

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

A Regular Meeting and of the Board of Supervisors of the Fiddler's Creek Community Development District #1 was held on **Wednesday, September 27, 2017 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
Robert Slater	Assistant Secretary
Charles Turner <i>(via telephone)</i>	Assistant Secretary
Joseph Schmitt	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Assistant Regional Manager
Tony Pires	District Counsel
Terry Cole	District Engineer
Ron Albeit	The Foundation
Valerie Lord	Developer Counsel
Mark Sherbekow	Resident
Jack Combes	Resident
George Varianides	Resident
Myron Bechtel	Resident
Charles Salvaggione	Resident
Alfred Noto	Resident
Torbin Christenson	Resident
Contractor Representatives	

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 8:07 a.m. Supervisors Brougham, Bergmoser, Slater and Schmitt were present, in person. Supervisor Turner was attending via telephone.

On MOTION by Mr. Bergmoser and seconded by Mr. Slater, with all in favor, authorizing Mr. Turner's attendance and full participation, via telephone, due to exceptional circumstances, was approved.

SECOND ORDER OF BUSINESS**Public Comments: Non-Agenda Items (3
minutes per speaker)**

Mr. Brougham announced that today's meeting would focus on recovery from Hurricane Irma and managing the flow of funds stemming from the storm, from paying contractors to levying taxes. The District's roadways endured the most damage and repairing them would be costly to the residents of Fiddler's Creek. The Foundation proposed a restoration plan and the Board would consider the advantages and disadvantages of participating in it.

Mr. Mark Sherbekow, a resident, stated that he resided behind two main roads. The area lost a tremendous amount of landscaping and its sound barrier. Mr. Sherbekow and his neighbors were no longer shielded from the sounds of traffic and he wanted to know about the District's plans to resolve the sound issue and replace the landscaping. Mr. Brougham stated that residents should exercise patience, as it would take time for the vegetative barrier to grow back. All damaged CDD trees, along that roadway, were being cleared and the lost vegetation would eventually be replanted, per the Engineer's Report. The process would probably not commence until next spring. Mr. Sherbekow asked about residential input. Mr. Brougham stated that there would be a Public Hearing and/or a Special Meeting about the landscaping and hurricane recovery plans. Mr. Schmitt stated that the CDD would only replace trees that were on CDD property and villages were responsible for damaged or fallen trees within their condominium plots. Mr. Slater stated that the time frame was uncertain because most of the tree farms that supplied the CDD were gone; therefore, new trees would be purchased from outside of Florida and it would be a lengthy process. Mr. Brougham stated that one of the advantages of opting into The Foundation's restoration plan was The Foundation's buying power; The Foundation's ability to order in bulk would carry more clout than a village placing a small order .

Mr. Jack Combes, a resident, asked for an update on debris pickup in CDD #1's neighborhoods. Mr. Brougham stated that the CDD was responsible for and would eventually clear all CDD roadways. Eventually, the County would enter the Fiddler's Creek community and remove additional debris; however, special permission from the Federal Emergency Management Agency (FEMA), to enter into gated communities, would be required. In the meanwhile, there was no restriction against any villager or private homeowner hiring a landscaper to collect debris from the curb and haul it to the landfill.

THIRD ORDER OF BUSINESS**Special Counsel Update**

Mr. Brougham stated that the Court recently postponed and rescheduled a five minute-hearing from September 11 to October 9.

FOURTH ORDER OF BUSINESS**Developer's Report**

Mr. Brougham thanked Mr. Albeit and his staff for doing a wonderful job assisting residents during Hurricane Irma.

FIFTH ORDER OF BUSINESS**Engineer's Report**

Mr. Cole stated that, other than hurricane items, the lake erosion contractor was onsite, repairing the lakes, especially the lake near The Club. Mr. Brougham asked for an update on the Collier County sewer backup on Mahogany Bend. Mr. Cole first learned of the spill in the Naples Daily News. The sewage backup occurred due to a lack of power to the pump station and the spill was several inches thick. The pressure of the sewage pushed up a cone on one of the manholes, opened a metal lid and spilled onto the roadway, in a number of locations, including Mahogany Bend. Representatives from the Collier County Department of Health and the Collier County Pollution and Prevention Department met with District Staff, representatives from the Wastewater Department and several residents. A vac truck was used to absorb the liquid and an environmental contractor was hired to segregate and absorb the solid particles. Cleanup crews would pressure wash the areas with biosoap and apply lime to contain bacteria and eliminate odor. It was discovered that the north side of Mahogany Bend had waste underneath fallen tree debris. The trees would be removed and the entire right-of-way (ROW) would be sprayed and treated with biosoap. Ms. Tasha Smith, from the Collier County Health Department, indicated that it was safe for residents to occupy their homes and it was suggested that the air conditioning filters be changed and rechanged, after the cleanup was completed. Regarding testing, Collier County did not conduct air quality or soil tests but the Department of Environmental Protection (DEP) would conduct tests, upon request, once the cleanup was completed. The spill infiltrated a few catch basins in Lake #18, which is connected to and discharged into Fiddler's Creek, at Runaway Bay. The catch basins were cleaned. A contractor suggested spraying copper sulfate in the lakes to help deter algae blooms, which may occur. Mr. Brougham estimated that cleanup on Mahogany Bend should be completed in a few days.

Mr. Torbin Christenson, a resident, inquired about testing the water quality in the creek near his residence. Mr. Brougham stated that the creek was regularly treated with copper sulfate by LakeMasters Aquatic Weed Control, Inc. (LakeMasters).

Mr. Slater wanted to know why Collier County would not perform final tests for affected property owners if they were responsible and felt that the County should hire a testing company to conduct tests, as residents would appreciate knowing that they were safe. Mr. Brougham was unsure whether Collier County would forward a request and a concern to the DEP and stated that the County, per se, did not perform air quality testing but could arrange for soil testing. He would pursue the testing issue. Discussion ensued regarding the sewage backup, the cleanup effort, catch basins, drainage, the District's hardscape and the Engineer's Report.

SIXTH ORDER OF BUSINESS

Discussion/Update: Hurricane Irma Recovery

Mrs. Adams introduced all of the contractors that worked in the community and helped the District recover from the damage caused by Hurricane Irma, including GulfScapes Landscape Maintenance Services (GulfScapes), MRI Underwater Specialists (MRI), Bentley Electric Company Inc. (Bentley), Lykins-Signtek (Lykins), Davey Tree Expert Company (Davey Tree), Southeast Spreading Company (SSC), LandCare, Collier Concrete (CC), Southern Sweeping (SW), EarthBalance, Vista Pools (Vista), Southern Land Care (SLC) and D&D, and acknowledged contractor representatives who were in attendance. Mr. Adams recognized The Fiddler's Creek Club and Spa, who provided lunch for the cleanup crews. Mr. and Mrs. Adams were commended for doing a superb job of coordinating with The Foundation and managing the cleanup and recovery effort.

Mr. Brougham stated that The Foundation arranged a loan opportunity, which was being offered to all of the villages, HOAs and Condo Associations, as well as the CDD #1 and CDD #2. Participation was a village-by-village decision, as some areas were more damaged than other areas. The financing terms would be up to seven years and the billing would flow through The Foundation. All 1,959 property owners in CDD #1 would pay an equal share of the expenses. In response to why the District did not secure its own loan for storm recovery, Mr. Brougham stated that the District was involved in ongoing litigation with US Bank so it would be difficult to secure a loan and it would be too time-consuming and costly to issue a bond. Given that a loan was available, through The Foundation, Mr. Brougham felt that the District should take

advantage of it and participate. Mr. Adams was asked to elaborate and explain the flow of funds, from contractor compensation to how homeowners would be billed. Mr. Adams stated that, for the past two weeks, the District was undergoing an intense cleanup effort. The first priority was to make at least one lane passable on all, remove debris and prune all hanging branches from CDD trees. All of the District's sidewalks and the common areas, outside of the ROWs, would be examined. The District would likely expend \$350,000 to \$400,000 on debris cleanup and removal and funds for that expense were available in fund balance. He suggested prioritizing some of the funds programmed for Fiscal Year 2018 and repurposing them towards the recovery effort. Approximately \$900,000 could be repurposed, without affecting actual operations.

Mr. Brougham stated that the Fiscal Year 2018 budget was already adopted and the November tax bill would contain the assessment for Fiscal Year 2018; therefore, any financial implication to assessments would appear on the tax Fiscal Year 2019 tax bills that would be sent in November 2018. He called for a motion, discussion and a vote on whether CDD #1 should be a participant in The Foundation Restoration Plan. Mr. Pires stated that residents and other Board members should discuss the topic before the Board took action.

Mr. George Varianides, a resident, asked if the roadway project could be postponed and if the previously collected funds for that project could be used for the cleanup effort. Mr. Brougham stated that Mr. Adams would be repurposing those funds. In response to a question regarding the loan, with respect to property taxes, Mr. Brougham stated that if the District opted in, the assessment would be reflected on residents' tax bills for Fiscal Year 2019.

Mr. Myron Bechtel, a resident, questioned why, at a previous meeting, the Chair challenged the fact that the assessment would be added to the tax bill. Mr. Brougham stated that the cleanup assessment must be on the property tax bill, since it concerned the CDD. Mr. Albeit stated that the individual villages would receive a separate bill and reiterated that residents would feel the financial impact of the loan on their Fiscal Year 2019 property tax bills.

In response to Mr. Combes question, Mr. Brougham confirmed that the tax bill would be pro-rated, in one year. Mr. Adams stated that it was important to understand what the District's actual obligation was. Mr. Brougham stated that the District had the authority to spread the loan repayment over a five-year period. Mr. Adams understood that The Foundation would secure a termed loan for five to seven years. Mr. Pires clarified that the District could borrow for longer than five years but borrowing for a period longer would require a court validation process, which was costly and time-consuming. Mr. Slater felt that the Board should reject the loan option,

since the District had \$900,000 that it could reallocate and a previously-secured \$500,000 line of credit. He disagreed with charging residents an appropriation or a one-time charge when the District could cover its own recovery expenses. Mr. Adams recommended that the Board take advantage of The Foundation's loan opportunity, as the final recovery costs were unknown. Discussion ensued regarding whether to participate in loan opportunity, imposing a special assessment, the replanting estimate from the District Engineer and subsequent meetings.

Mr. Varianides recalled that loss assessment and insurance reimbursement was mentioned at a recent meeting and wanted to know if those items were covered as a tax bill assessment or an assessment through The Foundation. Mr. Brougham felt unqualified to answer the question, as he was not an insurance broker or financial expert.

Mr. Slater wanted the Board's position clarified, on the record, and asked if the District would ask for the funds up front, until it knew the total cleanup costs. Mr. Adams replied affirmatively and stated that the damage was being assessed, by the District, with the District Engineer's cost opinion, which would help size the loan. Mr. Brougham stated that the Engineer's Report and District Staff's input on clearing costs would be helpful. Discussion ensued regarding the loan size, the budget, operating expenses and administrative fees. The consensus was that it was prudent for the District to opt in.

On MOTION by Mr. Brougham and seconded by Mr. Schmitt, with all in favor, to participate in The Foundation Restoration Plan for as-needed financing, was approved.

Mr. Brougham discussed landscape debris on village roadways. The District had the advantage of hauling its debris off the roadways, to a staging area at the end of Fiddler's Creek Parkway, which was currently full. Collier County offered to remove debris from District roadways once FEMA approval is received. Since the County's time frame was uncertain, Mr. Brougham suggested that granting Mr. and Mrs. Adams authority to authorize contractors to clear all village roadways, after all of the CDD roadways are cleared. Although it was not the District's responsibility and was unbudgeted, Mr. Brougham felt that it was important to clear all of the streets within the community and he believed that the residents of CDD #1 would agree.

Mr. Alfred Noto, a resident, asked if it was possible for him to be reimbursed, as he previously hired a landscaper to maintain his residence. Mr. Brougham thanked Mr. Noto and stated that residents could not be reimbursed for cleanup that they initiated.

Mr. Christenson asked about the streetlights on the private streets. Mr. Brougham stated that the light poles, street signs, hardscape, etc., throughout the entire community and private villages, would be included in the estimate of costs.

Mr. Varianides asked when the CDD roadways would be completed. Mr. Adams stated that general debris pickup would be completed in five to seven days. Mrs. Adams stated that LandCare reported that the dumping areas were full and Collier County was closing off remaining areas. Discussion ensued regarding debris removal, stump grinding, the County landfill and FEMA. Mr. Pires felt that part of the Board's motion should mention the District's drainage easements and the drainage system. Further discussion ensued.

Mr. Slater wanted to revisit the discussion on the expenditure of funds and deferral of commitments that the District previously made, such as repaving the parkway. Mr. Pires stated a budget amendment and a budget resolution would be necessary. Mr. Slater stated that all deferred items should be identified, in a codified manner, and the length of time of the deferment should require discussion. Mr. Albeit stated that, per Mr. DiNardo, the amount of money that the District may borrow from the line of credit, or loan, would not appear on property tax bills; it would be billed by The Foundation. It would be a contract between The Foundation and Iberia Bank. Mr. Brougham asked Management to clarify how the borrowed funds would be paid back. Mr. Slater wanted a legal opinion of Mr. Albeit's statement and called for a motion to revisit the reimbursement issue and define how the restoration loan would be processed, disbursed and repaid. Due to the confusion, Mr. Brougham requested a full, detailed report from District Counsel and District Management with direct input and participation by Mr. DiNardo, explaining cash flow, from the District's expenditures to repayment methods, for inclusion on the October agenda. He called for complete clarity by the next meeting. Discussion ensued regarding the District, its vendors, The Foundation, gifts and a collection agency. Mr. Slater motioned to recall the prior vote and hold a special meeting before September 28, 2017.

On MOTION by Mr. Slater, with no second, to rescind the previous motion, and schedule a Special Meeting, before September 28, 2017. (Motion failed due to lack of a second.)

Mr. Brougham stated that there was no penalty for opting in the proposed restoration plan, as it would not cost anything, except minor administrative fees and, if The Foundation did not provide complete clarity by the next meeting, another vote would be required. Mr. Slater stated that the Board's only option would be to impose a special assessment, which should be considered at the next meeting. Mr. Brougham directed District Staff to distribute their findings to the Board prior to the next meeting. Mr. Adams would include this item on the October agenda.

In response to a resident's question, Mr. Brougham stated that the next meeting would be announced in the newspaper and Board meetings were held the fourth Wednesday of each month.

SEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of August 31, 2017

Mr. Brougham presented the Unaudited Financial Statements as of August 31, 2017.

EIGHTH ORDER OF BUSINESS

Consideration of August 30, 2017 Public Hearings and Regular Meeting Minutes

Mr. Brougham presented the August 30, 2017 Public Hearings and Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

- Line 77: Change "track" to "tract"
- Lines 105 and 108: Change "Case" to "Waste"
- Line 114: Change "Brice" to "Brick"
- Lines 120 and 121: Change "Meyer" to "Minor"
- Line 123: Change "are" to "area"
- Line 124: Change "paves" to "pavers"
- Line 352: Change "lighting" to "lightning"
- Lines 422: Change "July 26" to "September 27"

On MOTION by Mr. Bergmoser and seconded by Mr. Turner, with all in favor, the August 30, 2017 Public Hearings and Regular Meeting Minutes, as amended, were approved.

NINTH ORDER OF BUSINESS

Action Items

This item was not discussed.

TENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Mr. Pires anticipated that the filing of the final adoption of the Rule amending the District's boundaries would occur the week of October 23, 2017.

B. District Manager

i. NEXT MEETING DATE: October 25, 2017 at 8:00 A.M.

The next meeting will be held on October 25, 2017 at 8:00 a.m., at this location.

C. Operations Manager

Mrs. Adams provided an update on Collier Counting dumping sites, which only allowed residential dumping. She would work with the contractors to locate a commercial site and apprise the Board. Mr. Brougham would contact Mr. Dan Rodriguez, at Waste Management. Discussion ensued regarding dumpsters and debris storage.

ELEVENTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Bergmoser asked if the walls that were damaged during Hurricane Irma were insured. Mr. Adams stated that walls were not an insurable asset.

TWELFTH ORDER OF BUSINESS

Public Comments

A resident suggested breaking down debris with a chipper and using it as mulch. Mrs. Adams rejected the suggestion, as it would contaminate the flower beds.

THIRTEENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned at 9:37 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

COE AL
Secretary/Assistant Secretary

JP Bringham
Chair/Vice Chair