley asking him a question every now and then, no one approached him with an issue, and the Board had spoken on numerous occasions about having a web page or Facebook page or some type of electronic presence. This was to ensure there was transparency with regard to whatever the Board was doing, as Board meetings were not a private affair, and despite the meeting minutes being public record, there were residents who had no idea of what went on at Board meetings. He questioned how residents could access meeting minutes to see what transpired at Board meetings, stating he appreciated Mr. Risso's attendance, as it alerted him to that fact.

Mr. Refkin thought it would be good to know a number as to what the cost of the chemicals would be to the CDD and the residents on a yearly basis compared to the one-time cost of the carp program.

Mr. Cusmano stated he would get the numbers for the chemical treatments and the cost of the carp program and email them to the Board members.

Mr. Donoho recalled the Board comparing those numbers when the decision was being made whether to implement the carp program or continue treating with the chemicals.

Mr. Rizzo remarked the cost of a dead lake would be detrimental to the property values of residents and the developers.

Mr. Urbancic responded as to the web page, stating the District was required, by law, to have one.

Mr. Hendershot recalled one was being developed.

Mr. Ward stated the web site was about 75 percent finished, and he was writing the last two sections of it. He anticipated finishing those in January, noting his goal was to have the web page operational before the Board's May 2015 budget hearing. The CDD had to begin posting at that point, so that was the ultimate goal.

Dr. Herring asked how residents could access such information prior to the web site.

Mr. Hendershot thought it could be sent out in an email blast or something of that nature.

Mr. Ward commented, in his experience, he rarely heard from residents that had no concerns, but if they had an issue, they called his office. This was the first time in the last two years of being back with the District he heard such concerns, and never in the prior ten years that he was with the District. He thought lake maintenance was a big issue, as there were numerous players with varying interests, and it had gotten to a point where the situation needed to be managed. It was fortunate that it was taking place early in the present fiscal year, so it could be dealt with in the next fiscal year's budget if appropriate, but it would not be an inexpensive solution, and we will get to it, and mature, and we will come to a solution in the coming months.

Mr. Hendershot asked what if the problem was that there were too many carp to create the right balance.

Mr. Cusmano stated the District would get a permit to remove and lower the number of carp.

Mr. Krebs recalled the District was below the ceiling number of carp that were allowed.

Mr. Hendershot observed that there was no concrete data as to what effect the carp were having on the lake.

Mr. Refkin thought it was necessary to clarify to what lake everyone was referring to, as he saw no one fishing in the lake the CDD owned, as they fished in the larger lake. If

there was an inability to catch fish in the large lake, if it was not near the shoreline, that was not the CDD's lake, so the discussion was about chemicals versus carp in a lake the District did not own, and billing the District's residents for the benefit of Center Place or whatever entity utilized the large lake more. He felt, to a certain point, the District should maintain the large lake, like around its shoreline, due to the proximity of some of its residential developments to that lake.

If the District was being required to maintain areas of the large lake it did not own, this was a problem, as it was the District and the residents covering that cost.

Mr. Elgin said it was important to realize the lake system was evolving, and it was about education as to why the system was evolving. He disliked statements about having a dead lake, etc., as that was an extreme statement to make, as the large lake was not in the same situation as that of Lake Trafford. If people were educated rather than voicing uninformed opinions at happy hour, there would be a better understanding. It was incumbent on those meeting in December to put all these concerns on the table, including the rumors, and to figure out what empirical data it would take to devise a lake management plan for the Board to consider.

Mr. Hendershot asked why should there be a reluctance to test the big lake to the north that the District did not own if there was an issue with Center Place or Alico Road. As it would be otherwise difficult for the District to prove it was not the cause of any problems in that lake, since the District once chemically treated that lake and then later put carp there.

Mr. Krebs stated that number could be gotten from tests at the bridge, and the three test areas he mentioned earlier for the monitoring program would yield a good distribution of test results. If a large pollutant load was seen on the north boundary that was not seen at the marina or outfalls due to the District treating its own lakes, this was something to take note of.

Mr. Hendershot wondered if it were possible for something bad to be happening with the big lake that would not impact the smaller lake.

Mr. Krebs affirmed there could be concentrations of something that became diluted before the water entered the District's lakes.

Mr. Hendershot asked if it was not possible to establish a baseline now.

Mr. Krebs replied that to establish an earlier baseline in the District’s lake would give the same baseline later, as the water should be the same, and there was no marina in the large lake presently.

Dr. Herring asked if a GPS location could be placed on an exhibit, so the Board could see the exact location of the testing sites.

Mr. Krebs commented the test sites would be the same every time.

Mr. Ward asked if Mr. Krebs could do a map to illustrate which entities owned what lakes.

Mr. Krebs answered yes.

**c. Asset Manager**

Mr. Cusmano mentioned on December 15, 16 and 17, they would be going in and checking all the storm drains, the outfalls, etc. to determine what needed to be cleaned out. Some manhole covers were opened and checked and found to be cleaned, and the only issue he observed was that some of the outfalls around the lake might need to be cleaned from the water coming in and pushing the dirt back. He would give a report at the next Board meeting.

**d. District Manager**

**I. Financial statements for the period ending October 30, 2014**

Mr. Ward wished everyone happy holidays.

**FIFTH ORDER OF BUSINESS**

**Supervisor’s Requests/Audience  
Comments**

Mr. Donoho asked about the meeting on December 16.

Mr. Cusmano said the Board members were not required to attend that meeting.

Mr. Hendershot questioned why FGCU was involved in that meeting, though he understood they were a signatory to the lake use agreement.

Mr. Elgin explained it was the residents who reached out to FGCU staff, and the University had some of their biology or environmental department working on Lake Trafford. Potentially, the situation could become an academic exercise; that is, students could be engaged to do replanting that would be free labor for the District, as they would be doing it as part of their course work.

Mr. Hendershot thought the University needed permission to do anything to the lake.

Mr. Elgin believed their being a party in the lake use agreement gave the University with certain rights to the lake, and they were already doing some tests on the lake, though he was unsure what tests, as he had received no data from them.

Dr. Herring wondered why the Board members would not want to sit in on the December 16 meeting.

Mr. Elgin remarked that, as sitting Board members, they should not be at the meeting for that discussion.

Mr. Ward concurred, as it brought forth the issue of how public the meeting was, and the recording and transcription of the minutes that went along with that. It was better for the Board to allow District staff to attend and report back to the Board.

SIXTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Refkin, seconded by Mr. Hendershot, with all in favor of adjourning at 3:20 p.m.

  
James P. Ward, Secretary

  
Mike Hendershot, Chairman