

MINUTES OF MEETING HARMONY COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, October 30, 2014, at 6:00 p.m. at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Steve Berube	Chairman
Ray Walls	Vice Chairman
David Farnsworth	Assistant Secretary
Kerul Kassel	Assistant Secretary
Mark LeMenager	Assistant Secretary

Also present were:

Gary Moyer	Manager: Moyer Management Group
Tim Qualls	Attorney: Young, vanAssenderp, P.A.
Steve Boyd	Engineer: Boyd Civil Engineering
Garth Rinard	Davey Tree
Gerhard van der Snel	District Staff
Rick Druckenmiller	District Staff
Shawn Woolridge	District Staff
Sean Keating	District Staff
Residents and Members of the Public	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Berube called the meeting to order at 6:00 p.m.

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

Mr. Berube stated I want to recognize that we have our field service staff here tonight, led by Mr. van der Snel. Mr. Druckenmiller is our senior staff member having been here the longest. Next are Mr. Woolridge, a Harmony resident, and Mr. Keating, a Kissimmee resident and newest to our staff. They are the guys who get it all done out in the field. We never had the entire group at a meeting before. Thanks for coming and keep up the good work! It has been a big transition. While we are on the subject, we ran our second payroll with FRM, the employee leasing agency. They have stepped up and payrolls have been flawless. There are no complaints and everything is working well.

SECOND ORDER OF BUSINESS

Audience Comments

Ms. Marilyn Mower stated I do not know if it is the appropriate time or not, but I am concerned about the colors of our houses, the narrow shutters, and all of the rules that

have been broken in Harmony due to having only one builder in town. I know it was stated on Facebook that things are being addressed.

Mr. Berube stated the colors of houses are not a CDD matter. That is handled by the developer and to a lesser degree, by the HROA. This Board does not have anything to do with residents' personal property, houses, shutters, and so forth. That would be better addressed by the developer. However, because I sit on the HROA, I will comment on this. They have just set up or are setting up a design committee. They are looking for people. The garden committee and social committee are set up. The design committee is coming along. If you want to get involved and somehow make changes, this would be your opportunity. They will be looking for residents.

Ms. Mower stated I have enforced the rules of the garden committee for the last four years and I am tired of being the enforcer. Otherwise, I would be into the design committee. Right now, I need a break. I did call FirstService Residential last Wednesday. It was a very difficult situation. I talked to four different people. We have a woman by the name of Ms. Marie Perez. No one knows who she is and her extension does not work. I was given two different phone numbers to call; one apparently was a corporate number and after holding for 45 minutes, a young man told me to call back in an hour. I gladly told him that I would never be calling them back. That was my bad experience with FirstService.

Mr. Berube stated that does not have anything to do with this Board, but I will make note to see what is going on.

Ms. Mower asked did you hire them?

Mr. Berube responded not this Board.

A Resident asked what is the situation with the ponds? They are looking a little ragged.

Mr. Berube responded we are going to discuss that issue in a few minutes.

A Resident stated every time it rains, it floods in front of my house. Who is in charge of that?

Mr. Berube asked where is the water?

Ms. Kassel asked is it on the sidewalk?

The Resident responded in front of the mailbox in the street.

Mr. Berube asked is your mailbox on a street or an alley?

The Resident responded on the street.

Mr. Berube stated Osceola County is in charge of that. The streets are the property of Osceola County. The alleys are the responsibility of the CDD. Your Councilman is Mr. Fred Hawkins, Jr. That is how you get things done.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the September 25, 2014 Meeting

Mr. Berube reviewed the minutes of the September 25, 2014, meeting, and requested any additions, corrections, notations, or deletions.

Mr. Berube stated page 8, fourth paragraph, “City of Ledwelder” should be “City of Life Church.” Page 29, Mr. Glantz led the discussion about the sidewalk, which was offered up in exchange for the excavation of the ponds, not Mr. Kouwenhoven. This should be changed globally.

Mr. Qualls stated on page 21, first paragraph, second to last sentence should read “I would like to ~~clean~~ clear the record.”

On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the minutes of the September 25, 2014 meeting, as amended.

FOURTH ORDER OF BUSINESS

Subcontractor Reports

A. Aquatic Weed Control

i. Bio-Tech Consulting Monthly Highlight Report

Mr. Berube stated we did not have anything from Bio-Tech other than the invoices. I sent an email to them today and asked them to rearrange their emailing of the monthly pond report.

Mr. LeMenager asked what is the issue with the ponds? Are there dead fish?

Mr. Berube responded there were dead fish and some weeds. It did not have anything to do with Bio-Tech, other than the fact that we are not getting the report anymore. Henceforth, it should be coming to Mr. van der Snel and me for the agenda package.

Mr. LeMenager stated the conditions of the ponds came up from the residents.

Ms. Kassel stated it could be that there is fertilizer or herbicide runoff or the fish were at the end of their life. It could be from some algae bloom or pesticide that was used in the water that killed the fish. We do not know what the story is.

Mr. Berube stated what popped up on Facebook was that someone noted in the pond on the left as you enter the Estates, the northernmost pond, there were six or eight dead

mature grass carp in the water. I looked around at all of the ponds today and did not see any other dead fish, including the one directly across the street from there. All of the dead fish were gathered in the corner of the pond where the fountain is. You would think that the fountain would be an additional oxygen source. Was it oxygen starvation? I do not know.

Mr. LeMenager asked are those the carp that clean the lake? Those fish are sterile by regulation and have a certain lifespan. But five to die all at once is odd.

A Resident stated there were small ones, also.

Mr. Berube stated I did not see any small ones. I saw six or seven full-size ones. There may have been others. Yesterday at dusk I only saw two, but this morning there were obviously more there hidden in the vegetation among the edges.

The Resident stated the pond looks dirty. We want to see the water.

Mr. Berube stated the vegetation that is in the water is there on purpose.

Ms. Kassel stated there is vegetation around the edge as well.

Mr. Berube stated there are a couple of reasons for the vegetation. The vegetation on the slope of the pond catches trash, fertilizer runoff, and so forth. The landscaping staff fertilizes the grass and applies pesticides. When it rains, you do not want all of that to wash into the pond. That buffer zone is there intentionally to catch any of that runoff. If you look in the pond, you will occasionally see plastic bottles and trash. The vegetation that grows on the edge of the pond is there to absorb water and nutrients, such as nitrogen, that might get into the water from runoff water and the slopes. Vegetation is a necessary fact of life; some looks better than others. We have planted some that look very pretty with the yellow and purple flowers. Some look like green and brown weeds. It is all there for a reason.

Ms. Kassel stated it also depends on the seasons. Some seasons it looks good and some seasons, like in the fall when things are dying back, it may not look as good. In the winter when things are really dying back, it may look trashy. It is also a habitat for wildlife. We all want wildlife.

The Resident stated that is lovely, but make it nicer.

Ms. Kassel stated it is mowed a couple times a year.

Mr. Berube stated the pond banks are mowed twice a year and they clear the buffer zone and mow down to the water's edge. It looks pretty for a little while and then it grows back.

B. Landscaping

i. Davey Tree Monthly Highlight Report

The monthly landscape maintenance report is contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Rinard stated typically what you see this time of year in the fall, we have experienced a full growth season. We are at our worst time of the year. Twice a year is what the scope calls for mowing the pond banks. We come back in and basically knock that back. After this week, our mowing cycle goes from weekly to bi-weekly. We are transitioning so the month of November is typically when we start cutting around the pond edges as well as some other tasks throughout the property from a major standpoint. We are starting ornamental grass cutbacks in preparation for mulching on the property, which is coming up. To try to offset some of the issues we had last year with some delivery issues in product, we pre-ordered coming into this year and we have materials starting to arrive as of tomorrow. I will look at the schedule to see if we can move some things up and address your concerns sooner rather than later.

Mr. Berube stated the bottom line is over the next month or so, the ponds are going to be prettied up. Even the water is going to stay the way it is, but the edges will all be clear cut.

The Resident stated wonderful. What about my water? It smells bad.

Mr. Berube stated I cannot help you with that.

The Resident asked who can?

Mr. Berube responded your builder or Toho Water Authority. They are the supplier of the water to your house.

The Resident stated I would like for someone to come to my house.

Mr. Berube stated call them and tell them that you have a complaint. They are very responsive.

Mr. Rinard stated there has been some concern with irrigation, now that we are into a dry season and a dry period. I pushed fertilization to start back slightly, pending some conversation and updates on where we are irrigation-wise. It sounds like we have a plan in place, so we will move forward with that and get that process taken care of. We are in

the process of the annual installation. We will be complete as of tomorrow as far as the annual rotation is concerned. We are going to move into mulch touch-up and we will be starting that in the month of November, as well.

ii. Consideration of Proposals from Davey Tree

Mr. Rinard stated I provided three proposals to you.

Mr. Berube stated the first proposal is for 7,200 square feet of sod. The original price on that was \$5,184. That was a fairly strong price for sod. I spoke to Mr. Rinard about that. He agreed and found a slight error in the calculation. Therefore, the \$5,184 for the sod proposal becomes \$2,592. Everything else remains the same. There is a note that the reason why the sod needs replacement is because of insufficient irrigation, which I cannot argue with. We have found a number of issues with Maxicom, which have all come to light over the last couple of weeks. The sod proposal pre-dates the current issues. There were issues in the past, which have been swept under the rug. It is my recommendation that we accept the proposal for \$2,592 to get the sod replaced to address the irrigation issue. Right now, we are running Maxicom. There are more issues to be addressed with Maxicom, but Mr. van der Snel and Mr. Druckenmiller went out yesterday and turned all of the clocks to manual. We are running every zone. Every spray head is running on manual on a daily basis to make sure that everything gets wet because it was not before.

Ms. Kassel stated I do not understand how this was not addressed, with all of the attention that we had on irrigation and bringing people in-house. I do not know how this was not caught earlier before the sod died.

Mr. Berube stated it was going on for awhile before. Most of this pre-dates to early in the year. Would that be a good presumption?

Mr. Rinard responded yes. You get some masking of the problem by the seasonal rains that happen and when they stop, you start to see some exposure. How things were handled, basically we would bring our concerns up to the field manager at that time. We would open up the valves ourselves and water areas that might be stressed at times. I think the transitional issues that have been brought to light and the efforts going on right now to fix the underlying system, things are moving in the right direction to where you should not have to worry about it in the future.

Ms. Kassel stated it is bad enough that we have been paying for someone on the inside to do irrigation. We have you looking at irrigation and someone that we are paying for on CDD staff to look at irrigation. Still we have to replace 7,200 square feet

of sod because of a lack of irrigation. I want to know how this is going to be prevented in the future.

Mr. Berube stated to be clear, the staff guy handing the irrigation does not have control over the Maxicom system or access to it. That is just the way it was. Maxicom was in the development company office. Two guys from the developer had absolute control over Maxicom. Nobody on field staff had that access. Both of those guys were loathe to turn on Maxicom for fear of generating high water bills and listening to Board members complain about high water bills. There was virtually no zone in Maxicom that would run longer than 10 minutes. Whenever it is not raining, 10 minutes does not get it done and that is just the way it was. Maxicom is now out of the development office. It is in Mr. van der Snel's office. There have been a couple of failures with Maxicom, which we just uncovered with the transition over, now that Mr. van der Snel has access to it. There is a problem with the control unit over here at the Swim Club and with the modem, which cannot communicate. There has been a confluence of things that led to it. However, two to three weeks ago, we started noticing that things were browning. When the heavy rains stopped, things started to brown immediately. We started running zones manually again and then started looking into Maxicom. The first step was getting it out of the development office and getting it over here and getting access to it. That was a problem. It is done now. Now we found the other things. I can tell you with Mr. van der Snel in control of it, he is going to get training. We have Mr. Mike Walker working on that. Mr. Aaron Smith from Insight Irrigation has been working on the mechanicals. Once we get it communicating, then there will be direct control to prevent another situation like this. We did not have control over Maxicom before. We were at someone else's mercy. Those folks did not want to run water for fear of getting blasted for a high water bill. That is what it comes down to.

Mr. LeMenager stated let us not run out and make the water bills too high.

Mr. Berube stated we are not, but if you do not water it, you get this. That is the problem.

Mr. LeMenager stated given the millions of square feet that we have, it does not seem like a gigantic problem.

Mr. Berube stated it is not.

Mr. Rinard stated in relative terms to where the District was three to four years ago, there has been a minimal number of replacements in the overall scope of area.

Mr. Berube stated to be fair, not all of this is lack of water. There are other issues. Sod gets damaged. People run over it. There are chinch bugs here and there. The bottom line is, a lot of the problem is irrigation. When you look at the zones, we had good coverage but even with good coverage, 10 minutes does not always provide enough water to keep turf green, especially when it is hot. That is where we are at.

Mr. Farnsworth stated someone is storing their equipment across the street from one of the houses being built on Schoolhouse Road. That is going to kill some grass.

Mr. Berube stated yes, it is. Lifestyle has agreed to pull their trusses out of there next Friday, and they will restore the area to its natural beauty at their cost.

Mr. LeMenager asked what about the person who decided it was appropriate to put a porta potty on our land on Schoolhouse Road? What do these builders think they are doing?

Mr. Berube responded that is a good point. I can see it from my house. I did not even think about that. That will disappear. That is not the builder but a local contractor.

Mr. LeMenager stated it does not really matter. Do these people understand that they have no right to put their stuff on our property?

Mr. Berube stated the guy who put the trusses there scoped out the site. He had no room. He could not drop those trusses on that property.

Mr. LeMenager stated then he should not have dropped them.

Mr. Berube stated that may be. The guy with the porta potty showed up. He has it on the truck and pulls up to the curb, pushes it off, and leaves. That will get taken care of. In regard to the sod proposal, are we okay with authorizing this replacement of sod?

Ms. Kassel made a MOTION to approve the proposal from Davey Tree for 7,200 square feet of sod in an amount not to exceed \$2,592.

Mr. LeMenager seconded the motion.

Mr. Farnsworth stated in the future, I request that you use one of the community street maps to show where the sod will be placed.

Mr. Rinard stated I will do that.

Upon VOICE VOTE, with all in favor, unanimous approval was given to the proposal from Davey Tree for 72 square feet of sod in an amount not to exceed \$2,592, as presented.

Mr. Berube asked did you use any purchase orders today?

Mr. Rinard responded no.

Mr. Berube stated the purchase order number for this proposal is 103014-A.

Mr. Qualls asked is there a warranty when you plant sod? How does this work and who is in charge of making sure it gets watered? The proposal says where it will be planted and the amount but nothing else.

Mr. Berube responded they have replaced multitudes of sod on their own where it is questionable about what the problem is. This sod was dried up. There is a certain amount of trust here. Mr. van der Snel watches what goes on and so do I almost on a daily basis. I have seen these areas. They are correct.

Mr. Qualls stated the specificity is on the areas and square footage, but nothing is provided on any type of warranty, and I do not know if they provide one for sod. Do you put it in the ground and water it? I just want the record to be clear.

Mr. Rinard responded yes. We do not have irrigation responsibility, but because we are here and the relationship we have, my guys are going to watch out for it. If it dies instantly, then I am likely going to be on the hook for it and people are going to be looking at me for that. It is all part of the relationship that I think we built over the last couple of years.

Mr. Berube stated it has been a very good relationship.

Mr. Qualls stated I understand. I am not questioning that. I am questioning the specificity of the proposal. Double the amount was on the proposal. Is the square footage accurate?

Mr. Rinard responded yes. Here is what happened. My project manager, Mr. Jon Rukkila, runs the day-to-day operations. In recent weeks, I have been relying on him to maintain control over things, and I have delegated some things to him. This was one of the issues that he brought to my attention. I basically turned it over to him. Mr. Rukkila is not familiar with the proposing process. In our communications, we miscommunicated as far as some of the numbers are concerned. The number ended up wrong on the proposal. Mr. Berube brought it to light. We discovered it and changed it.

Mr. Qualls stated I just wanted to make sure that was the only issue.

Mr. Rinard stated yes, it is.

Mr. Berube stated the other thing that we instituted is a purchase order system with hard-copy purchase orders, because some of the projects that Davey has go on for several months. We tend to lose track sometimes with proposals. We were surprised last month to receive a series of past-due notices from Davey in the mail. I received them and we dug into it. It turns out that none of the Davey bills are being sent to Coral Springs. All of them are being emailed to Mr. Todd Haskett's computer, and he would manipulate them from there. There were a number of bills that got tied up in his computer for manipulation that never made it into the system. Then one day, Davey's accounting people sent past-due notices. Thanks to Mr. Rinard's detailed recordkeeping, it turned out that many of the bills that were on our account were actually the responsibility of the developer. I had a meeting with Mr. Glantz and to his credit, he stepped up and absorbed all of those bills. I think there was \$11,000 to \$12,000 worth. We ended up with a few more, which are being processed. Now all of the bills from Davey will go to Coral Springs. It is already happening. It bothers me that we had past-due notices coming out because this organization pays its bills. It was disturbing, but we worked through it. Thank goodness Mr. Rinard had detailed records because we would have had a significant number of bills that were on our account that we would have had a hard time arguing. It worked out very well. We added purchase orders. One just got used and that will be in use going forward. That is more for things we may lose track of because some of those went back to May, and our minutes did not reflect accurately what I was seeing on the bills. There is no way of tracking it and with Mr. Haskett not being here, we cannot ask him. Now we have a purchase order system. The second proposal is the tree transplant.

Ms. Kassel stated I have a question about the cost per tree, if we did not use our own trees. I am just curious.

Mr. Rinard asked to bring new trees in?

Ms. Kassel responded yes.

Mr. Rinard stated from nursery stock, right now new trees of similar caliper would be in the \$500 to \$600 range.

Mr. Berube stated we have a history of that because we put some in a couple of months back in the Green neighborhood and they were right around \$600 each. These are similar size.

Ms. Kassel stated I just did not know what the caliper was.

Mr. Berube stated the reason why I brought this up is because this Board purchased 100 trees a few years ago from a nursery. We had homes for initially 50 of them. The nursery also had a proposal to lower the price of those 50 trees if we purchased 100. Ultimately, the first 50 are in the ground and we used 10 more and then we had 40 extra trees, which were planted in the tree nursery over by the garden. It is unirrigated and unmaintained. Over the years, we lost a few trees. There are about 25 of them left. If we leave them there, they are all going to die. We already made an investment in the trees. We have a number of places around town that can use some trees. I got together with Mr. Rukkila and Mr. Rinard to talk about how we could use these trees. We came up with this proposal to put the trees in. If you want to know the specific spots, I have them.

Ms. Kassel stated I just want to know if one or two of the specific spots are in the Town Square.

Mr. Berube stated no. They can go in the Town Square, but they are rather small trees.

Ms. Kassel stated no. I was just curious.

Mr. Berube stated we have trees that are going to go in non-irrigated areas. They are going to do some root pruning to make sure that they survive. They will clean up the trees. They will go in various spots where we have a need for trees because they died or are missing. There will be a couple of areas where there will be new trees. It seems to me that it is a good use of 10 more of these trees that we already paid for. They will take the 10 best out of the two dozen that are there. Then we will see how this goes. At some point, the trees are either going to die or the developer is going to make us move them.

Ms. Kassel asked are any of these trees going where the ones were taken out by the playgrounds?

Mr. Rinard responded no. We are warranting those trees.

Mr. Berube stated right near the playground where those two trees were dead, two of these trees are going there. That playground equipment will have shade on all four sides.

Ms. Kassel stated good.

Mr. Berube stated much of this is for shade. Two of them are going at the water feature. There is a bench that has no tree behind it. If you look, there are some wide open areas in the mulch. Nothing is there, so two trees will go there and provide shade during the day. A couple trees are going outside the Lakeshore Park restroom where we have a grill and a picnic table that are out in the open with no trees. Along the Lakeshore Park walkway along the back, one tree died last year. There is a whole row of trees along the walkway. One tree is going there. Two are going opposite 3362 and 3322 Cat Brier where there are dead trees. That accounts for the 10 trees.

On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, unanimous approval was given the proposal from Davey Tree for oak tree replacements in a not-to-exceed amount of \$2,680, as presented.

Mr. Berube stated the purchase order number for this proposal is 103014-B.

Mr. LeMenager stated speaking of trees, obviously a number of trees were destroyed when the signs were built on the west entrance. I saw a bunch of palm trees sitting there. Does the developer understand that they have to replace those trees?

Mr. Berube responded when the west entrance is completed, everything that is damaged will be replaced. We are a long way from having that completed. Mr. van der Snel and I had a meeting with Mr. Glantz, Mr. Smith, and Mr. Kent Foreman. There is no resistance for the developer to restore all of the irrigation and landscaping to its original condition or better.

Ms. Kassel stated my understanding was that they were going to be improving the area.

Mr. Berube stated the whole area is going to look better, so they say. We will see. The irrigation was destroyed, but that is what happens when there is construction. The third proposal with Davey is to place rye grass on the Lakeshore Park soccer field. Keep in mind, with the cost cutting on the sod, we almost got these trees transplanted for free.

Ms. Kassel asked is this just a seasonal thing?

Mr. LeMenager stated we do this every year. I thought it was in the contract.

Mr. Berube stated it is not in the contract.

Mr. LeMenager stated maybe we should add it to the contract.

Mr. Berube stated I have one concern. There are a lot of weeds growing in there. Is the intent of the rye grass to crowd out the weeds?

Mr. Rinard responded no. We have done some recent treatment of the weeds. If we are moving forward with this proposal, I have to hold off on any further treatment of the weeds so that the rye grass can germinate. Once germination is established, then I can go back to treatments.

Mr. LeMenager stated that is when you put the signs out to keep off the grass.

Mr. Berube stated that would be great.

On MOTION by Mr. Farnsworth, seconded by Mr. Walls, with all in favor, unanimous approval was given the proposal from Davey Tree for the installation of rye grass on the Lakeshore Park soccer field in a not-to-exceed amount of \$800.40, as presented.

Mr. Berube stated the purchase order number for this proposal is 103014-C.

Mr. LeMenager stated keep up the good work.

Mr. Berube stated as these items are completed, please stay in contact with Mr. van der Snel so we can monitor the irrigation and do it as needed. I know Mr. Rukkila has carte blanche to run the clocks as he needs to. If there are some areas where we need to run bubblers to the trees, we can always add one if necessary.

Mr. Rinard stated what we will end up doing on the trees is, because they have established themselves to a certain extent in the holding area, we will be doing some root pruning, basically hardening those root balls. We will need approximately 30 to 45 days on that. That puts us through the end of the year. We are looking at moving these trees at the first part of next year.

Mr. Berube stated that is fine.

Ms. Kassel stated I have been in touch with Mr. Rinard about refurbishment of Cat Brier at Long Park where trees have grown so grasses that have been in the sun are now in the shade and are doing poorly. He is going to take another look at it and come back to me with a plan based on the proposal that was submitted back in March. It will cost about \$4,000.

Mr. Berube stated we have not overspent this year's budget yet. The real problem is when we have items that we forget about. That is part of the reason for having purchase orders. We will know on these exactly where we stand. We have a habit of forgetting

what we did three or four months ago and we have not received bills yet. The purchase orders will keep us in line. Purchase orders are used for things that are not being done immediately. It is a good system and it works. If you look at the invoices, you will see a payment to me for \$136. That is for the design and printing of the purchase orders, which we now own. In the future, we have it on a hard drive or thumb drive that we can print on our own.

FIFTH ORDER OF BUSINESS

Developer's Report

Mr. Berube stated no one is here from the development company.

Mr. LeMenager asked did they say that they could not come?

Mr. Berube responded yes. They said that they had a turnover meeting at some other facility.

Mr. LeMenager asked could they send a representative?

Mr. Berube responded they do not have any representatives.

Mr. LeMenager stated for the first time in 14 years, the developer could not be bothered to send anyone to this meeting.

Mr. Berube stated it is important to remember that they provide about 60% of the budget.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Engineer

Mr. Boyd stated in regard to the alley repaving, which Mr. van der Snel, Mr. Berube, and I have been talking about, obviously the contractor is not finished. The paving work is finished with the exception of the striping. The striping is based on the paving being satisfactory so they will not be continuing that until we get that resolved. I think that the end product on the asphalt is good. I think that you have a very good finished product as far as the asphalt. The contractor did not perform in a timely fashion like we had expected. We had a problem with the schedule. As an end result, we need to resolve the striping and get that resolved before we authorize payment. We also have some places where they did additional work. In addition to that, because of problems with the schedule and because they did not do all of the milling that was in the contract, we are working out what the final payment should be. What I would ask the Board to do tonight would be to consider making a motion to authorize the Chairman to negotiate a final payment amount, when we have the opportunity for the Chairman, the contractor, and me

to sit down and work through all of the line items and come up with what I would recommend. Then it will be up to the Chairman to decide if it is fair.

Mr. Berube stated when you look at the contract, there were about 6,000 square yards in total within the alleys that needed to be milled, resurfaced, and striped. We paid for all of those 6,000 square yards to be milled and resurfaced. As the contractor went along, they only milled about 40% of all of those square yards. Their guy admitted to that.

Mr. Boyd stated because they did not mill it does not mean that you have a substandard product. Actually, the more asphalt you have, the better. The reason why we put milling in the bid was because we assumed that it would all need to be milled down so you had the same driving surface when you were done. They were able to accomplish that by milling in certain areas, not the entire surface. Nevertheless, the contract said to mill the whole thing so we need to resolve that as a pay item. I want to relieve the Board's fears that the finished asphalt product is not proper because they did not mill the entire surface. Where that might have been a problem would be if they ended up with a situation where they created a pond because they milled in one place and not another and now there is a low spot. It worked out so that they actually did a good job solving the ponding problems.

Mr. Berube stated yes.

Mr. Boyd stated we had two significant ponding issues after they did the paving, and they came back and were able to resolve it.

Mr. Berube stated it has been a gentle struggle all the way through with many things, but it irritated me that the contract said that we were going to get all of this milled and we did not get that, and they had to come back and fix some ponding. We are still outstanding on the striping.

Ms. Kassel stated like painting, you need to scuff up the area you are going to paint in order for the new paint to stick. Is it that way with asphalt?

Mr. Boyd responded no. Asphalt will accept an overlay fairly easily. The purpose for milling is basically to get the grade down so you do not end up with a bump. For example on a manhole cover, if you do not mill it, you will end up with a bump in the thickness of the asphalt you put down. That is the real reason for milling. You do not have to mill to put down new asphalt. It just needs to be clean.

Mr. Berube stated there may be some good news to the delay because we had a couple of reports in a couple of areas of where the asphalt is coming up. We have some time before we have to pay this bill to monitor it as traffic goes along to see what is going to happen with the surface. Many areas look really good but some areas looked porous and I thought there may be a problem with it. Time will tell, but we already had a couple of reports where the asphalt is coming up. This whole delay will allow us to really observe the overall package to make sure that we can come to some agreement.

Mr. Boyd stated I was not aware of that so I need to check those areas out.

Mr. van der Snel stated I saw a crack when we were installing irrigation, but that has already been corrected. I have a picture of that.

Mr. Berube stated the contractor is stalling on bringing in another striper. That is okay. We have the money and have no obligation to pay yet because the job is not completed.

Mr. Boyd stated I need to talk to the contractor about the striping because we need to know how they propose to repair what was already done before they start striping the rest.

Mr. Berube stated I think that our total bill is probably going to be reduced somewhat. What Mr. Boyd is asking is for the Board to put their trust in me to negotiate a final number so that we can get this job finished.

Mr. Boyd stated if we come to that point before the next meeting. If not, then we will come back to the Board.

Mr. LeMenager asked why do we need striping on alleys?

Mr. Boyd responded the reason for the striping on the alleys is to direct traffic on where they should stay on the alleys. The alleys do not have a concrete curb on the edges, so paving without a concrete curb leads people to driving on the edges, which will damage the edges. The purpose of the striping is to keep the car in the center of an alley and also to point out the fact that this is a one-way alley and not a two-way street. That is the purpose of the striping.

Mr. Berube stated we also put white stop bars wherever there is a stop sign. That is part of the contract.

Mr. Boyd stated it is a surface with a two-foot paved shoulder.

Mr. Berube stated some alleys have striping and others do not. All of the alleys that were re-done will have stripes. They all were striped before, but there are still some alleys that do not have striping. The one behind my house does not have any striping.

Mr. Boyd stated they are supposed to.

Mr. Berube stated that is where we are at. Do you want to give me the ability to negotiate the final bill?

On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to authorize the Chairman to negotiate the final payment amount with Allstate Paving for alley resurfacing, as discussed.

Ms. Kassel stated in going through some documents, I found a commercial building evaluation report for the reserves. I just wanted to make sure that these items were in the reserve and replacement schedule. It includes the pavilions at Lakeshore Park.

Mr. Boyd stated yes, we did include facilities in the summary that we prepared. We included the pool building and the restrooms at the park.

Ms. Kassel asked what about the pavilions at Lakeshore Park, the dog park, and in Long Park? There are a number of pavilions around Harmony.

Mr. Boyd stated if you want to give me a copy, I would be happy to check.

Mr. Berube stated keep in mind that the next time you look at the reserves, make a note that we added an office trailer for CDD staff and two pods next to it.

Mr. Walls stated last month, I had some discomfort with the pond excavation issue that was brought to our attention, not so much that I thought there was any problem with how the proposal was presented or potential solutions. We had a situation where the developer paid Mr. Boyd to create the plans. They had an issue with the builder. Then we paid Mr. Boyd to come here and be our advisor. It is never a good idea, in my opinion, when you are dealing with government money or public trust to take advice from someone who is getting paid on both sides of the issue. No matter how big or small the issue is, it threw up red flags in my mind when I looked at the proposal. I am not saying that Mr. Boyd gave us any wrong information. We have some developed parcels that we are going to have to review before we take over maintenance, and we need someone with an independent eye to look at those before we agree to take it over and pay for it. I do not know if we can get that from a person who was paid by the developer to

design them and put them in place. I just wanted to get the Board's thoughts on this issue because I am not comfortable with that kind of arrangement.

Mr. Farnsworth asked what exactly are you proposing?

Mr. Walls responded when the CDD was established and the developer controlled the Board, it probably made sense to have the same guy work for the Board and work for the developer. Here we are a completely independent Board from the developer. In a perfect world, we partner with the developer and try to be nice as everyone has the same goals, but we live in a world where sometimes our goals are divergent. They are just not going to be the same. I think we need an independent engineer who does not work for Harmony Development Company or Starwood Capital.

Mr. Farnsworth asked all the time?

Mr. Walls stated yes.

Mr. Berube stated when Mr. Boyd was making his presentation last month, I felt a little uncomfortable, as well. I think he probably did, too, because he was obviously selling a developer project to us and trying to make it sound good so it would be amenable for the Board to accept the plan that was going forward. Ultimately, it all worked out probably to our benefit. I thought that a developer person should have done the selling job to us and left Mr. Boyd in the background.

Mr. Boyd stated there probably was another way for that entire issue to be presented.

Mr. Berube stated you had to feel strange about it.

Mr. Walls stated we felt strange because we are paying Mr. Boyd to be our advisor and you were here doing that.

Mr. Boyd stated in my eyes, that is exactly what I was doing. Let me explain how the entire situation came to be and the mistake I made in the process. As we are finishing the plans of these two developments, we learned that we need some additional fill dirt to build those neighborhoods. The question was if there was an alternative site that can be used. I was asked if these ponds can be made larger. I said that it is possible, but that is CDD land and they have to obtain the CDD's permission to do that. It was placed on the agenda because I informed the developer that this is CDD land. When I brought it before the Board, I was not trying to sell you that this should be done. I was trying to present it as a wise solution to solve a problem.

Mr. Berube stated what you were doing and how it was perceived are two different things.

Mr. Walls stated that is my issue. I am not saying that you did anything wrong. When we look at the residents and tell them that this is a good idea because the engineer said it was the best way to go about doing this, they can turn around and say that he was paid by the developer to draw up that plan and then present it to the Board. There is no way that we can ever tell them that we received independent advice on that type of situation. That is my concern going forward, especially as we are taking over these new parcels. I want someone to go out there and look at these things before we take it over and say that everything is ready and everything was designed correctly. I do not know if we can ask you to do that because you were paid by the developer to design them.

Mr. LeMenager stated I am in complete agreement with Mr. Walls. From time to time, I thought that all three of these fine gentlemen sometimes found themselves between a rock and hard place in terms of now working with a totally independent body but still having relationships in other CDDs being paid for other work that they do by the developer. I think this is an issue that, over time, we need to address. Now that we are getting into the development of these new parcels, the one thing that I was concerned about was that Mr. Glantz was sitting there saying they are going to put in all of these crepe myrtles and fences, and that it is on private land. I thought about that and then I realized they want us to take over all of that when they are done. That is all going to become our land when they are done. Maybe we need to be there on the front end when they make these proposals. The one neighborhood they did, we took all of the costs, but I think going forward, if they are going to plan something, we need to understand what the long-term costs are going to be to maintain the parts that they expect us to take over. We are sorry that there was a recession. We know that they wish this had all happened years ago when they still had control. But they no longer have control. It is our money now.

Mr. Berube stated no, it is their money.

Mr. LeMenager stated we all pay, too, and it is our money collectively. We need to think about the long-term costs to maintain these things. We understand that they want to have an attractive front entrance to sell more houses. That is great, but we have to pay for that and maintain those crepe myrtles and fences and everything else that they want to do. I have the exact same thoughts that Mr. Walls is having.

Mr. Berube stated I gave it some thought. As you know, over the past several years, we have changed contractors for various issues. We looked at and changed landscape contractors, which is a big deal. The CDD field staff has undergone a big ground swell. We have changed Bio-Tech's services and went with different suppliers. However, when you analyze the bigger picture, these professionals have years of experience here that no one else has. If you suggest switching the engineer, that is fine. Maybe we can get an engineer who will work for the same money, maybe more or less money, but there is going to be a big learning curve that we will pay for with a new engineer, which Mr. Boyd already knows. It is the same thing in changing from Severn Trent to another management company, which we had our issues with in the past. If Mr. Moyer was not around, I would probably have organized firing Severn Trent years back. Mr. Moyer is worth it and we do not pay him directly for that knowledge. If a new manager is sitting there, maybe they cost less money or more money, but we are going to have to pay to bring him up to speed. It is the same thing for legal services. Last month, legal counsel wanted a raise and I told him that the intrinsic knowledge was worth it. Everyone agreed. I am not advocating for replacing Mr. Boyd. His knowledge is invaluable. I think in a lot of cases, we do not pay for it and in many cases we do pay for it. If we change engineers, there will be an expensive learning curve to bring a new guy up to speed. Having said that, I am completely agreeable to having a secondary engineer involved to oversee issues like neighborhood turnovers, to make sure that things are up to speed. I am not saying that Mr. Boyd is doing anything wrong. I am not saying that he is cutting corners, but the developer's desires and our desires sometimes go that way. We can probably get another engineer in here to look over things that are of concern to us at various times, like a neighborhood plan.

Mr. Farnsworth stated that is on a case-by-case basis.

Mr. Berube stated that is exactly right, to review what we think needs to be reviewed. In the case of a new neighborhood design, we should look at this and determine any pitfalls. As that neighborhood progresses and is going to get turned over, look at this to make sure it meets the specifications. For example, the alleys in the Green neighborhood are terrible. There is ponding and several depressions at the end of peoples' driveways. We had this discussion. They were all built to specification and everything was good, but something happened. H-1 has a strip that goes along U.S. Hwy 192 that has some

ponding. If the Board decides that they want to switch engineers, that is fine, but I see us spending a lot of money to teach someone or have someone learn the background.

Mr. Walls stated I think a lot of what goes on out here is standard across subdivisions. I am willing to take that risk to be able to say to the audience that we have independent advice on this Board and there is no conflict of interest. I do not want to create a situation where I am saying that I am okay with a perceived conflict of interest, even if it is just perceived, because I think that we need to do everything we can to avoid those types of situations.

Mr. Kassel stated I agree that Mr. Boyd has extensive and deep knowledge of the community and to lose that might be foolhardy. At the same time, I understand and agree that representing both sides can be a conflict of interest. I would go with Mr. Berube's recommendation when we have a situation where another engineer could be called in to give us an independent opinion. That is an option. I would also expect that Mr. Boyd in the future would give us both the pros and the cons so that we could feel more assured that on many matters, the opinion presented to us is more balanced so that we can make an informed decision.

Mr. Farnsworth stated as long we bring in a second engineer in situations where there are conflicts, that I could support, not replacing. When we are taking on another neighborhood, the slope needs to be independently checked before we take it over. We would not necessarily need him to do that, but we should hire someone independently to do that. Under those circumstances, I would support it.

Ms. Kassel stated I would like to hear from both Mr. Moyer and Mr. Boyd on the subject.

Mr. Walls stated if we bring in someone new, you are bringing in someone with no knowledge at all. If we are going to go down this route, whenever Mr. Boyd presents something to us or comments on a subject, I would like for him to tell us if he has been paid by the developer to work on a particular project so it is on the record and everyone knows.

Mr. Farnsworth stated I think he can handle that.

Mr. Walls stated which will probably be everything if it comes from the developer.

Mr. Boyd stated as you know, for all of the design work that I do on behalf of the developer. If you ask me any questions, I am always going to tell you the truth. I may

make a mistake or say something wrong, but I will always tell you the truth. The developer is paying me for the design work because the CDD is not initiating any design work at this point. Obviously you are paying me for the work that we are doing in the alleys at this time. From time to time, issues do arise. In the past few years, we have not had any because there has not been any new construction. Now obviously that has changed and we are back in the mode of where new construction is coming online. Will there be other situations in the future where something similar might come up? I would have to say yes. In those situations, what would be the right thing to do? I think the right thing for those situations would be for the developer to make the report and for the Board to ask me questions. If I could go back and do last month's meeting over again, that is the way I would have handled it. In regard to bringing new neighborhoods online and inspecting and accepting them, currently in H-1, which was recently completed, when we are inspecting those, we created an extensive punchlist, and Jr. Davis went back several times to fix. The developer paid for all of that time, so the CDD did not pay for my time creating a punchlist and doing inspections. It never occurred to me that what we were doing then, we would have cut a corner or not made Jr. Davis take care of something because that is the CDD's problem.

Mr. Walls stated that is not what I am getting at. I am expecting the developer to still do that, but before we take it on, we need someone from our side because it is our responsibility. You are getting paid by the developer as part of your job. We need somebody who can do that for us.

Mr. Boyd stated I am just pointing out that is an area where those are not dollars you are spending today to have that done. When I do it, the developer pays me to do it.

Mr. Walls stated I am just saying in that case, we cannot have you do it for us.

Mr. Berube stated for example, if there was a problem with the alleys, like in neighborhood G that existed then, when you are standing there on the street with a contractor and doing a punchlist like we have done a couple of times with Allstate, you can miss some obvious items and it gets tiring and you get sick of dealing with it sometimes. Perhaps the alley and the ponding issue in neighborhood G may have been noticed by a more critical eye who was just coming in and looking at the streets. Maybe you missed it and maybe you did not miss it. Maybe it was perfectly flat and it all drained when they were made. Five years changes things. What we are looking for is to

be sure that we do not get caught with significant bills on relatively new neighborhoods that may have been caught by spending a few dollars to have a second set of critical eyes look at it. We are not picking on you or trying to criticize you, but I think you understand that we are on a different position than the developer was when they controlled these Boards. I appreciate your knowledge and the fact that you come out here and go over the job with the contractors. I think that you do a great job, but I think the pond really brought up the perception of a potential conflict. I do not think that you saw it coming either, but as you got into that presentation last month, you started to feel it.

Mr. Boyd stated sure.

Mr. Berube stated that is my theory. Mr. Moyer was asked to address this. What do you think?

Mr. Moyer responded I can tell you what generally happens in Districts as they mature and you have people like Mr. van der Snel. It is not unusual for the field manager to take the responsibility because he is one who inherits the problem. He has a vested interest to make sure those alleys are constructed properly. If he has a problem and he sees something that he is not 100% sure of, then it makes sense to have an independent engineer he can pick up the phone and call who works for this District to come out and look at that problem. If they need to negotiate something with the design engineer, then he would be our advocate.

Mr. Farnsworth asked are you talking about an engineer who works for us who would be on call for us?

Mr. Moyer responded yes. We did that for years in Celebration where our field guys were responsible for the alleys. Over time, they ended up fixing the bird baths. They know what they are doing with alleys now. It is a learning process. Atkins, formerly PBS&J, was the engineer that worked for the developer. We hired Hanson Walter as our engineer to review things of that nature. That is totally acceptable. It does not cost a lot of money.

Mr. Berube stated from what I have seen from the Board, we have three people in favor of keeping the current situation and adding an independent engineer and two people who want to move away from Mr. Boyd per the discussion. What is the consensus? Do we keep Mr. Boyd in place as he is now and hire a separate independent engineer when we run into questions?

Mr. Farnsworth stated we can have one on retainer.

Mr. Berube stated exactly right.

Mr. LeMenager stated what I would like to see is not getting to a point as we had in H-1 where it is *fait accompli* and the District will take it and not have any discussion.

Mr. Berube stated that will not happen again.

Mr. LeMenager stated let us make sure that it does not happen again. That means we would like to see some proposals. We do not want to hear they will do a good job or they are going to do this and that or it is on private land. We want to make sure that we have some proposals and presentations as to the kinds of things the developer has in mind, where we actually pay the bill in the long term. To me, that is the key issue.

Mr. Walls stated H-1 was a learning experience for me and all of us. That is where a lot of it stems from for me. I want to make sure that we control it more, and if it is the will of this Board to keep Mr. Boyd, I will shake his hand and we will keep working. He knows where I am coming from. I work in a field where conflict of interest is harped on all the time. It is something that is on my radar.

Mr. Farnsworth stated I believe that it can be resolved without making a fundamental change in the structure that we have right now. It is an add-on activity.

Mr. LeMenager stated my concern is that the developer is not here, and when we pressed them on these issues, the answer was that it is on their land and they are going to be doing all of this work. Somehow the message has to be gotten across that if we have to pay for it in the long term, then we expect to be approving the plans before they are finalized because there are no more blank checks in terms of us taking over land. We did discuss that last time. I asked a couple questions of our attorney on what our options were when it was time to take over H-1. The answer was that we did not have any options. We need to have options on the front end. We want to make sure that we understand what these plans are.

Mr. Berube stated I had multiple meetings with Mr. Glantz over his tenure here, and I will tell you that his direction has changed a lot. He has calmed down a lot. He is a lot more responsive to input from folks who are already here, specifically the Board and residents. The grandiose plans have been toned down significantly. He is more on having a plan and making sure that all of the pieces of the puzzle fit before we just throw something out there and see how it flies. I wish he was here tonight because I think he

would agree. I understand what you are saying about all of the expensive shrubbery that we are going to maintain. I think we are going to have the ability to be more involved. The last turnover was a surprise for all of us. We had never been through that before and it was a learning curve. If no one else learned something from it, I learned that we are going to say no to a lot of stuff and slow down the entire process. I think we are all fundamentally in favor of keeping Mr. Boyd and asking the manager to find us an independent engineer. If you think Hanson Walter or Atkins is appropriate for our purposes, we will move forward.

Mr. Moyer stated fair enough.

Mr. Boyd stated regarding taking over new neighborhoods, I know that the plats for the next two neighborhoods are in the works, and the intent is to get those before you early so you can start reviewing them and have plenty of opportunity to comment on them.

Mr. Berube stated we are going to need your input when we receive the plats because I have seen them, but I do not think the rest of the Board has seen them. As soon as you can get that before us so we can have that discussion, the better.

Mr. Boyd stated those are actually prepared by the surveyor. They are not prepared by me.

Mr. Berube stated you know what is going on and can tell us what the pitfalls are.

Mr. Boyd stated on the cover page, there is a summary of what the CDD is responsible for.

Mr. Berube stated we appreciate your help with everything you have done in the past. It was not our intention to put you on the hot seat, but you were. I think our relationship will continue with some slight changes.

Mr. Boyd stated I enjoy working for the Board and will do my best to look out for your interests.

Ms. Kassel stated I just want to announce that for the last two meetings, we endeavored to get a microphone and speakers so we would be more audible to the audience. For whatever reasons, the ball was dropped. We are trying.

Mr. Berube stated that was my fault.

Mr. Moyer stated we called this morning to confirm the sound system would be set up for us.

Mr. Berube stated I understand, but the microphone that they have is directional and does not work very well. What we need is a microphone that is compatible with their system. It is wide angle and picks up all of the voices. I came here early tonight and looked at the specifications of that microphone so that we can get a wide-angle microphone and set it on a stand and run it through the system so that everyone can hear us. That will happen by next month, presuming that I can get that microphone.

B. Attorney

Mr. Qualls stated first of all, the letter to Mr. Michael Heaphy was sent. He called my office yesterday, but I was unable to take the call. The letter directed him to speak to the manager. I am not going to have much to say to him, but I will give him the courtesy of calling him back. The contract for the pond excavation was negotiated and is done. We added the language from Chapter 190, Florida Statutes, that all of the work must meet any specifications, be it water management or any other specifications for that type of construction and the sidewalk.

Mr. Berube stated the sidewalk will start at the bridge and go along behind the bat house, follow all the way around the back side of the pond and then will go straight almost at a right angle to Schoolhouse Road to join the existing sidewalk beyond the edge of the pond. If they had looped that sidewalk all the way around the pond to come back and meet at the bridge, you would have had two sidewalks: the new one and the one along Schoolhouse Road that already exists. They would have been about 12 feet apart, which did not make sense. You have a three-quarter loop all the way around. That new sidewalk edge will back up to the existing neighborhood. I think there is a landscape buffer that the new sidewalk will align with.

Mr. LeMenager asked what is the yellow thing in the water?

Mr. Boyd responded that is a floating silt screen to keep the silty water from construction from spreading into the larger part of the lake.

Mr. Berube stated we saw the design earlier last month. I looked at it and thought that it was supposed to go all the way around. Then I thought about it and said that it makes sense because if it went all the way around, you would have two sidewalks 12 feet apart which looks silly. Did you design that sidewalk?

Mr. Boyd responded we drew it up.

Mr. Berube stated the straight tie in, the 90 degrees, makes it better than running side by side with the existing sidewalk. It made sense and looks good.

Mr. Walls asked what is the timeframe in the agreement for the sidewalk?

Mr. Qualls responded I do not know that there is a specific timeframe for completing the work in the contract.

Mr. Berube stated no, because they need to get all of that excavation done and restore all of the land in the middle and then put the sidewalk around it. If they put the sidewalk in, there is no access to restore the damaged area. When all of the dirt is out of there and the pond is bigger, then the sidewalk will go in.

Mr. Walls stated I just want to make sure that it happens shortly thereafter.

Mr. Qualls stated the other issue with that contract stands for any contract I ever draft when it comes to something constructed by someone else regarding infrastructure that is turned over to the District to be maintained and managed over the long term. Every time we have ever structured a contract, it always says that before the District undertakes the infrastructure, it has been certified by the engineer that the construction and the specifications for the materials are in accordance with District standards. I want to make clear that this provision has been in every contract we ever done, and that has always been our position. Before you undertake to manage any infrastructure, you need to make sure that what you are undertaking to manage meets your specifications as far as the design, the materials, and the end product.

Mr. Berube stated this might be the first job for the new independent engineer.

Mr. Qualls stated I am not suggesting that. I am saying that your District has always had a District engineer that has always certified to you. I remember that most of it during meetings because I have asked the questions that what you are undertaking to manage over the long term has met District specifications and standards. I will point out that Section 190.007, F.S., talks about your duty to have a District manager who maintains the works of the District. It specifically says that it shall not be a conflict of interest under Chapter 112, F.S., for a Board member or the District manager or another employee of the District to be a stockholder, officer, or employee of a landowner or of an entity affiliated with a landowner. You know all too well that these Districts are typically formed by the landowner. The legislature has recognized that it is not an inherent conflict of interest by having the District manager, an employee, a Board member, or the engineer as an independent contractor, but I think that gives you an idea of what the legislature has directed in that area. I was not asked and have not been asked and I am

not now opining on the discussion the Board just had. I am just throwing out the statutory language in Chapter 190, F.S. Just so you know, I am one of the three professionals who was referenced earlier. I have only represented the District. I never had any affiliation with the developer or represented the developer. I serve at the pleasure of the District and have only ever represented the Harmony CDD. I really enjoyed the part of the discussion where you said to get any issues on the table. I know in my profession, if there is a conflict and it is pointed out and both parties agree, you can still move forward. I like whoever suggested getting the issue on the table and discussing it. The developer needs to be aware of it, too, so when the developer is using the District engineer to design something, I am sure the developer knows that the engineer is only going to do something that he can certify meets District standards. At least that would be my assumption and what I think you said. Again, I am not trying to influence anything that was said. I am just pointing some things out. As part of my continuing education, I heard a fascinating two-hour discussion from Ms. Patty Gleason who is the Sunshine expert in the State of Florida. I get questions about this all the time where someone will say they know any electronic communications are a public record, but for some reason, some people think that if they communicate with their personal cellphone or their private email, that is not a public record or if they text, that is not a public record. Ms. Gleason made very clear and the Statute makes very clear that the medium of electronic communication is not the determining factor. It is what is being communicated. If you are communicating with another Board member over any means of communication, that would be a public record and a Sunshine Law problem because you could perceive to be having a meeting.

Mr. Berube stated some people in Orange County found that out last year.

Mr. Qualls stated I always think that it is my duty to remind you of those things. I will just remind you not to get confused that texting does not apply. Do not text concerning District business. Texts are too transitory. It is not an excuse that you deleted it. Do not text on things that could be conceived that you are having a meeting outside of a publicly noticed meeting. We have covered Facebook time and time again. Do not get on Facebook.

C. Field Manager

i. Dock and Maintenance Activities Report

The monthly dock and maintenance activities report is contained in the agenda package and is available for public review in the District Office during normal business hours.

Mr. Farnsworth stated straight across from my house, right on the corner, close to the dog park, one of the doggie pots was replaced, but the type of bag was also replaced. What was the reason?

Mr. van der Snel responded it was actually more of a trial period to see how these bags worked. The costs are lower for the new bags than the roll bags.

Ms. Kassel asked on a per-bag basis?

Mr. van der Snel responded yes.

Mr. Berube stated we have been analyzing a lot of items and we needed to replace some doggie pots. Amazon has its own brand of doggie pot. We were paying \$379 for the old doggie pots that were made out of steel, which faded and rusted. The new ones are made out of aluminum and cost \$229. We used to spend \$1,800 on a couple of cases of the bags. There are two versions of bags: the ones in that doggie pot and some others that are similar to the ones we have been using. They are one-third less money. The doggie pot can stay as it is. People were saying that the bags were no good. The old design bags can go in.

Mr. Farnsworth stated it is not so much that they are no good. They are just too big.

Ms. Kassel stated my husband pulled a few out and they were defective. He did not like them.

Mr. Berube stated there is a cost difference and they were significantly less. We have two more to be installed around town. The idea was to stick them in the ground. The bags can be replaced with the traditional bags that we have. We have found similar bags that are substantially less. We will get some feedback. The bigger deal is saving money on the doggie pots. It is also a nicer looking stand.

Mr. Farnsworth stated it looks great.

Mr. Berube stated other things that have gone on with field service staff is, in the past couple of months, we have been talking about sidewalks. We bought a sidewalk grinder from a place in Pompano Beach. We bought it under the State contract. It normally sells for \$2,995 and we purchased it for \$2,495 delivered. It has been in use now for several

weeks. Countless sidewalks have already been done. Mr. Keating is out there on multiple days a week with this little unit grinding down the sidewalks that can be. The ones that cannot be grinded are being marked and recorded. Those will get replaced at some point. We had budgeted \$9,200 for another utility vehicle and we purchased one. It will be delivered next month. We purchased the vehicle for \$5,200.

Mr. LeMenager asked how many do we have now?

Mr. Berube responded we have three utility vehicles. We purchased this one because it is made in the United States and has a Honda engine. It only goes 22 mph. We purchased it on purpose because we have one that goes 35 mph, and that is too fast. The key to this is that we budgeted \$9,200 and we bought this for \$5,200. We saved the residents money, it gets the job done, and because we are a government agency, we are able to take advantage of the State contract purchases. It works out quite well.

Mr. LeMenager stated it looks good. It looks very professional.

Mr. Berube stated you saw the shirts. There is a bill in the package. I think that is the way that people working in the neighborhood should look. The residents should notice who they are and know who they are.

Mr. Farnsworth stated I think the workers actually feel better having them.

Mr. Berube stated they are all in uniform and all look the same way. We have good equipment and good people. They are well dressed. There are a lot of things going on. That is what is going on with the field services group, thanks to Mr. van der Snel. He threw a hamburger and hotdog party at his trailer the other day for staff and the Davey employees. Those Davey guys can make or break this place. A little bit of extra effort from them never hurts. They were all very appreciative of having nice homemade hamburgers and hot dogs and some soda. It is a good working relationship. Is everything going well with staff?

Mr. van der Snel responded absolutely going well. The transition for the trailer is completed. We received the permit. Mr. Berube is assisting us greatly with everything, which is a huge help. We have a lot of projects going on. We are going to paint the Swim Club building to make it fresher with the same colors. We are going to paint the Lakeshore Park restroom. We have a lot of work going on. We are keeping busy.

Mr. Berube stated we had to install internet into that trailer, and BrightHouse wanted \$119 a month for the basic internet with a contract required because they had to dig. It

dawned on me that we had an arrangement with Sprint and they gave us a Sprint air card for unlimited internet for \$38 a month. It grabs the internet right over the airwaves because we have a 4G tower across the street. Sprint saved us a lot of money. We have a nice speedy internet. Sprint is treating us well so far.

ii. Buck Lake Boat Use Report

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

Mr. van der Snel stated we are doing some dock maintenance on the pontoons. We just received a new bench today so we will make the upholstery look nicer. We just had two E-drives installed. We are giving the dock a little more attention.

Mr. Berube stated we had a concern from a boat user on the condition of the boats. A critical eye said that we need to spend some money sprucing them up. That will be taking place as we move forward. The resident who said that the boats looked ratty was right.

Mr. van der Snel stated absolutely. It is good to get feedback.

Mr. Berube stated you are doing a great job. Keep it up.

Mr. van der Snel stated thank you.

iii. Approval of Proposal/Invoice from SunShades Awning & Shade Products

Mr. van der Snel stated the roof in the pavilion at Lakeshore Park looks really bad. It has been patched a couple of times. I have an estimate from SunShades.

Ms. Kassel asked why are we going with yellow?

Mr. van der Snel responded because we want to have unity with the other two roofs.

Mr. LeMenager asked do you mean the octagon roofs?

Mr. van der Snel responded yes.

Mr. Berube stated the tubes that hold this up are browned out and they need paint. When you look at the swing set, there are two different colors of green. If you look carefully at the green tubes that hold up the yellow structures, they are in need of paint. Presuming that we approve this, the existing fabric will come down, they will paint all of the brown tubing green, and the same green will be used on the swing set as well as all of the tubes on the existing yellow structure. When this is all done, we will have all green steel and all yellow fabric material so it will look integrated. It needs to be done. We contemplated this in the budget and budgeted \$5,000 for it.

Mr. LeMenager asked will it be the same yellow?

Mr. Berube responded it is very close.

Ms. Kassel stated I would prefer to see it be dark green. The shade structures over the playground are probably two to three years old now. When they go, we need to replace them with something that ties in better.

Mr. LeMenager stated I agree. I think they are all better as green.

Mr. Walls stated I vote all green.

Mr. Farnsworth asked are you saying that you want them all to be all green and have no yellow?

Mr. LeMenager responded when the two yellow awnings wear out, we will replace them with green so it looks more park-like.

Mr. van der Snel stated the material has a 10-year warranty.

Mr. Berube stated this started out at \$6,500. I asked Mr. van der Snel to go back to the supplier and tell them that we did not have this much money in the budget and to see what they could do. They lowered the estimate from \$6,500 to \$5,500. When they did that, they did so by changing the material and the warranty on the material went from eight years to ten years.

Mr. Farnsworth stated before you vote on this, I need to make one comment. If you turn them all green, it looks like you are trying to camouflage them. It is totally colorless. I am not a great fan of yellow and green, but at least the yellow gives it some color.

Mr. Berube stated I thought green and yellow, too, because the yellow makes it stand out. I think it is nice and bright.

Ms. Kassel stated I do not care for the yellow.

Mr. Walls stated I do not care one way or the other.

Mr. LeMenager stated I prefer the green, but if the other Board members want yellow, I am not going to argue.

Mr. Farnsworth stated something other than all green. If you are against yellow, make it white.

Mr. Berube stated the proposal was yellow with green tubes.

Mr. Farnsworth stated I am good with that.

Mr. Walls stated yellow is fine.

Mr. LeMenager stated I want all green but I have no problem with yellow if that is what everyone wants.

Ms. Kassel stated I want all green.

Mr. Berube stated I like yellow, so yellow it is.

On MOTION by Mr. Walls, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the proposal/invoice from SunShades Awning & Shade Products for a sun shade in an amount not to exceed \$5,500, as presented.

iv. Approval of Estimate on Tile Flooring in Swim Club Restrooms

Mr. van der Snel stated I have a proposal for the restrooms at the Swim Club for inside and outside. The floors were always a problem for me. From a hygienic point of view, it collects a lot of bacteria. I found this tile that would look very nice and has a flat surface. It is slip resistant and withstands bacteria.

Mr. Berube stated if you have never been in the bathrooms, there is an ugly, brown, dull floor. No matter how you try to clean them, there is a white residue. It does not look nice. We have a couple of bathrooms that are already tiled. I think the bathroom at Lakeshore Park has a tile floor. It is easier to clean, looks professional, and looks good. There are some drains in the floor that need to be accommodated so the flexible small tiles allow the water to get into the curbs of the drains. I think it is a good idea to make the bathrooms look professional and solves this ugly look of the floor.

Mr. Farnsworth asked does the flexible tile hold up well with age and wear?

Mr. van der Snel responded yes. We are going to have Flexibond as glue. It is pretty much the most durable glue you can have.

Mr. Berube stated Flexibond moves so you do not have cracked tiles.

Mr. van der Snel stated the bottoms of the dividers are worn out, so we are going to repair those, too, so it all will look very nice.

Ms. Kassel stated my only concern about this is there is less from the bottom up cracking than from the top down cracking with people dropping things on it and abusing it. Is the current floor the painted cement?

Mr. Berube responded yes.

Ms. Kassel stated even though it is not attractive, it is durable. I am concerned about the durability of the tile.

Mr. Berube stated I have some of this in my house. When it is down, you can replace them individually. We will have some spares. If one gets cracked, you just take out the

grout and remove the square and pop in a new one. This is actually easier to fix than full tiles. I have this in several areas of my house and I replaced a couple of them.

Mr. van der Snel stated considering the location of where it is, in a pool area, people would not bring in glass because it is not allowed anyway.

Mr. Berube stated the durability should be good. If some of it gets damaged, it is an easy fix.

On MOTION by Mr. Farnsworth, seconded by Mr. Walls, with all in favor, unanimous approval was given to the estimate on tile flooring in Swim Club restrooms in an amount not to exceed \$3,532.

Mr. Berube asked will the tile be installed in January of 2015?

Mr. van der Snel responded yes.

SEVENTH ORDER OF BUSINESS

District Manager's Report

A. September 30, 2014, Financial Statements

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

Mr. Moyer stated you received financial statements through September 30, which is the end of our fiscal year. We now know where we are at in terms of revenues and expenditures. On the revenue side, we collected all of our non-ad valorem assessments. We are \$11,085 to the good, most of which came from the timing of when those assessments were paid and when people are taking their discounts or not taking their discounts, as the case may be. On administrative expenditures, we are over budget on legal services and I have a budget amendment. Overall as a category, we are \$665 over budget on a \$184,000 administrative budget. I think we are all aware of the special projects that Mr. Qualls got involved in during the year, which accounted for that overage.

Mr. Berube stated we also had a lot of administrative items for the trailer and the transition into the trailer. Luckily all of that is behind us.

Mr. Moyer stated you are pretty much right on budget.

Mr. Berube stated we spent \$161,000 on street lights.

Mr. Moyer stated for field management services, we are \$7,700 under budget. Landscaping is \$6,667 under budget. Utilities is where we spent the \$161,000, which put us over budget in that category by \$133,000. For operation and maintenance, we were \$38,000 under budget. We had the expenditure from reserves for the dock for \$25,812. Taking all items into consideration, our fund balance will decrease by \$96,409. As busy as we were last year and the projects that we undertook and the street lights, we are better off than we thought we were when we made the decisions to undertake those projects.

Mr. LeMenager asked do we have any estimate for what we are going to spend on street lights this year?

Mr. Berube asked for new neighborhoods?

Mr. LeMenager responded yes.

Mr. Berube stated it is zero.

Mr. LeMenager asked we are not going to put in any new lights?

Mr. Berube stated we are not going to purchase any lights.

Mr. Walls stated sounds good to me.

Mr. LeMenager asked based on what?

Mr. Berube responded there is no legal requirement that we buy lights. Lights are part of the infrastructure in that neighborhood, and the developer is going to buy their own lights.

Mr. LeMenager stated that was the discussion we had before. It sounds like a change in your position. Why did we spend \$161,000 on these?

Mr. Berube responded because the precedent was there and we got pressured into it. I did not put up enough resistance.

Mr. LeMenager asked is your position that we are not going to purchase lights?

Mr. Berube responded yes.

Mr. LeMenager stated Mr. Qualls, you better get ready for a fight on this.

Mr. Berube stated we already had the discussion.

Mr. Qualls stated just remember, the Board has the special power for maintaining street lights, not purchasing them.

Mr. Walls stated I can go along with that. The bonds were issued by this District to build infrastructure some time ago, and the proceeds from the bonds were exhausted before we even came into the picture, if that is the stance we want to take.

Mr. LeMenager stated I am in agreement. It was in the original bond document and then suddenly it vanished when utility companies decided to rip off as many people buying homes in new neighborhoods as possible.

Mr. Berube stated the only reason why I went along with it last time was because the precedent had been set. The precedent had not been set for street light purchases by this Board in its composition as it is today. I felt a certain amount of pressure to get it done. What swayed me was the precedent. I should have thought about it more and stopped it then. My mistake. I have done extensive research. He and I have had conversations about this a number of times as to whether or not we have to buy street lights, and there is nothing that says we have to buy street lights.

Mr. LeMenager stated they are not bought; they are provided.

Mr. Walls stated it was a capital cost.

Mr. Berube stated we pay for the maintenance. The developer recognizes that it is a choke point because he mentioned it several times. They are going to try to minimize the impact of street lights. He knows this battle is coming. There was no legal provision that said we have to pay for street lights. I will gladly absorb the ongoing maintenance cost as we already have, but I am not willing to write a check for any more street lights.

Mr. LeMenager stated basically, what we are saying is, we are changing the policy that was set by this Board in 2002 or 2003, when this Board said that it would enter into these leasing agreements.

Mr. Qualls stated what I know is that the Board had entered into leases.

Mr. Berube stated but we already changed that policy because we did not take a lease the last time.

Mr. Qualls stated you essentially contracted with OUC for OUC to maintain the street lights. You are fulfilling your duty in that manner, but I do not think that past actions of a Board in that regard are binding on a future Board. What you have to weigh is, you have a special power to maintain the street lights. I do not want to sit here and get into hypotheticals. I guess what you have to consider is what if the developer then says they are not paying for them either.

Mr. Berube stated then there will not be any street lights. A street light is no different than the cost of the transformers that are up, the water pipes in the ground, all of the irrigation, benches, and swing sets.

Mr. LeMenager stated there is no point having this conversation without the other side here.

Mr. Berube stated I understand.

Mr. LeMenager stated I am assuming that they are going to read these minutes.

Mr. Berube stated the engineer is going to sit in at design meetings and say they had better be careful what they do with street lights because they are going to be paying for them, not the CDD. I know he is going to tell them that.

Mr. Boyd stated I already told them that this is an issue.

Mr. Berube stated we cannot swallow the cost of those street lights anymore. They are too expensive. Maintenance is bad enough. We have a \$4+ million obligation already out there. I am ready for the battle.

Mr. LeMenager stated my opinion is, this is one of the biggest fast ones pulled by CDDs in the State of Florida.

Mr. Berube stated we are not buying any more street lights. That is the deal.

B. Invoice Approval #174 and Check Run Summary

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

Mr. Berube asked when we see that invoice approval and check register, is the check register from last month's bills? There is a set of invoices here. Is that check register for this set of invoices or for last month's invoices?

Mr. Walls responded the invoices that have not been paid.

Mr. Moyer stated Mr. Walls is right. To the degree these have not been paid yet, sometimes you authorize that they be paid.

Mr. Berube stated so the check register is for the invoices we saw last month. The invoices that we have in this agenda package will be next month's check register.

Mr. Moyer stated correct.

Mr. LeMenager stated I know that we paid the \$161,000 to buy out the lease on those street lights. Are they charging us for service yet?

Mr. Berube responded not yet.

Mr. LeMenager stated I saw those bills and I did not feel like going through all of them.

Mr. Berube stated it is going to jump by \$289.11 and it has not shown up yet.

On MOTION by Mr. LeMenager, seconded by Mr. Walls, with all in favor, unanimous approval was given to the invoices and check register, as presented.

C. Website Statistics

The website statistics are contained in the agenda package and are available for public review in the District Office during normal business hours.

D. Public Comments/Communication Log

The complaint log is contained in the agenda package and is available for public review in the District Office during normal business hours.

E. Consideration of Resolution 2015-01 Budget Amendment for Fiscal Year 2014

Mr. Moyer read Resolution 2015-01 into the record by title.

Mr. Moyer stated governments do this. We are permitted to do it through November. What we are doing is increasing or decreasing certain line items to reflect the expenditures that were made during the fiscal year.

Mr. Berube stated our books close as of September 30.

Mr. Moyer stated that is right.

Mr. Walls stated we do this every year.

Mr. Berube stated so any invoice that we have as of September 30 counts for the last fiscal year. It does not matter when the money was spent. It is when the invoices are received. Is that correct? If we spend money in September, but we do not get the invoice until October 16, does that go into next fiscal year?

Mr. Moyer responded no, the 2014 fiscal year.

Mr. Walls stated when the work is done, they accrue it back.

Mr. Berube asked when does that actually shut off?

Mr. Moyer responded in theory, we should have all of those invoices in now. If not, they would be accrued in your balance sheet and would be booked against the balance sheet.

Mr. Berube stated that is the reason why I asked if we received Davey's October invoice, which was for last year, but we are going to have some offsetting invoices coming from Davey going back to May. It is not as much money, but I was just wondering how it all worked. So the books are closed for fiscal year 2014, but they are not really closed. There would be some minor modifications.

Mr. Moyer stated that is right.

Mr. Berube asked is this amendment to provide a balanced budget?

Mr. Moyer responded or in some cases, we provided monies that are more than what we have currently expended. Generally, the answer to your question is that it aligns your expenditures with your budget.

Mr. Walls stated our budget is always balanced.

Mr. Berube stated we are making sure our budget is balanced.

Mr. LeMenager stated until we run out of money.

Mr. Berube stated we are not there yet, but we might be soon. Any more street lighting purchases and we will be out of money.

On MOTION by Mr. LeMenager, seconded by Mr. Walls, with all in favor, unanimous approval was given to Resolution 2015-01 amending the budget for fiscal year 2014, as presented.

F. Assignment of Fund Balance as of September 30, 2014

Mr. Moyer stated the accountants have started this practice of having the Board formally approve the allocation of fund balance. Operating reserves are \$257,981, renewal and replacement is \$133,376, and self-insurance is \$50,000, which would still leave the Board with an unallocated fund balance as shown on your balance sheet.

On MOTION by Mr. Walls, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the assignment of fund balance as of September 30, 2014.

EIGHTH ORDER OF BUSINESS

Supervisor Requests

Mr. LeMenager stated we are going to elect Chairman, Vice Chairman, and so forth next month. This will be the first time that we have no one from the developer serving on the Board. I was speaking with Mr. Moyer briefly about this last month. In keeping with the tradition, pretty much every single Board in the County rotates the various offices. Personally, I would be happy to see Mr. Walls run the meetings. I do not think that it changes anything with respect to our relationship with the developer. I would like to see if we can set the same precedent that all of the other governmental bodies in the County are doing.

NINTH ORDER OF BUSINESS

Adjournment

The next meeting is scheduled for Thursday, November 20, 2014, at 6:00 p.m.

On MOTION by Mr. Farnsworth, seconded by Mr. LeMenager, with all in favor, the meeting was adjourned at 8:00 p.m.

Gary L. Moyer, Secretary

Steve Berube, Chairman