

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

The Regular Meeting of the Board of Supervisors of Miromar Lakes Community Development District was held on Thursday, January 13, 2022, at 2:00 p.m. at the Library in the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Present and constituting a quorum:

Alan Refkin	Chair
Michael Weber	Vice Chair
Doug Ballinger	Assistant Secretary
Patrick Reidy	Assistant Secretary
Mary LeFevre	Assistant Secretary

Also present were:

James P. Ward	District Manager
Greg Urbancic	District Attorney
Charlie Krebs	District Engineer
Bruce Bernard	Asset Manager
Andrew Gill	

Audience:

Tim Byal

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS WERE
TRANSCRIBED IN *ITALICS*.**

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

District Manager James P. Ward called the meeting to order at approximately 2:00 p.m. He conducted roll call; all Members of the Board were present, constituting a quorum. Ms. Mary LeFevre was present via video.

SECOND ORDER OF BUSINESS

Consideration of Minutes

November 11, 2021 – Regular Meeting

Mr. Ward asked if there were any additions, deletions, or corrections for the Minutes; hearing none, he called for a motion.

On MOTION made by Mr. Alan Refkin, seconded by Mr. Doug Ballinger, and with all in favor, the November 11, 2021, Regular Meeting Minutes were approved.

THIRD ORDER OF BUSINESS

Acceptance of the Audited Financial Statements

Consideration of the Acceptance of the Audited Financial Statements for the Fiscal Year ended September 30, 2021

Mr. Ward introduced Tony Grau, Senior Partner with Grau and Associates.

Mr. Tony Grau with Grau and Associates reviewed the Audited Financial Statements for the Fiscal Year ended September 30, 2021. He reported the independent auditors report on page 1 and 2 reflected a clean opinion with respect to the financial statements of the District. He indicated there was a new item in the audit report on page 2, additional information was now required by Florida Statute. He stated the management discussion and analysis was a recap of the financial activity during the Fiscal Year. He indicated page 5 showed the statement of net position with comparative numbers between 2021 and 2020. He noted next was the income statement (changes in net position) with comparative numbers which showed revenues, expenses, and the change in net position. He indicated the financial statements began on page 8; page 8 and page 9 were the government wide financial statements. He reported page 10 was the governmental funds and balance sheet reflecting the general fund and debt service fund. He stated the income statement was on page 12 and showed the special assessments, expenditures, and debt service. He reported the total fund balance was \$2,148,000 dollars. He stated page 14 began the footnotes to the financial statements which were consistent with the prior year. He indicated on page 20 were the capital assets which showed depreciation during the year. He stated page 21 showed the long term debt; there were two outstanding bonds, series 2012 and series 2015 which were paid down by \$1,035,000 dollars; the District owed approximately \$17 million dollars as of the end of the fiscal year. He reported next was the budget to actual statement, then on page 25 were the new data elements required by Florida Statute as provided by management. He stated the remainder of the report contained the various reports required under government auditing standards and by the Auditor General. He noted there were no findings and only clean opinions. He asked if there were any questions.

Mr. Ballinger asked a question about page 6, changes in net position, program revenue. He noted there was a large difference between the 2020 number (around \$4 million dollars) and the 2021 number (around \$3 million dollars) in this line item.

Mr. Grau responded this was most likely prepayments.

Mr. Ward responded this was a large prepayment by Miromar Lakes (developer). He reported the Audited Financial Statements were filed as a matter of law with the Auditor General, the Department of Banking and Finance, and other appropriate agencies. He asked if there were any questions; hearing none, he called for a motion.

On MOTION made by Mr. Patrick Reidy, seconded by Mr. Doug Ballinger, and with all in favor, the Audited Financial Statements ending September 30, 2021 were accepted for purposes of inclusion in the record.

FOURTH ORDER OF BUSINESS

Staff Reports

I. District Attorney

Mr. Urbancic reported the legislative sessions just began and there were a few bills he was watching. He indicated one would change the levels of sovereign immunity and the other would permit meetings to be held via electronic means in a state of emergency. He said he would keep the Board updated.

II. District Engineer

No report.

III. Asset Manager

- a) Operations Report December 1, 2021**
- b) Operations Report January 1, 2022**

Mr. Bruce Bernard reported last month the aerator systems in Lake 1b south and north, Lake 1c and Lake 3a were replaced. He indicated a total of 6 air compressors, 16 diffusers, and the necessary control valves were replaced for a total of \$10,312 dollars. He reported Dragonfly Services were beginning the lake bank restoration this month with rip rap along Miromar Lakes Blvd on the big lake side, as well as Lake 6a and holes 11 and 12 at the golf course adjacent to the greens. He stated discussions with Solitude were held regarding a fishery and the midge fly issues. He indicated Solitude would come back to the Board with a plan and proposal. He stated Solitude wished to communicate with the fishermen in the District to determine what type of fish was desired and how many fish were currently being caught regularly.

Mr. Ballinger commented on the large number of fish he caught yesterday afternoon.

Mr. Weber asked about the midge flies.

Mr. Bernard indicated midge fly treatment was still underway and would continue every two weeks until the end of March. He stated hopefully the fishery would help control the midge flies.

Discussion ensued regarding the midge flies and the District spraying for midge flies as often as was allowed.

IV. District Manager

- a) Financial Statement for period ending November 30, 2021 (unaudited)**
- b) Financial Statement for period ending December 31, 2021 (unaudited)**

No report.

Mr. _____ 14:36 asked about the asset increases while the balance sheet never changed.

Mr. Ward explained in a governmental agency, contributed assets were recorded as 0 (zero).

Mr. Reidy asked about the asset values.

Mr. Ward noted the asset values were substantively higher than the number reflected on the financial statement.

Mr. Tim Byal explained this was related to the bond issue; initially when assets were contributed to the CDD, the assets were exchanged for dollars from the bond issue; however, once the bond issues expired, the developer elected to continue to contribute the assets to the CDD with no monetary exchange.

Discussion ensued regarding the assets, and how the financial statements reflected the assets.

Mr. Ward explained in government, the asset value in this kind of a system did not do anything in terms of financial statements.

Mr. Reidy stated he worried the CDD had \$80 million dollars in assets but was only reporting \$40 million dollars in assets. He stated this was nonsensical.

Mr. Ward stated most CDDs chose not to record asset contributions on the books.

Discussion continued regarding asset contributions and bond issuance.

Mr. Ward explained the asset value was unimportant. He explained the asset renewal and replacement values were the significant pieces of information; this was why the reserve study was recently conducted. He stated governments could include asset contributions in the financial statements, but in his experience, governments across the board general did not, especially for this type of infrastructure. He explained in order to include the asset value in the statements, the developer would have to provide a transfer value; however, contributed assets were typically zero value transfers.

Mr. Byal discussed asset transfers from the developer to the CDD. He noted the new development assets would be placed in the Master Association until a future point in time.

Mr. Ward asked if the developer would not be transferring the balance of the drainage system to the CDD.

Mr. Byal responded the balance of the drainage system would be dedicated to the Master Association through the platting process.

Mr. Ward stated if this were done, the assets (balance of the drainage system) would never go to the CDD for operations and maintenance.

Mr. Byal indicated this could be the case. He explained the developer had to pay 100% for the asset and there was no net benefit to the developer from the transfer. He noted the cost to turn the assets over to the CDD was more significant than the cost of turning the assets over to the Master HOA, and as the population of the CDD was the same as the population of the Master HOA (residents of Miromar Lakes), the developer was electing to turn the assets over to the Master HOA.

Mr. Weber noted if the assets were turned over to the Master HOA, then the Master HOA would be responsible for maintenance of the assets.

Mr. Ward asked if the South Florida Water Management District permits would go to the Master HOA.

Mr. Byal responded in the affirmative. He explained the CDD was requiring the developer to test and clean out assets before transfer and this was costly and time consuming. He explained the Master HOA had no such requirements for transfer as the Master HOA was controlled by the developer.

Mr. Refkin asked about the berms.

Mr. Byal stated the berms would go to the Master Association as well and then the Master HOA could transfer the assets to the CDD all at once.

Discussion ensued regarding the possibility of the Master HOA transferring the assets to the CDD en masse in the future.

Mr. Ward stated it was very difficult to transfer assets from the Master HOA to the CDD for liability reasons when the Master HOA was under resident control. He noted it was possible if the Master HOA was under control of the developer. He stated he did not normally care whether the assets went to the Master HOA or the CDD; he had several Districts where the Master HOA owned and maintained the assets. He stated it was unusual for the assets to be split between the Master HOA and the CDD, however. He stated from an overall perspective of the community he would not recommend this, but it was not his decision.

Mr. Reidy asked why it was expensive to turn the assets over to the CDD as opposed to the Master HOA.

Mr. Ward responded he was unsure; the newer assets should only cost whatever fees Charlie Krebs and Greg Urbancic charged to review and certify the transfer.

Mr. Byal stated recently the developer has been required to “sewer viewer” everything and clean out any sediment 100% before transfer even if the asset were only 6 months old.

Mr. Ward stated clearly if a pipe were broken it needed to be fixed, but if you built something and it was less than 6 months old, he did not know why it would need to be cleaned before transfer.

Mr. Refkin noted Bella Vista was considering transferring its system and there was no requirement for sewer viewing this system; only a certification indicating nothing was broken. He stated sewer viewing and/or cleaning was never a requirement. He indicated he did not know where these expenses Mr. Byal was referring to were coming from.

Mr. Byal stated at the right time, with a reasonable transition, the intent was to have the transfers occur, but Miromar had to evaluate the situation.

Mr. Refkin asked what the advantage was to the developer in not transferring the assets to the CDD. He stated he did not believe there were high costs associated with transfer to the CDD.

Mr. Charlie Krebs stated the cleaning requirement Mr. Byal was referring to was in a situation where there was still construction going on in a specific neighborhood, and somewhere in the discussion cleaning the pipe due to ongoing construction activities was suggested for this one neighborhood.

Mr. Bruce Bernard stated this was discussed at the Board level; the Board decided if it were going to take responsibility for that neighborhood's system while construction was ongoing, the Board wanted to ensure the pipes were checked and cleaned when construction was complete.

Mr. Refkin stated the pipes were supposed to be checked and certified, not cleaned. He noted Miromar was free to do as it pleased, but he did not understand why the assets were not being transferred to the CDD.

Mr. Byal explained the situation had changed; the CDD used to accept the fact that this was a rapid turnover. He explained the DEP, Lee County, utilities, etc., were scrutinizing the development to ensure proper construction and shortly after issuance of the certificate of completion of a neighborhood, the developer typically would transfer the assets to the CDD and the CDD would simply accept the assets. He stated the last easy transfer of assets was for Salerno; every subsequent transfer has had a CDD intervention in the process requiring an additional level of inspection and/or expense. He explained this should not be the case when the developer was transferring assets to the CDD with no benefit to the developer.

Mr. Refkin stated he only knew of one asset transfer for which the CDD had an extra requirement. He stated this was for an inspection of the pipes for Bella Vista and a copy of all the drawings which the developer should have. He noted the inspection would only cost about \$500 to \$800 dollars.

Mr. Ward stated for new construction, the developer was certifying to the District that the system was constructed in accordance with the plans and specifications and was acceptable for the District to take over. He asked what else was going on beyond that certification. He stated inspecting the pipes was fine but cleaning out pipes which were newly constructed did not make sense.

Mr. Refkin stated the CDD only wanted the systems inspected to ensure nothing was broken and the CDD was not inheriting a system which would need immediate repair. He stated he did not feel any requirement beyond this was necessary. He stated he wanted to be certain no extra

requirements were being placed on Mr. Byal and that there was continuity in the process. He stated continuity was important and would simplify the situation for all. He noted the CDD wished to control the whole system; the whole system should be under one umbrella.

Mr. Ward asked specifically what was being required for turnover.

Mr. Krebs responded typically the CDD required all the record drawings for what was constructed, the certifications from the agencies (South Florida, Lee County, Utility Companies), recorded plats (if platted), and any additional drainage easements recorded not shown on the plats. He stated from an engineering perspective it was important to have all the access rights and ownership of everything in the ground which was being transferred. He stated if it was a new project, less than a year old, it was assumed everything was good and functional.

Mr. Ballinger asked if the system Mr. Byal was referring to had passed an inspection.

Mr. Byal responded in the affirmative.

Mr. Ballinger stated if this were the case, then the system had already been inspected and no new inspection was required.

Mr. Weber agreed.

Mr. Ward stated if the construction of the asset was certified complete, this was sufficient. He stated this was how things were handled in every other District he managed.

Mr. Byal stated there had been a different level of scrutiny in the last couple of transfers including inspection of the pipe and cleaning requirements. He noted Miromar inspected and cleaned the pipes prior to the last transfer even though the pipes were only around 6 to 9 months old. He indicated the CDD had required all the lake banks which were recently approved to be reinspected.

Mr. Refkin asked who was to perform this inspection.

Mr. Krebs responded the Board requested he and Mr. Bernard conduct an inspection of the lake banks.

Mr. Refkin stated the Board wished this process to be simple for Mr. Byal, and it was important for the Board to be informed if this were not the case.

Mr. Byal stated the developer had been transferring the assets to the CDD until it became burdensome.

Mr. Refkin indicated the Board did not wish to be burdensome and if the developer wished to transfer assets to the CDD, the CDD was ready to work with Mr. Byal in this regard.

Mr. Ward asked which portions of the water management system had not been turned over to the CDD at this point.

Mr. Krebs listed the three water management systems which had not yet been turned over.

Mr. Byal indicated it was only the last three neighborhoods for which the water management systems were dedicated to the Master HOA instead of the CDD.

Mr. Ward noted this should not be hard to fix.

Mr. Krebs stated the County was not making things easy for developers, so by putting the asset in the Master HOA the approvals and certifications moved faster through the County and South Florida.

Mr. Reidy asked if paperwork could be done transferring the assets from the Master HOA to the CDD.

Mr. Byal responded in the affirmative; this was the intent. He stated all three neighborhoods could be transferred to the CDD at one time.

Mr. Krebs stated anything dedicated on the plat required a resolution from the Board or the CDD could join the plat. He stated if the CDD ever had to redevelop any of the land dedicated on the plat, it would come back to the Board.

Mr. Ward stated personally, as the Manager, he would like to try to get these assets into the CDD and simplify the process of transfer, so it was not cumbersome, burdensome, or costly for any involved.

Mr. Refkin thanked Mr. Byal for bringing this to the Board's attention.

Mr. Ward asked if there were any other questions or comments; there were none. He stated this concluded the Audience Comments portion of the meeting.

FIFTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Ward asked if there were any Supervisor's requests.

Mr. Reidy asked if there were any updates on the bond refinancing.

Mr. Ward responded in the negative; perhaps during the February meeting he would have an update.

Mr. Reidy noted the Board added \$55,000 dollars to its cash balance. He stated the goal was to continually increase the cash balance annually for the reserve fund.

SIXTH ORDER OF BUSINESS

Adjournment

Mr. Ward adjourned the meeting at 2:50 p.m.

On MOTION made by Mr. Alan Refkin, seconded by Mr. Mike Weber, and with all in favor, the meeting was adjourned.

Miromar Lakes Community Development District


James P. Ward, Secretary

Alan Refkin

Alan Refkin, Chairman

Signature: Alan Refkin
Alan Refkin (Feb 16, 2022 23:41 EST)

Email: arefkin@aol.com






ML - Minutes 01 13 2022 - Executed (needs Refkin Sig)

Final Audit Report

2022-02-17

Created:	2022-02-16
By:	Cori Dissinger (coridissinger@jppwardassociates.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAE1xmXEZiFp1vSjrQJcVzh_6lk2472P56

"ML - Minutes 01 13 2022 - Executed (needs Refkin Sig)" History

-  Document created by Cori Dissinger (coridissinger@jppwardassociates.com)
2022-02-16 - 10:40:09 PM GMT
-  Document emailed to Alan Refkin (arefkin@aol.com) for signature
2022-02-16 - 10:41:06 PM GMT
-  Email viewed by Alan Refkin (arefkin@aol.com)
2022-02-17 - 4:40:50 AM GMT
-  Document e-signed by Alan Refkin (arefkin@aol.com)
Signature Date: 2022-02-17 - 4:41:50 AM GMT - Time Source: server
-  Agreement completed.
2022-02-17 - 4:41:50 AM GMT