

**MINUTES OF MEETING
FIDDLER'S CREEK COMMUNITY DEVELOPMENT DISTRICT #1**

A Regular Meeting of the Board of Supervisors of the Fiddler's Creek Community Development District #1 was held on **Wednesday, October 28, 2015 at 8:00 a.m.**, at the **Fiddler's Creek Club and Spa, 3470 Club Center Boulevard, Naples, Florida 34114.**

Present at the meeting were:

Phil Brougham	Chair
Gerald Bergmoser	Vice Chair
Richard Peterson	Assistant Secretary
Robert Slater	Assistant Secretary
Charles Turner	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Terry Cole	District Engineer
Tony Pires	District Counsel
Carrie Robinson (<i>via telephone</i>)	Tobin & Reyes, P.A., Litigation Counsel
J.D. Holt (<i>via telephone</i>)	Young van Assenderp, P.A.
Ken van Assenderp (<i>via telephone</i>)	Young van Assenderp, P.A.
Tony DiNardo	Developer
Ron Albeit	The Foundation
Larry Douglas	LandCare
Mark Swanson	LandCare
Monique Irmen	Resident
Shannon Benedetti	Resident
Court Reporter	

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 8:02 a.m., and noted, for the record, that all Supervisors were present, in person.

For the benefit of the court reporter, each Board Member and Mr. Adams introduced themselves and spelled their names.

Mr. Brougham advised that the Ninth Order of Business would be presented following the Fifth Order of Business.

Additional meeting attendees stated and spelled their names.

SECOND ORDER OF BUSINESS

Public Comments: Non-Agenda Items (3 minutes per speaker)

Ms. Monique Irmen, a resident, submitted comments for the August meeting, in time, based on the 20 days prior to the meeting requirement. She felt that the procedure was not followed with regard to how her comments should have been handled. In response to Mr. Brougham's question, Ms. Irmen indicated that she submitted her comments online, to Daphne.

Mr. Adams pointed out that Ms. Irmen's comments were distributed to the Board prior to the Public Hearing but not addressed during the Public Hearing. There is an item on today's agenda to ratify the August minutes, with the addition of Ms. Irmen's comments, as an attachment.

Regarding the reserve and increases requested at the last meeting, Ms. Irmen asked if developers pay into the CDD when development occurs. Mr. Adams replied affirmatively. Ms. Irmen questioned if some of the recent cost increases related to destruction that occurs due to construction traffic. Mr. Brougham replied no.

Ms. Irmen stated that construction traffic issues continue on Cherry Oaks Trail and asked if a larger "No Through Street" sign could be installed or some other action taken to address the issue. Mr. Brougham was surprised to hear about an issue with construction traffic. Ms. Shannon Benedetti, a resident, did not observe a lot of construction traffic; there were pool cleaners, as well as residential contractors. Mr. Brougham advised that traffic on Cherry Oaks Trail was a longstanding issue but it peaked and declined since much of the new construction was completed, or neared completion, and new construction roads opened.

Regarding water, Ms. Irmen observed sprinkler issues and asked who to report it to. Mr. Albeit advised that irrigation issues should be reported to the main gatehouse.

THIRD ORDER OF BUSINESS

Special Counsel Update

Ms. Robinson indicated that the hearing on the various motions filed by U.S. Bank and ITG to Dismiss the Amended Counterclaim that was filed by CDD #1 was set for a three-hour hearing tomorrow, October 29, 2015 at 9:00 a.m. She requested an Executive Session for Wednesday, November 4, 2015 at 8:30 a.m.

Mr. Adams stated that today's meeting will be continued, with the intention of holding the Executive Session. If a quorum cannot be established, Mr. Adams will poll the Board for a different date.

****Ms. Robinson left the meeting.****

FOURTH ORDER OF BUSINESS Developer's Report

Mr. DiNardo stated that construction on Marsh Cove, Phase 2, would probably commence in December, 2015, with completion in August, 2016.

Mr. Brougham heard that a bridge might be constructed, over the current land bridge, leading to the preserve, near the fields. Mr. DiNardo stated that a box culvert was under consideration.

FIFTH ORDER OF BUSINESS Engineer's Report

▪ **Update: SR 951 Traffic Signal Installation**

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

Mr. Cole indicated that the traffic signal was expected to be in operation yesterday but was not because a stop bar must be striped before the signal goes into operation. The stop bar could not be installed on Monday night, due to an accident, or last night because it rained; striping should be completed tonight, if it does not rain, with the signal operational tomorrow.

Mr. Cole reported that the signal was inspected and punch list items will be addressed while the signal is operational. He noted that the contractor is responsible for maintenance during the 60-day burn-in period and, once the Department of Transportation (DOT) accepts it with final acceptance, the signal will be operated and maintained by Collier County.

Mr. Cole presented Draw #99 for approximately \$100,010.45, for the Series 2005 A/B bonds, for work related to the traffic signal, including final payment to the contractor. He noted that the District has retainage of approximately \$40,000 and the contractor will not receive the check for about one month.

Mr. Brougham felt that the draw should not be paid until the signal is operational. Mr. Cole recommended processing the check, as issues could be resolved during the month it will take to receive it. Mr. Cole confirmed that the retainage amount was excluded from Draw #99 and approximately \$40,000 will be due, later. Mr. Brougham feared that someone might forget to hold the check. Mr. Cole indicated that his firm would hold it. Mr. Brougham asked about the District's options, as he was unhappy with OnPower's due diligence, follow through or thoroughness, from start to finish, and did not want to reward shoddy service. Mr. Adams

advised that the Prompt Payment Act allows up to 45 days from receipt of an invoice to process and distribute payment.

Mr. Pires asked if the project was substantially complete, as defined by the contract, and if there is any holdback on punch list items, in addition to the retainage amount. Mr. Cole stated that retainage is usually intended for those types of things. Mr. Brougham questioned whether if a partial payment would advance or hurt the District's cause; he did not want the contractor to receive payment until the District was absolutely sure they did their job. Mr. Brougham asked if OnPower must certify that the work was complete and, therefore, they are due payment. Mr. Cole indicated that David Plummer & Associates (David Plummer) certifies the signal completion and his firm certifies the striping and signage. Striping of the stop bar was the only remaining item that Mr. Cole was aware of. Mr. Pires asked if the project was substantially complete, as defined by the contract. Mr. Cole replied with the exception of the stop bar striping, to his knowledge, it was complete. Mr. Pires read from the contract "Prior to substantial completion, progress payments will be in an amount equal to 90% of the work completed and accepted by the District." Mr. Brougham contended that the work was not accepted by the District. Mr. Pires questioned if the work, to date, was acceptable, except for the punch list items. Mr. Slater voiced his opinion that, as of today, the project was not completed; therefore, if the contractor submitted "paperwork" to Mr. Cole, it must be "bogus". Mr. Slater questioned how the contractor could submit a bill and the District pay it for something that is "bogus". Mr. Cole suggested holding payment of \$10,000 from the invoice amount, in addition to the retainage amount already being held, and with his guarantee that the contractor will not receive the payment check for at least one month. In response to a question regarding whether the burn-in period validates completion of the job, Mr. Cole explained that, during final inspection, all facets of the signal will be inspected but, during the burn-in period, the contractor would be responsible for correcting issues. Mr. Cole confirmed that the retainage money was being held until everything is completed and accepted by the county and DOT, following the burn-in period. Mr. DiNardo asked what the subcontractor's rights are and could it impact the County's acceptance of the light, should the District does not pay. Mr. Pires indicated that the contractor is responsible for paying the subcontractor, regardless of whether the District pays the contractor. Mr. Pires was unsure whether a payment and performance bond was posted by the contractor but, if so, that is how the subcontractor would make a claim about a public project. Mr. Pires confirmed that the contractor cannot place a lien on governmental property.

Regarding payment, Mr. Pires advised that the 45-day period begins upon receipt of the invoice.

Mr. Brougham's issue was that the District did not have certifications; therefore, the Board would be authorizing payment for something that was not certified, yet, and with no assurance that it would be certified. Mr. Pires pointed out Mr. Cole's confirmation that the project was substantially complete, according to the terms of the contract. Mr. Brougham contended that Mr. Cole advised that payment was not necessary until certification of the project. Mr. Cole believed that the District has an obligation to pay something.

This item was deferred to the November 4, 2015 continued meeting. Mr. Cole should attend and this item will be heard at the beginning of the continued meeting.

Mr. Cole stated that lake bank erosion repairs continue; the bags will be cut, sand spread and sod installed this weekend and next week. He confirmed that this step will complete the fourth phase and the prioritized list will be reviewed in the coming weeks to determine the lakes for the fifth phase. Regarding the duration of the lake bank erosion work, Mr. Cole believed that, within three to four years, everything anticipated several years ago would be completed.

For budgeting purposes, Mr. Cole prepared a summary of the pavement restoration plans, recommendations, when repairs might be necessary and the estimated costs; once completed, the summary will be sent to Mr. Adams.

Mr. Brougham directed Management to include this topic on the next agenda, including a discussion of reserves and no reserves, pros and cons of issuing bonds and all financing options. Although the project is several years in the future, he felt that it was not too early to begin discussing it, as time would be necessary to build reserve funds, if the Board chooses that approach.

Mr. Cole anticipated, in three or four years, completing Fiddler's Creek Parkway to Championship Drive and Championship Drive and Club Center Drive up to the clubhouse entry at a cost of approximately \$750,000.

Mr. Turner asked why the District is completing work in many areas bordering The Rookery golf course but The Rookery is not and whether the lack of work would negatively impact the work completed by the District. Mr. Cole indicated that the CDD is responsible for maintaining its side of the lake bank and the District's erosion repairs are not impacted by The Rookery not repairing its side of the lake. Mr. Turner questioned how The Rookery can get away without making repairs while the District was told it must. Mr. Cole stated that the District

is repairing the lakes based upon the criteria of the South Florida Water Management District (SFWMD) and confirmed that SFWMD never issued a citation to the District; the District is completing the repairs voluntarily.

Mr. Cole explained that, several years ago, SFWMD issued a citation to the developer, in CDD #2 and it was incumbent upon CDD #2 to complete repairs; simultaneously, an analysis of all lakes in both CDD #1 and CDD #2 was performed. CDD #1 discovered about \$1.6 million worth of repairs on its lakes, with some being significant. Mr. Albeit suggested advising the golf course of this matter and their potential exposure.

SIXTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Petition to Correct the Legal Description of the District By Amendment Without Changing the Boundaries of the District

******Mr. Brougham opened the Public Hearing.******

Mr. Pires introduced Mr. Ken van Assenderp and Mr. J.D. Holt, of Young van Assenderp, P.A.

Mr. Pires stated that the purpose of the Public Hearing is to determine whether to recommend that the Amended Petition to Correct the Legal Description of the District By Amendment Without Changing the Boundaries of the District (The Petition) be granted and to authorize preparation of a report in conclusions and recommendations to be sent to the Florida Land and Water Adjudicatory Commission (FLAWAC).

Mr. Pires indicated that a Court Reporter was present to transcribe a verbatim transcript, which will accompany the report and conclusions to FLAWAC.

A. Affidavit/Proof of Publication

For the record, Mr. Pires stated that the Public Hearing was properly noticed and presented a copy of the notice that was in the newspaper. This item will be marked "Exhibit 1", for purposes of this hearing. He provided a copy to the Court Reporter and attached a copy to the report and recommendations.

Mr. Pires noted that the District Manager has not received the affidavit of publication yet from the Naples Daily News. He reserved the right to supplement the record and insert the affidavit of publication, once received.

Mr. van Assenderp asked if the notice was published consecutively. Mr. Pires replied affirmatively; it was published on September 30, October 7, 14 and 21, 2015.

B. Consideration of Various Reports and Testimony

Mr. Pires stated that, on July 7, 2015, the Collier County Board of County Commissioners waived the optional local public hearing on the Amended Petition. He introduced County correspondence and a recap of the July 7, 2015 Commissioners meeting, as Exhibit 2. The Amended Petition will be Exhibit 3. Correspondence from Ms. Cynthia Kelly, of the Office of the Governor, will be Exhibit 4.

Mr. van Assenderp and Mr. Holt met with FLAWAC staff to ensure their familiarity with the draft and provide technical comments, which led to the Amended Petition. Mr. van Assenderp and Mr. Holt met with the Governor's lawyer and each staff person involved, as well.

The Court Reported administered an oath to Mr. Cole.

Mr. Pires administered and Mr. Cole testified to a series of questions regarding Mr. Cole's personal information, professional experience and involvement in the petition process.

Mr. Pires presented the affidavit from Mr. George Russell Weyer, regarding the estimated regulatory costs, which will be Exhibit 5. He read the affidavit into the record:

"My name is George Russell Wire. I am over the age of 18 years, a citizen of the United States of America and a resident of the State of Florida, residing in Collier County, Florida.

I hold an MBA from the University of Miami and a BA from Michigan State University. I am the founder and President of Real Estate Econometrics, Inc., experienced in economics, forecasting, community development district financing and management in fiscal and financial analysis, having performed fiscal, financial and economic consulting experience for businesses and governments for over ten years. I have reviewed the Amended Petition to correct, by amendment, the legal description of the boundary of the Fiddler's Creek Community Development District 1 Petition. This affidavit is provided for the purposes of attesting as to the requirements for a statement of estimated regulatory costs, under Section 120.541(2)(a), Florida Statutes, as they relate to the statement of estimated regulatory cost, as prepared for the Fiddler's Creek Community Development District 1, Naples, Florida, for the Public Hearing on

the Petition. Based upon my review of the Petition, knowledge and experience, in my expert opinion:

- a. I agree with the District's assessment that the Petition will not have any direct or indirect impacts on the stated areas in Section 1.*
- b. I agree with the District's assessment that the Petition will not have any direct or indirect impacts on the stated areas in Section 2.*
- c. I agree with the District's assessment that the Petition will not directly or indirectly result in any increased regulatory costs of any kind.*
- d. I agree with the District's assessment that the Petition will not directly or indirectly require any individuals or entities to comply with the rule.*
- e. I agree with the District's assessment that the Petition will not directly or indirectly result in any additional costs to the agency or any other state or local government entities.*
- f. The District is required to pay a \$1,500 application fee, which is designed to cover any clerical costs that may be incurred with the filing of this Amendment.*
- g. I agree with the District's assessment that the petition will not directly or indirectly result in increased transactional costs, as defined in Section 3D., to any individual or entity.*
- h. I agree with the District's assessment that the Petition will have no added adverse impact on small businesses, counties or cities; therefore, no alternatives are necessary.*
- i. I agree with the District's assessment that no additional information is necessary.*

Further affiant sayeth naught, George Russell Weyer, sworn to and subscribed to me on October 26, 2015."

Mr. Slater questioned if this item should be Exhibit 6, as Exhibit 5 was already in the package. Mr. Pires indicated that the Exhibits in the Memorandum were numbered for the

purposes of the Memorandum and not for the purposes of the Public Hearing. Debate ensued regarding numbering of the Exhibits. Mr. Pires advised that this item is Exhibit 5 to the transcript and to the report, conclusions and recommendations to the Governor and Cabinet. Exhibit 5 to the Memorandum was only an exhibit to the Memorandum, not to the report or the Public Hearing transcript.

There were no questions or comments from the public.

On MOTION by Mr. Brougham and seconded by Mr. Slater, with all in favor, acceptance of Exhibits 1 through 6, into the record, as part of this Public Hearing, and to be included in the Report, Recommendations and Conclusions to FLAWAC, along with the transcript of the Public Hearing, were approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2016-1, Concerning the Amended Petition to Correct the Legal Description of the District by Amendment Without Changing the Boundaries of the District (The "Petition"); Authorizing the Chairmen, District Manager, District Counsel and District Engineer to Prepare, Finalize and Submit a Report and Conclusions Concerning the Petition to the Governor and Cabinet of the State of Florida Sitting as the Florida Land and Water Adjudicatory Commission ("FLAWAC")

Mr. Pires presented Resolution 2016-1 for the Board's consideration.

On MOTION by Mr. Brougham and seconded by Mr. Slater, with all in favor, Resolution 2016-1, Concerning the Amended Petition to Correct the Legal Description of the District by Amendment Without Changing the Boundaries of the District (The "Petition"); Authorizing the Chairmen, District Manager, District Counsel and District Engineer to Prepare, Finalize and Submit a Report and Conclusions Concerning the Petition to the Governor and Cabinet of the State of Florida Sitting as the Florida Land and Water Adjudicatory Commission ("FLAWAC"), was adopted

*****Mr. Brougham closed the Public Hearing.*****

EIGHTH ORDER OF BUSINESS

**Consideration of Award of Contract –
Lake & Wetland Maintenance**

Ms. Crismond indicated that the lake and wetland maintenance contract will expire on December 31, 2015. Four contractors were notified of the Request for Proposal (RFP) and three submitted bids. The current contractor, LakeMasters Aquatic Weed Control, Inc. (LakeMasters), submitted the lowest bid, which is an approximate increase of 10% over the current contract amount, due to increased chemical and labor costs.

Mr. Brougham noted that LakeMasters bid \$166,128, Lake & Wetland bid \$207,814.99 and Aquagenix bid \$212,068.85. Management recommended awarding the contract to LakeMasters.

In response to Mr. Bergmoser's question, Ms. Crismond confirmed that the Fiscal Year 2016 budget was sufficient to cover the increased contract amount. The District paid LakeMasters \$150,192 during Fiscal Year 2015, for the same services.

On MOTION by Mr. Slater and seconded by Mr. Turner, with all, in favor, the LakeMasters Aquatic Weed Control, Inc., proposal for lake and wetland maintenance, in a not-to-exceed amount of \$166,128, was approved.

Mr. Brougham noted that Mr. Peterson stepped out and did not vote.

NINTH OFDER OF BUSINESS

**Update: SR 951 Traffic Signal
Installation**

This item was discussed during the Fifth Order of Business.

TENTH ORDER OF BUSINESS

**Consideration of IberiaBank Loan
Documents for Line of Credit**

Mr. Brougham discussed the arduous process leading up to finalizing a line of credit with IberiaBank. Most of District Counsel's concerns were addressed but, three items of concern remain, as outlined in his October 22, 2015 Memorandum.

Mr. Brougham voiced his opinions regarding Mr. Pires' concerns, as follows:

1. The Loan Agreement
 - A. 18% Default Interest Rate: Mr. Brougham felt the District would not find itself in a default situation and should not preclude the District from proceeding with the line of credit.
 - B. Litigation in State or Federal Court: Mr. Brougham felt that litigation would only occur if the District defaulted on the loan, which there was no intention of doing.
2. Business Line of Credit Agreement and Disclosure
 - A. 18% Default Interest Rate: Mr. Brougham felt that this was redundant of Item 1.A.
 - B. Arbitration reference to Uniform Commercial Code (UCC): Mr. Brougham felt that this was not relevant, as it cannot be applied to a governmental entity. The comments were standard loan document verbiage. He felt that arbitration would only occur if there was litigation.
5. The Governmental Certificate
 - A. Grant Security paragraph too broad: Mr. Brougham noted that the bank will not delete the paragraph and felt that the risk was low because the District did not have a mortgage or real property that it is securing; the line of credit is being secured by the District's ability to assess.
 - B. Execute Security Documents paragraph should be deleted: Mr. Brougham stated that this was standard language in the bank documents and that there was no issue, as the District could simply not execute other items or encumbrances.

Mr. Brougham recommended execution of the line of credit documents. He surmised that, while Mr. Pires' concerns are valid, from a legal perspective, the risk to the District was minimal or zero.

Mr. Adams agreed with Mr. Brougham's opinion, as most of the items of concern were not applicable or will become subject to law when or if the item is effectuated. He did not foresee these items becoming an issue.

Mr. Bergmoser stated "If Tony's concerned, I am concerned." and questioned why IberiaBank was inflexible and why the District cannot locate a bank with CDD experience and that it is a governmental agency. In response to a question about \$9,500 in attorneys' fees if the District borrowed on the line of credit, it was noted that the Board previously agreed to that amount for drafting of the loan documents.

Mr. Pires pointed out that the documentary stamp tax costs were removed.

Mr. Bergmoser asked how the District funded clean up following Hurricane Wilma. Mr. DiNardo stated that the developer fronted the money. Mr. Adams answered that the District paid the developer back through a Bank of America loan. Mr. Bergmoser urged the Board to approach Bank of America for a better deal that is more to the District's preferences. Mr. Brougham indicated that several banks were approached.

Mr. Slater agreed that the District should execute the line of credit documents.

Mr. Peterson stated that the line of credit concept was in lieu of increasing operation and maintenance (O&M) assessments; therefore, it replaces building reserve funds for future expenses. He questioned if the concept was fiscally responsible and surmised that he had concerns, as long as Mr. Pires still had concerns. Mr. Peterson voiced his opinion that the District should seek other alternatives.

Mr. Turner expressed concern about Item (f), on Page 14, which stated that the District could be in default due to failure to comply with covenants contained in Section 5.02, of the agreement and pointed out that Section 5.02(c), on Page 12, stated that the District shall not incur any indebtedness payable from or secured by the assessments. Mr. Pires indicated that the reference was related to O&M assessments; debt service assessments would be excluded. Mr. Turner noted that Item 5.02(d) contained certain permission requirements from IberiaBank if the District wanted to open accounts with SunTrust Bank. Mr. Turner believed that all matters must be understood to ensure that the District does not do anything to create a default. Mr. Pires referred to Page 1, which defined "Assessment(s)" as the District's maintenance special assessment as described in Section 190.021, Florida Statutes, and explained that it excludes any debt service assessments. Mr. DiNardo indicated that the agreement contains standard loan document language.

Mr. Brougham stated that he would not spend any more of his time trying to work with another bank because the same type of documents would be encountered with other banks. The District might never need the line of credit but he found comfort knowing that the District could obtain emergency money within hours, if necessary. Mr. Brougham believed that, should the District draw on the line of credit, it could rely on Management, District Counsel and Staff to ensure that the District does not default. He suggested that the Board only be "concerned about the concerns when and if" the District draws on the line of credit.

Mr. Pires presented the Note Resolution for the Board's consideration.

<p>On MOTION by Mr. Brougham and seconded by Mr. Slater, with all in favor, Resolution 2016-2, the Note Resolution, authorizing the District to obtain a revolving line of credit with IberiaBank, in a not-to-exceed amount of \$500,000, which would be evidenced by issuance of a promissory note of the District and authorization for the Chair to execute the Loan Agreement, Business Line of Credit Agreement and Disclosure, Modification Rider to Business Line of Credit Agreement and Disclosure, Governmental Certificate, Disbursement Request and Authorization and the Errors and Omissions Agreement, were approved.</p>
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Mr. Brougham directed District Counsel, by Monday, to draft a letter for Mr. Adams' signature, as a cover letter to IberiaBank, along with the Note Resolution.

ELEVENTH ORDER OF BUSINESS

Approval of September 23, 2015 Regular Meeting Minutes

Mr. Brougham presented the September 23, 2015 Regular Meeting Minutes and asked for any additions, deletions or corrections.

Mr. Slater took exception with Line 98. Mr. Brougham stated "let's strike that". Mr. Adams pointed out that Mr. Brougham requested verbatim transcription. Mr. Slater stated "I don't care, I don't want to see that." Mr. Brougham repeated "strike that". Mr. Pires recommended changing the words to "Expletive". Debate ensued regarding whether to delete Line 98 or change it. Mr. Adams stated that the line would be stricken.

The following change was made:

Line 98: Delete entire line.

<p>On MOTION by Mr. Bergmoser and seconded by Mr. Peterson, with all in favor, the September 23, 2015 Regular Meeting Minutes, as amended, were approved.</p>
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TWELFTH ORDER OF BUSINESS

Approval/Ratification of August 26, 2015 Public Hearing and Regular Meeting Minutes to Include Resident Email as Exhibit

Mr. Brougham presented the August 26, 2015 Public Hearing and Regular Meeting Minutes for ratification. Mr. Adams confirmed that ratification was to attach Ms. Irmen's comments to the minutes.

On MOTION by Mr. Brougham and seconded by Mr. Slater, with all in favor, approval of the August 26, 2015 Public Hearing and Regular Meeting Minutes to Include Resident Email as Exhibit, as amended, was ratified.

THIRTEENTH ORDER OF BUSINESS Action Items

It was noted that Item 15 was not completed, as the tree died; the word "relocated" should be changed to "replaced" and "COMPLETED" (*subsequent to 09/23/15 meeting*) changed to "ONGOING".

Regarding Item 14, Mr. DiNardo stated that the developer will pay for it. Mr. Pires, Mr. Cole and Mr. Adams approached Mr. van Assenderp about retaining his services to complete the further amendment to the District's boundaries; legal descriptions were pending.

Mr. Brougham directed Mr. Adams to provide a copy of Management's crime policy. Mr. Adams will email the policy to Mr. Brougham. Mr. DiNardo warned the Board that, for example, if the District Manager only carries a \$1 million crime policy but someone takes more, all of the affected Districts would be left to share in the policy limit of \$1 million. Mr. DiNardo suggested requiring Management to implement a "positive pay" procedure so that no money is transferred from the District's accounts and the bank will not release any checks. Mr. Brougham asked that this item be included as a discussion item on the agenda.

Regarding Item 19, Ms. Crismond indicated that LandCare completed the work.

FOURTEENTH ORDER OF BUSINESS Other Business

There being no other business, the next item followed.

FIFTEENTH ORDER OF BUSINESS Staff Reports

A. District Counsel

Regarding the subpoena served on Mr. Brougham in the Fiddler's Creek LLC versus Naples Lending litigation, Mr. Pires indicated that was obtaining some requested documents and the District's objections were filed and remain outstanding.

B. District Manager

Mr. Adams presented a Cash Flow Analysis. Mr. Brougham was shocked that the District would be "in the red" and asked what Management could do about it, as it manages the District's cash. Mr. Adams indicated that Management will manage the priorities. The District had sufficient cash flow to pay expenses through October, 2015. Regarding November and December expenses, Mr. Adams recalled that the District has up to 45 days to make payments and assessment revenue receipts should begin arriving in mid-December.

i. Approval of Unaudited Financial Statements as of September 30, 2015

Mr. Brougham presented the Unaudited Financial Statements as of September 30, 2015.

Mr. Brougham asked what the \$44,777 "Due from Fiddler's Creek CDD #2" line item, on Page 1, was related to. Mr. Adams replied that it was related to shared costs. Mr. Brougham noted that Management makes the transfers and questioned why it states "Due from" if it was a legitimate CDD #2 expense item that Management is responsible for paying. Mr. Adams indicated that, as of September 30, 2015, payment was not transferred over. Mr. Brougham stated "shame on you" to Mr. Adams. Mr. Adams advised that the Management was reconciling bank statements trying to "get things out the door". Mr. Brougham felt that there was no reason to have "due from" and "due to" items between CDD #1 and CDD #2. Mr. Adams stated that it occurs because of transfer of funds at the time the Unaudited Financial Statements are prepared.

Mr. Brougham referred to the "Transfers out" line item, on Page 3, and asked what it related to. Mr. Adams indicated that it was the foreclosure legal expenses that the Board agreed to write off.

ii. NEXT MEETING DATE: November 18, 2015 at 8:00 A.M.

The next meeting will be held on November 18, 2015 at 8:00 a.m.

C. Operations Manager

Ms. Crismond presented the Operations Report. She sought approval to repaint 24 decorative posts on Mahogany Bend. It was noted that, for continuity, all must be repainted at the same time. Lykins-Signtek proposed \$5,570 and Florida Painters proposed \$4,170.

On MOTION by Mr. Brougham and seconded by Mr. Peterson, with all in favor, the Florida Painters proposal to paint 24 decorative posts on Mahogany Bend, in a not-to-exceed amount of \$4,170, was approved.

Ms. Crismond introduced Mr. Larry Douglas, of LandCare, who assumed Mr. Rick Herndon's responsibilities.

SIXTEENTH ORDER OF BUSINESS

Supervisors' Requests

Regarding fire hydrant painting, Mr. Brougham indicated that the HOA is responsible for maintaining, repairing and painting the fire hydrants in Cascada, Cranberry, Deer Crossing, Whisper Trace and the Clubhouses. He believed that those hydrants were not transferred from the developer to the Greater Naples Fire District (GNFD), which is why they are still privately owned.

Mr. Pires questioned if the potable fire hydrant water lines were conveyed to the CDD. Mr. Brougham replied no. Mr. Cole stated that the lines were conveyed to the CDD and then the CDD conveyed them to the county; however, separately, the developer pays a fee to have the Fire District assume ownership and maintenance of the hydrant. Mr. Pires asked if the county owns the facilities. Mr. Brougham responded no. Mr. Cole indicated that the utilities were conveyed to the county. Mr. Pires questioned if the utilities and facilities included the fire hydrants. Mr. Cole replied affirmatively. Mr. Brougham advised that every other hydrant in the development belongs to either Collier County or the GNFD, with the exception of the hydrants behind the private meters, which are the responsibility of the HOA.

Mr. Brougham directed Mr. Cole to located reputable, local contractors to flush, maintain and replace hydrants and provide the information to the HOAs.


In response to a question, Mr. Adams and Mr. Cole indicated that the county owns the water transmission lines between hydrants. Mr. Pires stated that the potable water lines were initially constructed by the developer, conveyed to the District and then conveyed to the county by the District. Regarding whether the hydrants in the private areas could be conveyed to the County, Mr. Cole confirmed that those hydrants cannot be conveyed. Mr. Brougham noted that Montreux is maintained by GNFD.

Mr. Brougham directed Staff to include this as an action item for the next meeting.

SEVENTEENTH ORDER OF BUSINESS Adjournment

There being no further business to discuss, the meeting recessed at approximately 9:40 a.m., and was continued to Wednesday, November 4, 2015 at 8:30 a.m., at this location.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair