

MINUTES OF MEETING

HARMONY COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, January 26, 2012, 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	Supervisor
Kerul Kassel (<i>by phone</i>)	Supervisor
Ray Walls	Supervisor

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young vanAssenderp, P.A.
Greg Golgowski	Harmony Development Company
Todd Haskett	Harmony Development Company
Mike McMillan	Luke Brothers
Larry Medlin	Bio-Tech Consulting
Aaron Smith	Insight Irrigation
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 December 22, 2011, Regular Meeting

Mr. Evans reviewed the minutes of the December 22, 2011, regular meeting and requested any additions, correction, or deletions.

Mr. Walls stated page 19, second sentence in the last paragraph should read, "We have not voted on this yet" (remove will). Page 30, second paragraph, second sentence from the end should read, "I would like to see some goodwill from Severn Trent."

On MOTION by Mr. LeMenager, seconded by Mr. Berube, with all in favor, unanimous approval was given to minutes of the December 22, 2011, regular meeting, as amended.

THIRD ORDER OF BUSINESS

Audience Comments

There being none, the next order of business followed.

FOURTH ORDER OF BUSINESS

Subcontractor Reports

A. Aquatic Plant Maintenance – Bio-Tech Consulting

i. Results from Science Project

This item was tabled until the next meeting.

ii. Monthly Highlight Report

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 I was asked to review the District's nine ponds and consider moving them to a quarterly maintenance schedule. After thinking about this, I put together a flyer to see what kind of treatments I have been doing. My recommendation is to stay with monthly maintenance. The way I treat the ponds, I actually perform four different treatments. Instead of applying all of them at one time, I split them up, lower the chemical amounts and make them very selective so that it kills the noxious plants while not harming the new plantings. Each separate chemical treatment targets different plants in three different areas of the pond. Even a quarterly treatment of a pond could take three, possibly four, treatments just for one complete eradication or control of the exotic plants. From the standpoints of actually reducing the amount of chemicals that are going into the ponds, it probably will end up being more because we will not have reviewed these ponds for a few months, and the plants will have grown in thicker. Then when we come back, there will be more chemical that we need to spray. If the ultimate goal is to reduce the amount of spraying, then I think the monthly treatment schedule is the best option. The other point is, the CDD-owned ponds are where we are installing plants. In the past two years, we have planted perhaps four ponds. Some home owners banded together and put some plants in some other ponds. In order to protect that investment, in order for them to grow in thick and become really established, the best thing is to keep an eye on them every month.

Mr. Berube stated we have been spending some money on plantings for a couple reasons. One is for the aesthetic value, and the second is for the plantings to soak up nutrients that find their way into the water. It is a safe assumption that everything that grows in that pond, including the undesirables, also soak up nutrients, so they do have some value. They may not look pretty, though.

Mr. Medlin stated you are correct; they do soak in nutrients.

Mr. Berube stated when we spray these herbicides on these plants, whether they are invasive or whatever they are, the plant dies above the water line but it dies on the bottom and become silt or some other kind of muck. We really may not be eliminating the undesirables.

Mr. Medlin stated it is only controlled. All we can do is keep these plants back. We planted the ponds, and we need to keep torpedo grass out of the planted areas or else they will not spread and grow in and get thick, like some of the ponds have. It is never a matter of being gone because it has been sprayed; it just seems to come back. There is also a plant called cogongrass that is all over the Harmony property and has taken over. It is just inevitable that it keeps getting in the ponds, and that is something that needs to be watched. It is very difficult to control. You can see it in the golf course ponds where they have tried plantings to shade it out, but you can see it coming back. They mow it, but it is in the natural areas, and it is getting into our buffers, as well. Even though there are perhaps some negatives to feeding the biomass and putting more nutrients back in for dead material, I think you get much more benefit in treating these noxious plants than any kind of negative of them ending up in the pond as dead matter.

Mr. Berube asked knowing that the ponds are primarily for water storage, why do we care if there is something else growing in them?

Mr. Medlin stated one of the things we discussed previously is having a lot of plants submersed in the water. If there is a hurricane event and there is a lot of algae and spikerush in a large area, when water starts rushing out to the wetlands or wherever they need to go in order to maintain that pond level, it might clog up and you can overflow the ponds. The stormwater management system would then not work. As far as any St. Johns River Water Management District stormwater permits that I have read, they say the ponds must be maintained free from vegetation so that they can function properly as the engineers designed them to work.

Mr. Berube stated it sounds like we should stay with where we are at currently.

Mr. Medlin stated yes, what you have planted so far looks good and has value, and we do our best to keep the noxious plants out, and you end up with an aesthetically nice looking pond.

Mr. LeMenager stated Mr. Moyer is involved in managing a number of other Districts. What sort of frequency do you see in terms of pond maintenance?

Mr. Moyer stated most of them have exactly the same type of system that we have here. It is more or less driven by the aquatic that shows up in the pond. When I first got in this business in the early 1970s, you could actually put chemicals in the water that had some residue and some residual effect on future growth. All of those chemicals are no longer available, and they should not be. I am referring to Diuron; 2,4-D; 245-TP; Agent Orange and others. I am not being critical, but now the target plant has to be there before you can treat it, so it is more of a reactive system than a proactive system.

Mr. Berube stated I have been reading about this issue a lot, and there seems to be two schools of thought. One is to leave the pond, let it grow over and it is fine. The other seems to be to eliminate all of the green material growing in the water. There does not seem to be any middle ground, and I want to be sure we are doing the right thing. It is hard to know.

Mr. Moyer stated one of the things you Board members saw when we started this discussion were pictures of Celebration, which has extensive shoreline plantings. That has not eliminated the problem. It has not removed all the nutrients so that there is no other aquatic growth in those canals. We still have to spray those canals.

Mr. Berube asked do you perform that work on a monthly basis?

Mr. Moyer stated yes. Whenever there is a target plant, they will spray it. They are usually out there on a monthly basis. They do not spray every pond on a monthly basis, but they spray as needed.

Mr. Evans stated I understand that the proliferation of planting in Celebration and those canals was to the limited depth of the water in the canals because they are not really wide.

Mr. Moyer stated that is correct.

Mr. Evans stated that lends itself toward the regeneration and expansion of the plant, whereas we are looking at some deeper ponds rather than a shallower shoreline.

Mr. LeMenager stated that is a good point. I think the canals in the middle of Celebration are purely decorative, whereas if you look at the true retention ponds, that is a different story.

Mr. Moyer stated that is correct.

Mr. Walls asked what is your assessment of the most recent plantings that were done?

Mr. Medlin stated I think the mild winter helped. The last time I saw them, they are still green and look really good. I think we actually got some growth out of them during the winter. I guess it turned out to be a good time to plant since there were really no hard freezes.

Mr. Berube stated they are certainly not being flooded.

Mr. Medlin stated that is correct.

B. Landscaping – Luke Brothers

i. Monthly Highlight Report

Mr. McMillan reviewed the monthly 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 as of yesterday, we have completed pruning the ornamental grasses, including the sedge grass, fakahatchee grass, and cord grass. We are continuing with the mulch in the tree rings and we are making sure we remove the dirt that is around the concrete. With the mild weather we have been having, there has been some weed activity, so the crews are addressing those, especially in the plant beds. At the last meeting, the Board approved plant installations for three of the parks, and that work will be completed by Monday. At Lakeshore Park, we continue to keep an eye on the roses. Some of them are not looking stellar, so we will replace them and keep an eye on the others. If it looks like they are not rejuvenating and flowering like we want them to, we will replace them as part of our warranty work. There will not be any additional charge to the District for those replacements. We will be changing out the annuals in February, and we will begin the removal of the existing plants next week.

Mr. Berube stated I have been quiet about Luke Brothers for a long time, but I am not happy with their overall performance. Last month, we received a lot of invoices totaling more than \$14,000 spanning back to 10 months from last year. We discussed that at the meeting last month, but the majority of those invoices were seemingly disputing irrigation repairs.

Mr. Haskett stated that is correct.

Mr. Berube stated you can see some of the dollar amounts were reduced 50% by mutual agreement. Then last month I read that we are ready to go with our new employee to take over the irrigation system beginning December 1, 2011, but the system was in such disarray that we decided to hold back until January 1, 2012, also absorbing the

irrigation responsibility with our new employee. As we review this month's agenda package, there are still a number of zones that were not ready to go after they were working feverishly to get it done. I understand we took the irrigation work away from Luke Brothers, probably for that reason, but if you need to argue with them for 10 months over a very prominent aspect of this contract, where do we stand now with the rest of what you administer? We do not hear much from Mr. Haskett, and you were not here last month to explain all the invoices. Are you still spending a lot of time with Luke Brothers?

Mr. Haskett stated as far as the irrigation technician starting December 1, 2011, we did not have the employee hired to be able to that. Therefore, Luke Brothers continued on, which they did not bill us for the maintenance as well as for November. Their last irrigation invoice was for October. They have been helpful during that period when we were in a bind and did not have an employee in time. There are still irrigation issues, which is the reason we pushed to have our own technician to do the irrigation. As issues come up, such as not being able to find some valves that have been mowed over and other technical issues that Mr. Druckenmiller is not yet quite caught up on, Luke Brothers has taken care of it for us. I suspect that it will be another month before we have everything functioning the way it should. There are still several issues out there, but in the long run, it is worth us taking it over. I would not say Luke Brothers is upset by that. We all knew they did not maintain the system the way that we want it to be maintained before issues compounded, and we are working through all of those.

Mr. Berube asked is the way they are performing acceptable in regard to the rest of the maintenance?

Mr. Haskett stated yes. We are coming into the springtime, and I keep after Mr. McMillan about the number of employees. I think they will add one more this month. Weeds are getting a little out of hand, but they are trying to keep up with that as well as mulching. They are bringing in another person so they can stay on schedule. I think they are undertaking a lot more tasks now, such as the ornamental grasses, instead of what they used to do in the past, which was to do the mulch and then go back and cut the grasses. They are a little slower in the process, but they are more thorough.

Mr. Walls stated I pointed this out to Mr. Haskett already, but I was at Lakeshore Park a couple weeks ago at the playground. The landscaping was looking pretty rough.

The grass was dead. There were a lot of weeds, even in the flower beds. It looked like the mulch had not been refreshed in a while. This is a high visibility area, and that should be the first place work is completed. If we see problems in these areas, they need to be taken care of.

Mr. McMillan stated this time of year, we are seeing a lot of what looks like dead grass, when it is really Bermuda and crab grass, things of that nature. We had a very mild winter and one semi-frost where it was about 35 degrees. The cool weather and cold wind made it freeze, so it is turning more yellow. Overall, the turf color throughout the property is looking a lot better. When I arrived here last year in April, there was still yellow and brown grass from the frost from the previous year when the rest of the property was green, except for east Five Oaks Drive. You are correct regarding the weeds, and that is where I showed the crew first. It is a little harder with the juniper there. We can pull the weeds but two days later, the weeds that were previously under the plants have now grown through. That is one of our main focal points. We try to make sure that area is looking fresh. We have a crew attending it on Friday so it looks good for the weekend. I just need to work better as far as the schedule so that it looks good in those primary areas where a lot of residents are going to be. We did apply new mulch within 48 hours of the email from Mr. Haskett. I had a crew go through to address weeds and make sure the areas are looking better.

Mr. LeMenager stated my annual comment is that in the winter, the natural color of Florida is brown. Our continued attempts to defeat Mother Nature to turn Florida green in the middle of winter are costly. My view is, for the middle of winter, as incredibly dry as it has been, the place does not look very bad. I agree about the weeds and those are the kinds of things you want to address, but it is expensive to try to make Florida green in the wintertime. I do a lot of business in Solivita, which is a retirement community about 20 miles south of here. It is amazing how brown that community gets, and it is just as amazing how fast it comes back when things get green. They do not try to artificially make the landscape green in the wintertime. I appreciate the comments about how the community looks, but I would expect a life-long Floridian to agree with me that the natural color of Florida in the winter is brown.

Mr. Walls stated I do not disagree with you. My comments were directed at the weeds where there are patches of dead grass.

Mr. LeMenager stated that is fair, and that is something we do want to address.

ii. Landscape Enhancement Proposal

Mr. LeMenager stated we had a proposal from Luke Brothers to trim the canopies for trees on the interior streets. Last year, we did the main streets. I think this has some time value. If we are going to do it, we need to do it before they really start to grow back.

Mr. McMillan stated you can trim trees anytime of the year. Right now is a great time, especially for the sycamore trees. Branches break and it is easier for us to see what is broken so we can trim them before the canopy fills back up. We thought it would be better to do this work in the winter and early spring.

Mr. LeMenager asked are the sycamore trees causing the most problems?

Mr. McMillan stated they are the trees that are raised most often by the residents.

Mr. Evans stated we originally scheduled having a workshop on trees, but I think we have enough information to move forward in considering this item at this time. We have discussed previously that the District has the right, but not the obligation, to maintain the trees in these areas. However, at the same time, these trees are located on District property. The areas we are discussing are areas that are adjacent to lots. Much of the confusion lies in the fact that if you are a new home owner and not intimately familiar with a lot of the policies, you see some trees being maintained and others not maintained. The other element is that even though the adjacent home owner is responsible for maintaining these trees, the District runs into the issue of enforcement. Sometimes enforcement can override the cost of fixing the problem. We asked Mr. Boyd to put together an exhibit that details where these areas actually are so that we have a better visual understanding of it. Mr. Haskett has done an excellent job of going through and looking at the trees in question, so we can qualify it. It is my understanding that this is the proposal to trim the trees that are on District property but are technically under the maintenance obligation of the adjacent home owner.

Mr. Haskett stated that is correct.

Mr. Evans stated the decision before us is if the District wants to modify its policies. It has the right but not the obligation. The policy does not necessarily have to be modified. It is just a decision by the Board if it wants to exercise that right on all of these trees to maintain uniformity and to accept the cost.

Mr. LeMenager stated I would say yes.

Mr. Evans stated that is the question before us today. Sometimes when policies mature, you have a better understanding of the working dynamics of trying to manage certain elements, and sometimes you need to adjust and modify how you implement certain procedures for the benefit of the entire community. Having said that, we understand what the cost will be, which is \$13,000. It is my understanding that this work will not need to be done annually, but it will be periodically, every few years.

Mr. McMillan stated this proposal is to trim the elevation. There is more elevation with sycamores, maples and oaks as well as crown thinning. The time frequency on this can be every two to three years. I know in previous years, the CDD maintained these trees one year and the HOA the next year, based on the information I was given. Doing all of them at one time keeps the property looking uniform and aesthetically pleasing, rather than having a few rogue houses with tree limbs all the way down to the street.

Mr. Haskett stated I totally agree with Mr. McMillan. We trimmed these trees a year or 18 months ago in all the neighborhoods. It is good maintenance for the trees themselves. A lot of communities throughout the country have a maintenance program where the home owner is responsible throughout the year to maintain their trees and keep the limbs trimmed up 10 to 12 feet, water and fertilize them. However, the governing municipality or County would also come in every two to three years and do major pruning, especially for younger trees. A lot of home owners taking on this responsibility do not know how to do that maintenance. It is just good for our trees. If the District has the policy of replacing the street trees when one dies, we should maintain them, as well.

Mr. LeMenager stated I think the other thing we discussed was the whole concept of Traditional Neighborhood Developments and how, with all the best of intentions that the planners had, they may have actually gotten it wrong in places like Celebration and Baldwin Park. They all experienced the same problems, namely they installed really big trees next to houses. We are certainly not alone in this. The issue I wanted to discuss is, to what extent do we want to get involved in trimming the trees so that they do not touch houses?

Ms. Kassel stated I want to be clear that we are putting aside the discussion of policies regarding trees and at this point just discussing whether or not we want to do this particular tree trimming project apart from the discussion of the policy of the trees.

Mr. Berube stated that is correct, and I agree with you. We are not discussing the overall policy today, just looking at this proposal. That is fine because the whole tree policy probably does not require a lot more time than we are going to put into this discussion. To Mr. LeMenager's question, how much of the canopy are you going to shrink? Are you going to just raise the elevation or are you going to crown the whole canopy and everything? What are the limitations on what we are going to do?

Mr. McMillan stated as far as reducing the canopy, I can only think of a couple trees that might be growing toward the house. I do not have any issue going through and cutting those limbs as they grow toward the houses. As they mature and they grow closer to the houses, that will definitely affect the price. But you do not want to cut the outside of the tree. We thin it from the inside and let the tree grow in its natural form but let air and sunlight pass through it. That is the main trimming you want to do on trees. As far as shrinking it, you really want to stay away from that unless it is something growing toward a house.

Ms. Kassel asked does the proposal include trimming trees that might be touching houses or close to it?

Mr. Haskett stated I would not say that this proposal keeps us from doing that. It is similar to a street light. If a tree is growing into a street light or may in the future by looking at the limb structure, it would be pruned back, just like it is around street signs. The assumption would be that if a tree is hitting a house, it should be trimmed back as part of the whole canopy structure.

Ms. Kassel asked is that included in the proposal?

Mr. McMillan stated yes. I apologize that I did not make that clear enough. On this proposal, the trees are not significantly grown to where performing that function will affect any time from the employees doing the work. It is included in this proposal, but in the future as the branches get bigger, it will be an additional cost. I am just informing you of that work later on.

Mr. LeMenager stated that will be years from now.

Mr. Walls stated I am supportive of the District taking on this maintenance for a couple reasons. One, as these trees mature and get bigger, it is harder for the individual property owners to do this job properly. A lot of people, including myself, do not know the correct process to do this. I have seen people mutilate their trees because they trim

them up and they look ridiculous when they are done. I think this will help provide a more uniform look and make sure things are done the right way. I think the price is pretty reasonable when you consider all the trees on the interior streets. I am very supportive.

Ms. Kassel asked does this proposal only include the oak trees, not the sycamores?

Mr. Walls stated no, it includes everything.

Mr. Berube stated it includes 238 oak trees, 102 maple trees, 224 sycamore trees, 73 elms, and I believe that will be every tree on the interior streets that is not included in the regular service area for Luke Brothers.

Mr. McMillan stated that is correct.

Mr. Berube stated so it is virtually every tree on the interior streets that they would not otherwise trim.

Ms. Kassel stated when I reviewed the agenda package online, it seemed to indicate only oak trees. Is this included in the budget for tree trimming?

Mr. Berube stated the budget is \$15,000, and this proposal is \$13,000.

Mr. Qualls asked are we talking about trees located between where an owner's property ends and where the sidewalk begins?

Mr. Berube stated yes. The trees are in the grassy area between the sidewalk and the curb.

Mr. Qualls asked is the District taking this on because there is a right-of-way that has been dedicated to the District?

Mr. Evans stated the District owns that property.

Mr. Qualls asked this particular property was granted to the District?

Mr. Evans stated yes, at the time the plat was recorded, the property in question where these trees are located was conveyed to the District. The District has always owned that property and installed the landscaping. The policy was that the adjacent property would mow the grass and maintain uniformity with his lot and those trees. However, because of the constant change of property owners and renters, there has been a deficiency in the maintenance by those individual residents. To maintain consistency throughout the community, the District already has the provision that grants them the right, but not the obligation, to maintain those. What the District is considering today is exercising that right to maintain those trees on its property.

Mr. Qualls asked what is being contemplated is a one-time trimming?

Mr. Evans stated it is a one-time trimming, and we will discuss later overall policies as far as trees going forward. They are two separate issues, but the only thing before the Board right now is the exercising of the District's right to maintain the trees on its property in these affected areas, as indicated in this proposal, which is included within the budget.

Mr. Qualls asked where is it stated that the District has the right, but not the obligation, to maintain these? If it is part of the infrastructure that the District would maintain, I understand that. Is there a written provision that says that?

Mr. Evans stated I have seen it but it has been a long time ago.

Mr. Berube stated we own the trees, and we have discussed this *ad infinitum*. When the tree dies, we replace it. It is pretty well documented that these are the District's trees.

Mr. Qualls stated the District has a contract with Luke Brothers for some different trees, which explains exactly what work was being done and it had a map attached that highlighted the areas, so everyone was in complete agreement as to what we were talking about. I would ask that your motion to approve this proposal be subject to finalizing the contractual details.

Mr. Evans stated the contract provides for the terms and conditions of the existing agreement. It also provides for change orders or add-ons, that are subject to the same provisions that are set forth in that agreement. This can be viewed as nothing more than a change order.

Mr. Berube stated when we saw this last month, there was a map that detailed the whole property and had dots showing all the locations of these trees.

Mr. Qualls stated I am just thinking ahead to two years from now when the Board is having this same discussion and wanting to know what happened. If you look at this proposal, I do not know that it necessarily makes that clear. Perhaps you could just incorporate that map into this proposal.

Mr. Evans stated we can include the map and the exhibit that shows those areas to make it very clear.

Mr. Qualls stated the contractual language that is referred to in the change order is a matter of taking the contract that has already been done and changing some provisions. I am not talking about a lot of legal fees to complete this.

Mr. Evans stated I think the existing contract we have with Luke Brothers provides for things like this already.

Mr. Berube stated we have done this kind of thing before.

Mr. Evans stated we can add work to their scope of services. It is still subject to the terms and conditions of the provisions that are set forth in the existing agreement that we have. That is different than accepting a proposal from a firm where we did not have a pre-existing contractual agreement.

Mr. Qualls stated I am coming from the standpoint of clarity and having everything set out. I think it makes things easier in the future. I would ask that you approve this proposal subject to review of the existing contract to add some language that this relates back to the existing contract and attach a map so everyone understands and is in agreement. That is my recommendation.

Mr. Berube stated to Ms. Kassel's point on the proposal, if you read #1 and #2, it does say oak trees. I think we need to remove "oak trees" on both those lines to clarify, as Mr. Qualls suggested. On #3, it is a little more detailed but it says "site" lines, and should say "sight" lines.

Ms. Kassel stated thank you, that is exactly what I meant.

Mr. Haskett stated for #1, it says crown cleaning of all street-theme oak trees because you do not want to crown thin sycamores or elms. That is why the wording was specific to oaks.

Ms. Kassel stated the total in the box says it is for the oak tree structural pruning program. It does not really talk about the other trees.

Mr. McMillan stated I can remove "oak" from that box and leave it as the structural pruning program.

On MOTION by Mr. Walls, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the proposal from Luke Brothers for the structural pruning program for the interior street trees, in the amount of \$13,000, subject to the terms and conditions set forth in the existing landscape agreement, with the comments and corrections as noted.

Mr. Evans stated you may now proceed with this work, subject to the above changes that have been noted, so that we do not need to wait another month. We have the map, we

have the original agreement, and we have all the other parts in place for this work to begin.

C. Dockmaster/Field Manager

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.

ii. Field Activities

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

Mr. Haskett stated I understand from the last meeting in my absence, you had some questions about the shade structures at Lakeshore Park. In my mind, the structure would cover the climbing, jumping and play equipment, which it is. In my mind, you do not normally put shade structures over swing sets. However, knowing that, I am looking at alternatives to shade the swing sets and possibly moving them closer to the shade structures. As we move into spring, I can see where the sun will hit and how much shade we will get out of it. I will do what I can to make alterations to that.

Mr. LeMenager stated please consider planting trees as an alternative.

Mr. Haskett stated trees are a good thought. There is one oak tree there, but it is nowhere near big enough.

Mr. LeMenager stated it strikes me that sycamore trees grow really fast. If you put the right one in the right spot, I think that will provide a lot of shade over the summer. If you have a tree that sheds in the winter, that is fine because the issue of the sun being dangerous is reduced in the winter. You are primarily talking about high summer. To the extent you can plant a sycamore tree or two in there, within a very short period of time, you will have a significant amount of shade.

Mr. Haskett stated I will look into several options to see what we can come up with.

Mr. Walls stated I see the No Fishing signs on this report quite often. What is happening with them?

Mr. Haskett stated they keep disappearing. They are cemented in, and we have gone to using 180 pounds of concrete, but they keep disappearing. It is in one isolated location. We have ordered a steel pipe that will be filled with concrete, which is our last resort. We can mount them in the water to make it more difficult to remove.

Ms. Jeanna McGinnis stated the signs are there in the evening but they are gone in the morning, so it is a nighttime activity.

Mr. Haskett stated we continue to work on renovation of the restrooms at Lakeshore Park. Some accent trim on the gable ends will be replaced with a synthetic material rather than wood so they will not deteriorate. We are ordering new doors since they are rusted. I anticipate all this work will be completed by the next CDD meeting.

Mr. Haskett stated it has been mentioned about the bass boat being slick and dangerous. We do not want people falling overboard or getting injured, so we are looking at applying a non-skid material. I want to see if there are any objections from the Board before we start that work. I would also like to do that to the small pontoon boat, similar to the work we did on the large pontoon boat.

Mr. Berube stated I recall that same material will work on a metal boat.

Mr. Haskett stated it will in portions, but they have a non-skid matting material that we are looking at for the top deck parts. We will experiment with that, and the cost is about \$400 for materials to do that work.

The Board had no objections.

Mr. Berube stated the security cameras have been noted on the activity report. We have an IP address. Can people look at what is going on with the cameras?

Mr. Haskett stated yes, if the Board wants to allow access. There are different security levels that can be set for the cameras.

Mr. Berube stated I am curious as to whether or not we want to allow access to that information.

Mr. LeMenager asked do we have one that looks out over the lake?

Mr. Haskett stated yes.

Mr. LeMenager stated I would think from a marketing perspective, a live shot of Buck Lake would be nice.

Mr. Berube stated the same with the pools.

Mr. Evans stated as soon as you see the view corridors that are covered by the cameras, then you know where else to go.

Mr. Berube stated they do move.

Mr. Evans stated but you know the focus area that is being covered. If someone had ill intentions, then they could just circumvent that area. I am not sure what exactly is covered by the cameras.

Mr. LeMenager stated think about the promotional aspect. I remember when I lived in Europe, I would frequently log into the camera on the Celebration Hotel just to see what the weather was like. You would be surprised how many people will do that.

Mr. Berube stated it is the same thing with the pools. If you are wondering about going to the pool, you can see if it is crowded or if it is empty.

Mr. Haskett stated I will research the alternatives, but I believe there is a way you can isolate certain cameras. If there are four or five cameras in one location, there might be one showing the pool but not showing the other camera locations. I will look into it and report to the Board.

Mr. Evans stated we just need to decide if we want cameras for a security purpose or for a promotional purpose, or if they can be used for both.

Mr. LeMenager stated it is absolutely worthwhile to check. We can see about having a link on the local television station.

FIFTH 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 related to the Board's discussion last month on whether or not the Luke Brothers irrigation invoices were going to show up in our budget this year versus being accrued against last year's financial statements, our accountant went to the auditors, and they are going to accrue that in the 2011 fiscal year. The vast majority will not be included in this fiscal year's financial statements.

Mr. Walls stated it will affect fund balance, though.

Mr. Moyer stated that is correct.

Mr. Berube stated it will just make this year more accurate.

Mr. Moyer stated that is correct. We are 49% collected on our non-ad valorem assessments that are collected by the tax collector. Last year at this time we were 47% collected, so we are right where we need to be. On the expenditures, for the most part we

are doing fine. We do have a couple overages, most notably under operation and maintenance contingencies where we are significantly over budget, but that is accounted for with the shade structure expense.

Mr. Berube stated we discussed how we were going to balance that out when we approved it. We were going to take it out of fund balance from last year but because of delays, it ran into this year.

Mr. Moyer stated we will do a budget amendment when we get further into the year and know with more certainty how we will end up.

B. Invoice Approval #141 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. Moyer stated I have two additions to the check run summary. One invoice is from Classic Marcite in the amount of \$30,715 in accordance with our contract for remarketing the pools. Mr. Golgowski received one from Insight Irrigation for \$400. With the Board's permission, we would like to add those invoices to this list so we do not have to carry those forward for another 30 days.

Mr. Berube asked is the irrigation invoice for the person who was here yesterday working on Beargrass and Cat Brier?

Mr. Golgowski stated yes.

Mr. LeMenager stated given last month's discussion, I thought it was very timely that we received the Severn Trent invoice for assessment services. I have a question on the Woolpert invoice. We spent a lot of money for Woolpert in November, and I am sure we already discussed what that was about, but can someone remind me? It was for meetings and maps and discussions with various people.

Mr. Evans stated I talked with Mr. Boyd about putting together an exhibit on the tree issue to make it clearer to identify those areas that would be impacted by the contract. This has been going on over the period of a couple months to have it in preparation. Several months ago, perhaps at the October meeting, we considered having a workshop but we needed an exhibit that clearly identified the areas that would be impacted by the contract to do the tree trimming that we discussed, and also to delineate the areas that were covered. We need an exhibit that we can include on our website along with a

definition of what is being covered, and this will be the exhibit that will be attached and incorporated into the agreement.

Mr. Berube stated I have a question regarding the payment to Creative Shade. There was an addendum to the package where they added \$208.56 to the invoice for City and County permitting fees. When I look at the original contract, there was already \$750 included for permitting and permit applications. I think Mr. Moyer said it was fine to pay, which is within his purview, but I wonder why we are paying an additional \$208.56 when there was \$750 already noted for permitting. This goes back to last month when Mr. Moyer requested an additional \$300 for the Bobcat because the auditors like to make sure everything is approved. If we needed approval for the extra \$300 last month, where is the line drawn for when things do not match what is previously approved?

Mr. Moyer stated that is a good point. I probably should have brought that to the Board for approval. We try to pay these vendors timely because there is a State law that says we have to pay them timely.

Mr. Berube stated no disagreement.

Mr. Moyer stated when put in those situations, I think the policy would be that if there is sufficient time to bring it to the Board, we will bring it to the Board. If there is not sufficient time, under the Prompt Payment Act of the State of Florida, we will make those value judgments on a case-by-case basis.

Mr. Berube stated it is \$208 on an overall \$30,000 invoice, which is minimal. Where do we draw the line: \$200, \$400, \$800? When we have a contract and it is clear, when there is an additional fee, perhaps the vendor made a mistake and did not include it in the contract.

Mr. Haskett stated I do not have the contract with me, but I am sure it said there was a cost outlining the \$750 for the process of permitting, and there was an open area that said "to be determined" for the actual cost of the permit. That \$208.56 was the actual cost of the permit. A contract will not typically include the amount a County will charge for a permit. They will only charge what they know their process is going to be.

Mr. Berube stated so their \$750 charge was to fill out the permit application and go through that process, and the \$208 is over and above for the permit.

Mr. Haskett stated that is correct.

Mr. Evans stated they were still the lowest bid.

Mr. Berube stated this is a topic for our budget workshop later in the year, but I think we need to add a line to our balance sheet and budget to break out Maxicom as a separate line item in the budget. This is getting expensive. We have proposals to consider today, and we need to monitor it as to how much it costs.

Mr. Evans asked you are just asking for a separate budget line item where we can track repairs and enhancements?

Mr. Berube stated yes, for everything related to Maxicom. We are still paying phone bills but yet we have the radio communication system. Is this a timing issue? Are the phone bills going away?

Mr. Golgowski stated we had the wireless system installed, and we still expect it will work, but we decided to keep everything the same for a month to make sure everything is operational. That is where we are now.

Mr. Berube stated last month I raised the BrightHouse bills several times. Mr. Tome mentioned that they will be reduced by \$30 each month. That did not happen. Is that also due to timing?

Mr. Haskett stated it did not happen. I received an email from Ms. Wendy Ritter at Severn Trent in the middle of the month that stated it did not go down. I made a phone call to BrightHouse and spent several hours on the phone with them to confirm that it would be reduced.

Mr. Berube stated there is an invoice on the debit cards, \$60.20 for work pants for employees. I agree that we wanted them to have uniform shirts, and I have no problem with that. Why are we buying pants?

Mr. Haskett stated they are destroying their pants by the work they do for us and the activities we have them do, as well as chlorine stains and other daily duties. I figured that was part of a uniform since it is a maintenance activity. If that is not is the way the Board wants to go, I can certainly correct that.

Mr. Berube stated I think we walk a fine line there.

<p>On MOTION by Mr. LeMenager, seconded by Mr. Walls, with all in favor, unanimous approval was given to the invoices, including Insight Irrigation in the amount of \$400 and Classic Marcite in the amount of \$30,715 as presented and discussed.</p>
--

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.

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.

E. Discussion of November 2005 CDD Assessments

Mr. Moyer stated this work is still ongoing. We are not in a position at this meeting to give the Board any closure or resolution at this time, other than to tell you we are still working on it. It is an interesting process, and the offer that Mr. Koncar provided to the Board was based on his understanding of conversations he had with Ms. Karen Ellis that assured him that Mr. Evans did outline for you properly the procedure for paying debt service. Without having the hard facts, Ms. Ellis was convinced that the debt service portion was paid by the developer. There is a question on the operation and maintenance portion, which is the reason Mr. Koncar wrote his letter stating that if there is a problem, they will certainly take care of it. I am not asking you to approve anything until we can put the material together and bring it back to the Board so that you have a comfort level that the assumptions that have been made are, in fact, supported by the facts. We are still working on that. We lost a little time in December because of the holidays. There is a lot of material to retrieve from storage. We asked Mr. Evans to go back and look at some of his records to see if he can find correspondence that will support one position or another, and he is in the process of doing that for us. We will bring this item to you when it is ready to be discussed.

Mr. Qualls stated as the Board directed, we contacted the tax collector, who worked with the County department that is performing the work that the property appraiser is supposed to be doing. My understanding is that the combined ad valorem and non-ad valorem special assessment notices have been corrected and those refunds have been processed as far back as two or three weeks ago. From that standpoint, that is good news and it takes care of those people who paid the combined notice. The tax collector was awesome to work with and really did a timely job in getting those things accomplished.

Mr. Walls asked where are we in the process of notifying the impacted property owners as to what is going on? I spoke to the woman who was in the audience last month, and as of a week ago, she had not received anything.

Mr. Moyer stated that was intentional; it was not an oversight. Until we can actually determine with certainty where we are and whether or not Severn Trent will pay additional fees if there is a problem with the debt service portion, any letter we send under advice of counsel will say that we might still foreclose on your property, and I did not want to send a letter like that to the residents. I would rather have them be angry at us for not sending the communication but getting the correction and rebate from the tax collector. Until I can actually write a letter and tell them with certainty what the situation is, I do not think that is in our interest to do. I think Mr. Qualls is absolutely correct; if there is a problem and these monies do not get paid, then we probably do need to include the language about enforcing the assessment, but I hope we never have to get to that point.

Mr. Berube stated I am confused as to why there is a question about the debt assessment versus the operation and maintenance. We keep separating this into two things, but the reality is, residents received one bill. Some people paid and some people did not. We are \$49,971 short in fund balance, and this is what it comes down to. We keep breaking debt service from the operations and maintenance.

Ms. Kassel asked are we not obligated to collect both the debt and the operation and maintenance assessments?

Mr. Evans stated let me share some of the information we have uncovered. During that period of time, the only lots that were platted that the County was aware of were in parcels B and C. Even though parcel D had been platted, they missed that. At that time, there was a developer funding agreement that says when the tax collector sends a bill to the home owners to collect those funds and the District sends a bill to the developer for the lands that the developer owns, once all those funds come in, if there is a shortfall, the developer is responsible for paying the difference. We believe that is what took place at that time. All the operation and maintenance bills were paid, and the debt service was paid. We know that so far. There are only two sources of revenue. There was no reserve fund that could have accumulated any interest at that time. We were just implementing the 2004 capital improvements at that time, so there were no reserve funds that could have been used to pay these shortfalls. You cannot use the capital improvement funds for infrastructure to make debt payments. We also know there was a debt service reserve fund that was established with the bonds that was not utilized at the time. All these

different things we are looking at. Right now, we believe the debt service and the operation and maintenance assessments were paid by the developer. We are looking to verify that. In the event that those bills were actually paid, the question arises as to whether or not the District has standing to pursue recovery of a bill that was paid by someone else. Those are the things we are trying to narrow down. The debt service was paid, and all the operation and maintenance bills were paid. There was a developer funding agreement in place so if there was any shortfall, the developer had to pay it. That is where we believe it took place. It was more of an accounting issue than a funding and collection issue. Once the lots were platted is when those bills went out. We are trying to sort that out and review those old documents.

Mr. Qualls stated until there are facts, I cannot apply the facts to a law to render a legal opinion. What I am hearing in legalese is that the assessments were imposed and levied against all the property in the District. Some of that property was owned by the developer, and some was owned by other residents and landowners. What may have happened is that the developer paid all of the assessments against developer-owned property and then the developer came in and paid any shortfall that was remaining, so that there is a possibility that the developer also paid the assessments that were levied against these 19 parcels. If that is the case, we would be remiss in collecting an assessment that has already been paid, and I could not advise to do that. There are a lot of questions that need to be answered. I am not rendering a legal opinion simply because I do not have the facts, and I have not been asked to render that legal opinion. Earlier this week, I sent an email to the Board, and the idea of the email was to summarize special assessments and their collection. One thing I want to point out is on page 2, where there is a typographical error that might cause some confusion. At the bottom in the second bullet point where I am talking about the roll that is sent to the tax collector for collection, we say this process avoids foreclosure, which is correct. It then says that this process is “faster” and it should read “fairer and more efficient” than foreclosure. In any event, that summarizes and educates you on special assessment law. There was a lot of discussion last month about the adoption of a policy. Severn Trent has a policy; it is an excellent policy. For the record, our strong advice is that the District adopts this policy and uses it from this point forward. There are still a lot of facts that have to be gathered

before I would feel comfortable rendering an opinion as to whether or not the assessments have been paid.

Mr. Berube stated in my mind, it is very easy to figure out if the developer paid it or not. The developer funding agreement obligates them to pay if there is a shortfall. If we had an overage in that year, then they did not pay because we had money left over. They only pay if there is a shortfall. I see Mr. Evans shaking his head. Then where did the extra money come from?

Mr. Evans stated the developer paid the same assessments as everyone else. Because it is estimated, in the event there is a shortfall, the developer pays the difference. For the operation and maintenance assessment, we had a budget just like we do now. We estimate going forward what those costs will be. Keep in mind that the CDD was in its infancy, so we made our best guess of what our costs would be. If you underestimate those costs after the tax bills have gone out, we have already collected what we are going to receive from the property owners, so the developer picks up that difference going forward.

Ms. Kassel stated we need to identify what “shortfall” means. Do you mean a shortfall in the collection of assessments or are you referring to a shortfall in funding to pay bills? Those are two very different things.

Mr. Evans stated it covers both. As we estimate the operation and maintenance for the daily bills, the same thing applies. Typically under the debt service, there is a debt service reserve fund that is set up when the bonds are issued, in the event there is a default on paying all or part of the debt. When the proceeds are received from the bond issuance, there is a reserve fund that is set up. There were no claims made against the debt service reserve fund. So that means there were sufficient funds to pay the debt. The only source those funds could have possibly come from was the assessments collected from the property owners through the tax collector, or from the direct bill that went to the developer.

Ms. Kassel stated I am not really following you. You are talking about the bills rather than the shortfall in the assessments that were collected.

Mr. Evans stated I am talking about both. The agreement applies to both. In the event these 19 lots did not get paid by those individuals, if there was a shortfall, it would have been covered by the developer. That means the debt was covered. This is the reason we

are trying to dig up old invoices and emails and reports to show the developer was billed for that shortfall from those people not paying for the debt portion. We know they paid the operation and maintenance. Now we are looking at the debt, which I believe was also paid by the developer. We are still doing our research and we are not trying to come to any conclusions right now. The thing we do know is that all the bills for operation and maintenance were paid during that period, and the debt was paid during that period. There was not a shortfall.

Mr. Berube stated that might have been because of careful management that year. What we are getting down to is a budgeted number, which is a forecast, versus the actual number for the year ended. There is always a spread between those two, and you can go over budget or under budget. Apparently, that year we were under budget.

Mr. Evans stated we do not know that. You are assuming that there was a surplus, and I have not seen anything that suggests there was a surplus.

Mr. Walls stated the collections are assessed in a manner where you assess a property for an amount that is enough to cover the debt service and add to the reserve account and to fund balance.

Mr. Moyer stated no, that is not how it was done in the District's early years.

Mr. Evans stated there was no reserve.

Mr. Walls stated there is if you collect 100% of the amount assessed to every property.

Mr. Moyer stated that is correct for assessments collected on the tax bill because there are discounts and collection fees.

Mr. Walls stated that is what I am saying; you assess more than you actually need.

Mr. Moyer stated that is correct for assessments collected by the tax collector.

Mr. Walls stated you have to factor that in, as well. What is the priority as far as paying debt? Do you use the debt service reserve funds first or do you go to the developer if you did not collect enough money for principal and interest?

Mr. Moyer stated the way this worked in the past—not currently, but back in that timeframe—the trustee would write Severn Trent and say there is a May 1 payment that is coming due. There is x amount of money that they received from the collection of platted residential lots on the tax roll that Severn Trent provided to the trustee. If the principal payment was \$100,000, and we collected \$60,000 from the tax collector

process, we would write Birchwood a letter saying we have a May 1 payment in the amount of \$100,000, and we currently have available from tax collections \$60,000, so please send us a check for the balance. And that is what the developer would do.

Mr. Walls asked the bond documents specify that you contact the developer first as opposed to taking money out of reserves?

Mr. Moyer stated yes. Under our documents, it is not a technical default to use the reserve funds. Sometimes you need to use the reserve fund for timing issues. It certainly is not looked upon favorably by the bond community if you use reserve funds.

Mr. Walls stated my first point in looking at these calculations is that you assessed more than you needed so that people can take discounts.

Mr. Moyer stated we also need to pay the tax collector and property appraiser.

Mr. Walls stated those discounts can fluctuate depending on when people pay.

Mr. Moyer stated as it relates to the discussion we are having on the debt service side of the equation, and even the operation and maintenance, the developer owned a substantial portion of the property. If we are billing it all off roll, then there are no discounts or collection fees.

Mr. Walls stated that is true for the developer's property, but we are also talking about a very small piece.

Mr. Moyer stated that is correct, a very small piece with very small dollars.

Mr. LeMenager stated this is a nice discussion, but we seem to be ignoring something. There were 36 bills that were sent out and 17 people paid them, and the others did not. On top of that, there were several other hundred tax documents that were sent out. Residents like me paid our share. If you want my support for whatever the final decision is, I want to see some proof that these 19 were paid specifically and not some general comment that it was covered in something. There were a lot of bills sent and some were paid, and others were not. As I pointed out at the last meeting, it comes down to the majority of those properties being owned by two builders. Builders tend to not pay these bills until the property is sold. I think we discussed last month that there were liens on these properties. If the title company did not catch them, then people have an action against their title insurance. If the seller knew that these letters existed and did not disclose that at the time of the sale, then I believe the current owners have an action

against the seller. The bottom line is, 36 bills went out, 17 were paid and 19 did not get paid. It seems pretty straightforward.

Mr. Evans stated I wish it was that straightforward, but we are not sure that those 19 were not paid.

Mr. LeMenager stated I understand that, which is why I want proof that they were or were not.

Mr. Berube stated they were not paid by the person who received the bill.

Mr. Evans stated therein lies the issue. Because everything else was paid, that is why we believe the developer picked it up under the developer funding agreement. We do not want to tell someone they need to pay an assessment that has already been paid, which is why we are approaching this so cautiously with advice of counsel. Before you tell someone that you are going to foreclose on their home, you need to be able to prove there was an outstanding debt that was not paid by anyone. I can pay your property taxes if I want to, and the tax collector will take it. But this is why we are being so cautious. Before you file an action or threaten anyone with foreclosure, you had better be right, especially in today's market. The last thing you want to do is make an accusation. You have to prove it was not paid by anyone. Right now, based on the documents we have reviewed, we cannot prove that this portion of the debt or the operation and maintenance was not paid by the developer or was not paid at all by anyone. In that case, that property owner will still be liable for it. Before we start sending letters to residents saying we are going to foreclose on their home, we are not to the level that we can sit in a courtroom and prove that was not paid by an alternative source, in this case, the developer pursuant to the developer funding agreement. That is the challenge.

Mr. Walls stated I want to be clear that regardless of the outcome of this investigation, I do not want to foreclose on anyone's property. I want to find out what happened. But because we have collected enough money to pay the bills, that does not mean it voids their obligation to pay or that the assessments of the property owners at the time were taken care of.

Mr. Berube stated I agree.

Mr. Walls stated we run surpluses in our general fund every year. Just because we have a surplus does not mean that some people do not have to pay. I do not want us to go down that road.

Mr. Evans stated I support that position, and I agree with Mr. Walls that we do not want to start foreclosure proceedings. However, if we determine and can prove beyond a shadow of a doubt—and the preponderance of the evidence lies with us—that no one else and the developer did not pay for those outstanding lots, then the District has an obligation to go pursue it, even if it takes the route of foreclosure. If we can document that those individuals did not pay and the developer did not pay that amount, then we have an obligation to pursue it.

Mr. Qualls stated Florida law says that assessments that are lawfully levied and imposed constitute a first lien, equal in dignity to a tax lien, and the result for non-payment is loss of property under the Constitution. For the record, our strong advice is for the Board to adopt this policy that is already been created. It is a good policy and it makes it clear the way the roll is collected by the tax collector and the roll that is collected by the District through its manager on non-platted parcels. Moving forward, I want to make it clear that this is our strong advice.

Mr. Walls stated we are forgetting that Severn Trent has also sent us a letter offering to pay the operation and maintenance fees. I do not see why we would get to the point where if we determine that the debt payments were not paid, that Severn Trent would not also pay those, as well. They sent letters to the property owners, we discussed if estoppel letters were sent, and it is all the same to me. It was one bill.

Mr. Moyer stated if even if it was just one bill, if a portion of it had been paid, then we need to document that it has been paid. Severn Trent is not going to just write a check to make everyone feel good and enrich the District unnecessarily. They will honor their obligation to this District if there was a mistake made, if the estoppel letters were wrong, if the payments were not made. If that is the case, then I am 100% in agreement with you.

Mr. Walls stated if that is what we find, I just want people to understand that. I do not want to pursue foreclosure.

Mr. Evans stated I agree with you wholeheartedly that is not the action that we want. We just want to make sure we document everything that we possibly can. However, we do not have a lot of choice in the matter if we can document that those fees were never paid by anyone. We then have an obligation to pursue collection of those fees, and that course entails possible foreclosure. We need to approach this very cautiously to make sure we have the facts.

Mr. Qualls stated as the memorandum says that I sent to you, the roll that this District provides for non-platted lots is sent to the District manager for collection. Because that is not part of the roll that is sent to the tax collector for collection on the property taxes where the recourse for non-payment is the sale of tax certificates, this particular roll is collected through the District manager. Foreclosure is the collection option, and then our advice would be to pursue that.

Mr. Evans stated then we would send them a bill and they do not want to pay but they do simply in lieu of foreclosure, in which case, they may have action against a prior owner. That is why we are trying to be so cautious about simply saying these bills were never paid so the only recourse is to send them a letter and if they do not pay this bill now, even though they inherited the problem, we will foreclose on their house. That is why I keep reiterating that we should not proceed in a certain direction until we can actually document it. If that is the case, then we will be sitting in front of a judge trying to prove it, and I do not think there is enough evidence that we have found so far that would support a claim that those fees were not paid by someone.

Mr. Berube stated perhaps I am being simplistic, but it all comes down to the developer either did or did not pay this \$49,000. Before they will write a check for \$49,000 over and above their regular bill as part of the developer funding agreement, we must have provided a bill to the developer saying that these 19 people did not pay and we are looking to you for payment.

Mr. Moyer stated we would not have said 19 people did not pay their assessments; we would have said this is how much we owe for a payment that is due on May 1 or November 1 and you need to provide us with a check so that we have enough money to make that payment. It did not have anything to do with any particular number of people not paying their assessment. If no one had paid their assessments, the bill would still have gone to the developer requesting \$100,000 for the May 1 payment.

Mr. Berube asked did that happen that year? Did we request that money from the developer?

Mr. Moyer stated yes.

Mr. Tome stated that still happens today.

Mr. Walls stated it sounds like it is part of the normal process.

Mr. Tome stated we end up paying \$1.5 million each year for deficiencies.

Mr. Berube stated it all blends into one bucket of money.

Mr. Moyer stated that is what we have to go through and research.

Mr. Berube stated we will not find \$49,000 as an individual line item.

Mr. Moyer stated that is correct.

Mr. Evans stated we know it was received because the bills were paid, but it is not a specific line item that breaks everything down for those specific lots.

Mr. Moyer stated we do not break the lots down. When we send the bill to the developer, it is not x dollars for all the lots that they own. It is one bill that shows one charge. It is not lot specific.

Mr. Berube stated in that case, they would have received a preliminary bill for their amount due that year, and then when they realized there was a shortage, if there was one, then they would have received a separate bill. But that is not the case.

Mr. Moyer stated that is not the way it worked then.

Mr. Evans stated it is at the timing the debt payment has to be made because they had not collected it. The property tax bills are sent in October, but the debt service that is collected from those is not paid until May. When that payment date approaches, they send the developer a bill for the shortfall.

Mr. Walls stated overall, there is an assessment methodology that applies to the developer's payment, just like for our lots. There should have been a set amount based on that assessment methodology that the developer should have paid for the entire year.

Mr. Evans stated those line item amounts were not specified on the invoice. I have not found anything to say that the developer did not pay it. Everything I have seen so far leads me to believe that the total amount was paid. There are two sources of revenue to pay that bill, and it got paid. The lot owners did not receive a special assessment for a shortfall for that. The only other likely source is from the developer pursuant to the developer funding agreement.

Mr. LeMenager stated that is with respect to debt.

Mr. Evans stated it applies to operation and maintenance, as well.

Mr. Moyer stated that is correct.

Mr. LeMenager stated we can probably trace those payments in the accounts.

Mr. Berube stated if 17 people come back and want their money back, they can get it from the developer since the developer paid for the other 19 people.

Mr. Evans stated not if they were obligated to pay it.

Mr. LeMenager stated the other 19 were also obligated, but they just did not pay it. Two of those are builders.

Mr. Evans stated this involves a lot of research, and we believe it is more of a clerical error at this point.

A Resident asked did I hear that you issued a request to the tax collector to rebate people who have paid?

Mr. Moyer stated that is correct.

The Resident asked did they indicate when that might happen?

Mr. Qualls stated the indication I received is that those were being processed shortly after last month's meeting.

The Resident stated I have not received any notification. I was one of the ones who paid on a lot that I just purchased about a month ago. I am looking forward to my refund.

Mr. Qualls stated I have an email from the tax collector that says the refunds were being processed. If you have any issues at all, I am more than happy to help clarify that with the tax collector.

The Resident stated thank you very much.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Qualls stated I mentioned previously the policy from Severn Trent that I advise the Board to consider adopting as a policy.

Mr. Evans stated I remember when we first saw this, about 2007. We have been operating under this policy because we engaged Severn Trent for this work.

Mr. LeMenager asked is this not already our policy?

Mr. Qualls stated you can make it crystal clear that it is your policy.

<p>On MOTION by Mr. LeMenager, seconded by Mr. Berube, with all in favor, unanimous approval was given to adopt the policy as provided by Severn Trent related to assessments and collections.</p>
--

B. Engineer

There being nothing to report, the next item followed.

C. Developer

i. Consideration of Irrigation Proposals

Mr. Golgowski stated Mr. Berube asked some questions earlier in the meeting related to the irrigation system, and these proposals may speak to that to some degree. Staff asked for some outside help. By way of a brief review, our irrigation system consists of several components. We have in the field, throughout town and in all the parks, a number of controllers that control the sprays and how they work. Those are the silver boxes that you see, and there are about 26 of them. They turn things on and off. They are controlled centrally by a software program that is called Maxicom. Nonetheless, you need some sort of controllers in the field, whether or not you have a centralized control system to operate those things. We have 352 spray zones attached to those controllers, and we have many irrigation heads beyond that. Separating Maxicom from the irrigation system is sometimes a challenge, but over the years since this was first installed, the whole thing has not necessarily been maintained as it should have been because it was left to others to take care of on our behalf. Now that we are at a point where District staff will assume responsibility for the heads and all the hardware related to this system, it struck us that it might be a good time to do an assessment of what we actually have so that we are not coming to the Board every month with repair bills. I liken this to a car where we have been repairing things as they break but we have not been changing the oil or keeping up with routine maintenance. We have left that to the landscape crews to do. The first proposal is from Insight Irrigation, which is broken into three parts. They will perform an audit of what we have now. Part A will look at the hardware that is in the field and see what is right, what is wrong, what kind of shape it is in, and look at how we have recorded what is going on in the field as to whether or not zones contain shrubbery or turf or trees or annuals, to make sure that when the commands are being sent to them, they are being addressed correctly. Over the years, we have added to the spray zones, and things have gotten a little out of whack as far as record keeping is concerned. They may not be correct, and we have discussed previously that things are not being irrigated properly. Part A is intended to address that. Part B is mapping our zones. When you go out and try to attack a particular location on the ground, you go to the controller. Right now, you have to go through 12, 24 or maybe 48 different zones in order to find the one you want. This effort requires two people: one at the controller turning the switches on and off, and one down the street out of sight saying yes or no. This will provide an actual map of the

coverage so that effort can be avoided, and we would also have a better idea what is going on when you flip a switch. Part C addresses the communication among all these things. We have wires running all over town from controllers to weather stations to centralized units. Although we have the plans for those, we are not really sure how they were actually installed or what kind of shape they are in. Part C will address that so we can get a better handle on the controller system. It will also set the framework for going to flow sensors if that is the Board's desire. There is a cost associated with each of these parts.

Mr. Golgowski stated the second proposal is from Walker Technical Services. Mr. Mike Walker manages the true centralized control of the Maxicom system, and he does that under contract, which he has done for the past four years. He is obligated to check it once a month and perhaps make two or three adjustments to programming per month. He does that for \$250 each month, and that has not changed since the contract started. This proposal anticipates that I will monitor it on a daily basis, and I do what I can, but I find myself calling Mr. Walker most of the time, asking him what is going on since things are not working the way they should be. This proposal would increase Mr. Walker's role to 100% management, where he will be on the job continuously and there would be no break in his coverage. The advantage to this is that you have a professional doing this, someone who makes his living in this and is nationally known for his capabilities in this area. He will be able to have a sterner hand with our landscape crews when water is applied and when repairs are made and that kind of thing. We should see some savings in that regard. He will perform this for an increase of \$500 per month, or \$6,000 per year. It sounds like the system we have is a big part of our budget and a big part of the park operation, as well as a big part of the appearance of Harmony. We think in transitioning into staff control of the system that this is an opportune time to also have professional management of the system itself.

Mr. Berube stated I think it is an admirable proposal. I want to remind everyone that it was Mr. Walker himself who stood before us three or four months ago when I asked him what value does he bring to monitoring the Maxicom system. His response was "not much." That was remarkably honest. What we are going to end up with, if we accept his proposal to increase the monitoring, is a daily dose of "not much." The reason is, that we have discussed previously, when Maxicom was installed, we did not have flow meters.

Without flow meters, this is like a Corvette running on two cylinders. We have already looked at the analysis on flow meters and the payback period. A \$60,000 investment in flow meters and trying to recover the money through water savings is not there. The other thing that is coming is, at some point Toho Water Authority (TWA) will not let us run the water anytime that we want, which we can do now. South Florida Water Management District (SFWMD) will put us on a schedule of watering two days per week. Maxicom will be even more of a fancy thing with timers that will be limited to two days per week. The proposal for mapping is very nice except for the fact that we gave the job to Mr. Druckenmiller. I have a high level of confidence that he will be able to look around and see where water is being applied and where water sprays need to be adjusted. I believe at some point, Mr. Druckenmiller will be able to take over monitoring the Maxicom system in the office that Mr. Golgowski is doing now. If he cannot, then perhaps we made the wrong decision, but I have confidence in him, and I think that is the way we ought to go. This is a lot of money to conserve water that we really do not spend that much money on. I know we think we spend \$100,000 a year on water, and we do, but we are in the midst of reducing the meter sizes to save a significant amount of money. We are really figuring on \$50,000 a year for reclaimed water, and that is what we spend. I gather it is not all about water savings, but we are being asked to spend \$11,000 on a map and to take on another \$6,000 over and above what Mr. Walker is already charging us to try to save some water. I realize it is not all about the water. It is about maintaining the landscape and everything else. With exception of the Maxicom system that I understand Mr. Golgowski wants to get away from and I get that, I really believe that maintenance really ought to be done by our people. Outside contractors are an expensive nicety. We have been slowly bringing things in-house, and I think we ought to continue that direction. When you pay for outsiders, you are paying for their labor. That is all fine and good. What I am saying is I do not see value returned. The value equation to me on this entire proposal just is not there. I do not see where we will recover the money. We might need to make some adjustments to what we do with Maxicom. The mapping will be a nice book, but I think it will sit on a shelf somewhere and virtually be unused.

Mr. Walls stated I largely agree with Mr. Berube. We took Luke Brothers out of the maintenance piece of the irrigation system. They should still be involved in determining schedules and when water gets on our landscaping and those kinds of things.

Mr. Golgowski stated we should be getting feedback when there are issues. I think the District should be at the controls.

Mr. Walls stated I agree that they should not have the oversight. But we hired them to maintain our landscape, and I want to listen to them in that regard. It is like we are trying to create some kind of rocket science out of irrigation. I understand we will save money and conserve water and those kinds of things. But either we are putting enough water on the plants or we are not. Hopefully with our staff and Luke Brothers, we can make that assessment and fix things without having to constantly spend this additional money that we keep talking about.

Mr. LeMenager stated I find myself wholeheartedly agreeing with Mr. Berube. I think the strongest point he makes is that we just started with Mr. Druckenmiller. We just brought this in-house. We have no idea how that will really work out, but we have really high hopes for it. I have not done any sort of cost-benefit analysis. My feeling is that it probably does not pay for itself. But before we go through that, we should give Mr. Druckenmiller three to six months and see if it actually pans out to be as good as we are hoping. I think the idea of a map is wonderful. It is a great idea.

Ms. Kassel stated the irrigation system needs a lot of attention and needs to be maintained. It might be an issue of needing to utilize Maxicom better, and that may have been the motivation for bringing these proposals. We just brought Mr. Druckenmiller in-house. There are other considerations, including the cost of installing the flow meters, and if TWA is going to limit our water use further, then I also wonder if we should really pursue this.

Mr. Evans stated I would like to hear Mr. Smith respond to the comments that the Board has made.

Mr. Smith stated I appreciate the time to be here. I am not here to sell sprinklers. I am simply here to be a consultant and look out for your best interests. I understand your arguments and where you are coming from. I do not look at this as getting a fancy map and some documentation to try to enhance Maxicom. What I see over and over in my experience doing this my entire life is, Mr. Druckenmiller is a really great guy. I met him yesterday. You have a \$100,000+ irrigation system here and you are putting all your eggs in his basket. Mr. Druckenmiller is playing catch up, so there is going to be a process for him to learn this. In six months from now, if something happens to Mr. Druckenmiller,

you do not know what you have. It sounds like historically you have no idea what your irrigation system is right now. I look at this as a system, whether you have Luke Brothers or someone else coming in three months or three years from now, you know what you have and you can instruct them on what they need to manage. Whenever they do billing, you can tell them to note the zones and spray heads where they worked. Then you have a way to track your invoices and where your money went. If you purchased sprinkler heads two years ago, Rain Bird has a five-year warranty on all parts and equipment, so you can track if you are getting your money back. There are so many things this system does. You talked earlier how to handle payments with mortgages and other things, and it is the same thing with your irrigation system. You need to have a way of knowing what is going on. You could be pumping hundreds of gallons a day into some buffer zone into some wetland area and not even know it. That is highly likely. When I was here yesterday, I saw things that were broken, and you have issues. It will take Mr. Druckenmiller the better part of a year to understand what the issues are. If Luke Brothers had been managing this system for the past several years, this is a great opportunity to get a third-party independent opinion. You may find that you have \$50,000 worth of heads that they said they were billing under contract. I need to put this into that perspective. It is not just a map; it is a system. You should be able to hire anyone at any time. Mr. Druckenmiller will be a great technician. But what we are talking about with the monitoring of the Maxicom system is when Mr. McMillan notes there is a dry area and goes out to a particular zone to fix it, knowing what number zone it is. The map makes it simple. It puts everything in perspective so there is no ambiguity and so you do not just spend money and have no idea where it is going.

Mr. Golgowski stated in a typical week, I will receive at least one or more notes from Mr. Walker asking if I know that zone 3 of controller 17 is not running and looks like it has not run for a while. That is probably leading to some of the turf problems that we have had. I know I am pointing out my own deficiencies in monitoring when I say this, but Mr. Walker knows what he is doing. He can tell me to check the controller that is probably at fault. Mr. Druckenmiller can go out with that information and the zone that has not been running in the Estates for a while can now be fixed. Mr. Walker can hone right in on that.

Ms. Kassel stated there has still been oversight, even if we did not increase Mr. Walker's proposal by 300%.

Mr. Golgowski stated he is doing this now out of his good graces. His contract provides monitoring one time a month for that fee. He has taken pity on me and supports me much more frequently than once a month.

Mr. Berube stated looking at a report on a computer once a month for \$250 is pretty good money. The reality is, to Mr. Smith's point, what happens if Mr. Druckenmiller leaves in six months? What happens if Insight Irrigation goes out of business in six months? What if Walker Technical Services goes out of business in six months? I know we do not anticipate that happening, but it is a reality.

Mr. Smith stated once you have all the documentation, then it is yours.

Mr. Berube stated that is only useful for people who can read it. My other point is, we have had several landscape contractors come in and absorb the system and patch it as they go and manage to keep water spraying. Now we have Mr. Druckenmiller. The point of bringing him in was to have direct oversight. I do not care what anyone says, Luke Brothers has not been out there every month turning on every zone and walking the zones to see what is happening. I anticipate that Mr. Druckenmiller will spend more time on it than Luke Brothers did. He should notice very quickly if there is a zone in the Estates that is not running. I know we keep coming back to Mr. Druckenmiller, but there is a reason we brought it in-house and a reason we spent money to make that investment in him to primarily manage the irrigation. Now we are taking all that away with these proposals. There is nothing wrong with any of these proposals, other than it is going to cost us a lot of money for a benefit that I simply do not see. Spending \$50,000 per year on water is a lot of money, but in the overall scheme of things, we could have a bubbler running for three days or a stream of water running for a week and we really do not notice it. I am more in favor of letting Mr. Druckenmiller work with this for a while to see what is happening and keeping everything, including Mr. Walker, running at its current level of assistance. If this does not work in six months or so, then we can revisit it.

Ms. Kassel stated if that zone is not running and has not been running for some time, I wonder why we did not hear about it earlier if we have a contract with Mr. Walker. I am confused about that.

Mr. Berube stated I think that was a random comment.

Mr. Gologowski stated that is correct; it was a hypothetical comment, but things like that have happened.

Mr. Berube stated that is largely because the irrigation crews were not doing their job. We realized that some time ago and made that change. Now we have people under our direction and if they are not doing their job, we should be able to make pretty quick assessments and make changes right there in the field. He is our staff member and we will be watching him.

Mr. Tome stated you just recently commissioned the engineer to make a map of the trees in the community and where they are located as an exhibit to the contract to maintain the trees appropriately. I would see that as an easier task because they are above ground and you can see where they are. I would offer to you that it makes sense to have a map of the irrigation system, which is a lot more complex and something that is underground and unseen by the naked eye. We do not fear that Mr. Druckenmiller will ever leave, but there is a chance that something could happen someday, and that learning curve continues to be an issue. While I do not have concrete evidence to prove this, this District has spent tens of thousands of dollars in plant replacements in some areas, and a lot of that has to do with cases where it was not getting adequate water because of zone issues or misreads or whatever it may be. It is one of those things where you either pay now or later. One of the things we have to realize is, now that you have brought irrigation in-house, which I fully support and think is a great idea, at some point when it comes time to replace pallets of sod, there will be moments where there will be some finger pointing between the landscape company and the in-house irrigation technician. Having other documentation could prove valuable, whether it is the map or the zone input from Mr. Smith or the monitoring that is being done by Mr. Walker, outside of the best effort that can be given by someone who has done this for 30 years.

Mr. LeMenager stated I am a little surprised that we do not have a map already. What are we talking about with respect to the map? We have zones; do you know where the zones are? Has anyone actually written all this down?

Mr. Gologowski stated we have a map that shows irrigation lines and it shows the location of the controller. We do not have a map showing what zones are on that controller. They can go for a quarter mile down the street. We do not know where they begin or end.

Mr. LeMenager asked would it be simple enough as Mr. Druckenmiller going around and noting the locations? Am I missing something? He goes around and will check each system, so he will know if the heads are all popping up.

Mr. Tome stated we probably could have had Mr. Druckenmiller also go around the community and note all the trees. There comes a time when there is a skill set for a certain activity and the ability to put it into a software system that is then able to be done. Otherwise, you are talking about something that is miles long if you are going to create a map, which is most likely what someone in the field would create.

Mr. Haskett stated I asked Mr. Golgowski to work with Insight Irrigation on putting this proposal together. I feel it is very important to have some type of knowledge of where we stand with this irrigation system. I see a lot of problems out there. I wanted an independent person to perform this function. Just like a business has an independent auditor come in to audit the books, you do not look to recoup that money from the auditor; you are looking for information and it is a cost of business. This is a cost of business to know where we stand, to know where all the equipment is, and to know if it is functioning properly the way it should. There was a controller that went out yesterday. Mr. Smith came out and fixed it. He isolated it to two different valves that were causing the problem to make this controller go out. I do not have that knowledge, and Mr. Druckenmiller does not have that knowledge to know that a valve is grounding out. We do not have the equipment to test it, nothing like that. We can simply put water on the plant material, and that is where we are right now. We need an audit of our system to make sure it is running 100% before we enter the summer season.

Mr. Walls stated I understand that point, and I do not necessarily disagree. Even if you have that information, it still does not mean you can fix it because you still need to call someone in to take care of it.

Mr. Haskett stated no, that is not correct. Once this mapping system is done, then we will know exactly where valve 1 is and where valve 2 is. Mr. Walker will call and say we have a fault on valve 1, then we know exactly where it is and can go right to it. We can then isolate the problem from that point. Replacing a valve is very simple once we know where it is.

Mr. LeMenager asked if he calls today and tells you to go check this spot or this piece of equipment, do you know where that piece of equipment is? Or do you have to search around for it?

Mr. Gologowski stated we start at the controller because we know where that is, which is the silver box. When you open those boxes, they are full of electronic panels. It is not a clock timer that you twist on and off. That takes a certain amount of sophistication in your ability to repair it. I do not expect Mr. Druckenmiller will have that ability, ever. If he does, it will probably cost us more than what we are paying him in order to keep him here. We will probably always need to have someone from the outside who is specialized in this kind of work.

Mr. Evans stated you are really looking for a base map.

Mr. Haskett stated that is correct.

Mr. Evans stated Woolpert has all our infrastructure maps in CAD. At the time this was created, there was a landscape plan with all the infrastructure that was installed, whether it was built on behalf of the developer or on behalf of the District. The base maps exist, and they should have shown all the sleeves that are under the roadway for the purpose of irrigation and the mainlines. Mr. Haskett is saying he has all that, but he needs to take it to the next level of being able to identify the individual zones and which controllers control each zone.

Mr. Haskett stated that is correct.

Mr. Evans stated we have a preliminary base map that needs to be taken to the next level for proper monitoring.

Mr. Gologowski stated that is a fair definition. That base map has been changed a lot over the last 10 years. We have added areas, we have removed areas, and we have changed heads and landscape material.

Mr. Evans asked does this need to be a collaborative effort with Mr. Boyd with all the plans that he already has in CAD? Is it more of an infield observation and notation on the existing plans?

Mr. Gologowski stated yes.

Mr. Evans stated we have the base maps. We know where the roads are. We know where the easements are. We know where the sidewalks, fire hydrants, and other things are. We know where the main irrigation lines are supposed to be. To take it to the next

level, we need to take it to the field to determine some things. You can physically locate a valve, but you are not really sure what controller controls that valve. You will need to do some testing in the field to verify that controller 3 runs valve 6. Is that what you are saying, that there are multiple components? One is the update of the product and the other is the infield evaluations and testing.

Mr. Golgowski stated yes.

Mr. Berube stated we are not doing any updates to any products.

Mr. Evans stated the product I am referring to is the map, an inventory map that takes the construction documents that we already have and expands the information on there so we have a faster response time and a better understanding of what we have in the field. If you are having chest pains, you go get an EKG so you have a better idea what you have.

Ms. Kassel asked as we make improvements to the system where we make replacements, who will be responsible at what cost for updating the map and the records?

Mr. Evans stated we are trying to create a base map along with an inventory, like a spreadsheet, that will identify all the zones and the coverage they have. As repairs occur, we can track those repairs. If there is a certain area that is constantly being repaired, we can look at why. We might find that someone is jumping over the curb and driving over it or another issue. It will be easier to isolate that specific location, and that is just one aspect.

Mr. Smith stated the actual procedure is to locate each controller. We will go to each controller, turn on zone 1, trace that wire and find the actual, physical location of that valve in the field and accurately put that on a map. This is not taking a paper map and marking it with pencils. This is an auto CAD-based product. We will locate them via GPS or other measurements so you can accurately years later locate that valve that might be overgrown. Even yesterday, I had to locate some valve boxes that were covered over with grass. It is my opinion that even if you task Mr. Druckenmiller to go out and find all the valves, he could not do it. There is no way he can find the valves that go with your controllers at this time without someone like me or the purchase of additional equipment to actually locate those valves. Once all the information is collected, there is a proposal for the creation of a paper map because some people like a physical map. The greater value is, I know Mr. Golgowski uses ArcView extensively. I can create shape files and within that ArcView product, he will be able to see it is zone 1 and put notes regarding

repairs or whatever. It is a living data source. In two years if you want to print a new map, Mr. Golgowski can do that. It will require a commitment on Mr. Druckenmiller giving him accurate data, such as changing certain heads and keeping track of purchases. It will require good record keeping, but it is not something you will have to recreate. You can modify that data in ArcView. This is not a one-time thing. It will come in an Excel spreadsheet that includes all the data, and that information is entered into Maxicom. There is a component that ties into what Walker Technical Services can provide for you. Regardless if you want him to monitor the system 24/7, he still gets the data. I hope that clarifies it for you.

Mr. Evans stated it does to a degree. We are looking at an end product, which is a tool that will help us better maintain and provide accountability for repairs to the system. We already have an auto CAD file of our infrastructure plans. What I understand now from Mr. Smith is he will take those auto CAD plans and locate the irrigation equipment on those plans because we need physical references to streets, light poles, lot numbers, and other information. Otherwise, we will have a spider web map with identifications that have no relationship when looking at it in the field.

Mr. Smith stated there are several ways where I can see this can be used. There is a component that can be used with the ArcView product. Each of the Board members can have that same format in a Google Earth product. You can look at this entire property at any time and you can request the latest version and zoom in on particular areas. If you see a problem in front of your house, you can click on that area and the map will show you it is controller 10, zone 8.

Mr. Evans stated I understand that. We have a set of construction plans that delineate every lot, every sidewalk, every street light, every fire hydrant, every utility line, all the infrastructure that is out here. All of those elements will be included within the exhibits you just described.

Mr. Smith stated that is correct.

Mr. Evans stated all we need to do is use that as a base map and then you locate all the irrigation equipment. It can be in layers. Once we have all the layers, then we can come back and say here are the controllers, here are the zones, and we can color code every area if we choose. We can break it up into pages or sections. We already have that. All we need to do, if I understand Mr. Smith correctly, is you take what we currently

have on file from our civil engineer and put another layer on top of it, which is the irrigation system. That is the first step, identifying the physical location of these existing improvements.

Mr. Smith stated I have seen some of your irrigation designs. I do not know the engineering history, but you created the base maps. You started with a survey and then started doing the roads and other infrastructure, including the lots. Later you probably did the landscape and irrigation phases. You had irrigation companies who created base CAD files that show where the irrigation is as they designed it. Are those actual as-builts of what was actually put in the ground? In my experience, what is on the irrigation design is not what is in the ground. It shows the intent but not the reality. You probably have some irrigation plans that show what was intended to be here. Maybe they followed it and maybe they did not. I am saying if you have those CAD files, I can create a layer that shows the actual location of the controller, the actual location of the valves, and the actual location of the irrigated area. That would be a layer that you can put on any one of those other products. I still see that as a living document. Whenever you change or add heads, it has to be reflected in some manner.

Mr. LeMenager stated what I think I just heard is Mr. Smith prepared a proposal to create a map but you have not actually seen what we currently have in terms of the original maps.

Mr. Smith stated I have seen your irrigation design files, so I have an idea how it was set up. I have a general idea of the layout and makeup of the property. From my perspective, having the actual irrigation design files is good, but going out into the field is much more valuable to you. You cannot use those plans to find a particular valve.

Mr. Evans stated you are not going to totally recreate our site plans from scratch and tell us where the irrigation is relative to the site. We have an enormous amount of data already available. You are just adding a layer.

Mr. Smith stated I am not creating where the roadways are or sidewalks or anything else. If you had no CAD files, then I would go to the County and get some of their information and use that as a base. Then I would create a site map to give you some accurate maps if you did not have any data. But you have data. I can use that data if you want to share it. If you do not want to share it, my product is not dependent on that information. The information I can create will allow all of you to be able to locate

controllers and zones. By this time next year, if you want to know how much you spent on a particular park, you will have that information.

Mr. LeMenager stated what I just heard again is that you can use the information if we share it. You put a proposal together to do something, and it sounds like you have not actually gone through to see what information we have and how you can improve it.

Mr. Walls stated he is talking about doing the irrigation layer, not the roads or sidewalks or anything else. I understand that. What we are looking at is Part B for the mapping piece for \$2,816 plus equipment. Will this map help staff do their job better of maintaining the irrigation system that we do not have now?

Mr. Haskett stated it will save time and it will make the job easier for Mr. Druckenmiller. I have all the as-builts in my office for all the irrigation heads. I can tell you from yesterday when we sat down and tried to find zone 19 on controller 21, the as-builts show a particular location, but it is not there. That is just how plans are. That is why this is very important to us.

Mr. Evans stated what we currently have needs to be updated, and they need to be able to add more information to go along with that update.

Mr. Berube stated that is all fine and good, but on a practical basis, what will happen in the field is, Mr. Druckenmiller will push the buttons to turn on a zone, the sprinkler heads will pop up, he will look around and see if they all work. If he pushes that button and they do not work, he will go to the valve and find the solenoid and see if it is getting power. If it is not getting power, he will go to the controller. It is nice to have all this information. But the reality is, we will spend a lot of money being proactive rather than reactive. I get it, but in the real world, we will be reactive anyway. This is how it is really going to work. Mr. Druckenmiller is simply going to want to know if everything sprays water. It is just a matter of tracing it back. I have worked on sprinkler systems. It is not rocket science. The electronics are difficult, without a doubt, but we are not asking Mr. Druckenmiller to address the electronics. We understand we will need Insight Irrigation or someone else when the controllers do not work. The things in the ground are not that hard.

Mr. Walls stated theoretically, Mr. Haskett is saying it will save time if we have this map, by being able to know exactly where that valve is or whatever the problem is. You will have the information to go to that piece of equipment and look at it.

Mr. LeMenager stated the other thing I am hearing is that we built an irrigation system worth several hundred thousand dollars. We have the original plans for where the equipment is supposed to be, but we have never actually audited that to find out where it really is. I am hearing that to do this now will cost \$2,816.

Mr. Berube stated the reality is that the time we are talking about saving has a cost to it, but that cost is relatively cheap. It is not like they cost us \$100 an hour to locate valves and boxes. It is our internal staff member who is already on our payroll for a certain amount of time anyway. His cost is not that expensive. How long will it take to recover the \$2,816? It is a long time. We need to consider the payback, just like the flow meters. It will take 97 years to recover that cost. We have no idea what the payback will be on this minimal investment, but I would say it will be a long time before we break even.

Mr. Tome stated it is like any job, when you go to the manual, it tells you what to do and there are things you end up doing because they are not in the manual. You learn them as you go. I agree that will happen with Mr. Druckenmiller. He is getting to know where things are just because he did them, but if something happens to him, all that knowledge goes away. The new person starts from scratch, and they get to know where everything is, and that will be a continual problem. I believe that is one of the things that Luke Brothers struggled with but they never did anything to change it. They figured out where things were over a period of time.

Mr. Golgowski stated to reinforce that comment, with Luke Brothers and REW before them, every one of them has been so frustrated because they do not know what turns on what. They had several people going out, and after you work with it for a while, you get a feel for how it works.

Mr. LeMenager stated it is amazing that no one ever documented it if REW and then Luke Brothers were that frustrated.

Mr. Tome stated they just did it. The guys in the field did not think about telling someone about it. That was just what they did.

Mr. Walls stated the more we talk about it, the more I see the value of it. For anything, we should know where it is if we have to take care of it. I see the value of accepting Part B and in knowing where our equipment is so we can fix it quickly. It is not just to make faster repairs, but if Mr. Druckenmiller leaves or we hire a new landscaping

company or whatever the situation, we can simply give them this map showing them where everything is.

Mr. LeMenager stated that is why I like the idea of this audit. We have a couple hundred thousand dollars in our irrigation system. This has been done forever. To the extent Mr. Druckenmiller sees things, he can work with Mr. Golgowski to map it, but that can be pretty time consuming. This is a one-time activity to try to come up with an accurate map and then have a commitment to keep it accurate. That does not strike me as a bad idea.

Mr. Evans asked is that a reasonable approach to this proposal? There are three parts to the proposal.

Mr. Smith stated Part A and Part B are dependent upon each other. Part C is optional, which I wanted to offer because I know you have discussed flow sensors. If you only want the map, I would have to adjust the price for Part B.

Mr. Evans stated this discussion generated a lot of really good questions in an effort to better understand it. Could Mr. Smith interface with Mr. Haskett and Mr. Golgowski to look at the existing maps and data we have available? You may already have done that, but then revisit this proposal. I think you understand what we are trying to accomplish as far as the end product, and then provide a new proposal to us. I am hearing that Mr. Smith may not be aware of all the information that is available with the CAD and other files. We may end up having 50% of the data that you were thinking you had to collect, so this will save you some time. We are relying on as-builts that might be 80% correct, so we do not necessarily need to correct everything we have. We just need to enhance or enlighten what we currently have.

Mr. Smith stated that is perfectly reasonable.

Mr. Evans stated it will shorten your time and give us a better comfort level that we are getting what we asked for. I think we have a better understanding of what we will be getting now.

Mr. Golgowski stated I am not convinced that I am not presenting this correctly to you. There is some advantage to looking at the Maxicom setup in person and going out in the field with Mr. Druckenmiller to see where these things are.

ii. Neighborhood Enhancements

Mr. Tome stated we are seeing some things happen in the market and we have been waiting for the medical center to come for a long time. It is actually coming upon us. A

community in Lake Nona recently opened with three national builders and they have been doing a lot of national marketing and drawing people to the area. We have seen an increase of our traffic coming through, not only in quantity but also in quality. We have recently been able to attract a regional builder who is well known and building very close to here, both in Osceola County and in southeast Orange County. They are seeing momentum coming in this direction. Interest rates are still low and rates will probably be adjusted in 2014. The six-month impact fee moratorium was extended to September 30 for both commercial and residential, which has been helpful since it is a significant savings for transportation and fire impact fees. We have been looking in the Green neighborhood for a period of time to do some enhancements. A couple parks can use some landscaping enhancement, and you may have seen some bird houses in that neighborhood. We are trying to add more color and elements to that area. That neighborhood does not have a lot of hardscape elements that you might see in Birchwood and Cypress neighborhoods, which is the way it was at the time. Those are some of the things that we are hearing from our builder partner, Weekley Homes, and this new builder. So we are trying to enhance that area for new sales. We did a sidewalk extension at a triangle park that could either have been built now or later with the builders, but it looked incomplete and it needed to be done so that there is circular movement there. The next area is in the D-2 and E neighborhoods, Drake and the Estates. It is a different mix there, and the price points are a lot different than in the Green neighborhood, which is mid \$150,000 to \$250,000. Drake 2 has one home under construction that will be over \$500,000 for the home and lot combined. We are happy we found these owners, and their children live here in the community. People looking to spend that much money are few and far between. These new owners are cash buyers, so we do not have to deal with appraisals and other things. However, we have seen an increased amount of interest in that neighborhood as well as the Estates neighborhood lately. We looked at our pricing and tried to do some adjustments. That being said, the Drake 2 neighborhood actually has about 25% higher debt and operation and maintenance assessments compared to its sister product in the Drake 1 neighborhood. When the assessment methodology was prepared, it was based on acreage and the number of lots within that acreage, and then it is divided among those lots. In the Estates neighborhood, it is about \$6,000 annually for debt and operation and maintenance. That is a lot of money. We were fortunate enough to sell two

of the lots in that neighborhood. Lately that has become a little bit of an impediment. We are not suggesting that be changed, but we are trying to look for ways to increase the visibility when you come into that area. When you come off the roundabout at Cat Brier and Schoolhouse, you are in the undeveloped area where the school used to be. Then you get into the developed area with the Zoysia sod and the landscaping. We are working to change that so when you come off the roundabout, you do not go from Bahia to Zoysia. We are changing that and having Luke Brothers cut that sod and we are extending the sidewalk. It was the scenario where there is a sidewalk, then no sidewalk, back to sidewalk, and then getting into the Estates. It did not make sense, so that is being addressed. I have some drawings showing what we are doing in the D-2 and E neighborhoods. We are looking at doing some small, 36-inch to 40-inch, dry stacked-stone monuments to mimic what is already in the Estates. It gives you a feel for a little different area and it is very attractive. I do not want to imply that this area is better than other areas in Harmony, but we want people to feel better about paying more money for their house than the other areas. The main thing is we added three fountains to the ponds along U.S. 192 last year at the developer's expense. We continue to pay for the power and water. One of the thoughts we had was to actually add fountains to the two ponds at the Estates. The one to the left you would see as you are coming off the roundabout past the Enrichment Center. The other one you will see more the closer you get to the Estates. Interestingly enough, we took a lot reservation on lot 11, so they have 21 days to decide if they want to move forward with one of our builders, and they are looking at a semi-custom home and are interviewing each of our builders. They told us it is not a matter of whether or not they build here; it is a matter of what builder. That is encouraging. The reason we considered the pond on the left is, once homes are built on lot 11 and lot 10, you really will not see it. This fountain will not be like the ones on U.S. 192 that shoot up 25 or 35 feet. It is smaller and has a smaller center spray that goes up 15 feet. I know Board members have asked that we let you know what is going on and not surprise you. The sidewalk was going to be added anyway, as was sod, but a fountain is something that was not planned. I do not want to come to the next meeting and have to answer a lot of question about our intentions.

Mr. Berube asked are those CDD-owned ponds?

Mr. Tome stated yes, that is why I am mentioning it.

Mr. LeMenager stated you mention the assessments are \$6,000 annually. A good portion of that is for operations and maintenance, and the rest is the hidden mortgage on properties, which CDDs are. Everyone should know that I am not a fan of CDDs. I think they are an invention of the State of Florida that is perhaps as least transparent as possible. That said, you play the hand you are dealt, which is one of the reasons I ran for this seat for the Board. One thing you can do is adjust the price of your lots to include the payoff. Right now, one reason is the CDD bills are so high is because you are paying an outrageous interest rate on the hidden mortgage on your house. To the extent you can mortgage that with the purchase price of your property, you can get it in the upper 3% today, whereas we are paying 7.25% on those bonds. I think that is the thing that people do not realize. The bond portion of the assessment is a hidden mortgage on your property, and it is at 7.25%. If that was something you could finance, it might be something you can implement with your pricing.

Mr. Tome stated that is a good suggestion. One of the challenges we run up against is the appraisal. As a seller and a buyer, you and I may agree and we may both be happy. Unfortunately, we are constantly seeing where the appraisal messes it up because they have their own take on things. To the degree we can do that, we absolutely will.

Mr. Berube asked are you asking for permission to put in the fountains?

Mr. Tome stated yes.

Mr. Berube stated that is nice and I like it. But everything having to do with the fountains needs to be the responsibility of the developer.

Mr. Tome stated that is correct. The company who installs the fountains has a contract that can be done on a quarterly basis or you can do it yourself to clean the weeds and things. Because of the size of the investment, we pay them a quarterly amount to maintain the fountains, which is \$99 or something reasonable. That will be a developer cost. There is power that needs to be obtained to that area, which will be a developer cost. We will not run the fountains all the time. It makes white noise if you are on your back patio, but you do not want to hear them at 2:00 a.m. We control the fountains in the front to come on at 9:00 a.m. and go off at 8:00 p.m. Part of the reason for the limited time is to save money because they are not cheap to run.

Mr. Berube stated I am fine with all that as long as we do not need a large legal bill to document all this.

Mr. LeMenager stated the other issue you run into is, there is no commitment on the part of the CDD to continue these forever. While it is nice to have a pretty pond to sell lots, the reality becomes if we decide to turn the fountain off after all the E lots are sold. Some of the residents might request to turn it back on.

Mr. Berube stated without being overly pessimistic, I would say the fountains will be worn out before the E neighborhood is sold out.

On MOTION by Ms. Kassel, seconded by Mr. Berube, with all in favor, unanimous approval was given to the enhancements for the D-2, E and G neighborhoods, as described.

SEVENTH ORDER OF BUSINESS

Supervisor Requests

Mr. Berube stated last month we raised the issue of the 5% discount for Luke Brothers. Their contract expires October 1, 2012. I do not think we want to discuss that early in case we want to put this contract out for an RFP or if we want to extend their contract and realize a 5% discount. The time to make that decision is pretty soon because that process takes a long time. I am of the mind that we should go out for an RFP.

Mr. Evans stated we can discuss that at the next meeting.

EIGHTH ORDER OF BUSINESS

Audience Comments

A Resident stated it is a good thing you trim the trees on Beargrass. But what about cleaning up the sidewalks? Some of the sidewalks are raised due to the trees and people trip on them. To eliminate that, they put a yellow caution marker so you see the sidewalk is raised. When it is raised too high, then they come and grind it.

Mr. LeMenager stated that will happen for the next 40 years. There is nothing you can do about that.

The Resident stated trimming the trees will not eliminate the problem.

Mr. LeMenager stated you are correct. That was my point earlier when I said that the people who originally designed the Traditional Neighborhood Developments 25 years ago got it wrong. They designed communities like Celebration and Baldwin Park and Harmony. They got it wrong when it came to trees. They did not know what they were doing, which is one reason you do not see the developer installing inappropriate trees in the Green neighborhood.

The Resident stated you do not see them on Schoolhouse or Cat Brier, either, only the inner roads.

Mr. LeMenager stated that is correct.

The Resident stated you also talked about the muck in the retention ponds. There are people on the street who shove their leaves down the sewer. There is another person who goes across the street and cleans those leaves out and does not push them down the sewer. Then people bring in pallets of sod to fix their yard, and the person next door to them throws mulch in the pond.

Mr. LeMenager stated I am in complete agreement with you in the HOA allowing this place to become filled with mulch, but that is an issue with the HOA, not the CDD.

Mr. Berube stated going back to the sidewalks, we are keenly aware of the roots and the sidewalk issue. We have discussed that and there are a couple things you can do with roots. You can cut them and put root guards to prevent them from going into the street and breaking the curb and sidewalks. The problem with that is you destroy the ability of the tree to stand when it is windy. That is when you want a tree to stand, when it is windy. We made the decision to cut the roots is not the right thing. For the sidewalks, the yellow you see is not just cautionary but for our maintenance staff to know which ones have to be ground down. At some point, we will have a meeting to discuss tree policies, and the sidewalks will blend into that discussion. We will probably need to do something different besides grinding sidewalks. We will need to start cutting panels and start replacing panels. Celebration has a crew that does that. We will probably end up doing the same thing in order to make the sidewalks palatable. You are correct that people are tripping over them all the time. We noticed these things and we are aware of it. This is a government body and things do not happen quickly but it is on the agenda.

NINTH ORDER OF BUSINESS

Adjournment

The next meeting will be Thursday, February 23, 2012, at 6:00 p.m.

The meeting adjourned at 11:35 a.m.

Gary L. Moyer, Secretary

Robert D. Evans, Chairman