

1 **LELY COMMUNITY DEVELOPMENT DISTRICT**
2 **NAPLES, FLORIDA**
3 **REGULAR MEETING OF THE BOARD OF SUPERVISORS**
4 **May 20, 2020**

5
6 The regular meeting of the Lely Community Development District Board of Supervisors was held
7 on Wednesday, May 20, 2020 at 1:30 p.m. at the LCDD Maintenance Building, Naples, Florida.
8

9 **SUPERVISORS PRESENT:** Gerry Campkin, Chairman
10 William Lee, Vice Chairman
11 Harold Ousley, Treasurer
12 Kenneth Drum, Secretary
13 Anne Marie Bularzik, Supervisor, Assistant Secretary
14 **ALSO PRESENT:** Neil Dorrill, Dorrill Management
15 Kevin Carter, Operations Manager
16 Tony Pires, District Counsel
17 Freddy Bowers, Director of Community Patrol
18 Christopher Dorrill, Field Manager
19 Nathan Phillips, (Via speakerphone)
20 Terry Cole, District Engineer
21

22 **INVOCATION AND PLEDGE OF ALLEGIANCE**

23 Mr. Dorrill offered the invocation, and the Pledge of Allegiance was recited in unison.
24

25 **PUBLIC COMMENT**

26 Joe Abruzzi from the Majors spoke to the Board about getting further lake bank remediation as
27 part of the current and next year's budget. ***inaudible comments

28 Mr. Abruzzi asked as well where the Majors were listed on the document prepared by the
29 engineer as to what lakes would be done and in what order.

30 John Anderson from Tiger Island advised the Board that their landscaper had indicated that
31 their irrigation line has been getting sediment and shells in it, and his Association asked him to
32 determine if it had something to do with the pumps, and if better filtration could be the
33 answer. Mr. Lee indicated that they do not pump water out of the lake, but out of the
34 reservoir. ***Inaudible comments by Mr. Lee.

35 Mr. *** noted that a few years ago Stahlman came to the individual homeowners and advised
36 that they had to pay for the filter to pick up the snails. ***inaudible discussion
37

5 **ROLL CALL/APPROVAL OF AGENDA**

6 Item 7A was the Upgraded signage to Maintenance/Meeting building.
7 At this point Philippe *** from Vesta spoke to the issue of sign replacement within the District.
8 ***inaudible discussion

9 Items 7B, Update on traffic issue at Celeste; 7C, Buckles in roadway on Grand Lely; 7D, Junction
10 of Wildflower and St. Andrews and 7E, How meetings will be run in the future were added.
11 Items 6A and a discussion of the irrigation issue will be moved forward in the agenda to
12 accommodate Mr. Phillips and those present.

13 **With those additions and changes, and with the approval of Mr. Campkin’s participation via**
14 **speakerphone due to exceptional circumstances, the agenda was unanimously approved as**
15 **amended on a MOTION by Mr. Drum and a second by Mr. Ousley.**
16

17 **APPROVAL OF MARCH REGULAR MEETING MINUTES**

18 On Page 2, Line 17, The Commissioner’s name is Solis.
19 **On a MOTION by Dr. Bularzik and a second by Mr. Ousley, the minutes were unanimously**
20 **approved as amended.**
21

22 **FY 2019 AUDIT PRESENTATION**

23 Nathan Phillips presented the Board members with an overview of the 2019 Budget as of
24 September 30.
25 It was noted that Management’s responsibility was to assure that there was internal controls in
26 place to reduce error and fraud, and receipts, disbursements and transactions were verified.
27 Based on all the testing, Mr. Phillips noted that everything was fairly stated as of September 30.
28 Government auditing standards were followed and all requirements were delineated.
29 The management discussion analysis prepared by Dorrell Management was reviewed and
30 nothing of concern was found. The budget versus actual showed no items of concern.
31 The assets and liabilities of the District as of September 20, 2019, were shown. Total assets
32 were roughly \$3,300,000, the bulk of which are infrastructure and capital assets.
33 The cash position at that date was stronger at \$3,510,000 than it was on the same date the
34 previous year, mainly because of the cash performance from the CSA which was greater than
35 had been budgeted.
36 All other components stayed fairly consistent, although there was more activity under capital
37 assets, which were delineated and approved as authorized pursuant to the protocols that were
38 in place. Assets that were disposed of or fully utilized were removed.

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5 Liabilities stayed fairly consistent. There was some fluctuation under accounts payable
6 depending on what was going on during the year, and most of the extra costs were chemical
7 related, and some engineering fees were noted as well.

8 The District has no debt as all the bonds have been paid off in previous years, so the net
9 position of the District was \$13,200,000, of which \$9,800,000 was capital assets. The carry
10 over, contingency funds were then \$3,400,000.

11 The presentation required a statement of activity showing expenses first, which was provided.
12 Expenses were shown to be \$3,100,000, and the ad valorem taxes, CSA funds and FEMA
13 reimbursement money coming in was shown as well. Revenue over expenses in this
14 presentation was \$516,000, and with all the other miscellaneous items was \$698,000 to the
15 good.

16 The one fund, the general fund, showed an increase in cash. It showed total revenues coming
17 into the District at \$3,800,000 which was roughly \$500,000 more than the previous year due to
18 the extra CSA funds, ad valorem assessments, and FEMA reimbursements.

19 The expenses of the District were up by about 13 percent, which was partly capital outlay for
20 additional equipment as well as pump house repairs and replacements. As the District is an
21 older community there will be more repairs and maintenance until the infrastructure items are
22 repaired or replaced to the fullest.

23 Chemical costs were higher in 2019 by about \$36,000 and mulching costs were higher as well.
24 Water costs were also up, partially due to breakage in some of the lines.

25 The various policies adopted by the District were noted as having been applied, and also the
26 different reconciliations showing the difference between the accrual and cash basis statements.
27 Verification was made that the money the District has is in qualified depositories.

28 The fund balances were lining up to what had been adopted in the budget going into 2020 for
29 contingency and capital reserves.

30 One of the reasons expenses were lower was because some of them have the contingency in
31 them and the reserve for unexpected expenses.

32 The required internal control compliance report was included, and no significant deficiencies
33 were noted and all laws and regulations were being adhered to.

34 The required document for the auditor general indicated that the District's money is invested in
35 the appropriate items pursuant to Florida Statutes as required.

36 The auditor general's letter indicated that there were no internal control issues; there was no
37 state of financial emergency, or deteriorating financial conditions. There were no abuse or law
38 violations, and nothing irregular about the District.

4

5 In closing, Mr. Phillips added that the report is a clean opinion, which historically the District
6 has had.

7 **On a MOTION by Dr. Bularzik and a second by Mr. Ousley, the Board unanimously accepted**
8 **the Audit.**

9 Mr. Dorrill added that from a staff perspective they were very sad to hear of the death of Mr.
10 Phillips' partner, and the Board members thanked him for the audit presentation.

11

12 **IRRIGATION QUALITY AGREEMENT**

13 Mr. Dorrill advised that at the time the District entered into a renewal with the Board of County
14 Commissioners to purchase irrigation quality water, a five year agreement was contemplated
15 with a renewal of another five years. That changed, and the initial term was only four years.

16 The County is obligated under the Florida Administrative Code to make sure that at the time
17 homes are constructed that the potable water line is not connected with the District's irrigation
18 water. Mr. Dorrill added that in the past 30 years he was not aware of a single instance when
19 the two lines were connected has occurred, but the Code does obligation the County to certify
20 that cross connections do not exist, and they at one time had a division with several employees
21 who did this work, They have now passed this on to the wholesale customer, which in this case
22 is the District.

23 Before the end of the fiscal year the effort will be made to do the potential 1,800 certifications
24 that are required. The landscape companies are aware of how to do these tests, and the costs
25 are anywhere from \$28 6o \$38. The District owns the main distribution line in the road right-
26 of-way, but it does not have the right to enter onto private property to operation the irrigation
27 systems in order to conduct the test.

28 The individual homeowner or condominium associations, who do have the right to operate the
29 irrigation systems, will have to be called upon to conduct these tests to perform the
30 certification. Dr. Bularzik asked how Collier County could enter could do this, and Mr. Dorrill
31 advised that he did not know that answer, unless they were doing it as part of the building
32 process.

33 Mr. Drum asked if individual homeowners would be required to purchase additional liability
34 insurance to allow an individual to come onto their property and perform this test.

35 Additionally, every homeowner receives a sewer bill from the County Utilities Department
36 regularly, and Mr. Drum wondered why they are requiring residents to hire landscapers to
37 come in and do this test. For example, Stahlman could be hired by an HOA to come in and
38 perform the test,

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5 They would then have to bill the individual homeowners, who may not pay them. Mr. Drum
6 was not happy with the way this has been set up, and felt that it should have been planned
7 better by the government.

8 Dr. Bularzik asked what the ramifications for the LCDD would be if this work is not done, and
9 was advised that they may not renew their agreement with the District. Mr. Pires noted that
10 this was in the agreement itself, that prior to renewal this has to occur. If it was not done, the
11 amount of water the District could get from the County would be restricted.

12 Dr. Bularzik read a section of the contract to those present, on Page 3, Section 7, which
13 indicated that within no less than 180 days and no more than 365 days from the ending of the
14 initial five year term, or the then current five year term, the parties will meet and discuss the
15 terms and conditions. She thinks that this will have to be done every five years.

16 On Page 7 it talks about the number of homes, and on Exhibit C it lists the homes that are in the
17 Lely CDD where potable water meters are located as of September, 2014. It stated that the
18 inspection would be done on these homes, as well as any other properties within the CDD
19 irrigated by irrigation quality water and served by a potable water distribution system. This
20 portion appears to indicate that there are many other residences that have been built since
21 2014 which would require the test.

22 Mr. Drum asked Mr. Pires if the LCDD, who signed this contract, had the right to bind HOAs or
23 individual homeowners. Mr. Pires noted that the County likes to deal with one entity, and the
24 District is the one that entered into the agreement at that time. The District arguably could get
25 individual approvals from the HOAs and homeowners to conduct these inspections, and there
26 would then have to be an increased assessment for that cost.

27 Mr. Pires added that with regard to the number of cross connections that need to be inspected,
28 the 1,815 as noted should be what the District provides to the County. Mr. Cole noted that
29 what the cross connection inspection involved was laid out in the document, and Mr. Dorrill
30 added that essentially it involved manipulating the controls at the individual homes. With the
31 potable water main closed, if the irrigation watering system doesn't come on, that would mean
32 that the irrigation is not improperly connected.

33 The irrigation water meter is on the home, and the County has the irrigation transmission mains
34 along the roads, and there is then a service line that runs to the customer's house from that.
35 The main transmission line is 50 feet from the connection point. The test is performed at that
36 point, and not at the electrical box.

37 Mr. Campkin indicated that they are doing this check all the time, and it doesn't seem logical
38 that they now have to pay for it when it is checked regularly.

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5 The Board members expressed their concerns about this, and Mr. Pires noted that the time for
6 renewal was quickly approaching. He suggested that an extension of the agreement should be
7 obtained from the County as it is a complicated matter. In his opinion, the County would not
8 want 1,000 people descending on the courthouse steps because their potable water was cut
9 off, which could happen if this issue is not addressed.

10 Dr. Bularzik added that the list of addresses the County provided as an exhibit with the
11 contract is not at all complete, and Mr. Dorrill stated that the exhibit was drawn up in 2014.
12 Anything built in the last six years does not seem to be on the exhibit.

13 It was Mr. Dorrill's suggestion that they do what was required per the contract, and if the
14 County wishes more to be done beyond that, an extension would have to be negotiated. Five
15 years was delineated in the agreement and it has only been four, and further, Mr. Dorrill does
16 not have the legal authority to enter someone's property. There will also be a question of who
17 needs to pay for these tests at the end user level.

18 Mr. Pires added that when a connection is made originally to a county line, there has to be an
19 inspection performed and certification, and those could be pulled. It would be a big project to
20 do that, but would eliminate the need for a physical inspection, but the County would be in the
21 best position to know this as they performed the inspection at the outset.

22 750,000 gallons of water is purchased every day from the County to redistribute to the
23 residential communities, and that water is needed. Mr. Dorrill felt that the homeowners and
24 condo associations should partner with the CDD and provide the certificates, but that requiring
25 this project every five years would not be appropriate.

26 Dr. Bularzik noted that Alex Villarreal, who is a water expert, opined that it was all of the homes
27 that had to comply and not just the number noted on the contract. It was not the CDDs
28 contract that was sent to the condo associations, and it involves a large sum of money to
29 comply, which Dr. Bularzik did not feel was fair. The landscapers that will provide the testing
30 service have agreed to charge \$25 per homeowner, and she suggested that everyone use their
31 own landscaper, and make sure that the fee is \$25. That bill would then go to the LCDD and be
32 put into the budget for the coming years.

33 After further discussion, Mr. Pires noted that it was his opinion that the number was 1,850 for
34 renewal, and there would be an ongoing obligation to do the rest. The associations will be
35 asked for voluntary compliance, and Mr. Campkin advised that no strangers would be allowed
36 into his community due to the Corona Virus. Dr. Bularzik assured him that the landscape
37 companies had been contacted to do this work for the same price.

38

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5 Mr. Lee pointed out and Mr. Pires concurred that three years previously the County had come
6 in and put a backflow preventer on all the potable water lines to avoid cross contamination,
7 and this should be sufficient for the County. A list of those residents could reduce the number
8 of checks required, as well as the number of COs issued in that last year as they would have
9 been checked as well. The Board briefly discussed who should be responsible to pay the
10 approximately \$38,000 it would cost to comply with the requested checks.

11 **On a MOTION by Dr. Bularzik and a second by Mr. Ousley, the Board unanimously approved**
12 **the chairman and the manager to sign a letter to the County requesting the County to extend**
13 **the agreement for a one year period as per the initial terms. Additionally, a member of the**
14 **Water District will be asked to come and speak to the CDD Board to advise them of all the**
15 **County’s conditions moving forward.**

16 It was confirmed that the individual HOAs would use their individual contractors, and would be
17 reimbursed by the CDD for the costs. Mr. Dorrill explained again that he did not have the
18 authority to hire someone to go onto anyone’s property, which is why the HOA must work with
19 the contractor, who will fill out the certificates, and the bill will be paid by the District.

20 A cap of \$25.00 will be put on each test performed,

21 At this point in time it would be for no more than 1,815 connections, which is the number
22 noted for renewal.

23 Peggy *** asked how a 2014 contract still has a year left on it in 2020. Mr. Pires indicated that
24 the list was from 2014, but the agreement was entered into in 2016, which indicated that it
25 would be effective through September 30 of 2020. This resident also asked how a contract
26 entered into by the CDD with the County would ultimately fall on the homeowners to handle.
27 Mr. Pires advised that there is a difference between entering into an agreement and having the
28 authority to enter onto someone’s property. He suggested that it would be productive to deal
29 with what was going on at the present time, and they are doing it this way as the County
30 requires dealing with one master group.

31 In discussing this issue with the homeowner, Mr. Dorrill noted that the only agreement they
32 have with them to supply the water is with the Master Association, and the agreement under
33 discussion is not part of the CSA. Additionally, she was advised that the District does have
34 easements for lake maintenance and drainage, which is totally unrelated to the utility lines.
35 Mr. Pires added that he would have to do further research to answer some of the concerns
36 of this resident, and provide information at the next meeting.

37
38

5 **On a MOTION by Dr. Bularzik and a second by Mr. Campkin, the individual homeowners**
6 **and/or condominium associations would hire their own landscaping companies, and**
7 **Greenscapes, Stahlman or Four Seasons who have provided prices to do the work, to perform**
8 **the inspection for no more than \$25.00 per connection. The bill would then go to the HOA,**
9 **but would be submitted to the LCDD for payment.**

10 As per Mr. Pires requested, the following amendment was added to the above Motion.

11 **Additionally, no more than 1,815 tests would be performed at this time.**

12 Mr. Pires also noted that it is implicit in the Motion that all the vendors being used must be
13 licensed as required under the agreement.

14 ****Overtalk**

15 Mr. Pires added that under the agreement the cross connection checks may have to be
16 performed by a licensed professional irrigation contractor or a certified reclaimed water and
17 field inspector.

18 Mr. Dorrill added that if an HOA has 89 homes, he will expect to receive certificates for 89
19 homes, as he does not want to process payments in a piecemeal manner.

20 In response to some questions from Dr. Bularzik as to how the residents and involved parties
21 will be advised, Mr. Dorrill will provide a summary of what the procedures will be which can be
22 sent out, which can also be provided to the irrigation contractors.

23 As it relates to approval by the County Commission, Mr. Pires will ask that this issue be placed
24 on the next available agenda, which will not be until June.

25 Mr. Dorrill asked for immediate compliance, even though a one year extension is being
26 requested from the County.

27

28 **MANAGER’S REPORT**

29 A. Community Patrol

30 Mr. Dorrill opted not to go over the reports for the previous two months, but he did ask the
31 Board to pay particular attention to the number of suspicious people and trespassers that were
32 encountered over this period of time. If this is a trend, Mr. Dorrill felt that it needed to be
33 discussed further as 99 percent of the trespassers were non residents.

34 Mr. Dorrill thanked Mr. Bowers for the good job he did, and asked those present to call him if
35 they had any questions on the reports, or to submit an email and he will be happy to answer
36 them.

37

38

5 B. 2021 Budget Approval/Resolution and Public Hearing

6 **On a MOTION by Mr. Drum and a second by Mr. Ousley the Board unanimously approved the**
7 **tentative budget for 2021, authorized the Chairman to execute the Resolution, and**
8 **established August 19th as the Public Hearing date.**
9

10 C. Registered Voter Certificate

11 The statute requires conveyance of the number of registered voters in a public meeting, and to
12 remind the voters that this is an election year, The number received from Mr. Edwards was ***
13 (inaudible).
14

15 E. Irrigation Filter Repairs

16 The costs for repairing and replacing the filters will be \$33,275. Mr. Dorrill advised that they
17 were budgeting under the assumption that they will move forward with that, and Mr. Dorrill
18 will push it into the new fiscal year if possible. The final bill will be submitted to the Board for
19 approval.

20 **On a MOTION by Mr. Lee and a second by Mr. Ousley the Board unanimously approved the**
21 **bill to replace the six irrigation filters.**
22

23 F. Parking Lot Expansion Proposals

24 Three bids were received, and Mr. Cole advised that they recommended the bid from Bonness
25 at \$49,749 which was closest to the amount budgeted for the work. This will add 15 spaces to
26 the parking lot. **On a MOTION by Mr. Drum and a second by Mr. Ousley, the Board**
27 **unanimously approved that the bid from Bonness of Naples, Florida be accepted to do the**
28 **parking lot expansion work.**
29

30 G. Change Order on Lake Bank Erosion Work

31 The change order was necessary as staff had made the assumption that there would be enough
32 sand in a particular lake to make the work possible, but there was not, and sand had to be
33 trucked in. This also had to be done on a few of the other lakes. Mr. Cole recommended
34 approval of the change order in the amount of approximately \$13,467 for 200 cubic yards of
35 sand.

36 **On a MOTION by Mr. Drum and a second by Mr. Ousley, the Board unanimously approved the**
37 **change order for the amount listed above.**
38

5 **ATTORNEY’S REPORT**

6 A . Qualifying Period

7 Mr. Pires noted that the notice of the qualifying period has been placed in the paper for the
8 Board seats that are open. The qualifying period is from noon on Monday, June 8th, to noon on
9 Friday, June 12th.

10

11 B. Lely Lakes Issue

12 This item was sidetracked and Mr. Pires will have information for the Board at the next regular
13 meeting.

14

15 C. Covid-19 Information

16 The Governor had indicated in one of his executive orders that all local governments could
17 conduct meetings using communications through technology. That order has been extended to
18 sometime in June. Mr. Pires will keep the Board advised as to any further developments on
19 this.

20

21 **FINANCIAL REPORTS**

22 These reports were midyear, and are used for forecast and preparation of the budget.

23 The District had \$4,600,000 in cash at midyear, and \$1,500,000 of that was in reserves.

24 Total assets were \$4,700,000 against \$158,000 in payables.

25 The income statement showed over \$37,000 in last minute non ad valorem payments from the
26 tax bill, and total taxes received year-to-date were \$2,206,000 against a budget of \$2,500,000,
27 There are still some delinquent taxes. Discounts were taken early in the year and the tax
28 collector’s fees are taken off the top, so the District is at about 95 percent of annual revenues in
29 the first six months.

30 Going through the cost centers, Mr. Dorrill noted that at that point they were \$83,000 under
31 budget on the expense side, even taking into account that many things are seasonal or paid in
32 the early part of the year.

33 **On a MOTION by Dr. Bularzik and a second by Mr. Ousley, the Board then unanimously**
34 **accepted the financials as submitted.**

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5 **SUPERVISORS' REQUESTS**

6 Item A was were held to the following month, and Item C was previously discussed.

7
8 C. Roundabout at Celeste

9 Dr, Bularzik, Mr. Carter and *** met with two gentlemen from the Department of
10 Transportation to review the signs there and the confusion they are causing. The Department
11 individuals indicated that they would come up with a plan in about a week. Although they have
12 not yet seen the plan, this item is in process.

13
14 D. Intersection of Wildflower and St. Andrews Boulevard

15 It was Mr. Dorrill's understanding that the County restriped that intersection to remove a left
16 turn only lane heading north on Wildflower. The District was not consulted. Mr. Campkin felt
17 that it was not a good thing to do as the number of cars coming up Wildflower was not going to
18 decrease with that one lane out. Mr. Dorrill indicated that staff did not disagree with him.
19 (Mr. Lee's comments inaudible.)

20
21 E. Future Electronic or Virtual Meetings

22 Mr. Campkin felt that an application like Zoom would be appropriate for the meetings in the
23 foreseeable future, and he could run the meeting from where he is located. Mr. Dorrill
24 indicated that he would explore that option or others that are available.

25
26 Mr. Campkin added at this point that he had just received a message from the County that one
27 of their non return water valves had blown in Lely and was spewing a great deal of water. It will
28 require tearing up the roadway in that area to replace the pipe.

29
30 **ADJOURNMENT**

31 There were no public comments received, and with the notice that the next meeting would be
32 held on June 17th, with the annual hurricane workshop will start at 1:00 with the regular
33 meeting to follow, **the meeting was then adjourned at 3:15 p.m. on a MOTION by Dr. Bularzik**
34 **and a second by Mr. Lee.**