

# MINUTES OF MEETING HARMONY COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, September 22, 2011, at 9:00 a.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Robert D. Evans	Chairman
Mark LeMenager	Vice Chairman
Steve Berube ( <i>by phone</i> )	Supervisor
Kerul Kassel	Supervisor
Ray Walls	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young vanAssenderp, P.A.
Brenda Burgess ( <i>by phone</i> )	Moyer Management Group
Greg Gologowski	Harmony Development Company
Todd Haskett	Harmony Development Company
Mike McMillan	Luke Brothers
Larry Medlin	Bio-Tech Consulting
Shad Tome	Harmony Development Company
Residents and members of the public	

## FIRST ORDER OF BUSINESS

### Roll Call

Mr. Evans called the meeting to order at 9:00 a.m.

Mr. Evans called the roll and stated a quorum was present for the meeting.

## SECOND ORDER OF BUSINESS

### Approval of the Minutes of the August 25, 2011, Regular Meeting

Mr. Evans reviewed the minutes of the August 25, 2011, regular meeting and requested any additions, correction, or deletions.

Ms. Kassel stated page 2, five lines from the bottom should read “and when we had them.” Page 5, third paragraph, third line “set up” is two words, not one. Page 40 several locations should have “Cupseed” as one word.

On MOTION by Mr. Walls, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to minutes of the August 25, 2011, regular meeting, as amended.
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**THIRD ORDER OF BUSINESS**

**Audience Comments**

There being none, the next order of business followed.

**FOURTH ORDER OF BUSINESS**

**Subcontractor Reports**

**A. Landscaping – Luke Brothers**

Mr. McMillan reviewed the landscaping report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. McMillan stated the sod replacement due to chinch bug activity was performed at our cost. There were 16 pallets used and we will have more replaced in October. Tree elevations were hanging down pretty low, and we have trimmed a majority of the property. There are still a couple areas that we want to touch up. We will be fertilizing turf and shrubs, beginning next week with the turf. It has to be completed within 12 days from when we start, so after the turf is complete, we will fertilize the shrubs, which we have performed periodically, especially on shrubs that are showing a lack of nutrients.

Mr. Walls stated it looked like the chinch bugs were very prevalent, especially on the east side. What do you think caused that? I am concerned that the frontage entrance had a fairly big section with chinch bugs.

Mr. McMillan stated I think the biggest component was because we were not using a slow-release fertilizer, and the turf was growing so quickly that it was not able to mature, especially the exterior layer where the chinch bugs bite into. The more mature the grass is, the harder it is for them to attack such a prevalent area. Next year in June and July when we apply fertilizer, we will use a fertilizer with a slower release so that it will last longer and so it will not push so much growth. From the moment we saw the chinch bugs, we started spraying continuously so it ended up not being as bad for us needing to bring in hundreds of pallets of St. Augustine.

Mr. Walls stated I actually meant the west side of the neighborhoods.

Mr. McMillan stated that was my analysis when we saw the first evidence of chinch bugs, and we treated the property with a systemic insecticide that goes into the roots and helps the grass fight off the chinch bugs. I think the grass was growing so fast that the insecticide did not really work.

**B. Aquatic Plant Maintenance – Bio-Tech Consulting**

Mr. Medlin reviewed the monthly aquatic plant maintenance report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Medlin stated we performed two treatments this month with the second treatment being today. There are no problems to report. Everything is looking pretty good and we are maintaining what we have. Last week we looked at the ponds that we considered planting, and the water levels are still a little too high. They have not even come down to their normal level yet. I think it is best to wait until the levels are a little lower before we install the plants. We still have a few months where we can buy healthy plants to install with enough time before the weather gets really cold.

Mr. LeMenager asked where do the drains in the streets drain to? Do they go into the ponds or into the lake?

Mr. Medlin stated into the ponds.

Mr. LeMenager stated I am extremely concerned with the policy of the ROA to use so much mulch everywhere in Harmony. The drain behind my house and many people in the alley have mulch along the alley. When we have a really hard rain, it gets more than a foot deep and probably gets within two feet of my neighbor's garage door entrance. If we have a Hurricane Faye situation, I am very concerned about that. Is Mr. Medlin seeing more mulch and debris in the ponds?

Mr. Medlin stated no. I am used to seeing grass clippings in the buffers but not much in the ponds. As far as material going down the drains, I do not see mulch or grass clipping, but I do see trash.

Mr. LeMenager asked could it be isolated in my area?

Mr. Medlin stated it could be. With the exception of general trash, I do not see anything washing into the ponds, like mulch or grass clippings or even sand.

Ms. Kassel stated it looks like only ponds 4, 20, and 23 were actually treated based on the report. There is just a slash mark on the top line for those three ponds.

Mr. Medlin stated it could be. Sometimes if I am using just one herbicide, I will put the numbers, and that is for herbicide use on all the ponds, all the way down the list instead of noting each pond.

Mr. Evans asked is it your intent that all these herbicides were applied to all the ponds?

Mr. Medlin stated that is correct. I may have been preparing the report too quickly and did not make the proper notations. The top slash applies to everything below until I change the herbicide again. If I do something different, I will make a notation below.

Ms. Kassel stated I would like to request that you provide a more complete report.

Mr. Medlin stated I will do that.

**C. Dockmaster/Field Manager – Buck Lake Boat Use Report**

**i. Buck Lake Boat Use Report**

Mr. Haskett reviewed the monthly boat report as contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Haskett stated we discussed at a previous meeting about removing the carpet and refinishing the deck on the large pontoon boat. Portions of the deck were rotten, so with Mr. Berube's assistance, we decided to replace the deck. We are performing that work in-house with marine plywood rather than pressure-treated wood that was on the pontoon. The cost was about \$250 for materials. I think it was the right choice to make that repair and extend the life of the pontoon. We also took the upholstered cushions into St. Cloud to have all the seams re-sewn since they were pulling apart. It cost \$15 per cushion, so it was less than \$100 for that work effort. The boat should be finished in about two weeks and back in use.

**ii. Access Card System**

Mr. Haskett stated the access card system is ready to go for tomorrow morning. It has been tested. The Door King representative came out to address an issue in not being able to link up the controllers properly. It was helpful for him to come out. Everything is up and running, and we will remove the key locks tomorrow morning. So far, 674 residents have received cards. We printed signs that we will put out after today's meeting to let residents know that the cards are available at the Sales Gallery. Mr. Bill Fife was also going to send an e-blast to notify residents who have not done so to be registered and directed them to the CDD website to get that done. That process is working great from what I can tell. People email their information to Ms. Rosemary Tschinkel at the District office. She verifies all the information, forwards it to me, and I print the cards usually once a week.

**iii. Miscellaneous Field Issues**

Mr. Haskett stated I noticed the pergola around the Ashley Park area, the brackets holding the pergola together have started to show rust. The galvanization on the brackets has been peeling off. We contacted our Sherwin Williams representative in St. Cloud, who provided a product that kills the rust with a two-part system. We are going to repaint it and that should provide longer life out of them since I think we caught it early enough. The ceiling at the cabana is starting to pull away. It is six or seven years old. We are

going to do that repair work in-house and repaint that, as well as the Lakeshore Park restroom that we will start renovating in-house by replacing rusted doors and installing motion-sensitive light fixtures so that they are not on all night. These costs were anticipated in this current budget year. The Harvest Festival is approaching October 14 through 16, and the development company asked Mr. Druckenmiller if he wanted to work evenings for us at the event, so he will be on our payroll for that event if there is no objection from the Board.

Ms. Kassel stated I do not remember seeing any signs out for today's CDD meeting. Perhaps that is why we have so few audience members.

Mr. Haskett stated I do not know what happened, and I do not recall seeing them, either.

Mr. LeMenager stated I think everyone has the last Thursday of the month ingrained in their memories for these meetings, and this year they were advertised for the fourth Thursday.

Mr. Haskett stated it could be the person who puts out the signs forgot as well the meeting was the fourth Thursday this month.

Mr. LeMenager stated I did not see the No Fishing signs installed yet. Is that on the list?

Mr. Haskett stated they are installed on two ponds.

Mr. Golgowski stated they are on the Birchwood pond and the pond behind the dog park. Those were the only two ponds that the Board directed us to sign at this point, although we have enough signs for all the ponds.

Mr. LeMenager stated I did not see the signs for the pond behind Brackenfern.

Mr. Haskett stated that pond was signed last week.

Mr. LeMenager asked is the other pond the long one by the school?

Mr. Golgowski stated yes.

Ms. Kassel stated it is along the road to the school.

Mr. LeMenager stated I was just there two days ago and there were no signs.

Mr. Haskett stated we did receive a report from Ms. Jeanna McGinnis that two days after the signs were installed behind her home were missing. Someone broke off the galvanized pipe and ripped it out of the ground. The concrete was still there. We

increased our efforts on installing these signs and put rebar inside the galvanized pipe along with concrete. The signs are at every corner and within 500 feet of each other.

Mr. LeMenager asked has Ms. Kassel seen the signs at the pond behind the dog park?

Ms. Kassel stated between the dog park and the pond is a line of shrubs that you cannot really see through.

Mr. LeMenager stated as you walk up, the initial shrubs are very short.

Ms. Kassel stated I suppose, but I have not noticed the signs.

Mr. Haskett stated we will check each pond to be sure the signs are there. We thought we took all the necessary precautions. We even put a bolt through the bottom of the post so that it could not be pulled up or spun around in the concrete.

Mr. LeMenager stated I will take another look.

Mr. Walls asked what is the status on the shade structure?

Mr. Haskett stated it has been ordered and it will take about 45 days. They have to manufacture it. I estimate it should arrive mid-November.

## **FIFTH ORDER OF BUSINESS**

### **Discussion of Flow Meters for the Maxicom Irrigation System**

Ms. Kassel stated I just returned from my travels out of the country and have not had an opportunity to review this material that we just received. Can someone summarize this analysis?

Mr. Berube stated I prepared the analysis that is based purely on dollars and cents of trying to recover the flow meter installation costs. Depending on how much it costs and how much we potentially save, the pay-back period on the flow meters could potentially be never. It could potentially be a cost through the life of the flow meters. In further analysis, I reviewed invoices and we are paying a lot of money in base charges on many of our meters. Toho Water Authority (“Toho”) is in the process of looking at each meter and coming back with a cost of potentially reducing meter charges. That will be even more important because at the end of this month, Toho is raising meter fees, which will make the situation worse. My analysis is purely financial and is all about the economics of the flow meters. There are many benefits to having them, but we are not spending as much money solely on water as we might think we are. That is what I showed on the analysis. Our average monthly water use for irrigation is about \$4,000. If you extend that over a year, it is \$48,000 for irrigation water. If we save 10% of that total, it is only

\$4,800. I do not have the figures back from Toho yet. This is more than just downsizing meters because we have to analyze flow rates when the sprinklers are on, and you cannot install too small of a meter to tilt down the flows. We will need some engineering reviews to determine if it is worthwhile to downsize the meters and save some of the meter fees. I agree there are a lot of benefits financially, but we need a lot more information before we make some final decisions regarding flow meters.

Ms. Kassel stated one sheet shows that the pay-back is almost never, and another one says there are other benefits that might make the pay-back more likely and that there are other benefits of doing it, aside from just the immediate obvious monetary benefits in terms of water costs.

Mr. Berube stated that is correct. My analysis has my name on it and the other report is from Mr. Golgowski. I have no argument with any of the facts other than benefit. There is probably very little downside to having flow meters, other than their cost. That is important to know, which is why I provided the analysis. We spend almost as much in meter fees every month as we do in irrigation water. Most of the potential savings is on the meter fees. I do not have all the information yet and I hope to have it for the next meeting. I think we can have a better analysis of what our true costs will be and potentially move forward with the flow meters. I do not think anyone knows how much the installation will cost yet.

Mr. Golgowski stated with Mr. Mike Walker's assistance, I put together the analysis showing the benefits. We do not have an estimate of costs to install these flow meters at this time. We are trying to gather information in-house as best as we can on what the system consists of now, in terms of the wiring, the as-built irrigation distribution, the location of Toho valves, and so forth, but it is not yet assembled. Mr. Walker has talked with a couple vendors who could install the flow meters, but a prepared estimate will require several days of site inspections and testing wires to see how the communication system is designed and what kind of condition it is in, which is the critical and most costly component. We think the wiring is sufficient to plug meters in at the end, along with the valves that go with them, but it sounds like it will need to be checked zone by zone just to be sure. The wiring has been in the ground unused for eight years or more, if it is there. If the wiring is not there, then our choices would probably be to pull wire through conduits and reconnect gaps, or go with a wireless system. Just to make that

assessment of what we need and to prepare a true estimate of costs for installation may cost as much as \$5,000 in time for them to do that work. That cost might be credited toward any work we have them perform, but there is some time that will need to be spent in order to provide accurate installation estimates.

Mr. Evans stated typically there is a direct correlation between efficiency and financial savings. I understand that the greater financial savings comes with the modification of the size of the meters. The flow meters provide a greater efficiency but not a lot of financial savings associated with it as far as usage fees. The benefits may come in avoidance of repairs.

Mr. LeMenager stated we are working on the assumption that the facts presented by Mr. Berube are correct. As a point of fact, they are not correct. Our average is not \$8,000 per month; we are spending \$118,000 this year, which is \$10,000 per month. Furthermore, in 2009, we spent \$85,000 and in 2010, we spent \$94,000. We need to think in terms of where this might go because it is not a static number. If the 1,000 and 3,000 numbers are correct, that means we are spending about \$6,000 each month on reclaimed water. Assuming the meter charges for potable are fairly constant over time, we are seeing an alarming increase in reclaimed water. In terms of a cost-benefit analysis, I think the meter idea is terrific and a fabulous comment. But in terms of the pure usage of water, it is increasing at an alarming rate.

Mr. Berube stated I agree. I think in three months, one was \$7,000 and one was \$9,000. I eliminated months when we had the water leaks. My average of \$8,000 per month was an average of the three months that I checked. We have months and months of analysis. The bottom line is, even if the usage per month doubles, our water bills each month are not all tied to reclaimed water. Potable use is fairly linear and reclaimed water changes significantly. Even if you double the reclaimed portion to \$8,000 each month for just reclaimed water, it runs the graph. I am just trying to show other areas where we are spending a lot of money on water besides reclaimed water. The flow meters will only control reclaimed water for 97% of the property. There are a lot of other numbers that can be figured into this analysis, and I understand that. My analysis is reasonable.

Mr. Evans asked did Mr. Berube break out the potable water and sewer charges?

Mr. Berube stated yes. Potable water is very minimal. The meter fees far exceed the usage for potable water. The sewer charges are based on the meter size. If we reduce the

meter size for potable water, the sewer charge will automatically be reduced. There is no sewer meter; that charge is based on how big the potable meter is. If we can reduce the meter sizes without affecting sprinkler performance, then we can see what the Maxicom flow meters can save additionally. We are not sure but we think it might save 10% each month. It could be 20% but we just do not know. I doubt it will be that high because we do not have wide open running water leaks. I think we need another month to gather more information. We will not save on all our meter fees from Toho, but we will save a percentage of them, perhaps one-third if Toho can manage to reduce the meter sizes. Mr. LeMenager is correct that our costs are a moving target.

Mr. Evans asked you are waiting to receive information from Toho?

Mr. Berube stated yes. I should receive it next week. Last week they performed an analysis of meters, and they will respond whether or not they can reduce the sizes and what the costs will be. Then we need to look at the irrigation zones to see if we have the capability of going to a smaller meter. I think we will, based on the number of zones we have.

Ms. Kassel asked has the developer installed any flow meters on the property?

Mr. Golgowski stated no.

Ms. Kassel asked have any of the communities that Severn Trent manages installed flow meters?

Mr. Moyer stated not that I am aware of.

Ms. Kassel stated perhaps we can find a community that has installed flow meters and find out what their experience has been in terms of cost savings. That information might be helpful.

Mr. LeMenager stated it might be as simple as asking Mr. Walker for some references and calling those references.

Mr. Golgowski stated they are usually installed at the beginning of a project.

Mr. Berube stated it is very expensive installing them afterwards because now they have to dig things up. I would presume very few people install them after-the-fact because of the cost that I anticipate we will see. I could be wrong, but we will see.

Mr. Moyer stated I will check on Celebration. If there is a community that has flow meters, it would be Celebration because they have had a Maxicom system since the beginning. They may very well have flow meters.

Mr. Golgowski stated I do not know how they would quantify the savings as a result of having those flow meters if they were installed at the beginning.

Ms. Kassel stated I do not know if there is any usage comparison that could be made, based on the number of meters. There might be some way of comparing water usage.

Mr. Walls stated we also need to consider that we are moving toward better onsite irrigation maintenance, which is a variable.

## **SIXTH ORDER OF BUSINESS**

### **District Manager's Report**

#### **A. Financial Statements**

Mr. Moyer reviewed the financial statements, which are included in the agenda package and available for public review in the District Office during normal business hours.

Mr. Moyer stated the financial statements include two versions, one being the traditional method of showing fund balance. The second shows fund balance in accordance with the requirements of GASB 54, which is the Government Accounting Standards Board. GASB promulgates rules on how governments present their financial statements to make them uniform and understandable. They determined that we need to break down fund balance into five components. One is Non-Spendable, which is the deposits that we really cannot spend. Restricted fund balance is primarily related to bond issues and debt service, and capital projects. Committed is a fund for specific projects that the Board undertakes and allocates funds for particular projects. Assigned is a category that the Board has discussed as part of the budget process, which includes the operating reserves, reserves for liability and property insurance, and reserves for renewal and replacement. Those are the designations for fiscal year 2011. We made some changes with the fiscal year 2012 budget, which will be shown appropriately in next month's financial statements. Unassigned is available for use by the District as the Board sees fit. Your future financial statements will follow the requirements of GASB 54, and we wanted to highlight the comparison of what the previous balance sheet looked like versus what the new one will look like.

Ms. Kassel asked as of fiscal year 2012, will the key deposit disappear?

Mr. Moyer stated the Non-Spendable category refers to utility deposits and monies that we do not have access to receive until we terminate service.

Mr. Moyer stated for all practical purposes, we have received all of our non-ad valorem assessments. Last month Mr. Berube asked last month the number of people who have paid off their debt service assessment, and that is 26 homes. Those properties will not show debt service assessment amounts on their real estate tax bills. Through August 31, 2011, we are \$49,000 under budget.

Ms. Kassel stated we are spending so much on irrigation repairs. I wonder if that is something we want to add to our spreadsheet for putting money aside. I know it comes out of our annual operating expenses. For this year and probably the next couple years, we will have some larger expenses, and they may possibly be ongoing. Either we need to add considerably more to the budget for irrigation, or we need to add to our maintenance reserve schedule for that item.

Mr. Walls stated hopefully that cost decreases.

Mr. Evans stated we currently have a carry-forward surplus of \$49,000. A large part of that is due unspent funds on the pool. We budgeted funds for some improvements to the pool. Is it due to a timing issue?

Mr. Haskett stated yes, it is timing. I have some proposals for the Board to consider that I did not receive in time to include in the agenda package, in the amount of about \$38,000 to refinish the pool as well as the kiddie pool.

Mr. Evans stated I do not recall if we included that \$38,000 in the fiscal year 2012 budget.

Mr. Haskett stated I think we did include it.

Mr. Evans stated I am trying to determine if we counted that repair work twice. We have discussed having a \$40,000+ carry-forward surplus and we are going to deduct \$8,000 from that for the plantings, which will leave a cash balance of \$38,000 or so.

Ms. Kassel stated I thought we were also taking money for the shade structure from carry-forward surplus, as well.

Mr. Haskett stated I believe so.

Mr. Evans stated I am trying to add up all the things we looked at allocating. We will not get the benefit of that great of a carry-forward surplus for next year but we will allocate those funds to be paid. We will have the funds, but I do not want to spend them multiple times.

Mr. Haskett stated I do not think that is the case.

Mr. Walls stated I think we counted the pool repairs twice.

Mr. Evans stated we discussed it at length and I know we discussed that we had funds available for this current fiscal year.

Ms. Kassel stated we need this year's budget with an explanation in the narrative of why we are spending that much money for pools. The work that we are going to be doing in fiscal year 2012 was budgeted in fiscal year 2011 but we have not spent that money. My impression was that we were spending that money on something else for the pool.

Mr. Haskett stated the expectation was that we would complete the pool repairs in fiscal year 2011, but that will not happen before the end of the fiscal year.

Ms. Kassel stated that was not my point. I know we spent a lot of money on the coils, but I thought there was other work that was going to be done that had to do with something else besides the tiles around the pool that was included in this current fiscal year. Then we budgeted for something else in the next fiscal year, which was the refinishing and the tiles.

Mr. Haskett stated it was the pool refinishing as well as the ADA requirement for handicapped access.

Mr. Moyer stated we budgeted \$58,187 for this year, and we have spent \$31,000. Next year we budgeted \$70,000.

Mr. Evans asked is next year's amount to address these issues?

Mr. Haskett stated yes.

**B. Invoice Approval #137 and Check Run Summary**

Mr. Moyer reviewed the invoices and check summary, which are included in the agenda package and available for public review in the District Office during normal business hours, and requested approval.

Mr. LeMenager stated there is a charge from the Harmony Golf Preserve for gasoline dating back to January. Is there some reason for the very long delay in receiving this invoice? Was it just an oversight?

Mr. Tome stated the original plan was that we were going to bill for fuel every six months just because the amount was so low. We made the decision not to bill on a monthly basis but semi-annually. It turns out that the employees are not getting fuel from our compound any longer. Mr. Haskett went in a different direction, so this is the only time you will see an invoice for fuel from the Golf Preserve.

Mr. Walls asked what are our controls on fuel? I am not saying anything is wrong, but there are several transactions for over 20 gallons of fuel, sometimes on consecutive days.

Mr. Haskett stated I have been monitoring that to make sure everything is appropriate. We use gasoline for the rescue boat, the pressure washer, the mule, and the utility vehicle. I do have a flowchart indicating when fuel was purchased and what it is used for. I can share that with the Board at the next meeting so you have a better understanding of its use. This is one task that is on an honor basis that I have to keep close tabs on. To fill up the gas cans, they fill them at Pipeline Gas in St. Cloud. It is a little more expensive than regular gasoline, but it does not have ethanol in it; therefore, our equipment lasts much longer since ethanol attracts oxygen, which creates moisture in the gas tank.

Mr. Walls stated my concern was that there were some large quantities.

Mr. Haskett stated they have seven five-gallon tanks and they will fill them all up at one time to prevent multiple trips into St. Cloud.

Mr. Walls asked do we have any specific policies on the purchasing cards?

Mr. Moyer stated yes, we have a policy that limits the amount they can spend on those cards.

Mr. Haskett stated Severn Trent also has a policy manual for use of the cards.

Mr. Walls stated in my experience, sometimes those cards get hard to manage and people can accidentally use them inappropriately, and they are hard to track.

Mr. Moyer stated there is a report included in the agenda regarding their card use, as requested by the Board.

Mr. Walls stated that is correct and this is the first time I saw it. I just wanted to make sure the employees are aware of what they can and cannot do with their cards and that they are aware of their spending limit.

Mr. Haskett stated they submit all the receipts to me, which I forward to Severn Trent so they can keep the account balanced.

Ms. Kassel stated I see no credits on the Young vanAssenderp invoice that we discussed last month.

Mr. Qualls stated this was taken care of. When the District Manager sent us payment for the bill that included those items, they did not pay us for those items that should not have been billed. That will not be reflected until the October billing statement.

Ms. Kassel stated I am not sure if this is a duplicate entry. On July 25, work was done for legal research and to draft a memorandum regarding SB224, and it was emailed to the Board and the manager. Then there was a very similar entry two days later to review SB 224 and draft and send memorandum, as well as coordinating with Mr. vanAssenderp for the Board meeting. It seems services for reviewing SB224 and providing the memorandum is listed twice.

Mr. Qualls stated I believe I emailed a draft to the Board and the District Manager, and then I finalized it on July 27. It is confusing, but it is not a duplicate bill. The first one would have been the draft since the revision process takes a long time. The second entry would have been the final version.

Ms. Kassel stated I request that the bill be clearer in the future because it looks like it is the same thing twice. It looks like you emailed it to us on July 25, so why would you redraft and resend it to us on July 27? It is unclear and confusing.

Mr. Qualls stated I agree. I will research this and if I find that the entry on July 27 is a duplicate, I will correct that second charge, but I do not think that is the case.

Mr. Walls stated we had a \$500 charge for another special pool service this month.

Mr. Haskett stated because of all the young children swimming in the past month, I asked Robert's Pool Service to clean it a second time.

Mr. Walls asked how do they arrive at \$500?

Mr. Haskett stated it is \$100 per service per week, so if there are five weeks in a month, that totals \$500. I did talk with them this week and asked them to back it down to three times per week, which is what their original contract specifies.

Mr. Walls stated it looks like they came out one additional time for a cost of \$500.

Mr. Haskett stated no, they came out one extra time each week, which is an additional \$500 to what we already pay them per month.

Mr. Walls stated we have five meters that have zero readings and have had zero readings for at least the past couple months. Can we check to see if we need those meters?

Mr. Haskett stated they are definitely needed because they are for irrigation controllers. The controllers are operating.

Ms. Kassel stated perhaps the meters are not working.

Mr. Berube stated in our review with Toho, we found two meters that have registered zero for some time. It is possible there are more meters that just are not registering.

Mr. Walls stated we discussed changing the cell phone plan.

Mr. Haskett stated we are down to 461 rollover minutes left. Next month I will provide a proposal to the Board for using Blackberries or iPhones or something that will provide more minutes. Our whole staff communicates primarily by email, which dramatically reduces phone calls but yet you can still communicate. It hinders communication with Mr. Druckenmiller because he has an old cell phone without email capabilities. In the long run, I think it will save us money.

Mr. Haskett stated related to how we track chemical usage with Spies, I usually review their invoices. I also asked Ms. Wendy Ritter with Severn Trent to forward them to me before they are included in the agenda just so that I can verify them. Each time Robert's Pool Service orders pool chemicals, they will send me a list of what they need to order prior to placing the order. I verify that list with what was actually delivered and delivered from Spies. I have also kept a spreadsheet over the past seven years of our chemical usage so that I can notice if there is any significant fluctuation, which there typically is not. The only thing that fluctuates somewhat is chlorine usage due to the heat, and we use some of the chlorine for cleaning sidewalks.

On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the invoices as presented.
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**C. Public Comments/Communication Log**

Mr. Moyer reviewed the complaint log as contained in the agenda package and available for public review in the District Office during normal business hours.

Ms. Kassel stated there are a couple reports in early September about the grass around the ponds needing to be mowed.

Mr. Haskett stated that was taken care of. Luke Brothers was not coming up quite far enough on the slope, and the report also had something to do with the pond edge itself, which we perform twice a year.

Mr. Golgowski stated all the ponds have been mowed.

Ms. Kassel asked we are letting them grow but we are mowing them down a couple times a year? We are essentially letting two or three feet at the edge of the pond grow except for twice a year when we mow it back?

Mr. Golgowski stated that is correct. We are maintaining it at a height of about eight inches so that we do not get the grass clippings in the pond that Mr. Medlin mentioned earlier in the meeting.

Mr. LeMenager stated I thought it was mowed too much. Obviously they have to perform that work by hand because they cannot get their equipment down that far. I thought they cut it down too often.

Mr. Golgowski stated we try to keep it a little taller on the back of the ponds adjacent to wetland areas and a little shorter by the houses. There might be some places where it was cut very short just for the wildlife to add some diversity.

**D. Website Statistics**

Mr. Moyer reviewed the website statistics as contained in the agenda package and available for public review in the District Office during normal business hours.

**SEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

**i. Monthly Invoicing**

Mr. Qualls stated related to Ms. Kassel's request earlier, I am going to go ahead and remove 1.5 hours from your last billing since you should not be penalized for a mistake in billing.

**ii. Landscape Maintenance Agreement for U.S. 192 with FDOT**

Mr. Qualls stated since 2004, there has been a joint participation agreement between the CDD and the Florida Department of Transportation (FDOT) to maintain the landscaping in the right-of-way along U.S. 192 as you drive in. My understanding is the developer wanted to install additional plantings to spruce up that area. When the developer approached FDOT to request additional plantings, FDOT denied the request because they did not know who was going to maintain it. Essentially, FDOT requires that there be an interlocal agreement between two governmental entities in order to provide those additional plantings and to maintain those plantings. Even though the CDD is already maintaining the beds because we wanted to be able to add more plantings, we still need to get another agreement with FDOT. The previous agreement we sent to FDOT said that the District will install additional landscaping and the CDD will maintain the

additional landscaping. We are waiting to receive final approval from FDOT, but it is nearly complete except for some scrivener's errors.

Mr. Qualls stated I will also ask for approval for an agreement between the CDD and the developer stating that the developer will pay to install the additional landscaping and that the developer will cover any additional costs of maintaining that landscaping, if such additional costs arise. The bottom line to the CDD is that there will be additional plantings and landscaping that will need to be maintained, but it will not be at any cost to the CDD.

Ms. Kassel stated except for legal fees.

Mr. Qualls stated that is correct.

Mr. LeMenager asked where is it being installed?

Mr. Qualls stated in the median.

Mr. Golgowski stated it will start at the main entrance.

Mr. LeMenager stated it is nice to say that there will be no cost to the CDD. The objective of the developer is to put themselves out of business and sell all the lots in Harmony, so one day there will be a cost to the CDD.

Mr. Tome stated just like the CDD has an agreement with FDOT today regarding the maintenance, if the CDD decides tomorrow not to maintain that area, you can convert it back to Bahia like FDOT has everywhere else. Then there would be no maintenance expenses. The contract allows for that today if the CDD every chose to do that 10 or 20 years from now or whenever. I do not think you would want to do that, but you could decide to and the contract allows you to do that.

Mr. Qualls read Resolution 2011-07 into the record.

Mr. Walls stated I think that is great and I have no problem with the setup, but I will not approve an agreement that I have not seen.

Mr. Qualls stated the Resolution refers to the agreement with FDOT, and I am working with their staff to finalize it. You could approve the agreement subject to ratification at the next meeting, and I will provide it to you by email as soon as those scrivener's errors are corrected.

Mr. LeMenager stated I am in favor of supporting this.

Mr. Golgowski stated we can provide hard copies of the current agreement now.

Mr. Walls stated I will not vote on anything until I see a final agreement. The Resolution references the agreement, and it is our responsibility to perform our due diligence.

Mr. Qualls stated I understand that. The reason I did not bring final copies of the agreement is there are still two scrivener's errors, and I wanted to receive approval from FDOT that they were in agreement with the changes we suggested before I bring it to the Board.

Mr. Walls stated my inclination would be to wait until next month so we can review the agreement.

Mr. Tome stated my secretary will bring copies to the meeting in the next few minutes.

Mr. LeMenager asked is there a reason you want this work performed now? Is this something you want to do in preparation for the Harvest Festival?

Mr. Golgowski stated yes.

Mr. LeMenager stated I do not have a problem authorizing staff to proceed with this. I am happy with it. You have my confidence.

Ms. Kassel stated it seems to me the Resolution talks about the installation but not the maintenance.

Mr. Qualls stated it covers both and references the installation and maintenance of the highway landscaping referenced in the agreement, to be performed at the expense of the developer at no cost to the District.

Mr. LeMenager made a MOTION to adopt Resolution 2011-07 (1) approving the highway landscape, construction and maintenance memorandum agreement with the Florida Department of Transportation; (2) authorizing the execution of said agreement subject to correction of minor scrivener's errors and final review by legal counsel; and (3) approving the agreement with the developer for such additional plantings, as described.

Mr. Berube seconded the motion.

Ms. Kassel asked if the agreement is going to be here in 10 minutes, why can we not wait for it?

Mr. Walls stated I have not even seen a copy of the Resolution.

Mr. Evans stated I am in favor of this; let us move it along. I have total confidence in Mr. Qualls. All we are doing is revising the prior agreement. I do not know that we need to micromanage it. I appreciate the comment that Board members want to read things, but I have total confidence in Mr. Qualls's ability to put these together.

Mr. Walls stated I do not understand how we can vote on something we have not even seen.

Mr. Berube stated I sense it is a vote of confidence in the attorney. We pay him to do what he thinks is right, and I am going with that. I hear what Mr. Walls is saying, but sometimes we need to exercise a little trust.

Mr. Walls stated at the end of the day, this is our responsibility. We hire our professional staff to advise us.

Upon VOICE VOTE, with all in favor except Ms. Kassel and Mr. Walls, approval was given to Resolution 2011-07, as described.
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**B. Engineer**

There being nothing to report, the next order of business followed.

**C. Developer**

**i. Butterfly Sculpture**

Mr. Golgowski stated this sculpture is currently located in Harmony Square. The Square is getting increased activity and while the butterfly was a great feature to call attention to that area, it is sometimes getting in the way. There is a location at the corner of Five Oaks and Cat Brier in the roundabout that we thought would be a better location and would create another landmark for the community in that area. The butterfly is owned by the CDD, and the developer would like to relocate it to that roundabout at the developer's cost and modify the landscaping to compliment a butterfly sculpture, as in butterfly plantings and reduced sod, which is fairly maintenance intensive.

On MOTION by Mr. Walls, seconded by Ms. Kassel, with all in favor, unanimous approval was given to authorize the developer to relocate the butterfly sculpture from Harmony Square to the roundabout at Five Oaks Drive and Cat Brier Trail as well as modify the landscaping, as described.
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**ii. Irrigation Technician Job Description**

Mr. Haskett stated along with the job description, I provided to the Board by email a flowchart of how the three positions overlap each other and the responsibilities of each. I would like to see the Board approve this for a couple reasons. When we are scheduling staff members to cover boating activities, Mr. Thomas Belieff is the dockmaster, and Mr. Druckenmiller is performing maintenance and trash detail throughout the day. If someone reserves the boat for 6:30 a.m. and another resident reserves one at 5:00 p.m. that same day, that creates an issue of overtime if only one staff member is working that day. If we have three employees, they can all overlap schedules and cover boating activity, which is not a typical 9:00 a.m. to 5:00 p.m. job but could be 14 hours a day in the summer. This proposal will help reduce overtime, which lately has been 8 to 10 hours in a pay period and is expensive just to cover boating activities. I worked with Mr. Moyer to modify Mr. Belieff's schedule to be from 8:00 a.m. to 5:00 p.m. if there is not a reservation for the early morning. That will not work on weekends when reservations are at all hours for boats. The irrigation technician would be beneficial to the District especially as we hopefully move forward with flow meters and to monitor irrigation activities in the field. Staff is very capable of covering that type of responsibility.

Mr. LeMenager stated relative to overtime for boat usage and employee coverage, we could easily change the hours of boat usage. We do not need to pay people over time just because someone wants to use a boat at 6:30 a.m. and someone else wants to use it at 5:00 p.m. on the same day. We can simply say the boats are available from 8:00 a.m. to 5:00 p.m. There is a cost associated with that facility. In general, I like the idea but it is really a question of where we are going. I have raised this issue a couple times over the years. At some point, we take over full maintenance since the CDD is a permanent body. That is probably 15 years or so away. But what is our plan to get from where we are today to where we want to be? Right now, we are doing it on a piecemeal basis, and I wonder if we need to have more of a roadmap of what we want this to look like when we are finished. I know where we are today, but over time, how are we going to get there? My other concern is, as I mentioned last month, we are taking another job away from Luke Brothers. We do not know what their cost structure is. I am not opposed to removing it, but I want to be sure we are realistic. When we obtained Mr. Druckenmiller, I do not think we saved as much as we thought we would. Can we remove this from the scope of services from Luke Brothers without their consent? Does it really pay for itself?

I am in favor of having three field employees and starting our team, but I think it needs to be part of a larger plan of where we are headed.

Mr. Walls stated I am a little more in favor of this now than I was last month in having someone onsite to handle the irrigation. Along the lines of what Mr. LeMenager is saying, what is the status of Luke Brothers? Are they open to giving this up as well as the revenue associated with it? This hinges on their willingness.

Mr. Haskett stated I have not discussed this with Mr. Pete Lucadano, but he is aware that the Board is discussing this. Mr. McMillan and I have discussed this a few times. Of course they do not want to lose the revenue, but he understands where we are coming from. The goal is to have better service than what we have now and also be able to manage it better. It is in our contract with them that we can remove line items from their scope of services. Their contract expires September 30, 2012, so beginning in March, we will need to start the bid process. If you want to initiate this change, I think November or December would work for an effective date.

Mr. LeMenager stated to me, that is part of the plan of where we are going. We spend \$500,000 annually to Luke Brothers. One question is if we should perform this work ourselves. Why should we hire a contractor? We have a lot of facilities that require staff and we are spending \$500,000 annually for a team of 14 people to perform landscaping. Is part of our plan that we should provide landscaping in-house? I presume that whoever bids on this work has a profit margin built into their bid and they are trying to make at least 10% to 20%.

Mr. Berube stated I thought about that a year or so ago, and we cannot do it for less than \$500,000 annually, presuming we had 10 people on staff and paid them at pay rates comparable to what we are paying our staff now, and also considering health care and other benefits. When you add the equipment and maintenance costs and depreciation on equipment, my figure was about \$625,000 annually with a staff of 10 and one manager, with the manager's salary at \$75,000. It was not even close. I did not refine it any further and never presented it because it was not close.

Ms. Kassel stated I agree with Mr. Walls and Mr. LeMenager about planning for the long term, although not in the sense that we should perform landscaping in-house. In terms of the irrigation technician, I am still divided about it. I see the sense in it, but I think it would be a good idea to have a better plan for the long term instead of moving on

an idea we have in a particular month. I would like a picture over the next five or ten years of what we may want to bring in-house and how that fits in with what we have. Moving forward now with the irrigation technician, I want to know the annual costs to the CDD, which I am comparing with what we are spending on irrigation repairs. I understand some of the irrigation repairs are not labor but are parts.

Mr. LeMenager stated we had that information last month but not this month.

Mr. Berube stated the first year of this program as we anticipated and discussed last month, there would be about \$7,000 cost over all of the budget items included in the proposal. In the second year, it is a savings of about \$6,000 because we are not purchasing the equipment, which is primarily the vehicle for the employee. That savings should hold at the same level in future years, not to mention all the other benefits of performing this work in-house. Having our own staff saves a lot of money. I understand it can also cost a lot of money, but it gives Mr. Haskett some flexibility with the staff to get work efforts done that we would otherwise have to contract for, and we know that is expensive.

Mr. Walls stated if you can schedule wisely, then you can save on paying overtime, which I do not think is contemplated in the analysis. In the end, it comes down to the contract that we have with Luke Brothers. I wonder if there is a benefit to rebid that contract right now.

Mr. Berube stated I think we should do that to coincide with the expiration of their contract next year. If we start the bid process now, I think it will take us that long to get everything settled if we need to make a change. If Luke Brothers comes out to be the best, then we keep them. I did not say anything about their quality of work at the beginning of the meeting, but I am not terribly happy and I think we need to rebid the contract and remove the irrigation component from it. I think irrigation can and will be done better in-house.

Mr. Walls stated if we did that, I was thinking we could get it done a lot sooner than the end of their current contract.

Mr. Berube stated we might be able to, but the last time we bid this, it took a long time.

Mr. Tome stated from a timing perspective, three to four months is a long time, and we can easily get through the bid process in that period of time. I think terminating their

contract now will be too soon because the contractor is going to anticipate that they are 120 days into the process and may not be engaged anywhere. Also, if you recall, Luke Brothers did, in fact, agree to change some things in their contract when the District hired Mr. Druckenmiller. You have the right to terminate the agreement and end it early, but the next landscaping company that negotiates with the District will have in the back of their minds what happened with Luke Brothers, and that they stand a chance of entering a two-year agreement that will end after 16 months at the Board's decision. You have the right to do it, but it is a small industry and they all talk to each other. They know who is awarded contracts and what their prices are. To Mr. Haskett's point, if you choose to remove this element from their contract, you should make it effective in November or December. By March, you will be rebidding the contract anyway, and if you take out the irrigation monitoring, then the bids next year will be without that technician. At that point, you can see if it really worked or not. You can always go back to having the contractor provide that service if it was not the right decision. I believe with Mr. Berube that it will be the right decision, and consider all the ancillary benefits you will get, as you received when you first hired Mr. Druckenmiller. He was originally hired to remove trash and clean facilities, but he has done so many repairs and so many other things because he is talented enough to do that. I hear comments all the time from residents about how nice things look now.

Mr. Walls stated I like this idea, but I am looking at it from an implementation perspective. Luke Brothers has to give up that work for this proposal to work. If they are willing to do that, it is fine.

Mr. LeMenager stated it sounds like they do not have a choice given the contract language.

Mr. Walls asked our contract allows us to pull that out?

Mr. Haskett stated yes, it is one line item at \$28,500 annually.

Mr. Berube stated in reality, we will give them a 60-day notice because it will take us that long to hire someone for the maintenance position. We are only cancelling one line item in the contract, and giving them 60 days is the courteous thing to do and it fits our timeline of hiring a new employee.

Ms. Kassel asked to Mr. Tome's point about the contractors all talking, will they be hesitant to bid on our contract because we keep removing line items from the contract?

Mr. Tome stated I do not believe so.

Mr. Berube stated I do not think so. I receive email invitations frequently from people in the industry. They want big landscape contracts like Harmony. Interestingly enough, our meeting minutes are read by landscape contractors and they read our comments about Luke Brothers. That is why they are seeking business from us because they are aware there is some dissent. I do not think there will be any hesitation.

Mr. Evans stated they know what they are getting into.

Mr. Berube stated that is correct. They know they are getting into a contentious situation because they read our meeting minutes since they are public record. You have to give some of these firms credit digging that deep and searching out people who are making those comments, which is why they come looking for me because I voice my opinions.

Mr. Tome stated there are varying types of contracts. Some landscape companies perform trash removal as well as irrigation, some do irrigation and landscaping, and some companies prefer not to touch any of the trash or the irrigation but just do landscape maintenance. We might see bids from some companies that we have not seen before by changing some of the scope of services.

Mr. LeMenager stated I like the idea of trying this out and if it does not work out, then we address it in the next contract. I do agree that we agreed to a two-year extension, and I think that is the honorable thing to do. Frankly, I do not receive any emails, probably because they read the minutes and generally I am not unhappy with the job they do. They are not terrific, but they are adequate.

Mr. Evans stated one of the directions that is being considered is to move forward with a 60-day notice to terminate the irrigation line item from Luke Brothers and to authorize staff to move forward with the interview process for an irrigation technician.

Mr. Berube stated that is my opinion.

Mr. LeMenager stated I agree.

Ms. Kassel asked how long did it take us to find someone for the maintenance position?

Mr. Moyer stated it took a couple months. Once we make the decision on the final candidate, it takes another two or three weeks to go through the cumbersome hiring process that goes along with a big company.

Mr. LeMenager stated we are hiring a new maintenance technician since Mr. Druckenmiller will move into the irrigation technician position.

Mr. Berube stated that is correct.

Mr. LeMenager stated the maintenance position is probably the easiest job to fill.

Ms. Kassel asked does Mr. Druckenmiller prefer the irrigation position rather than the maintenance position?

Mr. Haskett stated yes, he is looking forward to it.

On MOTION by Mr. LeMenager, seconded by Mr. Berube, with all in favor, unanimous approval was given to (1) provide 60-day notice to Luke Brothers to terminate the irrigation line item from their contract and (2) transfer Mr. Druckenmiller to the new irrigation technician position, and (3) authorize staff to begin the hiring process for the maintenance technician, as discussed.

Mr. LeMenager stated I would like to state again that at some point, we need to sit down and have a plan for the future as to where we want to be. These are great ideas, but we need to think longer term as far as the staff we want to have. At some point, we need to hire someone to do what Mr. Haskett is doing.

Mr. Berube asked when we start the budget process next year, does it make sense to include that discussion in the budget workshop as far as future planning?

Mr. LeMenager stated that might be an excellent time to do it and solicit comments from people. A lot of residents think there is a CDD but it will disappear when the bonds are paid off. That is a common misconception. Every realtor makes the comment that the bonds will get paid off and the CDD will go away. Point in fact, it will never go away. You can give it to another governmental body, but the way this is organized, this body will never go away. It will become something else, but it will never go away.

Ms. Kassel asked does Mr. Moyer have experience with CDDs maturing in terms of hiring more people?

Mr. Moyer stated you are following the same path of maturity that other CDDs have followed, most notably Celebration CDD and The Villages. You basically stay with the types of contracts that we have now. It is very unusual to bring landscape maintenance in-house. We did that one time in Tampa Palms, and that was not any better than having a contractor. They brought on the staff and about four years later, they terminated all the

employees and went back to having contractors. Just because you can rotate them in and out faster and have more control over the employees, it is cheaper to have a contractor in many respects. The types of employees that Districts hire over time are the generalists, the people you are hiring now where if a culvert washes out, they can perform that type of work without having to hire a contractor. It is really the smaller activities where you hire staff. The big issue in Celebration is painting, where we paint light poles, shade structures, many facilities. The field manager in Celebration has two full-time painters who do nothing but paint facilities in the community. We have a full-time sidewalk repair technician. Celebration is older than Harmony and because of the trees being planted immediately adjacent to the sidewalks, those panels break and need to be grinded or replaced. It is generally the smaller jobs that you supplement going forward. The good news about that is that it does not break the budget for the most part because these are not highly compensated people. You are following that path, and you do it incrementally.

Mr. Qualls stated the District is not a financing mechanism, although that is a related benefit. The District serves to manage, including maintenance of the District, and will continue to perform that function as long as there is infrastructure to manage. Section 190.046(9), Florida Statutes, describes a process whereby if a District has no outstanding financial obligations and no operating or maintenance responsibilities, upon the petition of the District, the District may be dissolved by a non-emergency Ordinance of the general-purpose local government entity that established the District. I offer that as a point of clarification.

Ms. Kassel stated we will always have maintenance obligations.

Mr. LeMenager stated Harmony can incorporate when that happens.

Ms. Nancy Snyder asked will you be hiring a full-time person right away, including benefits?

Mr. Haskett stated it is definitely a full-time position. As Ms. Kassel mentioned at the last meeting, I have defined their daily activities. Right now, Mr. Belieff and Mr. Druckenmiller are so far behind on things that I wanted to see be accomplished two months ago that they just do not have time for.

Ms. Snyder stated I can see you saving a lot of money doing it in-house.

Mr. Haskett stated as the years go by, I think we will save a substantial amount of money over what we would have contracted out.

**iii. Utility Vehicle for New Employee**

Mr. Haskett stated the new employee will need a vehicle, which is listed in the proposal at \$12,000. Through the end of the month, there is an opportunity to piggyback another government contract for a utility vehicle that I have researched, and that price is \$7,000.

On MOTION by Mr. LeMenager, seconded by Ms. Kassel, with all in favor, unanimous approval was given to purchase a utility vehicle for the third employee, in the amount of \$7,000, as discussed.

**EIGHTH ORDER OF BUSINESS**

**Supervisor Requests**

Mr. Walls stated some residents have asked me about tree trimming on the interior streets. I think it is a good idea that we do it, and I know we have done it in the past. Some residents are complaining about their trees. I think it is a better idea that the District performs that maintenance rather than the residents performing that activity. I have seen some horribly trimmed trees. When was the last time we trimmed them?

Mr. LeMenager stated a couple years ago.

Mr. Haskett stated it was done two years ago, and they are on our maintenance schedule to be trimmed this fall. You bring up a good point because the sycamore trees grow at a rapid pace. We may want to consider trimming sycamore trees annually on interior streets. Not all the interior street trees need trimming annually, but the faster-growing trees should be trimmed more often.

Mr. LeMenager stated I am sure Luke Brothers will appreciate that with all the contract changes we have done. I am in complete and total agreement that we should take responsibility for the interior street trees.

Mr. Walls stated some residents were also complaining about ants at the Swim Club on the pool deck. Can we have someone look at it and treat it?

Mr. Haskett stated yes.

**NINTH ORDER OF BUSINESS**

**Adjournment**

The next meeting will be Thursday, October 27, 2011, at 6:00 p.m.

The meeting adjourned at 11:30 a.m.