

MINUTES OF MEETING

HARMONY COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, March 26, 2015, at 6:00 p.m. at Harmony Community School, 3365 Schoolhouse Road, 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, van Assenderp & Qualls, P.A.
Mike Williams (<i>by phone</i>)	Akerman Senterfitt
Jon Kessler (<i>by phone</i>)	FMSbonds
Bob Glantz (<i>by phone</i>)	Starwood Land Ventures
Garth Rinard	Davey Tree
Gerhard van der Snel	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.

SECOND ORDER OF BUSINESS

Audience Comments

Ms. Rachel Garwood stated for the future, I think that you need to think about leaf cleanup. One landscaper blows the leaves one way and another landscaper blows them the other. It is a real mess in places. Most leaves are sitting in the gutters, which are going to go down the drain. I do not know whether or not that is going to hurt the drains. We will have problems if there is a major storm and the water does not drain.

Mr. Berube asked are there specific areas?

Ms. Garwood responded there are leaves all over on Cat Brier and Five Oaks.

Mr. Berube stated I noticed that over the past several weeks, Davey Tree has been out there several times with their crews, cleaning up the gutters along the parkways. They are remarkably clean. I took notice that the wind shifted the next day, and they all came back. I believe that the leaf cleanups were a courtesy.

Mr. Rinard stated they were. It is not specified in the scope. Mr. Jon Rukkila has had it on a two-week cycle, and we should see what the flushing of the trees does. I cannot speak for the neighborhood areas, but the roadways are going to see that diminish. We have seen a lot of leaves fall this year.

Ms. Garwood stated trees are getting bigger. You need someone to go around with a vacuum or blower.

Mr. Rinard stated our process is partly blowing to consolidate as well as physical removal. It is not just shifting and moving them to other areas.

Mr. Berube stated you are right. As the trees grow larger, there is clearly more volume of leaves and more development. Their contract is up for renewal this year, and perhaps we can add something in there to clean up the leaves. The disposing of leaves is time consuming, laborious, and troublesome. That is a good point.

Mr. Farnsworth asked can we hire or rent a street sweeper?

Mr. Berube responded when I lived up north, the city that I lived in tried to use vacuum trucks. It worked great. The only problem is after three blocks, the truck was full of leaves. At that point, they had to go to the dump and empty the truck. You had these big huge trucks that had virtually nothing in them but a volume of leaves since they are hard to pack. Maybe that is something we can discuss and come up with a plan.

Mr. Farnsworth stated it would certainly be faster but it might be too costly.

Mr. Rinard stated we do not have a lot of experience with vacuum trucks, but I do know the capacity compared to the size of the truck is smaller than you might think. With the dumps and frequencies in not having anything onsite, I assume that it would be rather costly.

Mr. Berube stated that is something to discuss in the future.

Ms. Kassel stated where I was from, they had a vacuum truck that vacuumed the leaves into a shredder. That would compact it.

Mr. Berube stated we will work on it.

Mr. Justin Kramer stated I spoke to Mr. van der Snel and a couple of Board members, and it seems like there is a lot of organizational concerns and life safety issues. For example, this weekend, I was walking down the street and a gentleman was grinding the sidewalks for trip hazard mitigation. He had no safety equipment on of any sort. I have concerns about the liability of residents and the safety of the gentleman grinding it. There

seem to be a lot of things happening that are not as concise. We have a lot of people who are working hard and doing a lot of amazing things, especially Mr. van der Snel. He has been responsive to any concerns that I had. I talked with him about mistletoe mitigation in some of the parks. There is a right and a wrong way to do these kinds of things. I just want to make sure that we are considering all of the options and how to do that in the best manner. As a layperson, when I look around, I see people doing dangerous jobs without using safety equipment. I see people doing the best fix that we can do for a certain amount of time without doing the proper research. I am concerned from a project management standpoint of how this work gets assigned, who is looking into these things, and how it goes. I know that people in the field are getting pulled in a thousand different directions, and sometimes it is hard to do all those things. Just from my standpoint and my piece of mind, I wanted to come to you and ask how this is being approached. I also have some concerns about the treatments for the lakes as far as the efficacy of treatments and doing due diligence to make sure that whatever we are doing, whether it is vacuuming leaves or grinding concrete, how we are insuring that we doing this in the best way and the safest way possible.

Mr. Berube stated in regard to safety concerns, there is no restriction for safety equipment for the guys who work here. We have dust masks and leather gloves. We insist they wear boots and goggles, but you cannot force people to do that all the time. All of the equipment is available to every single employee. There is no resistance. If you look around, you will see employees wearing rubber gloves when they pick up trash. Whatever the guys need in the field that they are willing to use, we have and we supply them.

Mr. Kramer stated I am not sure how the Occupational Safety and Health Administration would take this. Please do not take it as a threat.

Mr. LeMenager stated this is a comments section, not a question-and-answer session.

Mr. Berube stated I understand. I will say again that there is no resistance to buying safety equipment. Whatever an employee requests, if he wants to use it, we will get it. Mr. LeMenager is correct. This is a comment section. We have been discussing ponds over and over, and we have a professional maintaining the ponds several times a year. We have discussed this back and forth numerous times at meetings.

Ms. Valerie Ang stated I wanted to bring up the issue of the requirements for resident access cards. They are not stated clearly of what you require from residents. Is this going to be addressed at this meeting?

Mr. Berube responded we will handle it for you right now since you had an issue this week with it. We will present the issue to the Board.

Ms. Kassel asked why are we discussing it now instead of under the rules?

Mr. Walls stated I agree. We can hear what she has to say, though.

Ms. Kassel asked what is your suggestion?

Ms. Ang responded that you use a different system. Is the intent to confirm identity or residency?

Ms. Kassel stated both.

Ms. Ang asked do the rules need to be amended to clarify what we need to submit to prove either residency or identification? The government requirements from DMV are a lot different and less strict than what you require for us to get an access card to use the facilities, be it a renter or home owner. I just wanted to know how we can address it or change it so everyone gets fair treatment.

Ms. Kassel responded we will be discussing that with the rules.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the February 25, 2015, Workshop and the February 26, 2015, Meeting

Mr. Berube reviewed the minutes of the February 25, 2015, workshop and requested any additions, corrections, notations, or deletions.

Ms. Kassel stated there was one place where a word was missing. I was not able to bookmark it on my tablet.

On MOTION by Mr. Walls, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to the minutes of the February 25, 2015, workshop, as amended.

Mr. Berube reviewed the minutes of the February 26, 2015, regular meeting, and requested any additions, corrections, notations, or deletions.

Ms. Kassel stated page 16, above the last paragraph should read, "It is not an ~~adder~~ add-on for them to keep it clear cut all the way to the water's edge."

Mr. Berube stated page 8, the motion regarding the Davey Tree contract should be “a 2% increase effective ~~immediately~~ upon renewal of the contract.”

Mr. LeMenager stated I thought that it was effective immediately.

Ms. Kassel stated me, too.

Mr. Berube stated it is upon the renewal of the contract.

Mr. Rinard stated the 2% is a scheduled increase in the second one-year renewal period, which would be effective October 1, 2015.

Mr. Berube stated page 38 should read “MasterCard purchase for ~~\$5,959~~ \$459.59.”

On MOTION by Ms. Kassel, seconded by Mr. Walls, with all in favor, unanimous approval was given to the minutes of the February 26, 2015, meeting, as amended.

FOURTH ORDER OF BUSINESS

Subcontractor Reports

A. Aquatic Weed Control

i. Bio-Tech Consulting Monthly Highlight Report

Ms. Kassel stated a representative from Bio-Tech is not here; however, there are some issues. Mr. Kramer brought to my attention the fact that we have alligatorweed in Long Pond and we may have it in other ponds. This is an invasive weed that can take over very quickly. Long Pond is one of the ponds that is only treated three times a year or once a quarter.

Mr. Berube stated once a quarter.

Ms. Kassel stated if it is only treated four times a year, that gives a long time for the alligatorweed to make a lot of headway. I am guessing that they are using the chemical imazapyr, which by nature does not distinguish between the plants it kills; thus, rare and endangered plants are particularly at risk from exposure to the herbicide. I do not know if there are rare or endangered plants in the ponds because they are new. It is like using Roundup. Mr. Kramer noted that there are two insects that are predators and eat this particular plant. Will you be able to secure them?

Mr. Kramer responded the Army Corps of Engineers has a harvest of the alligatorweed flea beetle. The beetle’s only food source is alligator weed. They do it around this time, within the next two to three weeks. When I discussed it with the Army Corps of Engineers, they told us to wait two to three weeks to see if it was already in this area. We can see it in the degradation of the plants. If not, we can contact the Army Corps of Engineers, and they will secure some for us and deliver them to us. Regarding

chemicals, the information about the health and safety of the chemicals is not large and we do not know much about them. One is imazapyr and the other is glyphosate, which is Roundup. Glyphosate is quasi-effective but is not a good long-term solution. It does not treat the plant to the core. Imazapyr does better but it does not kill the plant completely, so you will keep treating it, and it needs about a three- to four-week cycle of treatment in order to maintain the plant treatment. One problem with this chemical is that it can leach into the groundwater. It has a leach distance of four to five feet, which for us is our water table, so it will end up in our water supply. I am not here to argue one way or the other, but I just want you to be aware of it. When I spoke with the Army Corps of Engineers, they recommended against using chemicals and recommended using the beetle because it will eat only alligatorweed. You do not have to keep paying someone to treat the pond every time. It is an ongoing treatment source for long-term efficacy. Using chemicals will harm the beetle because it will kill off a swath. If they do not have a food source for the time being, they cannot maintain the pond. I know this Board is focused on money. This is a long-term solution that does not require constant retreatment. Torpedo grass is another issue, and there is a fish that eats the torpedo grass. There are some options that do not involve chemicals.

Ms. Kassel stated I will offer to meet with you, Mr. van der Snel, and Mr. Larry Medlin.

Mr. Kramer stated I cannot stress enough that you cannot mechanically remove alligatorweed because it will reproduce from breakage. That is one of the best ways of reproducing. It will only make the problem worse. Chemicals or beetles will help us fix the problem.

Mr. Berube stated I have been an advocate for a number of years to discontinue all chemical treatments of the ponds for any number of reasons. It has been my position that we do nothing with the ponds except on an as-needed basis. I think the ongoing monthly and/or quarterly treatments are doing nothing but spreading more and more chemicals into the water, which may or may not have positive effects. We are providing aesthetic control to a certain degree, but at a cost.

Mr. Kramer stated the only problem that I see is that the invasives in this area do not stop. There needs to be a treatment protocol, but there are a lot of environmentally friendly, non-chemical treatment protocols that you can use for these types of situations. I

support the concept, but treatment does need to happen in some form, preferably not chemicals.

Mr. Berube stated I was contemplating stopping chemical treatments.

Mr. Kramer stated I understand.

Mr. Berube stated I am not against using alternate treatments. Ms. Kassel volunteered to meet with you. Bio-Tech is a chemical company, and they are going to go with the chemical treatment that may or may not be the best way.

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 a number of things have been occurring. As you recall, last month we discussed the Cat Brier project and moving that forward. The transplants were completed in short order. We talked about moving the annuals forward due to the good weather we are having. That has occurred. There are new annuals in the beds. Some beds were reduced as far as the footprint relative to the additional annuals that were over and above what was contracted. It was our understanding that the west entryway annuals were going to be handled by the developer as things move forward. Within the last week, we created a bed at the Cat Brier and Five Oaks roundabout. We are removing a portion of the bed and will install the balance of the annuals that we are installing at the west entryway into a new bed at the roundabout.

Mr. LeMenager stated I understand that kids killed the grass in the small park in the Green neighborhood. There is also a flowerbed. When I drove by it a couple of days ago, it was full of weeds. Are they killing what is mulched, too?

Mr. Berube stated yes.

Mr. Rinard stated I will have Mr. Rukkila focus on that. We do see a lot of activity as far as kids trampling through the beds. The kids are just being kids.

Mr. LeMenager stated we really need to rethink how we have landscaped that area.

Mr. Rinard stated yes.

Mr. Berube stated as they do their landscape plan for directly across the street, I spoke to Mr. Glantz about picking up some of the landscaping costs for transformation and hopeful the Green park, as well. That is the holdup in doing something with the park in this vicinity.

Mr. LeMenager stated there is a large park close to that neighborhood.

Ms. Kassel stated there is also going to be a linear park.

Mr. Berube stated the entire park plan will come together. Delays in construction have kept pushing this back. As a reminder to the Board, several months ago, we had a couple of proposals for the Cat Brier landscaping. We all raised our eyebrows at it. That has since been rethought. Ms. Kassel took the lead on that, along with Mr. van der Snel and Mr. Rukkila, and put together a different proposal. I will let her discuss the latest revision.

Ms. Kassel stated you received a proposal earlier today, which Mr. Rukkila and I discussed. The Board members received a revised proposal by email, but there will be some changes. We are probably going to reduce the number of mimosa, which is the largest single item on the proposal. We will reduce the number by spacing them out. I have some ferns at my house, and I will provide them to the CDD for free and to transplant them in the palm tree beds on Cat Brier. There will be a cost reduction in the mimosa and a cost increase in labor to remove and replant those ferns. We have not figured that out yet, but we are currently at \$5,200.

Mr. Rinard stated we were originally targeting \$6,000 from a budget standpoint. I have not calculated it, but if we stretch the mimosa from 10 inches on center to 12 or 14 inches, I think we can save at least \$500. To include the labor to take cuttings and transplant will cost \$5,000 to \$5,500. Then we can finalize the details with Ms. Kassel.

Mr. Berube stated the \$5,500 will come out of Landscaping-Miscellaneous Services, which currently has \$8,000 budgeted and would leave about \$2,500.

<p>On MOTION by Mr. LeMenager, seconded by Mr. Farnsworth, with all in favor, unanimous approval was given to the proposal provided from Davey Tree for the palm tree beds at the roundabout on Cat Brier, including the installation of mimosa and ferns from Ms. Kassel's residence, in an amount not to exceed \$5,500, as discussed.</p>
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Mr. Berube stated Mr. Qualls had a concern about the way that we decided to extend Davey Tree's contract.

Mr. Qualls stated as I understood the motion at the last meeting, the 2% increase was to be effective immediately, and there would be no increase for up to three years. The request for proposals (RFP) for landscape services was a two-year term with two, one-

year extension options. The second one-year option would expire on September 30, 2016. I just wanted the Board to be aware that the current contract will expire on September 30, 2016, even if you exercise that second one-year option. You have to be very careful when you advertise for a specific term. Our advice to you would be to not extend that term beyond what you advertised, or you are going to open yourself up for a potential bid protest. The theory would be from other vendors that if they would have known this could have been more than a four-year deal, they could have adjusted their prices, and you could be opening yourself up to a bid protest. Our advice would be that you readvertise this and go through the RFP process. You have plenty of time to do it. I just wanted everyone to be aware that by approving that motion, your negotiation for making the 2% effective immediately is a moot point.

Ms. Kassel asked if we did not change anything and we came to the end of the contract and we wanted to renew our contract with them, would we still have to go through an RFP?

Mr. Qualls responded yes, because you advertised it as a two-year term with two, one-year extensions. There is case law that says if you do an initial two-year term, you can renew it, but you cannot renew it beyond the existing term. You are maxed out at four years any way that you look at it, even if you exercise that last-year option. Our advice to you would be if you extended it beyond what you advertised, you would be opening yourself up to a potential bid protest.

Mr. Berube stated I appreciate the advice, but I am tired of all the what-ifs and threats of lawsuits.

Mr. Qualls stated I am not threatening.

Mr. Berube stated I know, but that is the implication. The what-if is that some other landscape contractor may decide to spend some legal money in an attempt to sue us over this good deal that we negotiated.

Mr. Moyer stated you also need to keep in mind that there is a compliance section of the audit that says we are in compliance with rules, ordinances, contracts, and things of that nature. That will end up being an audit letter comment that we would have to respond to and tell them what we are going to do to cure that problem.

Mr. Qualls stated any potential savings that you would have by just extending this beyond how it was advertised would be quickly eviscerated if you needed to defend against a bid protest. I am not saying that you would get sued. I do not know that.

Mr. Berube stated the other issue is compliance for the audit.

Mr. Qualls stated my point is that I know you will not receive a bid protest if you readvertise.

Mr. Berube stated we have some time to play with this. We have about 18 months, but we will get on this early.

Ms. Kassel stated Mr. Qualls is suggesting that we redo our motion to reflect that we are not going over the original expiration date of the contract.

Mr. Qualls stated I think that would be wise so you have a clean record. Pursuant to Robert's Rules of Order, since there was a unanimous vote, any one of you could move to reconsider that motion. That is a technicality. I think that the Board cleared that up earlier in the minutes.

Mr. Walls stated we do not want to leave Davey Tree hanging, but perhaps in the next couple of months, we can work something out and figure out what we are going to do.

Mr. Berube stated maybe there is case law out there where somebody already did this and we can get around it.

Mr. Qualls stated we will look through the case law because I understand the economics of it. There was discussion of the license agreement that the District has with the developer and the sublicense agreement that you would enter into with Davey Tree. There was a question from Davey Tree about named insured versus additional insured. We did the research and we do not see a distinction. I brought a revised contract that would name the District as an additional insured. If that meets with your approval, I can have the Chairman execute it. I am not trying to rush you.

Mr. Berube stated we are sorry to have led you down that path, Mr. Rinard, but we will work it out.

Mr. Rinard stated one of the primary concerns coming into last month's meeting was to try to defray costs relative to the fencing. That is still achieved under the current scenario. The offer is still out there. If it can work out, terrific; if not, you know we want to keep serving the District.

Mr. Berube stated I think that District counsel could figure out a way around it, but the audit is going to be a problem. We need to meet the audit requirements. We will figure out what needs to be done, and we will not wait until the last minute.

Mr. Walls stated as a formality, we could make a motion to reconsider the contract renewal.

Mr. LeMenager stated we are going to push that forward a few months so we can think about it.

Ms. Kassel stated I would like to table this matter for a month or two so we can negotiate it.

Mr. Walls stated that is fine.

Mr. Qualls stated I think it will be captured in the minutes, pursuant to your earlier discussion, that the 2% is not effective immediately. It will be effective pursuant to the terms of the contract.

Mr. Berube stated exactly right.

Mr. Qualls stated I think we are good.

Mr. Moyer stated within the next two months, the proper motion would be to exercise the one-year renewal option that is part of the contract.

Mr. Berube stated yes.

Mr. Qualls stated good point.

Mr. Berube stated whatever research you do on the legal side, keep in mind the requirements to meet the audit. Hopefully, we can resolve this matter.

Mr. LeMenager stated I would like to discuss tree trimming over 10 feet. The trees are getting big, and many of them are starting to touch houses, especially on the boulevards.

Mr. Berube stated they were trimming today along Cat Brier. A resident was concerned about a tree encroaching a house, and I asked Mr. Rukkila to handle it. Suddenly, there was a crew of guys out there.

Mr. LeMenager stated that is great.

FIFTH ORDER OF BUSINESS

Developer's Report

Mr. Glantz stated at the last Board meeting, we discussed that we are under contract for private home builders for approximately 397 lots in parcels I, J, K, and L. The contract is now binding, and we will be closing on lots as soon as they are developed.

The first development parcel going in there is parcel I. It will be age restricted for 55 and better. It will have its own community clubhouse. As we discussed at previous meetings, we will make arrangements to keep access to the lake. We will address that with the CDD at a future date. I know that is a concern of this Board. The purchase agreement is for parcels I, J, K, and L.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Engineer

There being nothing to report, the next item followed.

B. Attorney

There being nothing to report, the next item followed.

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. Berube stated since Mr. van der Snel came on board, we have had a *de facto* spending limit for him of \$500. I think this was because his debit card is limited to \$500 per day, and he stuck with that. Before he spends over \$500, he contacts Mr. Moyer or me and asks for permission, and that is fine. But there are a lot of things where we spend over \$500, and I am looking for clarity from the Board on raising his spending limit.

Mr. Farnsworth asked how far back did the \$500 spending limit originate?

Mr. Berube responded when Mr. van der Snel came on board, his debit card had a \$500 limit per day. Prior management had a \$5,000 limit.

Mr. Farnsworth asked where did it come from and when was it instituted?

Mr. Berube stated we never addressed this, and Mr. van der Snel believed that he could not spend more than \$500 without asking for permission. I am asking for the Board to consider a higher number. I am comfortable at \$5,000, but I do not think he needs that much. I would like for it to be at least \$2,000. It would save a lot of back and forth sometimes when Mr. van der Snel is trying to make a decision and looking for approval. I do not think that \$2,000 seems unreasonable.

Mr. Farnsworth asked how was this limit imposed?

Mr. Berube responded it was not imposed. He does not spend \$500 without asking for permission. I am looking for consensus from the Board on giving him a higher spending

limit. Keep in mind that the prior manager could spend \$5,000 without asking for permission.

Mr. Farnsworth stated I am confused about how it changed from \$5,000 to \$500.

Mr. Berube stated we never assigned Mr. van der Snel any number.

Mr. Farnsworth asked who came up with \$500?

Mr. Berube responded no one did. That is the whole point. His debit card has a \$500 per day limit, which is attached to a checking account.

Mr. Farnsworth asked is it his personal checking account?

Mr. Berube responded no. We put a limit on the debit card so if that card disappears, we can only get hit for \$500.

Mr. Farnsworth stated I understand.

Mr. Berube stated that has become his *de facto* spending limit. What I am saying is that I would like for him to have the spending authority to spend \$2,500 before he has to come to Mr. Moyer or me.

Mr. LeMenager asked how does he do it if he can only spend \$500 per day?

Mr. Berube responded this is for open accounts like Spies Pools for a pool motor or Westco for the fountain. We just spent \$2,495 on the fountain. Things like that always come to Mr. Moyer or me for approval. It is just a matter of streamlining and giving him the authority on the spot.

Mr. Farnsworth asked is there a reason you are using a debit card rather than a credit card?

Mr. Berube responded yes, because we cannot get a credit card without a personal guarantee. Someone has to sign for a personal guarantee for a credit card. I have been down this road. That is why we use a debit card.

Mr. Walls stated I am comfortable authorizing a \$2,500 limit. That sounds reasonable. If he is spending more than \$2,500, it is something that we should all be involved in.

Mr. Berube stated that is exactly right. That is a good number and will cover 90% of what he does.

Ms. Kassel stated I can agree with that.

Mr. LeMenager stated I agree.

Mr. Qualls stated I think it is wise what you are doing, and a motion would be in order.

On MOTION by Mr. LeMenager, seconded by Mr. Walls, with all in favor, unanimous approval was given to increase the field manager's daily spending limit not to exceed \$2,500, as discussed.

Ms. Kassel stated the highlight report indicated nothing for the Facebook report, but I know some things were mentioned on Facebook. There used to be a public comment log, and it has now turned into the Facebook report. I have called you on a few things, but they are not showing up on the report. I just want to make sure that we have documented issues that people are talking about so we can make sure that they are resolved because there are still some outstanding items that you and I have discussed. We also need to see if there are any patterns over time.

Mr. van der Snel stated I generated this report on March 13. At that time, I could not recall any Facebook reports. I do have them now, and at the next meeting, you will see a log of what has happened.

Ms. Kassel stated maybe that is the way that I need to contact you. I have texted you on a number of items and sent you messages on Facebook a couple of times.

Mr. van der Snel stated I go to my messenger and go through all of my messages from the residents. From that I make a report.

Ms. Kassel stated there are also the ones on Harmony Families and an open forum. Maybe there needs to be a different way so you do not have to access six different sites. I am just saying that it would be helpful to the Board to have some kind of report showing what the residents are reporting every month.

Mr. Berube stated I believe that last month's Facebook report had a dozen or more items. I think it is just a matter of timing this month.

Mr. van der Snel stated there was also a short period of time between the last meeting and this meeting where nothing happened, which was good. After I filed this report, a lot of things happened, so the next report will be more detailed.

Ms. Kassel stated there are still some things that are hanging from last month that are not showing on the log. The old report that came from Ms. Rosemary Tschinkel showed the last several months.

Mr. Berube stated what you want are things that are open as well as completed. What Mr. van der Snel is saying is that when he is done, he puts the completed items on the log, while you want the open items that are still in process.

Ms. Kassel stated that is correct.

Mr. van der Snel stated no problem.

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. Berube stated we have been talking about redoing the boathouse for 18 months, and that is moving forward. The first process is getting a new roof. The roof on the boathouse lost some shingles some years ago, and you can see the sky in three areas through the roof decking. At least three panels need to be replaced. We received four different bids. Two are from residents, and two from non-residents. The first non-resident quote was for about \$5,000. The second resident quoted about \$4,300. A non-resident quote was about \$2,950, but it did not comply with what we wanted. We received the last bid yesterday from Mr. Justin Farrell, who is a resident. He gave us two very good prices. One was to pour footers and set up the shade structure at the pool, which is currently taking place. We were looking for someone to do that. The second one is for the boathouse roof, which was \$3,497.50 to remove the existing shingles and damaged plywood, dry it in with 30-pound fill, and install 30-year architectural shingles. He is not the cheapest, but he met the specifications that we put out, and he is a resident. He is the cheapest beyond the non-resident quotes. This is not an emergency, but it is kind of is because every time it rains, we are losing more and more wood on that roof. If we want a metal roof, which I do not think we want to do, we would have to add \$900 and \$750 which includes painting the underside of the roof that we are not contemplating doing. I am looking for approval from the Board to repair the boathouse roof deck. We will choose a color that matches the scenery, which is the lake.

<p>On MOTION by Ms. Kassel, seconded by Mr. LeMenager, with all in favor, unanimous approval was given to authorize replacement of the boathouse roof by whatever contractor is best, in an amount not to exceed \$3,500, as discussed.</p>

Mr. Berube stated we will get Mr. Qualls and Mr. Farrell together to discuss the contract and proceed.

Mr. Walls asked do we have \$15,000 in capital outlay? Is that the line item we are going to use for this?

Mr. Berube responded yes.

SEVENTH ORDER OF BUSINESS **District Manager's Report**

A. February 28, 2015, 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 through February 28, which is five months of our fiscal year, we have collected 71% of our non-ad valorem assessments, which is where we were a year ago. We are on target. Under operation and maintenance expenses, our prorated year-to-date budget is \$754,000. We spent \$666,000 of that, meaning that we are under budget at this point by \$88,000.

Mr. Berube stated that is always nice to hear.

B. Invoice Approval #179, Check Register, and Debit Invoices

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

On MOTION by Ms. Kassel, seconded by Mr. Walls, with all in favor, unanimous approval was given to invoice approval #179, check register and debit invoices, as presented.
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Mr. Berube stated last month we agreed to dispose of the sailboat. The last time that we had a boat disposal, it was handled through Mr. Moyer's office. To my knowledge, there has been no contact from anyone from your office regarding the disposal of the sailboat.

Mr. Moyer asked do you mean advertising?

Mr. Berube responded yes. If Ms. Brenda Burgess needs information, she knows to contact Mr. van der Snel for the model and serial number and whatever she needs. It is just sitting there gathering moss. It is probably not going to bring in any money, but it is not doing any good sitting there.

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. Discussion of Consent Agenda Policy

Mr. Moyer stated I thought that we had circulated that to the Board. Perhaps we just sent it to Mr. Berube. I do not think the rest of the Board received it. If you do not mind, let us table this matter, and we will bring it up at the next meeting. We came up with a three- or four-page policy. Ms. Kassel forwarded some information, as well, that we will look at. If we overlooked something, we will incorporate what you sent to us.

Mr. Berube stated we will see what areas we can streamline.

F. Street Lighting Leases

Mr. LeMenager asked did Mr. Moyer perform an analysis of the paydown of the street light leases?

Mr. Moyer responded I did an analysis of the fund balance, as requested by the Board.

Mr. Berube stated it is not in the agenda.

Mr. Moyer stated based on the audit for our fiscal year, we had a fund balance as of September 30, 2014, of \$856,923; \$164,000 of that amount was a prepaid expense, which was the street light buy down that we did. We did not do this during the fiscal year, so they carried it over as a prepaid. When you do that, what you actually have available is \$692,000. I recommend that we assign \$250,000 to the operating reserve, \$99,000 to renewal and replacement, \$50,000 to the self-insurance fund, and \$60,000 to sidewalk replacement. That leaves you with a balance of \$233,297. With the \$108,000 that we have in this fiscal year's budget for street light buyout, in total you are looking at \$341,000 that would be available. The phase 1-R-N payoff is \$469,788, which leaves a shortfall of \$127,000. We need to wait until next year or focus on reducing some of these other reserves.

Mr. Berube stated in reality, we are starting the budget season \$180,000 ahead because of the refinancing last year of the 2001 bonds.

Mr. Moyer stated that is the \$108,000 that I am carrying over.

Mr. Berube stated I am talking about the 2016 budget. On October 1, we will start with the new budget and have \$180,000 from that last refinancing savings that will then cover this \$127,000. If we wait six months, we will have the money.

Mr. LeMenager stated the other thing that I would point out is, our operating reserve of \$250,000 is not something that we need. It is something that we stick in there because we know one day that the developer will be gone and we will actually need that money. It is not actually money that we will need for many, many years.

Mr. Berube stated I do not disagree, but if we do not follow this table the way that it is presented, in six months, we will be entering into a new fiscal year. We will have that money that we can assign to this. Leave all of this work alone, and we will be done. We have to wait for OUC to give us this real buyout number. It will probably be less than that.

Mr. LeMenager stated it will be now.

Mr. Berube stated that is exactly right. As we pay forward into October, it is going to drop even more.

Mr. LeMenager stated we are also paying them \$7,000 a month on that contract.

Mr. Berube stated yes, but you are paying it down.

Mr. Walls stated if we can get the \$100,000 or \$200,000 out of that bond issuance, we have the money right now to combine with that.

Mr. LeMenager stated I understand. We keep pushing this off and paying 10.5% of the public's money to do this. We have the cash to pay off that \$460,000 without breaking the bank.

Mr. Walls asked why would we do it now and take it out of operating funds instead of waiting for that bond money to come in if we can structure it that way?

Mr. Berube responded because we do not make any operating money, but we save money by paying.

Mr. Walls stated no. What I am saying is, if we use all of our operating money right now, that operating money is gone. If we can wait until May 1 and if we can structure this so when that bond is issued on May 1 and they give us \$100,000 or \$200,000 from that money to pay for street lights from the bond, we save \$100,000 or \$200,000 on the operating side.

Mr. Berube stated if we can, but I think that Mr. LeMenager is right. Phase 1 contained all of those street lights.

Mr. Walls stated right, I am saying that we should combine our operating money with the bond money, so whatever piece of that phase 1 is the east side, we get that amount from the bond. Whatever is not on the east side can be paid from operating.

Mr. LeMenager asked do you want to wait one month?

Ms. Kassel stated two months.

Mr. LeMenager stated he said one month. We are going to know on the bond in a month.

Mr. Walls stated yes.

Mr. LeMenager stated I agree, but I will continue to push.

Mr. Walls stated I am not disagreeing that we should not make something happen. I am just saying that we should not use our operating money if we do not have to.

Mr. Berube stated you can make a motion tonight and see how it goes, or you can wait a month and make a motion next month when we will be better informed.

Mr. LeMenager stated we have a month. Make sure that is on the agenda.

Mr. Berube stated please make sure this item is on the agenda near the top.

Mr. Walls stated we need staff working hard to figure out the numbers from OUC.

Mr. LeMenager asked when did Mr. Brock Nicholas do these calculations?

Mr. Berube responded in January 2014.

Mr. LeMenager stated it was right before he left that we started talking about it.

Mr. Berube stated those were the numbers that I used. There were a few mistakes.

Mr. LeMenager stated in 15 months, the amount has decreased. It is probably \$450,000 by now.

G. Discussion of 2004 Bond Refinancing

Mr. Glantz stated obviously all home purchasers we work with are sensitive to the cost of the CDD par value as well as the debt. I will let Mr. Kessler discuss that in more detail. We have a unique opportunity to refinance the debt. Currently, the only property owner for the 2004 bond is Birchwood. We owned all of the property in parcels I, J, K, L, O, Town Center, the golf course, and so forth. We are the only ones who will be affected by the refinancing. There is an opportunity to refinance at a lower rate now that the lockout period has passed.

Mr. Kessler stated as all of you know, we refinanced the Series 2001 bonds last year. Typically when we do these types of refinancing of District bonds, we are refinancing projects that have substantially changed the credits from the original go around, usually substantial rooftops, if not all rooftops. This is a bit unique in that there are no rooftops, and the property is solely owned by the developer. That being said, the rest of the community has rooftops. There is land that is under contract to a home builder. That is all positive news, credit-wise, but generally speaking, the underlying land is still land and there are no rooftops. Interest rates are fairly low today, credit spreads have gone down, and bond investors are willing to take a little more risk, whereas six to eight months ago, I am not certain this was feasible. I was speaking with Mr. Glantz and he asked me about refinancing. I told him that is probably something that we can get done at this juncture. The executive summary is similar to what I put together last time. The District issued \$15.5 million in bonds. After the May 1 payment, there will be \$13.5 million in bonds outstanding. The current coupon on the bonds is 6.75%. The bonds are callable and can be refinanced on May 1, 2015, at a premium of 101%. There is no premium on May 1, 2016. By waiting, you do not know if the market is going to be there. A 1% premium over 20 years is financed, so it is not very significant. Due to the fact that not all homes would be rateable or even qualify for bond insurance, we can probably get these bonds done at a maximum of 5% or slightly less, because we would look to structure some shorter-term bonds. Oftentimes when we refinance these bonds with banks, there is no chance that a bank would refinance this today. Page 2 does say bank owned, but that is a carryover from something else, but it is the proposed bond. The proposed par of the new bonds would actually be equal to or less than the existing par. We are not increasing par or extending the maturity. The maturity date would stay the same, and the debt service would amortize on a level basis and would not increase or fluctuate. It changes by \$5,000 denominations every year, but that is not significant. The average coupon is around 5% and probably will be less. No rating is required. Investors would look at 10 years of call protection. Typically the current bonds have a reserve fund equal to one year's worth of debt service, which is \$1.2 million. What makes this transaction work is that we would be looking to do this deal with a reserve fund substantially less than one year's worth of debt service. We have investors who will do it. There are not a lot of investors who will. We have done similar non-rated refinancing transactions recently, and we think that we can

get this one done also, given the Starwood sponsorship and the fact that there is this landowner contract to Ryland Homes. There are issuance costs. We will have to get proposals from all of the professionals. I assume that they are the exact same costs as last time. Those will be financed in the transaction. There are no out-of-pocket costs or cash from the District. Frankly, the money that is being paid is from the reserve fund that we are shrinking. That is money that is there that is a rainy-day fund that can be used in the very last year, but until such time, it just sits there and earns no interest. The timing is something that the landowner and the Board would like to do. I think this will move very quickly because it needs to if we are going to capitalize on the market environment. We think we can get this closed within a month, if that is something that you want to do.

Mr. Berube stated the premium is 1%. That means to do this now, we are going to pay \$135,000+ to pull this off right now just for the premium.

Mr. Kessler stated yes. That is assumed in the transaction. Mainly that premium is going to get paid from the existing reserve fund that is on hand.

Mr. Berube stated I understand. I realize the entire transaction cost came from reserves, but it is real money at some point. The entire transaction costs last time were about \$628,000, which gets paid back over time. I understand that, but it is still real money being paid now. Is it safe to assume that because these two bond issues are so close in value that the upfront cost is going to be about the same amount of money?

Mr. Kessler responded I would say that it is probably going to be about the same or probably less. I would think that it would be less than that. We can get you a detailed list.

Mr. Berube stated no, I am just speaking in generalities at this point.

Mr. Kessler stated I would estimate in the range of about \$500,000 for fixed fees, underwriter fees, selling commissions, and so forth. In all of the savings that I show you, it is net of those costs.

Mr. Berube stated Starwood is paying all of these fees right now. The District is going to put its name and good credit rating on these bonds. At this point, Starwood is the only beneficiary of this savings because they are paying all of the debt service right now. Is that a fair presumption?

Mr. Kessler responded part of your assumption is correct. Starwood is the primary obligor on the bonds right now; however, having lower assessments, especially in a community where you are going to have active adults, is going to help. I am not an expert

on that, but I think these assessments are quite high. We are hoping to get more in the 15% range. Worst case, I think we can do 12%. Those are significant savings.

Mr. Berube stated I am not arguing the value of the refinancing. The last time around, this all came back at us very quickly, and I do not think that we understood everything and what it all meant. This is our second go around. I was also dismayed last time with the professionals who increased their fees. Several professionals came back and raised their initial cost estimates once or twice. I would like to know what all of the professionals are going to charge at this point. I realize that we are not at that point yet, but I am just stating a fact.

Mr. Kessler stated that is somewhat surprising. I did not know that anyone came back with increased costs.

Mr. Berube stated yes.

Mr. Kessler stated when we size the bonds or even before we get all of the cost estimates from the professionals, we actually put that into the bond issue.

Mr. Berube stated I understand.

Mr. Williams stated when you look at the snapshot today, Starwood is the beneficiary, but we are going to be selling homes to people who will ultimately be the beneficiary. The Board is in some ways representing future home owners and not Starwood's interests. Mr. Kessler, can you clarify that when you are spending the money, is the reserve to the benefit of the Board or to the benefit of individual home owners in 20 years in the last year?

Mr. Kessler responded the beneficiary is to the individual home owner in the last year.

Mr. Williams stated it is not going to cost the District anything. It is actually costing future home owners this money, and they will be privy to this information before they purchase those homes.

Mr. Berube stated that is fine.

Mr. Walls asked is there any play in the issuance amount and the term? I am asking this because the land that is attached to this issuance has street lights on it. On the operating side, we have a 10.5% capital lease to pay for these street lights. Is there any play in the issuance amount and the term where we could possibly finance those costs into this bond?

Mr. Berube responded to give you specific numbers, we have a \$3 million long-term obligation on street light leases. They are at 10.5% and will run for another 13 years on the longest one. At current rates, if we had \$2 million, we could pay off that \$3 million obligation right now. That would put \$300,000 a year back into the budget because that is what it would have cost us to finance those leases every year.

Mr. Kessler asked how many of those street lights are in the section that is encumbered by the 2004 bonds?

Mr. Berube responded not very many.

Mr. Walls stated we have to determine what that amount is.

Mr. Kessler stated if the answer was zero, what you are trying to do is put more debt on the land that is not going to get any benefit from those leases.

Mr. Walls stated I do not think that the answer is zero.

Mr. Williams stated I am not sure that you can float a bond if there is no benefit to the people paying back the bond.

Mr. Walls stated I am talking about just the street lights that would be in the 2004 area.

Ms. Kassel asked what if this refinancing could finance the cost of the street lights that will be going into those neighborhoods?

Mr. Walls responded I am not in favor of paying for any new street lights. I am talking about the ones that are already there that we are paying 10.5% interest on.

Mr. LeMenager stated it is only going to be the street lights on Five Oaks.

Mr. Walls stated yes, and that is what I am talking about.

Mr. LeMenager stated that are east of the clubhouse.

Mr. Walls stated it may be a few hundred thousand dollars. We have to figure out how many there are and what the costs are.

Mr. Berube stated the answer is that the only addition that can be put on this bond issue might be street lights that are encompassed in this area of the 2004 project.

Mr. Moyer stated correct.

Mr. Kessler stated District counsel should opine on that, but these are assessment bonds. The area that we are financing has to have a benefit.

Mr. Walls stated that would be my intent, so it is just the street lights that are attached to this area because there are some.

Mr. Kessler stated yes. Do you want me to run through the savings summary?

Mr. Berube responded we can see it.

Mr. Walls asked is there play in that issuance amount?

Mr. Kessler responded with the magnitude of the dollar amount that you are talking about, there are a couple things. If you are going to increase the par amount of bonds over what they are today, we have to go through the assessment process again. That is one thing. Right now, there is room between the current par and the proposed par. I am showing \$400,000 or \$500,000.

Mr. Walls stated I think we can fit in that what I am talking about.

Mr. Kessler asked is it an upfront payment or it would be over time?

Mr. Walls responded we would pay it all off.

Mr. Berube stated if we were to get all of the money, we would pay it off immediately, which would put \$300,000 a year back into the budget.

Mr. Kessler stated \$300,000 is for the overall project.

Mr. Walls stated this would be a much smaller amount. We would save the difference between the 10.5% interest and what we are paying on the bond.

Mr. Berube stated only the street lights in the project. It would not be \$300,000.

Mr. LeMenager stated the other issue is if it is possible to break them out.

Mr. Berube stated yes. We have 11 contracts and we can break them out.

Mr. LeMenager stated I appreciate that, but we are still talking about the contract for the street lights on the main boulevard. That contract may have Five Oaks all the way.

Mr. Berube stated it is a small piece. It is probably not worth going through the hassle. It is not a huge number of street lights. I went down there the other day, and there are about 22 street lights, which is minimal. I read all of the information and it is bewildering at times. What is the feeling of the Board? What do you want to do?

Mr. LeMenager responded I am all for it.

Mr. Berube stated I wish we would have had more time to analyze it, but it is what it is.

Mr. Walls asked if we approve this, does it prevent us from issuing any other debt going forward until this is paid off? I ask that because if we have this 10.5% interest that is outstanding on these OUC debts, if we wanted to find some other options, such as a bank loan to pay that off, would this prevent us from being able to do that?

Mr. Kessler asked what secures those payments?

Mr. Berube responded the full faith and credit of the District.

Mr. Walls stated the operating assessments.

Mr. Kessler stated we have not gotten that far. We can try to tweak it, but this is akin to a new issue because it is secured by land. Generally what happens is that investors do not want any parity debt with these bonds until the project is substantially built out, which is in the 75% rooftop range to issue parity bonds secured by debt assessment. That being said, I do not think that there would be any prohibition on those types of leases that they are describing, which are secured by maintenance assessments.

Mr. Williams stated that is correct. These are capital leases and you just make a decision to include in this business deal to pay those off. I agree with Mr. Kessler. There is nothing that I am aware of in any of your documents that places a limit on your operation and maintenance assessments. If you decide to take that out and do a capital lease, then as it affects this project, putting additional capital assessments on this portion of your development will be limited to how many lots have been sold. When the balance of the development has been built out, that will provide more flexibility.

Mr. Walls stated the terms in this agreement only apply to issuing debt on that section of the District, not other sections of the District.

Mr. Williams stated the limitation would be on this portion of the District.

Mr. Kessler stated absolutely. If that is something that is important to the Board, we will go out and market with no additional bond test and see what we get back. Then it is somewhat of a negotiation, and we may be able to end up with some limitation. Maybe there is a dollar limitation. What do you think the magnitude is of the amount that you think that you can theoretically want to have on this area? Has anyone thought through that?

Mr. Berube asked on just this area or on the entire street light package?

Mr. Kessler responded you can tell me over and we can figure it out on this area.

Mr. Berube stated the overall package of all the contracts is about a \$2 million payoff right now.

Mr. Kessler asked is 80% to 90% of it on the first area?

Mr. Berube responded the first area is probably 90%. The 2004 project has minimal street lights. If it is 10%, that would be a high number.

Mr. Kessler stated there is nothing in this bond issue that prohibits you from doing any bonds on the first area or any parity debt or any operation and maintenance debt.

Mr. Berube stated okay.

Mr. Kessler stated there is nothing in this bond issue that is going to bind you.

Mr. Walls asked if it is \$100,000 or \$200,000, why would we not want to try to roll that into this?

Mr. Berube responded because they would do a reassessment of the whole thing.

Mr. Walls stated no, because this would be within the existing par amount. As I understood it, you would only have to do a reassessment if you go over the existing par amount.

Mr. Berube stated if we were going to add the debt for the lights that are in the 2004 project, what you would need to know is how many lights there are and what that contract value is. Those are the numbers that you need to know.

Mr. Kessler stated yes. To keep it simple, we need to know the dollar amount. We do not need the number of lights.

Mr. Berube stated I think that we can break it out. I do not have the contract with me tonight.

Mr. Walls stated to be fair, this came up two days ago. I have been trying to work this out, and I have not been able to get that number.

Mr. LeMenager stated it depends. We have the street light list. Those are original street lights. I am guessing that they are wrapped in phase 1-R-N.

Mr. Berube stated it would probably be phase 2 or phase 3 infrastructure in residential.

Mr. LeMenager stated if it is easily identifiable as one of these, then that is pretty easy. If it has to be broken out of the top one, then it is probably not going to happen because OUC will not cooperate.

Mr. Berube asked Mr. Glantz, do you recognize the designation of areas? Can you recognize what phase 3 is?

Mr. Glantz responded not from where I am sitting today, but I can figure it out. For the purpose of this call, we can designate a range. In the meantime, I can do the research. I am looking to the pleasure of the Board so we can move forward.

Mr. LeMenager stated figure out which phase it is. If it 2-I-R, that is probably going to be about \$160,000. If it is 3-I-R, it is probably going to be about \$235,000. In terms of the amount of money you are looking at, it sounds like it is a win/win for everybody if we can figure out how to pay one of those off.

Ms. Kassel asked is there any downside to doing this? What are the potential negative ramifications?

Mr. Moyer responded there really are no negative ramifications to the existing property owners. I do not see a downside. This is routinely done. People do it all the time with their mortgages. That is really all we are talking about.

Mr. Berube stated Starwood is paying the monthly/yearly fee. We just happen to be the original bond issuers, and they need us to be the refinanced bond issuers. In the near future, Starwood is going to be paying all of these fees anyway. We are saving them money, which is fine.

Mr. Walls stated the only real risk is to the home owners seven or eight years down the road because these are locked in for 10 years. There is an interest rate risk if for some reason interest rates were to fall below 5%. Those people would be locked into paying it. Right now, we are locked into paying 6.75%. That is the only risk.

Mr. Moyer stated it depends on where the interest rates are and where the treasuries are. You can have an advanced refund bond, but that is totally driven by the defeasance escrow and the treasuries that you buy that defease it. You can look at that seven years out. But you are right; that is the risk.

Mr. Berube stated everyone's head is shaking in the affirmative to proceed. What is the next step before we make a motion to approve this? We have been through this before, but I do not recall what the next step is.

Mr. Kessler responded Mr. Williams prepared a bond resolution. The next step would be to adopt the resolution, which identifies the parameters. The resolution basically delegates to the Chairman authorization to execute a bond purchase agreement within the parameters set forth in the resolution, which are that there is a minimum amount of savings, that the par amount cannot exceed the existing par, that the maturity date cannot be any longer, and so forth. The Board will approve the resolution. The next step is to have a prospectus. We look to get that wrapped up next week and then mail that to investors. We think that we can get this marketed in about a week. We would then market

the bonds and sign a bond purchase agreement, which binds the District with FMSbonds at a price, and it locks in the price and savings. We would look to have the closing seven to ten days later, depending upon the schedule. Those would be the steps.

Mr. Moyer stated the motion would be to adopt Resolution 2015-04, which is a delegation resolution that sets the parameters on how we move forward.

Ms. Kassel made a MOTION to adopt Resolution 2015-04, a delegation resolution refinancing the 2004 bonds.

Mr. Walls asked can we amend this motion to say pending any adjustments we have to make? Or will this resolution allow for the adjustments to be made, depending on what we find out regarding the street lights?

Mr. Williams responded the parameters assigned to the bond purchase contract are in section 5. The only one that may come into play is the first parameter even though it does not deal so much with street lights. The first parameter says that the reduction in the annual assessment will be at least 10% per year. That may go to the wayside if we add some money for the street lights.

Mr. Kessler stated we would have to do some calculations based on if refinancing the street lights would achieve the same percentage savings. You are right; that would throw that off.

Mr. Berube stated our limiting factor is that 10% reduction in cost.

Mr. Kessler stated it would be a 10% reduction in annual assessments. Depending upon how much of these street lights we finance, it is going to be difficult to do both.

Mr. LeMenager stated pragmatically, the street lights have to be in phase 1-R-N. The first time I was here was in 2004. I took the tour and those lights were there on east Five Oaks Drive. I do not know if OUC is going to let you break it out. Alternatively, it can be a nice contribution to help pay it down.

Mr. Berube stated we are going to have to make some adjustments.

Ms. Kassel amended the MOTION to adopt Resolution 2015-04, a delegation resolution refinancing the 2004 bonds, pending any adjustments as necessary.
Mr. Walls seconded the amendment.

Upon VOICE VOTE, with all in favor, unanimous approval was given to adopt Resolution 2015-04, refinancing the 2004 bonds, pending any adjustments as necessary.

Mr. Berube stated based on the motion, this is going to proceed. I will be the point person on this. I will check on the street light contracts, and we will all get together at some point in the near future. Last Thursday, when I first received the call that we need to talk about bonds until Tuesday, I received a 200-page prospectus. Tonight we authorized the refinancing of \$13.5 million in long-term debt.

Mr. LeMenager stated let us be clear. We basically said you are not sticking us with any more street lights, and they said we need to find some money. They found some money. I have no problem with that.

Mr. Walls stated I hope we found some money, too.

Mr. Berube stated we may have received something out of this. We tried to get those street lights rolled into that deal.

Mr. LeMenager stated it has to be in that first line for sure.

Mr. Berube stated I agree with you based on the fact that all that was done at the same time. It has to be in that first phase.

Mr. LeMenager stated we cannot pay the others down yet because they are not ten years old.

Mr. Berube stated right.

Mr. LeMenager stated only the first five contracts can be paid off.

Mr. Berube stated I read that somewhere.

Mr. Walls stated if we figure out the piece that applies to the first contract, we should have the money in operating funds. If we can get the two together, we can pay the entire debt off. Then that is gone and we are saving money.

Mr. Moyer stated that is the \$400,000 we have been talking about.

Mr. Walls stated right. We can save the money, and everyone is happy.

H. Miscellaneous

Mr. Walls stated I spoke with a few people who said the canal has not been cleaned up and it is getting worse.

Ms. Kassel stated yes.

Mr. Walls stated someone needs to interface with the developer.

Mr. Berube stated he and I happened to have a meeting with Mr. Chip Webb who is handling all the lakes for them. He said that they have not changed their management of that lake with Bio-Tech at all. They had not told Bio-Tech to kill any weeds or to stop killing any weeds, and he was going to specifically look at the canal. I guess that did not happen.

Ms. Kassel stated I am going kayaking tomorrow. The last time that I went kayaking, the water hyacinth was everywhere.

Mr. Weiss stated I was there on Sunday. Since the lake level has dropped, it is getting worse because there was some flow from the main lake. Now that stopped.

Ms. Kassel stated I used to hear every month that Bio-Tech had their gas-powered boat in the lake. I have not heard that for months.

Mr. Walls stated my preference would be that they clean that up. If they do not, then we will have someone go out there and clean it.

Mr. LeMenager stated no, we cannot.

Mr. Walls stated I mean personally. I am concerned about the impact on the boats and the quality of the water.

Mr. Berube stated we heard before that they have not changed any of their maintenance programs, but they have.

Ms. Kassel stated that is one of the reasons why when we get to Chapter 1, Amendment 4, we will have a discussion.

Mr. Berube stated I will follow-up with Mr. Webb regarding the weeds and let him defend his position.

EIGHTH ORDER OF BUSINESS

Discussion of the Rules of Procedure

A. Chapter 1, Rules of Procedure

Mr. Berube stated everyone should have received a revised package from Ms. Burgess, which I thought was very well done. Then she revised the revisions several times.

Mr. Farnsworth stated I have one comment. On page 5, paragraph 1.4(5), the language for public comments at the beginning of the meeting is worded is confusing. I do not think it says grammatically what you want it to say. The sentence reads, "*The Board shall designate a specified period of time for public comment on the meeting agenda,*" and "*at the beginning of the meeting*" was added. It is my contention that the

phrase “*at the beginning of the meeting*” should be inserted with commas slightly differently in the sentence so that it makes sense. The sentence content is the same, but the structure is different. I recommend that this sentence read, “*The Board shall, at the beginning of the meeting, designate a specific period of time for public comment on the meeting agenda.*”

Mr. Berube asked are there any objections?

Ms. Kassel responded no.

Mr. Berube stated Ms. Burgess will revise that language.

B. Chapter 1, Amendment 1, Disclosure of Public Financing

Mr. Farnsworth stated most of the numbering scheme used in this particular amendment does not match the document it is supposed to be amending or the numbering system used any place else. Where did this numbering system come from?

Mr. Qualls responded this was due to the version of Microsoft Word that was used.

Mr. Farnsworth stated it struck me as being strange. It does not match anything else. I have a comment about page 4, Section 1-1.015, of the pdf document for this amendment, the three-day waiting period.

Ms. Kassel stated it was stricken in the redlined rules that we received on March 16.

Mr. LeMenager stated we received an opinion from Mr. Qualls on those sections. I have a question about Mr. Qualls’s opinion. My point was to get rid of 1-1.008 on, and you said that 1-1.008 to 1-1.014 were all legal and were already in the law. If they are already in the law, do we have to regurgitate them? We are required to do all of this anyway, and it is in the Statutes. Why bother to have it in the rules because this is just a restatement of what is in the law. I can only think that the intent at the time was, one day the residents will actually control this Board and we better make sure that they know what the rules are. That is my guess as to why it ended up in there. We have Mr. Qualls, and he is going to always tell us what the rules are.

Mr. Berube stated you have to remember that some lawyer was paid by a previous Board to write up these rules.

Mr. LeMenager stated I appreciate that it is all legal. The advice from Mr. Qualls was not to remove it. If it is in the Statutes and we have to do it, why would we put it in the rules? We do our audit and we are in compliance. Is this just superfluous to regurgitate what is in the Statutes? If the Statutes change, then we have to change this. Would we be

better off getting rid of 1-1.008 on because it does not actually change any requirement? It does not change anything we have to do, and it is already in there.

Mr. Qualls stated I understand your question. There is no legal requirement that you have to copy the Statutes and put them in your rules. The basis for our opinion is if these rules are inconsistent with the Statute, and the answer is no.

Mr. LeMenager stated that was not my question.

Mr. Berube stated if it is in the Statute, why do we need to keep them in our rules.

Mr. LeMenager stated correct. That was my whole point. My original opinion was that we need to get rid of 1-1.008 on.

Mr. Walls asked is everyone okay with striking these sections?

Ms. Kassel responded yes.

Mr. Walls stated I think that Mr. LeMenager made a good argument. These are things that we have to do by law, and we do not have to regurgitate it.

Ms. Kassel stated the bigger point is if the Statutes change, then we have to change the rules again, which is very expensive.

Mr. Berube stated 1-1.008 through 1-1.014 will be stricken.

Ms. Kassel stated 1-1.015 is already stricken.

Mr. Farnsworth asked what is the basis for not following the legal recommendation on 1-1.008 through 1-1.014?

Mr. Berube responded the legal recommendation was that it is in the rules and it does not have to be. It is covered by Chapter 190, Florida Statutes. All we are doing is regurgitating Chapter 190, F.S. If Chapter 190, F.S., changes, we have to pay to go back and fix our rules.

Mr. Qualls stated the only concern that I would have is if removing these provisions of the rules sends a message that, therefore, these are not required. I do not see any harm. A rule that an agency promulgates is not what this is because you are not a State agency. The rules can never be inconsistent with the Statutes. Most rules mirror the Statutes. Otherwise, they are inconsistent with the Statutes. I do not see the difference, so why take it out of the rules?

Mr. Farnsworth responded I agree with you. I totally agree in removing 1-1.015, but I cannot see why we are considering getting rid of 1-1.008 through 1.014. I do not understand.

Mr. Berube stated the only logical reason is simplification. It is regurgitating of the Statutes. We have been striving to simplify and shorten our rules package and that does it. Whether or not that is good advice, I think we have already decided to remove 1-1.008 through 1-1.014.

Mr. LeMenager stated I am all for removing it.

Mr. Qualls stated it is a policy decision, but my point to the Board is that rules have to be consistent with the Statutes. That is not a basis for repealing rules because they are consistent with the Statutes. That is the exact opposite of the case. You keep rules that are consistent with the Statutes, and you get rid of rules that are inconsistent with the Statutes. I do not think that it is worth belaboring.

Mr. Berube stated we heard you and we will remove 1-1.008 through 1-1.014. Regarding 1-1.015, we received legal advice about the good reasons to keep or not keep 1-1.015. I am saying that 1-1.015 is redlined, and we will leave it removed.

Mr. Farnsworth stated 1-1.015 should not be in there.

Mr. Qualls stated for the record, this was included in there because it was a home purchaser protection policy. It is not required by law, but it is a home purchaser protection policy.

Mr. Berube stated we cannot be in the home contract business.

C. Chapter 1, Amendment 2, Vendor Purchase Policy

Mr. Berube stated the vendor purchase policy was cleaned up and there were no significant changes.

D. Chapter 1, Amendment 3, Three-Day Right of Rescission

Mr. Farnsworth stated 1-1.015 as well as Amendment 3 are in the same arena. It was created for the developer rather than the District.

Mr. Berube stated you are exactly right.

Mr. Farnsworth stated it is an agreement that the developer wanted to have in the rules. It does not commit the District to anything.

Mr. Berube stated that is why it was removed.

Mr. Farnsworth stated I cannot see any reason for 1-1.015 to be in the rules or Amendment 3. If anything was going to remain, it should not be an amendment to our documents. It should be on the order of a memorandum of understanding.

Mr. Berube stated you are correct; 1-1.015 references Amendment 3, the three-day right of rescission. When you get rid of 1-1.015, Amendment 3 goes with it.

Mr. Farnsworth stated a portion of Amendment 3 was redlined, and another part was a document that we signed.

Mr. LeMenager stated you have to remove the entire Amendment 3.

Mr. Berube stated it is all gone.

E. Chapter 1, Amendment 4, Procedural Rules on Animals, Habitat, and Wildlife

Ms. Kassel stated I provided a survey to the Board, which is preliminary because more data are coming in. Page 4 has some questions. Number 1 is, *“How important were these features in your decision to move to Harmony: green parks and spaces, preserve areas, dark sky lighting, dog parks, community garden, hiking trails, Florida-friendly landscaping, guidelines for using.”* “Very important” and “the most important” were responses from over 69% of people who moved here.

Mr. Walls asked how does this relate to this amendment?

Ms. Kassel responded Amendment 4 basically says that the CDD and the HOA will get together once a year with the Companion Animal, Habitat, and Wildlife Committee to make sure issues that the Companion Animal, Habitat, and Wildlife Committee is entrusted with get addressed in the HOA and the CDD. The other Board members want to strike the entire amendment. I do not think that is the wish of our residents.

Mr. LeMenager stated we are not striking the entire amendment. We are keeping the use of the dog facilities.

Ms. Kassel stated that is a very minimal part. There is a lot more to the Companion Animal, Habitat, and Wildlife Committee’s issues and things that they are concerned with than just the dog park.

Mr. Walls stated the argument was not that we should not coordinate or should not meet and talk. Why does there have to be a rule that we have to meet? We should be able to take it upon ourselves to make that happen. We do not need a rule in our rule manual that says you have to do this at this time. It may not make sense at that time to do this.

Mr. Berube stated if we do not have this amendment, it will not get done. We had a rule for 15 years, and it never got done.

Ms. Kassel stated that is not true.

Mr. Walls stated you can choose to make us accountable to make that happen if that is what they want. We do not need a rule to do that.

A Resident stated by keeping the rule, you will be held accountable.

Ms. Kassel stated that is exactly right.

Mr. Walls asked so we should meet at a time arbitrarily that this rule says, whether we have something to discuss or not?

Ms. Kassel stated the amendment does not say that the Companion Animal, Habitat, and Wildlife Committee has to meet with the full Board of the CDD or the HOA. It can meet with representatives of both Boards in order to work this out.

Mr. Walls asked why do we need a rule to make that happen?

Ms. Kassel responded to make sure that it happens.

A Resident stated if you want a meeting, you are going to say that there is no rule, so you do not need to meet.

Mr. Walls asked why would I say that?

The Resident responded because you will.

Mr. Walls stated you are putting words in my mouth. I agree that we should meet, but not to have an arbitrary meeting.

The Resident stated that gives the Board the option to do that.

Mr. Berube stated I understand that people think that we are going to try to take away protections for animals and habitats.

Mr. Walls stated this Board has nothing to do with that.

Mr. Berube stated I understand that.

Ms. Kassel stated that is absolutely not true.

Mr. Berube stated I sit on the HROA as well, and the HROA rules have virtually all of this boilerplate language, but it does not indicate that the HROA will meet with the CDD. The rest of the animal protection language in this amendment is in the HROA's CCNRs.

Mr. LeMenager stated that is where it goes.

Mr. Berube stated that is where it belongs.

Ms. Kassel stated no. We were just talking today about the ponds and about the use of chemicals in the ponds. That is one issue right there.

Mr. Berube stated because those are our ponds.

Ms. Kassel stated yes, and that is why it is important for us to make sure that we have a structure to keep us accountable to meet with the Companion Animal, Habitat, and Wildlife Committee.

Mr. Walls asked why should we meet with the HOA about our ponds?

Mr. LeMenager stated we have concerned citizens who will bring it to us.

A Resident stated the people who are running the HROA do not have any concept.

Mr. Berube stated they have a concept, but they do not do much with it.

The Resident stated they really do not understand.

Mr. Berube stated this Board cannot force the HOA to do anything. I sit on that Board, and I am one of two minority members of that Board. To put it bluntly, they do not care about the residents.

Ms. Kassel stated exactly. That is why we have to keep this.

The Resident stated that is why we need to fire them and get somebody else.

Mr. Walls stated you do not get that option.

Ms. Kassel stated I distributed copies of this amendment, and it is supposed to be circulating to the public.

A Resident asked can you take it to the HOA Board?

Ms. Kassel responded we plan on doing that. We are taking it to the developer.

A Resident stated Mr. Walls, I assume that you are speaking for the better part of the CDD Board.

Mr. Walls stated I would not assume that.

The Resident asked if you are saying that we do not need to have a rule to have the CDD and the HOA Boards meet once a year, then what is the opposition to leaving it in that you will meet once a year?

Mr. Walls stated because it is an arbitrary meeting for something that we have no control over. This Board does not control the restrictions for animals and pets. When they are in the dog park is when we have control. That is it.

Ms. Kassel stated that is not true. We have control over the dog park, the ponds, and the parks.

The Resident asked are the trails over the control of the Board?

Mr. Berube stated some, not all.

Ms. Kassel stated we control the trails within the CDD, like the trail around Lakeshore Park.

Mr. Berube stated the problem with this is that it sets a rule that says that the District shall coordinate at least annually with the Harmony HOA. That forces us into doing something. We have had this rule here since 2000 and have never acted on it.

Ms. Kassel stated that is not true.

Mr. Berube asked did we have a meeting with the HOA?

Ms. Kassel responded I have minutes where we discussed these issues. We had a representative of the HOA discussing HOA activities with the CDD.

Mr. Berube stated I understand that, but it was never a coordinated meeting, and that is the problem. This Board does not want to get involved.

Ms. Kassel stated we already are involved.

Mr. Walls stated I make a motion that we proceed with the edits in this amendment as proposed in the agenda package.

On MOTION by Mr. Walls, seconded by Mr. Farnsworth, with all in favor except Ms. Kassel and Mr. LeMenager, approval was given to approve edits made to Chapter 1, Amendment 4, as presented.
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Mr. LeMenager stated my nay is not because I am against the amendment; it is just because some things should remain. I think the vast of it should go.

Mr. Farnsworth stated that is where my problem is.

Mr. Berube stated I sit on both Boards, and I am happy to coordinate but not on a required basis. I would be happy to coordinate the two groups, no doubt about it. I just do not like having a rule that says you “must” when we have not met. That is the problem. We are trying to simplify the rules and remove things that we cannot enforce. By leaving this rule, we already acknowledge that we are not going to do what it says.

Ms. Kassel stated it is not about enforcement.

Mr. Berube stated I understand. The bottom line is, the bulk of the language will go. I can promise this Board, through my affiliation with the HOA, the CDD will coordinate as needed. We just will not have a rule that specifies that.

F. Chapter 3, Membership Rates, Fees, and Charges

Mr. Berube stated we decided that we were going to have rates as a policy and move that forward into a future discussion.

Mr. LeMenager stated I have not seen any proposals.

Mr. Walls stated I provided one, but we will not discuss it tonight.

Mr. Farnsworth stated the issue I have is that where you list the rates and fee schedules in 1.3, it does not list rates and fees. At the top, when you say “membership,” if a non-resident pays the prescribed fees, exactly what is he becoming a member of?

Mr. Walls responded the District.

Mr. Berube stated by paying \$1,000.

Mr. Farnsworth asked he becomes a member of the District?

Ms. Kassel responded not a resident, but a member.

Mr. Berube stated to become a member, they pay \$1,000 to use the facilities. They receive an access card. No one has ever done it, but somebody will someday I presume. It is like a country club where you by a membership.

Mr. Farnsworth stated the rest of my objection is attributed to the rates and everything that is missing.

Mr. Berube stated the consideration of rates will be done at a future meeting. We would have to put it on next month’s agenda to keep this moving forward.

Ms. Kassel stated it does not have to be a rules discussion.

Mr. Berube stated it can be a policy under Chapter 4.

Mr. Qualls stated since that needs to be done by resolution pursuant to Section 190.011, F.S., does Mr. Walls want me to put that on a sample resolution?

Mr. Walls responded that is fine.

Mr. LeMenager asked were fees proposed?

Ms. Kassel responded yes. I have a copy, which I can provide to you, but we are not discussing this tonight.

G. Chapter 4, Parks and Recreation Facilities

Mr. LeMenager stated we are not changing Chapter 4 much.

Ms. Kassel stated we need to make sure that we are verifying both identity and residency.

Mr. Berube stated yes.

Ms. Kassel stated the way that our current rules are written does not allow for much flexibility. What if someone is from another country? Could we request a passport? That is not in there.

Mr. Berube responded let us stick with the current rule and how we address the issue with Ms. Ang. She had a situation where she already lived in Harmony and had an access card that was issued to her and everything was fine. Then Ms. Ang moved from one side

of the street to the other, so her address changed. She remains a Harmony resident, but when she did that, now her address is different. Her access card was disabled, and we did not want to issue another access card.

Mr. LeMenager asked who is we?

Mr. Berube responded CDD staff.

Mr. Moyer stated primarily staff based upon our interpretation of the rule.

Mr. Berube stated Ms. Ang is a renter, so we go to that section. A literal reading of it says “proof of renter status includes, but is not limited to the following: driver license or Florida ID card with name of renter and proof of address within the District.” It does not say your ID card or your driver license has to match the address. It just says “within the District.” Globally throughout, it only says “address within the District.” It does not say “matching address” to any document. My thought is that for people who live here, all we care about is that they have an address within the District.

Ms. Kassel stated no, we care about their identity.

Mr. Berube stated I understand that, but once we get past the identity, we need to confirm that they actually live here. The reason your access card gets disabled is very clear. If someone moves into the house that you moved out of, as soon as they apply for an access card, your access card gets disabled because we go by address. That is the only way we have of identifying who is who in what house. You have two different classes of people here: those who rent and those who own. We have leases, and cards are dated with the lease term. What happens if someone sells a house? The lease does not run out, and we do not check deeds. Whether it is a renter or an owner, when you leave, that is why we want the address to get updated. If your card goes on, as soon as someone moves into your house, on that very day, the next time you use your card, it is disabled and you will be frustrated. That is the reason why the rule became the way it is. Understandably, that is not the way it is printed on paper. That is why we gave a temporary concession to this resident, but if someone moves into the house you moved out of tomorrow, guess what happens? That newly reactivated access card is disabled. It has to get fixed. That is how we got to where we are. I do not see us having any good options in the way that the system works.

Ms. Kassel asked why not? Why can she not use a utility bill and a lease with her current address and her passport to verify her identity?

Mr. Berube responded I am talking about the way that the system works. Whether we want to change the rules or not is a different matter.

Ms. Kassel stated this is a discussion of the rules.

Mr. LeMenager stated I understand. The system works based upon how staff interprets it. I do not understand why anyone on staff would even have an issue with it, if the resident moved across the street and had not changed the address on their driver license yet. It sounds like we have to write this rule very clearly for our staff.

Mr. Walls stated I went back to the minutes and read our discussion when we implemented these rules last time. Our intent was that the address on the ID matched the address on everything else that they submit, so that we can verify that the person did, in fact, live in that house. That is what we said, and staff did the right thing. I know it is difficult, but that is what we told them to do, and I went back to make sure. I think we did that for a very good reason at the time. You can have somebody with the same name on an ID but they do not necessarily live in that house and are not the same person on the lease. If they are showing you an ID that has an old address, that ID is invalid. State law requires that you update that address within 10 days when you move. I do not know how you can verify an ID from an invalid card.

A Resident asked do you remember all of the people who moved and kept coming back and handing their cards to other people?

Mr. Walls responded that is why the access cards have pictures and dates on them now, and that is why we check addresses. Residents came before us and gave us an earful about all that, and we said that we would fix it and make sure that there are no loopholes.

Mr. Berube stated for those who are new here, pool security has been a nightmare, and we purposely wrote these rules tightly. I am not sure that they require a change other than to verify or clarify so there can be no confusion with the rules. Ms. Ang, how long do you think it will be before you get an ID card that matches your new address or driver license?

Ms. Ang responded that is my issue. Yes, it is a State law that you are required to update your address in 10 days, but the DMV will tell you that there are exclusions for various circumstances, like the military or residents who are living here temporarily, like my situation. I have a temporary visa. I was not even required to get a Florida ID because I have a temporary stamp in my passport. I only got the ID because I wanted to access the

pool. I had to jump through hoops just to get my access card because I do not have a social security number, either. I am here as a dependent on my husband's work visa. I do not feel that this is anything that should be anyone's business. DMV gave me a form that said they are unable to issue me a driver license because I do not have a social security number, so I had to go to the social security office. Because my name has changed since I got married, they could not issue me a social security number, even though I used to work in the United States. I am a Canadian citizen. I see it only as Florida residents can go online and change their address in 10 days; otherwise, the staff at the DMV will send us a letter asking us why we have not applied for an updated ID. Is that what you want us to submit?

Mr. Walls responded I get the difficulty. I am not trying to be hard.

Ms. Ang stated you need to consider temporary residents who come from other States and other countries.

Mr. Walls stated I provided a document to the Board with suggested language changes for this particular section. Under 3.1.5.1, I suggested that we clarify the language to make it clear that the ID needs to match the address that is provided on the lease.

Ms. Ang stated that is discriminatory.

Mr. Walls stated the only exemption that I saw, when I looked at the law, is for military. They can have an extension to not need to update their address within 10 days. I was not aware of one for non-citizens. If there is, we can have language for that, as well. I have language here for exempting anyone on active military duty from the provision that the address on the ID matches the address on the lease because the law allows for that. If there is another exemption for non-citizens, we can work on that as well.

Mr. LeMenager stated that is writing a bunch of rules for extremely unusual circumstances. I am speaking as someone who lived overseas with a visa for 18 years. I absolutely understand what she is talking about.

Ms. Kassel stated the red tape.

Mr. Farnsworth stated I understand you are trying to defend Mr. Moyer. I thought that our intention was to put a framework together and then give Mr. Moyer discretion within the bounds of this rule. If there was an exception and if he can verify that the resident lives in the District, then it was within his discretion to issue the ID card.

Mr. Berube stated 3.2 has this language.

Mr. Walls stated when we put this provision in this language, our intent was that all of the addresses matched.

Mr. Farnsworth stated it might have been your intention, but I did not interpret it that way.

Mr. Moyer stated we literally had hours of discussion on this very point.

Mr. Walls stated in the proof of ownership for owners, we intentionally left that address out because of snowbirds and people from out of State because they could show ownership in a home. That was the discussion and why we did what we did. I am not saying that it should not be changed or that exemptions should be put in place, but staff did what we told them to do.

Mr. Berube stated we told staff to be tough. Every time that I get a question on this, staff has taken the rigid road.

Mr. LeMenager stated these particular circumstances are covered by 3.2. I think staff overstepped their bounds once that it was explained.

Mr. Berube stated you may view it that staff overstepped their bounds; however, every time that Mr. Moyer gets into something that is sensitive, we chastise him. This would be one of them. The other one is usage agreements for facilities.

Mr. LeMenager stated we have had this discussion before, and you guys always want to keep second guessing him.

Mr. Berube stated so he gives us everything and has us decide.

Mr. LeMenager stated it is a self-fulfilling prophecy.

Mr. Qualls stated in a way of simplifying things, this rule clearly requires that you have to have a driver License or ID Card with an address that matches where you are renting.

Mr. Berube asked where do you see that?

Mr. Qualls responded it is 3.1.5.5.

Mr. Berube stated that is name of renter and proof of address within the District.

Mr. Qualls stated it says, "*Driver license or Florida identification card with name of renter and proof of address within the District.*"

Mr. Berube stated it does not say matching address.

Mr. Qualls stated either way, what I hear the resident saying is that you can legally rent a home in Florida and not be able to obtain a driver license or an ID card. If that is

true, I would think that you definitely want to amend this rule. It is a simple question to answer. I represent Ms. Patsy Hefner. I will call her. If someone can legally rent a home in the State of Florida and not have a driver license or an ID card, there should be other things that the District manager can look at to establish that you are living where you say that you are living.

Mr. Berube stated to get to the bottom line and to solve this right now, we already thought about the intangibles that we could not think about, and it is 3.2. Mr. Moyer can say yes or no. He does not want to because he is afraid we are going to blast him for doing something.

Ms. Kassel stated that is what is happening.

Mr. Qualls stated there is not a lot of room for discretion for the combination of documents. You must have an ID in combination with the other items listed. How do you decide the discretion? You have to have the ID or driver license if you are going to fairly interpret that rule. I could have an answer to the District manager tomorrow or Monday. It is simple.

Mr. Walls stated look at the language that I propose that says that the address must match and provides an exemption for an active duty military. If there is an exemption for people who are legally unable to obtain an ID, we put in an exemption for that.

Mr. Berube asked is it fair to call Ms. Ang a resident alien?

Ms. Ang responded yes.

Mr. Berube stated we can say that there is an exemption for active duty military or resident alien.

Mr. Walls stated some language where they can prove that they live in that house, whatever it might be.

Mr. Berube stated so we are going to amend the rules to make sure that it says the addresses must match, and then we will have an exemption that the District manager can use for active duty service members or resident aliens and let the District manager have discretion.

Ms. Ang asked what exactly will he want?

Mr. Berube stated he will want a lease agreement and utility bill and all other items that are listed, but your ID card at this point because of your status, will not be required to have the matching address.

Ms. Kassel asked can they submit a passport?

Ms. Ang responded financial institutions and government agencies only require my foreign passport. I would think that would be enough for you.

Mr. Walls stated but they are not trying to verify where you live. That is the issue here. We have to verify that you live here.

Ms. Kassel stated they need to verify your identity.

Ms. Ang stated I have it on my lease.

Mr. Walls stated you can put anyone's name on a lease. The whole idea was that the ID card says that this person lives where they say they are leasing.

Ms. Kassel stated but we were also trying to verify identity. Ms. Ang has the lease, but in terms of identity, she needs to prove her identity. Her passport is sufficient.

Mr. Berube stated she has a Florida ID card.

Ms. Kassel stated she has a Florida ID card with a different address.

Mr. Berube stated it is across the street.

Ms. Kassel stated yes, but it does not match.

Mr. Walls stated I think that we have a solution.

Mr. Farnsworth stated by the way, I want to reiterate to you that I never read that matching into the wording here.

Mr. Berube stated that is right. It does not say it.

Mr. Farnsworth stated it says, "*Proof of residency within the District.*" It does not say where that address is.

Mr. Berube stated then shame on us because we did not make it specific. This rule was only rewritten 13 times. Mr. Qualls rewrote the last iteration. Ms. Burgess wrote it this time and she got it right.

Mr. Qualls stated with all due respect, Ms. Burgess or I just copy down what the Board tells us.

Mr. Berube stated Mr. Qualls put into legalese, and Ms. Burgess uses English, which is fine. We are directing Ms. Burgess to change the language to show that addresses must match, and active duty service members should be included in 3.2.

Mr. Walls stated I added 3.1.5.10 to address active duty service members. Section 3.1.5.5 will be adjusted to say that addresses must match, and there is an exemption for active duty service members. I will email it to Ms. Burgess.

Mr. Berube stated and/or resident aliens at the District manager's discretion. Ms. Ang's card will remain active until someone moves into your former residence.

Ms. Ang stated someone already has.

Mr. Berube asked have they applied for an access card?

Ms. Ang responded yes.

Mr. van der Snel stated we are just waiting to receive their check.

Ms. Kassel stated we should revisit the \$10 fee for tenants. We are discriminating against tenants by charging them a \$10 fee.

Mr. Walls stated I disagree.

Ms. Kassel stated we have costs for the card and for the printing and the ink. Let us justify to those people why we are charging tenants \$10.

Mr. Walls stated it costs at least \$10 to make that card.

Mr. Berube stated it costs over \$18 for each card for the cost for the actual card and the ink, and that does not include the use of a special printer that we spent \$3,000 for. The total cost for staff to receive the paperwork to delivering it to the Welcome Center is about \$18.60. How many cards have you issued in the last three weeks?

Mr. van der Snel responded about 45 cards.

Mr. Berube asked do you have the breakdown of how many were renters and how many were owners?

Mr. van der Snel responded no, not in my head. I can provide that breakdown. It is on my computer.

Mr. Berube asked about half and half?

Mr. van der Snel stated yes.

Mr. Berube stated keep in mind that the people who own their homes pay CDD fees. They pay all of the costs of those cards. The renters changeover a lot. There is a huge amount of turnover. That is why the renters get charged. It is because the owners pay the CDD fees, and renters do not pay directly. That is how we came up with the fee for the cards.

Ms. Kassel stated the renters pay their landlord to pay those fees.

Mr. Berube stated they may.

Mr. LeMenager stated when we issue a card to an owner/occupant, the expectation is that owner/occupant is going to keep the card for, on average, seven years.

Ms. Kassel stated but we have many houses in Harmony that turn over every two or three years, even with selling to new owners.

Mr. Berube stated that may be.

Mr. Kassel stated that means that the people who are tenants are subsidizing the cards for people who are owners.

Mr. Walls stated I disagree. They are getting a deal.

Mr. Berube stated they are getting a deal. The card should be \$18.60 if we really want to recoup all of the costs. If we have to purchase another printer, it might be more. I think the card fee is reasonable. There was a lot of yelling and screaming about it in the beginning, but that has all settled down.

Mr. LeMenager stated I think \$10 is reasonable.

Mr. Walls stated Fishhawk charges \$10.

A Resident stated owners have to pay if they lose their card.

Ms. Kassel stated if they lose their card but not to get for the first time.

A Resident stated I suggest charging the owner of the house.

Mr. LeMenager stated we do not care who pays, as long as we get our \$10.

The Resident stated I think Ms. Kassel has a good point.

Mr. Walls stated the owner is not requesting the card; the renter is. The owner is giving up their rights to the card when a renter requests an access card.

Mr. Berube stated if an owner gets a card for his property and then somebody rents it, the owner's card gets deactivated.

Mr. LeMenager stated I would think if you are a landlord here, that is something you should be disclosing to your tenants when you sign a lease. Whether or not all of the property managers here do that is another issue.

Ms. Kassel stated most leases are one year in length. When you renew, you have to pay another \$10 as tenant.

Mr. Berube stated that is right.

Ms. Kassel stated they really are subsidizing the owners because they are paying \$10 per year, per card, per family member.

Mr. Berube stated but the owners are subsidizing themselves by paying the CDD fees.

Mr. LeMenager stated I kind of agree with Ms. Kassel. If they just renew their lease, I do not see why they have to pay another \$10.

Mr. Berube stated because the card expires with the lease.

Ms. Kassel stated but you do not have anymore expenses.

Mr. LeMenager stated we do not issue a new card.

Mr. Berube stated yes, we do. There is an expiration date on the card. We had this discussion. When the guys go through the pool and do ID checks, if that card has already expired, they get ejected.

Mr. LeMenager stated understood.

Mr. Berube stated for those who have not been here for awhile, anybody who has been to the pool lately realizes that they have been very crowded. Part of these access restrictions were a result of folks like you coming to these meetings and yelling and screaming and, in some cases, crying for better pool security. It is very tough to have a couple of mothers with their kids crying about incidents at the pool. We responded to that by putting police there for a couple of months. That was the wrong thing to do, long-term, but for a short-term response, we felt that was needed. It makes an impression. That is why the access rules are tight. I can tell you that anyone who visits either of those two pools this summer will be complaining about crowding. It has already happening. Based on the number of cards that Mr. van der Snel is printing, because all of these houses are being sold and all of these neighborhoods are coming online, you are going to be hard pressed to get into one of those pools on the weekend. We are going to have this conversation again. We already started having staff go through the pools and doing ID checks. It has already created some resistance from people at the pools. It is also noticeable that when some folks see ID cards getting checked, they get up and leave. It is shocking how that works. There have also been a number of attempts with cards that are expired going into the access card reader, and they cannot get in. A minute later, there is a request from inside to open the gate. People are hollering at other people to let them in because their card does not work. We know that all of this is happening. The bottom line is that we are aware of what is going on at the pools, and we hope to not have people coming here with their kids, yelling and crying and saying that they cannot use their own pools because they are insecure, but the reality is that forces us to make tough decisions about who gets in.

Mr. Walls stated we are not trying to be hardheaded. We are just trying to do what the residents asked us to do to keep everything in order.

A Resident stated you have to push an overhead button to open the gate to get out. Why can residents not use their card to get out?

Mr. Berube responded fire access rules. You have to have instant release. You cannot trap people in. The odds of a fire in a pool enclosure are rare, but you cannot have barred access.

Mr. Walls stated I have one more revision on the sheet that I provided to the Board. It is my attempt to clean up 3.4 because I was concerned about how easy it is for anyone to walk up and get an ID based on that rule. I looked at the Fishhawk rules. They had one that was almost exactly like this, but I thought that it was written better. It actually requires that a person who is getting a guest pass because they are watching someone's kids to have an actual signed and notarized guardianship power of attorney form that they provide when they obtain this card. They would pay \$10, which would be non-refundable. They would get a card for themselves. The card would be good for a year. They would go through the process again after a year.

Mr. Berube asked how many guest access cards have we issued, two? I am talking about the people who ask for an access card for their grandmother, aunt, or friend.

Mr. van der Snel responded I received one request last year.

Mr. Berube stated it is not a big deal because no one is doing it.

Mr. Walls stated if people find out about it, this does not provide a lot of safeguards. I thought that Fishhawk put some good safeguards in their rules. That is why I am proposing this.

Mr. van der Snel stated that access card was a 90-day guest pass.

Mr. Berube asked do you think that we need to instill more safeguards or wait until it becomes a bigger issue?

Mr. LeMenager responded not for one in all of this time.

Mr. Farnsworth stated I would like to discuss page 238 in the agenda, in paragraph 4.3. There is a reference there to paragraph 3.5, but that has now been eliminated. You need to generate a new paragraph that is equivalent to paragraph 3.5, whether you position it there or not, so that the reference in paragraph 4.3 has something to point to.

Mr. Walls stated we moved paragraph 3.5 to paragraph 5.8.

Mr. Farnsworth stated yes, but it does not pertain to pools, which is in paragraph 4.3. A different paragraph needs to be generated. You have a broken reference.

Mr. Berube stated paragraph 4.3 says, “*The District’s swimming pool facilities are open to District residents who have registered with the District by signing the contract referenced in Section 3.5 above.*”

Mr. Walls stated we need to strike everything after “District” from that line because there is no contract for the pools.

Mr. Farnsworth stated something needs to be done.

Mr. LeMenager stated you are right.

Mr. Berube stated we will add a period after the third “District.”

Mr. LeMenager stated yes. That is a good point.

Mr. Berube stated good catch, Mr. Farnsworth.

Mr. Farnsworth stated with all of the deletions that occurred out of paragraph 5.6, responsibility for damages, in my opinion, that leaves just a single sentence under that paragraph. That makes that section extremely weak.

Mr. Berube asked why? They are responsible for all damages that occur on the boats. That what all the residents suggested.

Mr. Farnsworth responded there is no explanation. I am just expressing my opinion.

Mr. Berube stated understood. If you recall, last month, we had damage to a boat and nobody had the constitution to charge the resident.

Ms. Kassel stated that is not true.

Mr. Farnsworth stated I voted against that motion.

Mr. Berube stated we made a decision not to charge the resident.

Mr. Farnsworth stated I did not vote for that.

Mr. LeMenager stated that is true. It was not unanimous.

Mr. Farnsworth stated the heading of paragraph 5.8 should be reworded so it says “*Contracts for execution prior to boat use*” and not all the rest of the words there.

Mr. Walls stated I agree.

Mr. Berube stated paragraph 5.8 will be for boats only.

Ms. Kassel stated or it could say, “*Contracts for execution prior to use of District boats.*”

Mr. Farnsworth stated right now, it has too many words for things it does not apply to.

Mr. Berube stated it is fixed.

H. Discussion of Usage Fees

Mr. Walls will provide a proposal for fees to be incorporated into Chapter 3.

NINTH ORDER OF BUSINESS

Supervisor Requests

Mr. LeMenager stated we receive these magazines, and Mr. Berube wrote an article as Chairman of the Harmony CDD. At the end of the article, you encourage patronage of businesses. I am not sure that you should do that as the Chairman of the Harmony CDD. If it is just you, I am fine with it, but not as a government official.

Mr. Berube stated you are probably right. I was just encouraging people to support the businesses that support that magazine.

Mr. LeMenager stated I do not think that is a bad idea at all, just not as a government official.

TENTH ORDER OF BUSINESS

Adjournment

Ms. Kassel stated I would like to thank the 22 residents who attended this meeting.

The next meeting is scheduled for Thursday, April 30, 2015, at 6:00 p.m.

On MOTION by Ms. Kassel, seconded by Mr. Walls, with all in favor, the meeting was adjourned at 8:25 p.m.

Gary L. Moyer, Secretary

Steve Berube, Chairman