

**MINUTES OF MEETING
HARMONY COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Harmony Community Development District was held Thursday, February 22, 2018, at 6:00 p.m. at the Harmony Golf Preserve Clubhouse, located at 7251 Five Oaks Drive, Harmony, Florida.

Present and constituting a quorum were:

Steve Berube	Chairman
Ray Walls	Vice Chairman
David Farnsworth	Assistant Secretary
William Bokunic	Assistant Secretary
Kerul Kassel	Assistant Secretary

Also present were:

Bob Koncar	District Manager: Inframark
Kayla Scarpone	Attorney: Young & Qualls, P.A.
Steve Boyd	Engineer: Boyd Civil Engineering
Gerhard van der Snel	District Staff: Field Manager
Daniel Finz	Field Services Manager: Inframark
Scott Feliciano	Servello & Sons Landscaping
Jason Migues	Servello & Sons Landscaping
Residents and Members of the Public	

FIRST ORDER OF BUSINESS

Roll Call

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

Supv Berube called the roll and stated the record will reflect we have a full Board.

SECOND ORDER OF BUSINESS

Audience Comments

Supv Berube stated: If you have been here over the past few months you have seen Mr. Hornak make presentations regarding his Eagle Scout project which is known as a Little Free Library. The Little Free Library is a national project where neighborhoods put up small boxes and people can leave and take books, share books, and read them.

Mr. Tyler Hornak stated: We are in the process of fundraising through various means. We currently have a GoFundMe set up and will be doing a car wash on March 10th at O'Reilly's Auto Parts. We are looking to build on personal private property March 24th and install on March 31st at your location. I will meet with you on the exact spot around that time.

Supv Bokunic asked: What is the GoFundMe site? How would we find you on GoFundMe?

Mr. Hornak responded: I posted it on Facebook but I can send a link to your email.

Supv Bokunic asked: On your Facebook?

Mr. Hornak responded: I posted it on the forum under my father's Facebook.

Supv Berube stated: Post it again and keep putting it back up for a few days.

Mr. Hornak stated: Thank you.

THIRD ORDER OF BUSINESS

Approval of the Minutes

A. January 11, 2018 Special Meeting

Supv Kassel stated: I sent corrections and received word that they had been updated.

On MOTION by Supv Kassel seconded by Supv Walls, with all in favor, the January 11, 2018 special meeting minutes were approved, as amended.

B. January 25, 2018 Meeting

Supv Kassel stated: I sent corrections.

On MOTION by Supv Kassel seconded by Supv Bokunic, with all in favor, the minutes of the January 25, 2018 meeting were approved, as amended.

FOURTH ORDER OF BUSINESS

Developer's Report

Supv Berube stated: Counsel, give us an update to our conference call the other day and where we stand with the monetary deals with the land swap, as well as the changes to the land donation.

Ms. Scarpone stated: I will start with the change to the land donation. At the last meeting the Board agreed to accept the five parcels that had been shown to you by the developer. Four were conservation pieces and the last one being the strip of land along 192 that somehow did not get dedicated to the District. When they were going through it and preparing, they realized they meant to include an additional wetland parcel, but had not presented it to the Board and because you only voted to accept the five, we thought we should bring before you tonight whether you want to accept the sixth. It is a rather large parcel, but also still wetlands. The developer has prepared one deed which includes all six, so if you vote that you are okay with the sixth parcel the deed is ready to go, the developer will sign it and it will be recorded.

Supv Kassel asked: Where is it?

Supv Farnsworth responded: The Estates is right here and the parcel is behind it.

Supv Kassel stated: The east side of the Estates.

Supv Bokunic stated: This is extra that they are giving us.

Supv Berube stated: Yes, this is extra wetlands that will go in the conservation bank with the rest of it.

Supv Kassel stated: Our conservation bank. The developer is thinking of creating a conservation mitigation bank which is different than what we have.

Supv Berube stated: It is our conservation lands because we are probably never going to do anything with it.

Supv Kassel asked: How big is the parcel? Is 4.71 acres correct?

Ms. Scarpone responded: It is much bigger than the other ones.

Supv Walls stated: I think we need to do some more due diligence on this. It is a big plot of land; what are the maintenance requirements, what is it touching? I am not ready to approve it.

Supv Kassel responded: It touches the golf course.

Supv Walls stated: I know where it is at, but we need details about the land.

Supv Bokunic asked: Is there additional information that came along with it other than just giving us this?

Ms. Scarpone responded: There is not. I assumed the developer was going to be here to convey the information. I do not have details, but we can get them from the developer for the next meeting if you would like to wait on this parcel.

Supv Walls stated: It would be my preference.

Supv Kassel stated: I can move to approve and we can table it.

Supv Walls stated: We can just table it.

Supv Kassel stated: We did not require this kind of information for the previous parcels.

Supv Walls stated: We were talking about one and two acre pieces.

Supv Berube stated: The other were a total of 42 acres.

Supv Farnsworth stated: If she is going to propose it, I will second it.

Supv Walls stated: If you want to take this on without knowing anything about it, that is fine.

Supv Farnsworth stated: It is no different than what we have already taken on.

Supv Walls asked: What is the problem with waiting a month to make sure we know everything about this piece of property?

Ms. Scarpone responded: I do not see a rush on your part. I assume the developer wants it to go through, but because he is not here to answer these questions, it is up to you if you want to wait.

Supv Berube stated: If we are waiting for the developer to tell us everything is good with it, that is like having the fox guard the henhouse.

Supv Walls stated: We need somebody to review the land to see if there are any restrictions or conditions.

Supv Kassel asked: Would Mr. Boyd know if there are any restrictions, conditions, or maintenance?

Mr. Boyd responded: I will have to pull up the water management permit; they would be listed. There may be some requirements about monitoring for invasive species and such.

Supv Kassel asked: Can you do the same for the other parcels?

Mr. Boyd responded: Absolutely.

On MOTION by Supv Kassel seconded by Supv Bokunic, with all in favor, the additional parcel was tabled to the next meeting.

Ms. Scarpone stated: For the land swap, over the last two weeks we have been working closely with developer's counsel. Developer's counsel sent us legals and sketches of the parcels, and also draft deeds for the swapping of the two pieces of land. We drafted two additional agreements to go along with those deeds; one being what we have called a land swap sales agreement. The point of that was I felt we needed to have all the extra things the developer had offered to the District along with the swap of the piece of land in writing. The additional items included are the detailed description of the payments discussed and figured out by Inframark. There is a \$10,580.44 debt pay down based on the fact that there will be 12 units developed and at 12 units the debt will exceed the maximum amount.

Supv Farnsworth asked: Is that in the analysis?

Supv Kassel responded: It is at the bottom of the CDD package.

Supv Berube stated: The numbers she is referencing almost exactly mirror the numbers that became part of the meeting minutes last month; within pennies of the initial analysis and final numbers.

Supv Kassel stated: The debt limit is \$2,300 and the adjusted amount per unit was above it and needed to be figured on an annual basis times the period of time for the bond issue.

Supv Berube stated: Because of the change in product type.

Ms. Scarpone stated: That is called the product modification payment. There is the additional \$40,000 the developer agreed to guard against the potential increase in the O&M assessments that will happen because the swap results are less net developable acres within the District. It would essentially be an increase on all existing landowners. The developer will secure and pay the cost of permitting in order to do the repairs to the boathouse, contribute up to \$5,000 to fund those repairs to be paid at the time the project is undertaken, the construction of the improvements on the parcel the District is receiving as shown on their plans including the initial landscaping, gazebo, picnic area, parking area and seating area, and that after those are constructed they would give those to the District through a bill of sale. I included the landscape buffers as discussed. The second agreement would be an easement agreement which is patterned somewhat off the current lake use agreement, but will guarantee in perpetuity that the District will always have the right to maintain, operate, construct, and reconstruct those recreational facilities that are on the lake including the boathouse, dock, ramp and fishing pier. This is because when I look at those facilities on a map they go out into the lake; especially the dock which has been constructed and affixed into the land under the lake. Even though with the parcel you are receiving you have access to the lake, I believe we need a perpetual easement to make sure there are no questions in the future about your ability to use, maintain and continue to operate those facilities.

Supv Kassel stated: It is access to and use because Mr. Shoopman specifically made a distinction between access to and use in the last meeting. He promised we would have both in perpetuity and I want to make sure the agreement reflects it.

Ms. Scarpone stated: I have drafted and sent to developer's counsel the sale agreement and easement agreement with a copy to the developer. The easement agreement does specifically say use and access of the lake, and use and access of all the

facilities on the lake. It also gives you broader rights to construct, build and install. I think I have worded it broad enough that you will have free range when necessary to include additions to it.

Supv Walls asked: Are there any contingencies in the agreement in terms of once we make this swap? I want to make sure it is a done deal and they are not going to come back if, for example, they do not get approval from the County to build those homes there.

Ms. Scarpone stated: There are no contingencies like that; we want to make sure this agreement and the easement agreement are in place before the deeds are swapped and was the point of us writing the additional agreements. We are not going forward with the execution and recording of the deeds until this is all worked out. Also, the monetary amounts, especially the \$10,000 amount, currently the way we have it drafted is they pay it within 30 days of executing this. I also have language in there because there is a potential that their plan might not be approved, the contingency language includes that if for some reason they developed less than 12 lots on the land, they will be required under the assessment methodology to submit another payment. The \$10,000 amount was based on 12 lots at the maximum cap for assessments, and the debt exceeded that, so if they do less than 12, it still is going to be exceeded and has not been paid out by this payment. It is the only thing I would call a contingency in the agreement and it protects the District.

Supv Berube stated: In effect when you read it, there was a line or two that suggested if they did not get County approval this was gone and I requested they take it out. We approved the package last month, as it was, we just did not know the financial numbers. This has now been reduced to a contract for sale including the financial numbers. Effectively we are putting the financial numbers out here and the developer is not here to agree to it, but this becomes due and payable upon their acceptance. They have seen it so I have to think they are okay with it and it is just batting back and forth for the redlining. Guide me if I am wrong, but we need to re-approve the land swap to include the financial numbers that have now become part of the record and present this to the developer for their final approval and writing of a check.

Ms. Scarpone stated: Yes. I believe your vote at the last meeting listed all of these things except for the easement agreement and you would specifically add that in as well.

Supv Berube MOVED to approve the land swap agreement, as detailed above to include the financial numbers which requires a payment from the developer within 30 days of \$50,580.44 subject to change if the amount of lots are changed and contemplates the addition of the easement agreement presented by District Counsel as part of this discussion, and Supv Kassel seconded the motion.

Supv Walls stated: My only issue with that is I have not seen the agreement. I do not know if anyone has.

Supv Berube stated: I have seen draft copies.

Supv Walls stated: I cannot vote on something I have not seen.

Ms. Scarpone stated: I can circulate the drafts. They are reviewing it now, but I can send the drafts I sent to developer's counsel.

Supv Kassel asked: Do we need to table the re-approval until we have it in front of us?

Supv Walls responded: I do not know how we can approve an agreement if we do not have it.

Supv Farnsworth asked: Did we see an agreement before we approved it last time?

Supv Walls responded: You approved the idea in concept.

Supv Berube stated: What the agreement does is codify for perpetuity what we have agreed to verbally. It documents it on paper with specificity to include the easement and usage of the lake. We approved all of this last month without the agreement.

Supv Farnsworth stated: It is the reason I am asking. I am not a lawyer and am not going to sit here and read through to try to second-guess what the lawyers did.

Supv Walls stated: It is our responsibility to do that.

Supv Farnsworth stated: Me reading it is not going to change anything from my point of view.

Supv Bokunic stated: Supervisor Walls made a good point; it really is our job to do that. I would agree that we need to take a look at this.

Supv Kassel stated: I did not approve the handbook until I made sure everything we discussed was in there.

<p><i>Supv Kassel</i> MOVED to table the approval until the Board has an opportunity to review the agreements.</p>
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Ms. Scarpone stated: We will update you this month because we have not yet received any feedback; if they send redlined copies back we will circulate those as well.

Supv Berube stated: The motion and second is withdrawn and tabling, pending contract review by the Board.

Supv Bokunic asked: When do you think we can have those?

Ms. Scarpone responded: I can send them to you right now.

Supv Berube stated: They are not finalized yet.

Supv Kassel stated: Why don't we wait until they get something back that is ready for us to approve.

FIFTH ORDER OF BUSINESS

Subcontractors Reports

A. Servello & Sons

i. Grounds Maintenance Report

Supv Berube stated: It is not really Servello & Sons; it is just Servello.

Mr. Feliciano stated: Yes.

Supv Berube stated: The corporate name is Servello & Sons but you operate under Servello.

Mr. Feliciano stated: Yes.

Supv Bokunic stated: I did not think they were coming every month now.

Supv Berube stated: They want to come and see us because we are such nice people. One day the landscaping will be perfect and we will say we do not need you here anymore.

Mr. Feliciano stated: For the Landscaping Report, we met with Mr. Farnsworth Wednesday morning and revised it to everyone's liking and added a second page which will include notes. Moving forward we will be in agreement of which form to use to make it easier for everyone involved. As you can see on the note page you are going to have maintenance, miscellaneous horticulture, proposals, irrigation notes and everything will be jotted down on those lines each month.

Supv Kassel asked: What does 3 + 48 hr service call mean?

Mr. Feliciano responded: It is just the frequencies we are servicing the property. What gets serviced, how many times per year it is getting serviced which is the number to the right of the column.

Supv Kassel stated: I just do not know what 3 + 48 hr is.

Mr. Feliciano stated: For some of the numbers, we agree on which table to use, but we are going to modify it to your specifications per the contract. Some of it could change, and at the next Board meeting you might see different things added or some might come off.

Supv Farnsworth stated: They are going to refine it so the line items match their contract.

Supv Berube stated: Her question is what does 3 + 48 hr mean?

Mr. Feliciano responded: It was on the example table when it came to us so it is probably going to disappear.

Supv Kassel asked: Are the yellow highlights items that were not completed?

Mr. Feliciano responded: Right, and it is going to go into the notes category. It could have been items that were addressed earlier like the trimming of the palm trees at the pool area which we did last year. We did that early because they were a mess so we spoke with Mr. van der Snel and agreed we would trim them early instead of waiting until the contract date.

Supv Kassel stated: It means there is a note about it, not that it was not done.

Mr. Feliciano stated: Correct.

Supv Kassel stated: Anything that is incomplete, for example, I see 'X' to mean it is supposed to be done and '✓' to indicate it was done.

Mr. Feliciano stated: Correct. The yellow you see on the 'X' brings to your attention questions such as the mulching. We agreed to do the mulching after the tree trimming was completed, so we do not have excess debris inside the new mulch. Same thing with the annuals at the bottom; the annuals were done earlier due to freeze that killed the other annuals.

Supv Kassel asked: Why does it not have a '✓' next to it?

Mr. Feliciano responded: It does not fall under this month. It was done previously.

Supv Berube stated: On the subject of annuals dying in the freeze, there are a number of them that are dead.

Mr. Feliciano stated: We have to add some stuff to it. We went from cooler weather right to warm weather and they are kind of in shock right now.

Supv Berube stated: Do you think they are not dead?

Mr. Feliciano responded: No.

Mr. van der Snel stated: On the schedule for the mowing cycle, it was not mowed the week of January 2nd, the week of January 15th and the week of January 22nd, so it needs to be revised. I talked about it with Mr. Miguez and we emailed back and forth. He said does it really make sense to mow and I said no, if you spend your time on detailing. It is all good, but for the record it needs to be taken off.

Supv Kassel stated: It could be made a notation that other things were done in its place, so it does not appear that you did not complete the work. Even though you did not complete the mowing, the notes will indicate you completed other work in place of the mowing. Is that the reason you checked it or is there some other reason?

Mr. Miguez responded: Whenever the mowing is not done and areas are growing well, we will run the machine over it so nothing is getting ridiculously high.

Supv Berube stated: Spot mowing.

Mr. Miguez stated: Exactly; we would not do the whole property, but we would spot mow.

Mr. Feliciano stated: Moving forward this will be noted on your monthly report plus the day it happens we need email confirmation from Mr. Miguez to Mr. van der Snel and me stating this is what we are going to do. This way it will not leave any question for Mr. van der Snel that we are not mowing those days, but checking them off.

Supv Berube stated: There is a focus on this because your predecessor had a habit of submitting reports with everything checked all the time and you know it was not getting done. When you asked about it the response was that should not have happened.

Supv Farnsworth stated: You are going to have to refine the line items, but this 3 + 48 hr basically was supposed to flag three events per year plus 48 hours service on a call.

Mr. Feliciano stated: We will word it differently.

Supv Berube stated: It is more detail than we had before.

Mr. Feliciano stated: One of the other things I noticed is where it says proposal submitted for 57 Jack Frost for Blazing Star Pocket Park. We need to, and it will be refining on our end, that this proposal was approved and there should be indication letting you know it was approved and a schedule date included. Moving forward it is an internal thing where we have to correct those issues.

Supv Berube stated: I am unclear what you mean by this Board approved.

Mr. van der Snel stated: The proposal for 57 Jack Frost was approved by me. The only change is I did a count, and there were not 57 Jack Frost in the Blazing Star Pocket Park. There were 12 or 13 left over and we decided to put them in across from the Five Oaks Townhomes and distribute them wherever needed.

Mr. Feliciano stated: There was disagreement about the ones he thought would make it, and would like to move throughout the property along the main boulevard pulling out the ones which were obviously bad and put them in there.

Supv Berube stated: Along these many areas, at the end of Butterfly and the intersection of Dark Sky, there was the beatup bush you took out and now it is dirt. Do we have something which is going to replace it?

Mr. van der Snel responded: We can put something in there.

Supv Berube stated: You have some leftovers.

Mr. Feliciano stated: No.

Supv Berube asked: Would those be appropriate for that area?

Mr. Feliciano responded: Absolutely.

Supv Berube stated: Once the trees are done, and that is getting close, we are going to have a nice sidewalk, new benches, new trees and we will have this dirt.

Mr. Feliciano stated: As long as you do not have deer in the area.

Supv Kassel stated: We do.

Mr. Feliciano stated: Then it will be something other than Arboricolas.

Supv Berube stated: We will leave it to you experts to figure out.

ii. Tree Trimming Map

Supv Kassel asked: Are you on target timeline-wise?

Mr. Feliciano responded: We are actually ahead of target. I can tell you in Section 3 there are five trees to still be trimmed and then we will be moving to the contracted areas. What I have been doing is working through each area and will be sending in Microsoft Word to Mr. van der Snel the location and a picture of the tree with a ribbon around it. So far we have 17 leaning trees, four of which need to come out because the roots are exposed and we have three dead trees. It will be on a spreadsheet and sent to Mr. van der Snel for the Board to decide what they want to do with it. Yellow ribbon is for dead trees, fluorescent orange is for leaning trees with the majority of them being on Pond Pine Road.

Supv Berube stated: There is one across from my house leaning toward the house. I did not notice it was leaning until I saw the ribbon.

Supv Kassel asked: Are they Sycamores?

Mr. Feliciano responded: Sycamores and I think there is one Oak.

Supv Kassel stated: The first block with the Sycamores on the east side of the neighborhood where the wind was coming from with the hurricane.

Mr. Feliciano stated: At first I thought the tree trimming was going to be extremely challenging with all the cars and such, but everyone in the community has been very accommodating with moving cars. We had a few cars that stayed put for a few days, but we were able to go back to those areas to trim the trees. We have had many positive comments about the tree trimming and a few saying we were there too early and we need to get off their street. It has been going very well.

Supv Berube stated: The vast majority are pretty decent folks. They like to keep the neighborhood up and when they see the trucks with work going on, it is generally pretty positive, as you have experienced. We have been down this road with alley paving and tree trimming in the past, and there are very few people that are dissenters.

Supv Kassel stated: The orange areas are CDD areas. What about the tree trimming along the streets?

Mr. Feliciano responded: That is the common areas; the contracted areas. Those will follow after we finish the five remaining trees.

Supv Kassel asked: The green area in the Lakes?

Mr. Feliciano responded: Those are small areas where the new trees are. We are going through to make sure the suckers are off the trees, we cannot trim them too much because they are very young trees.

Supv Berube asked: As part of this, do we still have trees with bands on them? We ran into problems in the past where the bands have grown into the trees and damaged a tree and in some cases killed it. Is it safe to assume you are looking at it and doing something about it, or do we need to take action?

Mr. Feliciano responded: With the new trees we are installing six months from now we can test the tree to see if the root ball is good.

Supv Berube stated: I am talking about the trees, especially down east.

Mr. Feliciano stated: We need to start testing those. It is something we can address when we are in the area. We have had our tree guys remove some of the straps already on some of the trees we have been trimming.

Supv Berube stated: We do not want to get into that again; we lost a number of trees because we were not paying attention.

Mr. Feliciano stated: We have removed quite a few root balls with the baskets still attached, which is very harmful for the tree. A lot of your big trees were root bound and is why they were so easy to tip over.

Supv Berube stated: We cannot blame your predecessor for that because most of the trees were planted by the developer.

Mr. Feliciano stated: The other thing I want to bring to your attention is the tree installation. Right now all 35 trees on Butterfly are installed. I went by to inspect the trees and found five I think need to be brought down a little more so we will have a crew in tomorrow doing it. There are 14 trees remaining to be strapped and we will be doing that. There is one tree where the bubbler is there, but the flex is not.

Mr. van der Snel stated: They are still working on it, and 34 of the trees have bubblers they ran tonight.

Mr. Feliciano stated: I will have guys out tomorrow to lower the trees to where they should be and strapping the trees. On Monday we will start installing the trees throughout the community.

Supv Berube stated: After that there will be another spreadsheet in time for next month for all the other trees.

Mr. Feliciano stated: Absolutely.

Supv Berube stated: While we are talking about next month, and we have touched on this a few times, but there should be sod throughout the community.

Mr. Feliciano stated: You will have it for the report next month. We have the numbers and want to get everything in place.

Supv Berube stated: Remember the Neighborhood G Park needs to be one, the soccer field another and if you can break out the different types of sod and their locations. We are going to need specific numbers as to what it cost to repair.

Mr. Feliciano stated: The last topic I wanted to bring up, but first and foremost I wanted to apologize on our behalf because we misspoke in regard to the irrigation. Servello does not have the contract for irrigation and we are to work hand-in-hand on pretty much every project here to help enhance the beautification of the entire community. We only make recommendations, we do not instruct. It is not our job to instruct; you control it. I have done irrigation and I know how tough it is to do irrigation. I know how complicated Mr. van der Snel's job is with running the MaxiCom system. Again, I apologize on our behalf for instructing when we should not have been. I think what should have happened is we should have met to discuss certain areas because I cannot tell you to turn on irrigation five times a week when every condition on property is completely different. It is not my job to do that; we can recommend for certain areas and move forward from there. We need to let Mr. van der Snel control the irrigation, it is his job, and whatever time we have wasted let me know and we will credit you because this should have never happened. We would like to get together, and Mr. Whitaker is willing to volunteer since he has numerous certifications for irrigation and I have some as well, and maybe learn from each other to come to a conclusion where everything is running right and everyone is happy. We know going into the summer there is going to be hot spots and you cannot water four days a week or six hours a day. I think if we work together as a team we can help each other. Moving forward, no one from Servello is to instruct Harmony as to how to run the irrigation; we will only make recommendations and work together.

Mr. Miguez stated: Technically it was my email formerly and I apologize for overstepping my boundaries.

Supv Berube stated: We get it. I saw the emails and he asked specifically are you sure you want this and the answer was yes. As to the time wasted, we are not going to nickel and dime around it. I am glad you scheduled a meeting for next week to figure out the hieroglyphics of how it is going to work with the water. I think you saw we are not resistant to turning on the water when you say turn on the water.

Mr. Feliciano stated: I see that.

Supv Berube asked: Where do we stand with the standalone running? Have we backed it off?

Mr. van der Snel responded: It is still on standalone; we probably have to change it back tomorrow to MaxiCom.

Mr. Feliciano stated: I apologize; lunch on me. I promise to get you lunch. I also want to address the breaks which are concerning to us as a company. We have broken two park benches.

Supv Kassel stated: One leg of a bench is also missing in the dog park.

Supv Bokunic asked: How did you do it?

Supv Kassel responded: It was whacked it with the lawnmower.

Mr. Feliciano stated: Absolutely. I like to put it all on the table - the good, the bad, the ugly. I had a chance to inspect the bench with Mr. van der Snel and I know no one kicked it. The bench is completely broken and you can see the mower scars on it. In fact, it also happened on the bench beside it, but lucky for us it did not break. We will address the issue internally and Mr. van der Snel has provided the information and we will be ordering a new bench.

Supv Kassel stated: Mr. van der Snel if you could move the bench outside of the dog park to replace the broken one and then the new bench can go outside. People need a place to sit inside the park.

Mr. Feliciano stated: That is all I have.

An unidentified speaker asked: Can you talk about the fire ants on Cordgrass?

Supv Berube responded: These guys know what you do.

The unidentified speaker stated: I do not know what you ,did but they are gone.

Supv Walls stated: They no longer have fire ants on Cordgrass.

Supv Kassel stated: I read that during hurricanes, fire ants can form a football-sized group clumped together and they float until they land.

Supv Berube stated: Thank you for coming; see you next month.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Engineer

Mr. Boyd stated: For the Neighborhood F swale; I spoke with Junior Davis again today and they were on their way back to look at it and are going to get started on it now that they have mobilized and on Neighborhood J they are bringing the grading equipment out and will be fixing the swale. Last month you asked me to proceed with an update to the Public Facilities Report as we have not done one in over five years. I have started pulling it together and it will include an updated map and a status of all the facilities within the District.

B. Attorney

Ms. Scarpone stated: The first item is the Employee Policy salary range and it is my understanding District Management staff is still working on pulling those numbers together. That is the last thing that needs to go into the manual. I would like to thank Supervisor Farnsworth for his endless time on fixing and formatting the links. You are much better at that than I am so thank you.

Mr. Koncar stated: I met with the employees and went over the manual with them. We went through all the parts of the manual and the attachments. They have each signed they received the manual and understood it. We scanned those and sent them to FRM and I have a copy as well.

Ms. Scarpone stated: The next item is the Pool Works punch list. In the agenda is a letter we sent to Pool Works on February 12th which was the date in the contract for the completion for the purposes of liquidated damages. We included a punch list that I believe was formulated by Mr. van der Snel in the hopes they would respond to us with a resolution.

We received an email response from Pool Works the next day. The first thing I want to talk about are the liquidated damages and your other possible remedies under the contract for the items possibly still outstanding. After further research and reflection, I do not think the liquidated damages are the proper remedy here. Liquidated damages are something the parties contract and agree upon before the work is done, and are meant to cover situations which it difficult to quantify a dollar amount for the damages. In this contract the liquidated damages were a per diem amount that was to kick in if the duties of the contractor were not completed by February 12th. Here the contractor, I believe, did complete their work, but the items on the punch list were that the contractor did not complete the work satisfactorily with most of them being aesthetics or possible items of damage. The liquidated damages were meant to guard against if they did not finish the project by the 12th, so the pool can be reopened and the pool would be unavailable for Harmony residents; that is the part that is unquantifiable. What is the monetary value of that loss? It is very difficult to put a number on this and is why the \$250 per diem amount was in there. For those items where there is unsatisfactory work that may need to be fixed or items that are damaged; those items are quantifiable and I do not think it is proper to start docking the \$250 per day to cover those items. I think it is more proper to address those things and negotiate with Pool Works the value of either replacing those things or fixing them and either withholding from final payment or having some kind of negotiation with them as to fixing those. Their response was essentially they will provide warranty affidavits. On the other items, it is their point of view that any fixed items on the punch list, they have offered to replace 37 filters and an ADA lift cover. In your contract there are several places which state the remaining payment on the contract will be made after a satisfactory completion of the duties and that the duties must be fulfilled to the satisfaction of the District Manager and final payment will only be made following a satisfactory inspection. I think your proper remedy at this point would be to have your District Manager work with Pool Works to try to work some of these things out and withhold final payment subject to working those out or determining the value amount still in dispute for the outstanding items.

Supv Farnsworth asked: Who would work with Pool Works on this?

Ms. Scarpone responded: The District Manager.

Mr. Koncar stated: Mr. van der Snel and I have done a detailed inspection of the pool and gone through all the different items. All those were included in the original letter from the attorney. We still have some concerns on it and in your AP report there was a requirement by contract of a 50% down payment, but I have stopped any other payments to them until this is settled. I think the next step is for us to meet onsite with the Pool Works representative and come to some agreement as my understanding is some of it they do not want to address.

Supv Kassel asked: Do we trust they have the capacity and desire to complete work satisfactorily? Do we need to find somebody else to provide a quote for fixing what they did not?

Supv Berube responded: So the Board understands, the pool refinish consisted of several things. The top edge of the pool is stone coping with a rounded bullnose edge. It has gaps in between and we wanted those regouted because it was worn out, collapsed and cracked. They did that. It is unsealed stone. It is one thing if you tile a floor that has a shine to it, you can put grout all over it, let it dry and wipe it off. With unsealed stone when you put grout on it you are not getting it off. There is brown grout in all the dimples of the stone and they did a lousy job on the gap, partly because they started the job with tape to protect the stone, then it rained and all the tape came off. When they came back they did not retape and

started grouting. When you are in the pool and look at the coping there is grout on the face of it most of the way around the pool. The top surfaces of many of the stones are the same way. They came in with hydrochloric acid, poured it on, brushed it and pressure washed it off into the pool making the pool a grout brown color which clogged all the filter pads. It was just one thing after the other. When they finished the pool they did not remove the ADA lift and sprayed the new finish around it and did the same thing with the ladders. They left them in place and sprayed around them, so all had to be repaired. Repairing this is like trying to patch a ceiling in your house, you can do it, but you see it. They never took the blue tarp off the ADA cover when they did the hydrochloric acid so the acid got all over and ate up the cover. If you have been to the pool you know there is a blue ridge of tile under the coping. We replaced all of it because it was old and beat up. They put it all in, but there was no guide so the grout line starts at a ¼-inch or so and grows; the tile basically goes downhill until the grout line grows to 5/8-inch in some places. They figured that out and brought the tile back up. The tile and grout line are a zigzag and everything is cockeyed. It is just poor workmanship. When you look at when the LED lights are on you can see the bottom is dimpled and the quartz is chipped around the water returns. It never got acid washed. We wanted a bright blue finish, but they did it quickly, filled it up with water and never acid washed it to expose the blue quartz so the pool does not look like it was redone.

Supv Kassel asked: What is the remedy? Do we need to get another quote?

Supv Berube responded: The same guys who made the mess on the coping are the same guys who came back day-after-day to try to clean up the mess. After five or six days of doing that kind of work they did not have the heart to do it anymore. This is a mess they made. To answer the question directly, yes we need to get another contractor in to give an estimate to fix all of it, but the reason Pool Works is not fixing it is because you might as well start from scratch to redo it to fix it. The coping stone may not be fixable.

Mr. van der Snel stated: For the quartz you have to drain the pool again and maybe scrape off where the surface is really bad. It is not a smooth surface in many spots. It is just a lousy job that they did.

Supv Walls stated: We have paid them the 50% deposit.

Mr. Koncar stated: Yes, it was required of the contract, but I have told AP to hold any further payments. The return at the deep end is not coming out with the velocity it used to so the question is has all their work damaged the pump?

Supv Berube responded: That is the other question and Ms. Scarpone mentioned the filter pads. The water goes through 38 filter grids and normally they catch all the muck, hair, grit and all that. Normally, you open the backwash and spray them off with a garden hose until they are clean and white again, when you are pressure washing all the hydrochloric acid and all the grout into the pool. They did this four times and say it is normal, but to make us happy they will replace all the pads. There is a reason the pads need to be replaced. They also agreed to replace the ADA lift cover.

Supv Bokunic asked: How much have we paid them?

Ms. Scarpone responded: \$20,000.

Supv Berube stated: The question comes down to do you want to get a contractor? Any contractor is going to come in and tell you if you want this to look nice, you will have to redo it. On the flip side of it is, they already have \$20,000 and we say we think this job is sub-par and assign some number to it.

Supv Kassel stated: We got multiple bids on this job, did we not? Do we have another contractor who has offered a viable bid? Can we have them assess what their bid was? Essentially, they will be starting from scratch if we have a new contractor come in. We have already spent the \$20,000; it was a bad contractor. I do not know what we can do to recoup that. If there is damage to the pump or something else, they can quantify that and we can request the money back from Pool Works. Essentially, I think we need to move forward and get it fixed; we are not going to use them.

Supv Berube stated: I think the water return situation has improved substantially. There may be some damage to the pump, but it seems to be pumping alright. The filtration has returned pretty much to where it was before, so I think we can leave it out. The problem with the pool resurfacing is every time you do it you add thickness to the walls of the pool. This was the third layer on the wall and they had to retile everything. Normally, what they do where the surface meets the tile, they grind it down to make an edge where the new meets up with the tile. This time with it being the third layer they had to retile all the underwater tile so when they put the new layer on the wall it would meet the tile. If you go for resurfacing this pool; I do not know how many times you can do it, but I am sure there is a limit.

Supv Kassel stated: May be we can ask our Engineer.

Mr. Boyd stated: Unfortunately, it is not something I have experience with.

Supv Bokunic stated: I think that is why we need to bring another company in to give us an assessment.

Supv Berube stated: Or you accept the subpar work.

Supv Kassel stated: I do not think we are willing to do that.

Supv Berube stated: There is always the risk of going through this again and ending up with the same result.

Supv Kassel stated: We are not going to be any worse off.

Supv Berube stated: See if you can find a company to repair or redo.

Supv Kassel asked: Did we get any recommendations for Pool Works?

Mr. van der Snel responded: We have been using them for years.

Supv Kassel asked: For this kind of work?

Mr. van der Snel responded: No. However, I contacted them to ask for a quote because they were always very good and I did not have any complaints with them. It gave me the confidence to say let us go with them. There were two sub-contractors, the guys who did the coping and the surfacing of the quartz, which was another contractor.

Supv Farnsworth stated: You are saying they are saying they sub-contracted it out.

Mr. van der Snel stated: Yes.

Supv Bokunic stated: They choose the sub-contractor so they are responsible.

Supv Kassel stated: If we have another contractor to come in to say here are the damages; Pool Works probably still wants to work with us because they were an ongoing provider and we would still use them for other things, and we were happy with them, so maybe they would have incentive to pony up for what extra we are having to spend.

Mr. van der Snel stated: That was the offer for the grids and ADA lift cover.

Supv Berube stated: The initial meeting with them where they looked at it and said that is pretty bad, we are going to fix it all up, we will have our guys start working on it, and then after a week or so of trying to get the grout off the stone it became that is it we are done, we want to get paid. Their guy probably told them he could clean it up with no problem and it did not turn out well, and they realized that cleaning just the stone was going to be a major deal and that is when it changed from yes we will fix it to your satisfaction, to we will give you some filter pads and a pool lift cover and we want to get paid. Pretty accurate?

Mr. van der Snel responded: Yes.

Supv Bokunic stated: I would not be in favor of using them under any circumstances if they do not fix this right. I do not care how they were in the past; they have created a mess that we now have to get out from underneath. They are done in our books as far as I am concerned.

Supv Berube stated: You know where you are going - see if you can get a contractor in to get a damage assessment and how does this get fixed.

Mr. van der Snel stated: Alright.

Ms. Scarpone stated: Also on that I am checking into the Government Prompt Payment Act; it has some provisions about what you have to do when there is a request for payment, but the amount is in dispute. I will work with the District Manager to make sure any responses required will be sent.

Supv Berube stated: I think at this point the Board is pretty clear that we do not want to give them anymore money.

Ms. Scarpone stated: I will just make sure we are complying with those, because in some situations if you do not then there can be interest that kicks in.

Mr. Koncar stated: For our side, unless otherwise instructed, we are holding off future payments. We gave them the 50% in accordance with the contract, but are holding future payments.

Supv Bokunic stated: They are in total breach of contract; they did not perform.

Supv Berube stated: What they cared about was getting the pool open to stop the \$250 per day. At the first meeting I suggested we drain the pool to get a better look at it and she said no. I know why, because it looks a lot better with water in it. If you have some time go look at it.

Ms. Scarpone stated: With regard to the pool encroachment issue we sent a memo to the gentleman whose pool deck was built six inches over District controlled property. After consulting with the District Engineer, I am confident it is CDD-owned property. We laid out the possible options in this situation - the first one is to sue the homeowner and ask the court to tell them they have to remove it as detailed in the memo, but courts are unlikely to do that when it is a small encroachment which is causing no real issue. In this situation I think it would be unlikely, but a court might award you damages and you would have to prove what those damages were. The second one is to give the homeowner an easement to allow them permission to maintain the encroachment. I think this is the option most discussed previously when this was brought up and is the option we would suggest as it seems to be the easiest. It will not involve going back to the County and redrawing lot lines, the third option is to sell them the land. Another reason we would suggest giving an easement is if you sell the land you are done with the land forever and if you do an easement you can make it somewhat

conditional and maybe far off in the future, but if they redo the pool deck once it is off the land they do not have the continued right to go back over it. I found encroachment agreements that I attached as examples. They are encroachment situations where a government only has an easement. The government itself has the easement and does not own the land. They have the right to use it and the person is encroaching into their easement. There are provisions in there that I think I would bring into an easement agreement that specifically address an encroachment addressing if it is ever remove, insurance and indemnity, and the homeowner has to keep the property in good working order.

Supv Berube stated: After reading this my conclusion is you are recommending the middle option which is either sell or give the homeowner the easement subject to all the restrictions you just named. It would include having the homeowner pay all the legal and engineering costs involved in getting this done.

Ms. Scarpone stated: Right. It is a policy decision if you want to try to determine any additional value for that piece of land.

Supv Berube stated: I think the owner made a mistake and was honest enough to come here to say I want to fix it. I cannot imagine we could ever get enough money for that six inch strip of land to make it worth the hassle of trying to determine what it is worth.

Supv Kassel stated: One dollar plus legal and engineering fees.

Ms. Scarpone stated: It is generally, nominal compensation included in a deed or easement is \$10.

Supv Kassel stated: I do not know if there are any recording fees.

Ms. Scarpone stated: They are somewhat minimal, but I will add it.

Mr. Boyd asked: Would it be the duty of the homeowner to prepare the easement and present it to us for acceptance?

Supv Kassel responded: We are probably better off if our own attorney drafts it.

Mr. Koncar stated: They will have to review any documents, so they may spend more time reviewing it than creating it.

Ms. Scarpone stated: It would be my preference that we draft and allow them to review it.

Mr. Boyd stated: Somebody is going to have a surveyor survey the boundary and prepare a sketch and description of the easement area.

Supv Kassel stated: Legal, engineering, surveying and recording costs associated with it.

Supv Berube asked: Is the Board okay with having District Counsel prepare the easement as we discussed?

[[*Visual poll taken of Board members.*]]

Supv Berube stated: The consensus of the Board is yes.

Ms. Scarpone stated: The last item was about the land swap and we have already discussed the agreements, but the purpose of the memo was to assure the Board that you do have the statutory authority to enter into these transactions. There was a footnote regarding one of the things that came up when the developer gave us the deeds to review initially. It

said both parties had fee simple and transfer fee simple and this piece of land, the retention parcel, which is the portion the District will be conveying to the developer, was dedicated to the District for public use in the original plat. I have poured over legal research to try to come up with an expert in real estate law, and it was not completely to us that just the dedication in the plat was giving you fee simple title to the land. It is something we had raised to the developer and the last time we spoke they sent us an ownership and encumbrance report that is attached to the memo they received from a title company. The title company is showing the CDD owns the land and there are no other encumbrances on it. The property appraiser's website also shows ownership in the CDD, although again it is only the plat. I believe we are closer to agreeing the CDD does own it fee simple, but we will discuss the issue further with developers counsel to make sure any deeds get wrapped up. To reassure you it is 100% clear to me that whatever interest you own you can dispose of it and do the swap, just to be sure we know legally the interest that you have because the language has to be in the transfer documents.

Supv Berube stated: So people do not get a cloudy title down the road.

Ms. Scarpone stated: Right and there is potentially more of an issue for the developer, but my thoughts are the two or three homeowners who are eventually going to have their lots on that piece of land and is why it is really important for me that we get it right.

Supv Berube stated: It is important to us to.

C. Field Manager

i. Facilities Maintenance

Mr. van der Snel stated: Good evening. You have received my reports. Are there any questions or concerns?

Supv Walls responded: I was walking around Long Pond and the two boardwalks that go around the lakes. Who maintains the foliage around it?

Mr. van der Snel responded: It is a conservation area, so I actually do not know. Davey used to do it as a courtesy when there was an overhanging branch. It is kind of a gray area.

Supv Walls stated: I used to see Davey there, but I know it is not part of the maintenance area. I noticed foliage growing into it and we want to make it appealing to people to use, so perhaps we can add to our maintenance schedule once a month or something to make sure the boardwalk is clear of any type of tree branches, bushes or whatever is growing into it.

Mr. van der Snel stated: Okay.

ii. Facilities Usage

[[The monthly highlight reports are contained in the agenda package and available for public review in the District Office during normal business hours or on the website.]]

iii. Facebook Report

[[The monthly highlight reports are contained in the agenda package and available for public review in the District Office during normal business hours or on the website.]]

iv. Pond Report

a. Hydrilla Update

Supv Farnsworth asked: Is there anything special about the Hydrilla this month?

Mr. van der Snel responded: Mr. Scarborough has finalized the application for the Hydrilla treatment, and now we wait.

Supv Berube stated: You might have noticed somewhere in here that we bought a different sprayer for Mr. Scarborough to use. You have had a couple of days use. What do you think of it?

Mr. Scarborough responded: Highly efficient. It is much better in all ways - the rate of application is better, the amount of product you have to use is less because it does a more efficient job, and the time it takes is much less.

Supv Berube stated: I think you have more onboard water.

Mr. Scarborough stated: Right; 100 gallons.

Supv Berube stated: Before we were limited in the side-by-sides that we had and was one of the reasons for buying the Viking. It has more stopping and towing capacity. He was dealing with 25 gallons of water onboard at a time with a little electric pump. He was spending more of his time running around to get more water and mixing chemicals. We bought a Northstar brand with a Honda gasoline engine, a 100 gallon tank and he can go to work spraying a lot of chemical in a short time. I have seen it in action; it is quite impressive. Just the time savings of driving back and forth should pay for it in a short period of time.

Supv Farnsworth asked: Was this something that came before the Board?

Supv Berube responded: No. It was not a whole lot of money and was a discretionary purchase. You had not seen it before and why I brought it up to let you know. You might see it around town. It is a big white water tank that sits on the aluminum trailer we already had and rides behind the Viking. If you watch him spray the ponds with it he can reach a long way with a lot of spray.

Supv Bokunic stated: The sidewalks are looking very good.

Mr. van der Snel stated: we have done all the pocket parks and swales going down Cat Briar. Ashley Park is next and then we are going to do all the sidewalks. The machine is working amazing.

Supv Berube stated: It was a good purchase. For the audience, we have taken on more tasks with these guys and you can see the end result. You can pay somebody to do work, and you heard the conversation about the pool and what happened there. We have guys we can monitor and if you buy them the right equipment the result is happening. They are all residents and have a vested interest and do a good job day after day. Supervisor Farnsworth asked originally about the Hydrilla, did we cover that? Has the new chemical come in?

Mr. Scarborough responded: It has been applied in two ponds.

Supv Berube stated: The two ponds where we had the Hydrilla growth.

Mr. Scarborough stated: Yes.

Supv Berube asked: What is the anticipated timeframe for this stuff taking effect?

Mr. Scarborough responded: The last time I applied it, it looked like it did nothing for about three weeks and then it started going to work. It works slowly, but over a long period of time.

Supv Berube asked: Did we buy enough for one application or two?

Mr. Scarborough responded: It depends on how you look at it. We bought enough for two applications, but we are splitting it between two ponds.

Supv Berube stated: So it is all gone.

Supv Kassel stated: There was an invoice for a lot of money.

Supv Berube stated: \$2,800.

Supv Kassel stated: Solar something.

Mr. van der Snel stated: Sonar One.

Supv Berube stated: That is what it was for.

Mr. van der Snel stated: I am working with Ms. Burgess for FEMA and I am hopeful, as it is a very tedious process.

SEVENTH ORDER OF BUSINESS

District Manager's Report

A. Financial Statements for January 31, 2018

[[The monthly highlight reports are contained in the agenda package and available for public review in the District Office during normal business hours or on the website.]]

B. Invoice Approval #214, Check Register and Debit Invoices

Supv Berube stated: A couple of questions for you and we have talked about this before. Under our contracts for landscape we are still out of balance on the landscape contract. I know we have had this discussion, but with the contracts the actual should match the reality and they do not. The landscape contract is \$26,900 over. I know the initial response to that was we had the two months with Servello when they started which was August and September. However, that was last fiscal year. If it was put in this fiscal year it should not have. That is question number one. Then we move down to the electricity for streetlighting and the street light leases - a couple of those are over. Can we presume those are over budget because we anticipated having the payoffs done in time, but the payoffs did not get done on time and is why they are over or might there be some other reason?

Mr. Koncar responded: there may be another reason on that, but I will check. I know you and I discussed the fact that there was a delay in getting the capital expensed out to reduce the fee. If that is true then we will reimburse the District. I will check and report back at the next meeting.

Supv Kassel stated: On the statement of revenues we have a much higher amount for tax collected assessments and a much lower amount for CDD collected. I am assuming that means the houses have been sold and gone onto the tax rolls sooner than we anticipated.

Mr. Koncar stated: Everything is on the tax roll and is why you see zero on there.

Supv Berube stated: There is no more CDD collected.

Mr. Koncar stated: On page two, your collections to date are 74% of your total assessments.

Supv Kassel stated: We used to have a tax collected table and a CDD collected. There are no more CDD collections and we are not seeing the table anymore.

Mr. Koncar stated: Those are the direct bill for the CDD and everything is on the roll, so it is showing zero.

Supv Berube asked: Why did we do that?

Mr. Koncar responded: I do not know, but I do know it is the reason you are seeing zero as collected.

Supv Kassel stated: I do not remember anything about changing everything that was CDD collected to the tax roll. For example, there are parcels that are not platted that we should be getting CDD fees from. If they are not platted how can they be on the tax rolls?

Supv Berube responded: I never remember having the conversation and when we did the budget we must not have contemplated it because we left the budget where it was.

Supv Walls asked: What would have triggered the change?

Supv Berube responded: I do not know it is a question for Inframark. The bigger issue is when it goes on the roll we now pay the tax collector 4%. If you look at the collection numbers we pay the tax collector to collect all of it, it is going through the roof and we are way over budget.

Supv Kassel stated: That was another question I had.

Supv Berube stated: When we collected it we did not pay the 4%.

Supv Kassel stated: It is \$8,000 higher.

Supv Walls stated: I may be wrong, but I thought the CDD collected assessments accounted for the discount.

Supv Berube stated: What has happened is the amount the tax collector is collecting increased by the \$200,000 that we used to collect, so we are paying 4% and it is over about \$8,000.

Supv Kassel stated: I do not understand how there can be unplatted lots and no CDD collected. How are unplatted lots on the tax rolls?

Mr. Koncar responded: You can put it on the tax roll by acreage, but I will followup on this to see where we are. Your discounts are budgeted at \$54,000 for the year on assessment collections and right now you are over by \$14,000 based on the budget. The actual is \$53,808 and you budgeted \$54,386.

Supv Berube stated: We are not done yet.

Mr. Koncar stated: You will have more to collect.

Supv Berube stated: The bigger question that comes up is how did it all go on the roll? None of us remember it going on the roll and in fact, at the time of the budget and it probably does not matter now because it is too late, but what triggered it and how did we get here?

Mr. Koncar responded: I agree, that is a good question. I was not here when you did the budget, but I will find out and get back to you.

Supv Kassel stated: Otherwise, the CDD collected amount would not have appeared in the budget.

Supv Berube stated: Had we known it was going on the roll we would not have put it in there.

Mr. Koncar stated: I understand.

Ms. Scarpone stated: I can look into that as well because I believe that might have been a resolution when it goes on roll.

Supv Farnsworth asked: You say it was in a resolution?

Ms. Scarpone responded: Possibly.

Supv Berube stated: It would seem that we would remember.

Ms. Scarpone stated: I will check into it. We represent tax collectors as well, so I have some understanding of how the assessments go onto the tax roll.

Supv Farnsworth stated: I do not remember any resolution to that effect.

Supv Bokunic stated: Please find out.

Supv Kassel stated: I was wondering why the landscape contract is \$27,000 over. Is it just a timing issue?

Supv Berube responded: That is the question I just asked. It has been over consistently this whole fiscal year.

Supv Kassel asked: Why?

Supv Berube responded: That is the question I asked, why. I have asked before and we have not gotten an answer.

Supv Kassel asked: Why are we \$8,000 over on streetlights?

Supv Berube responded: Same thing.

Mr. Koncar responded: I have it down in the notes. Part of the answer could be because the Board voted before I came, to purchase the streetlights.

Supv Kassel stated: It took that long.

Mr. Koncar stated: I did not find out about it and as soon as I did we made the payments which show up in your accounts payable. They are paid and if there is a difference, a savings to the District that could have been achieved if it was paid when the Board approved it, we will cover that cost.

Supv Berube stated: We approved it in October and signed the contracts, and it was to be processed in the prior fiscal year, but the check did not get cut until January.

Supv Kassel stated: For the Cash and Investment Report, we have \$100,000 in a 12-month CD that gives us 1% and then we have two Money Market accounts. I am wondering why we do not have more in 6- or 12-month CDs that nets us more interest when we have a lot of cash sitting around. It is just a question. Maybe Supervisor Walls has a good answer as to why we would not want more money earning more revenue through a CD versus just a Money Market account. The question is do we direct our District Manager to put more money in a CD?

Supv Walls responded: It depends on how much cash you want to have available at any given time.

Mr. Koncar stated: It is normally based on the budget and how much is going to be needed during the fiscal year.

Supv Berube stated: The CD is going to change now because it just matured and I am going to bet when they go to renew that, if they do, it is going to drop substantially.

Supv Kassel stated: It should have already because it was 2/10.

Supv Berube stated: This was printed prior to that so it has not shown up yet.

Supv Kassel stated: I am asking, I am not saying.

Supv Berube stated: You are suggesting we move money to a better spot for more interest.

Supv Bokunic stated: Why don't we?

Supv Kassel responded: There may be good reasons for not doing so at the moment, but there also may be good reasons for moving more money. It is not a lot of money in terms of interest, but over time it might be worthwhile.

Supv Walls stated: Somebody needs to look at what our cash flows are and determine how much we need.

Supv Kassel stated: If you can, give us a report on that next month.

Mr. Koncar stated: I have made a note of it.

Supv Berube stated: Part of the problem is most of the banks will not take funds for CDDs anymore. When you read the print at the bottom it says no public funds.

Supv Farnsworth asked: Why is that?

Supv Berube responded: Outfits like us have a lot of money sitting there earning very little interest. It is almost universally 'No Public Funds', so it is a problem when you have money you are trying to invest.

Mr. Koncar stated: There is also a specific list the State puts out on institutions where you can invest public funds. You cannot just put it anywhere, it has to be an approved, qualified public depository, so we are limited in terms of where we can put the District's money.

Supv Berube stated: Under Capital Outlay - Vehicles, the year to date actual has \$9,100 and I think that is the pressure washer. It should not be in vehicles, I think we agreed to pay it out of sidewalk reserves. The Yamaha Viking will go in the Capital Outlay - Vehicles.

Supv Kassel asked: What was the invoice from Tree Tops for?

Mr. Koncar responded: Three benches and four receptacles.

Mr. van der Snel stated: It is Kirby Built for Butterfly. I think there is one more we have to discuss.

Mr. Koncar stated: You are talking about the final payment for the road paving.

Mr. van der Snel stated: Yes.

Mr. Koncar stated: Mr. van der Snel and I did the final inspection on the road paving and did not see any deficiencies other than what was already corrected. We would like permission to release the final payment.

Supv Berube stated: There is a Notice to Owner in the package. Before we pay it we need the lien released.

Mr. Koncar stated: We will work with the attorney on that before we pay it. We did not want to wait until the next meeting to get permission from the Board, assuming the attorney approves the lien release.

Supv Berube stated: From what I can gather, you are overall satisfied with the paving.

Mr. van der Snel stated: Yes. I would use them again. Their price was very competitive and they worked with us to get the job done.

Supv Berube stated: I think we have agreed to approve the final payment to Hall Company subject to receiving the lien release.

Supv Bokunic stated: You sent an email at 4:30 today that I did not have a chance to look at. Was it something pertinent to the meeting tonight?

Mr. Koncar responded: That was a follow-up from some issues we had pending and none were asking for action tonight. We were asked to report back on giving a quote on the possibility of Inframark taking over workers' compensation and payroll. We have done that part and the next step is and we will put on the next agenda, is to look at the FRM contract. The other thing in their scope of service is to work to provide health care for the District employees.

Supv Berube stated: It is not in their current scope of service.

Mr. Koncar stated: This is why I need to look at the contract; I want to make sure we cover everything that is in the contract because it is not going to make sense for us to leave something out. For the next meeting we will look at the FRM contract, provide any quotes we have for providing the service, and the Board can make a decision at that point. The only other thing is we were asked at the last meeting to see if we could get some type of quote looking at the options for another meeting facility or amenity center and we were only able to get one quote which we included in the follow-up. We want to try to get at least two more quotes. The Board can decide at that time what you want to do.

Supv Berube stated: The only way FRM is involved in the employee health care and benefits is they subtract the payments from the employee's checks. On the workers' compensation we will need a little more detail because you say the annual premium is \$8,576, and that cannot be right. I do not know how anybody can quote it, and it must have been based on some estimated payroll figure because workers' compensation is a percentage of payroll dollars.

Mr. Koncar stated: The estimated payroll we were given is \$183,000 for the year. The \$8,556 is for the entire year and the prorated amount of \$2,000 through the end of this fiscal year.

Supv Berube stated: It does not say that and is why I asked.

Mr. Koncar stated: We will give you a detailed proposal; we just wanted to make sure we were following up on the items you asked us for.

On MOTION by Supv Berube, seconded by Supv Walls, with all in favor, Invoice Approval #214 in the amount \$198,870.22, the check register, and debit invoices were approved.

C. Inframark Proposal for Payroll and Workers' Compensation Services

[[*Previously discussed.*]]

D. Land Swap Cost Analysis

[[*Previously discussed.*]]

E. Facility Usage Application

[[*There being none, the next item followed.*]]

F. Action Items Follow-up

Mr. Koncar stated: I have been working with Mr. van der Snel and his team. We have worked out a plan so I will be onsite at least twice a month. The first meeting is to work with Mr. van der Snel on any type of review of community and problems he might be having, and the second part will be meeting with the team as well as going over any other follow-up items. As I said, we had a chance to meet with the team today to go over the personnel manual and spent some time on the organizational charts so they know what the reporting relationships are and they all have my business card, so if there are any issues they can contact me directly. We will continue to do that to meet the requirements of whatever Mr. van der Snel needs for the District.

Supv Berube stated: Requirements and needs - there are a lot of little details that seem to require your attention that should not get to that level. The invoice package this month did not show up, we had a problem with his debit card getting shut off, there seem to be things that have been in place, these are not new processes that Inframark has been handling, yet the processes just seem to create problems for your people.

Supv Kassel stated: I think it is probably the transition from STS to Inframark.

Mr. Koncar stated: That is not it. We had some transitions in personnel. I spent some time on the phone today with our Chief Financial Officer to solve these problems so they do not continue.

Supv Berube stated: I do not think you will disagree that there seems to be too many little basic things that seem to go off the tracks for whatever reason. None of this is new.

Mr. Koncar stated: You are correct, but it comes back down to our personnel needing to do a better job, especially as we put these meeting packages together. I think there have been improvements overall, but we still need to ramp it up from where we are.

Supv Berube stated: As I have said before, this is a \$5 Million operation and if the little things are going off the rails you have to wonder about the big things. We have had some catches in the past and it is not something that is fun to contemplate. We have to be sure that what we are doing is accurate, fair and complete today, tomorrow and the next decade. I know you are working through a lot of issues, but the details are important.

Mr. Koncar stated: I agree and I think one of the things you will be able to see when your audit report gets completed is the auditor is going to be able to look at the past performance financially and see if there are any errors there and it will be coming up soon.

EIGHTH ORDER OF BUSINESS

Topical Subject Discussion

[[There being none, the next item followed.]]

NINTH ORDER OF BUSINESS

Supervisors' Requests

An unidentified speaker stated: You mentioned about meeting space and that we were having problems with cost and was going to look into other arrangements. Is there any news on that?

Supv Berube responded: I had a couple of meetings with the owner of this facility, Mr. Fusilier, and he is pretty set on charging \$350 for this room every single time. He says it cost him a lot to set it up, take it down, put on the air and lights. I tried to get him to realize how many meetings it would be between the HROA and CDD coming to this facility and it is a sizable amount of money that would realistically be extracted from the residents to pay for his meeting room, and it did not seem to get a whole lot of attention. The next thing was there was going to be some other usage of the Welcome Center. They were contemplating renting or leasing the building to a church or some other entity and the church would have a meeting room there and he was going to use the rest of the building for other things, but had that come to fruition and could he get an agreement from the church, as the lessee, to let the CDD and HROA use those rooms. His plan was if he can get the church to lease the building and get other things going he could afford to let us use those rooms for \$225 per meeting.

Supv Bokunic stated: The problem with the Welcome Center, as far as a church or large meeting, is it has a Fire Marshall limit of 82 people. The church cannot meet there and certainly a couple of HOA meetings have been over 82 people.

Supv Berube stated: The majority of meetings would fit there, but I think the church deal fell apart, so it ruined our deal there. The next facility on site is the Lakes Community Clubhouse. The developer is not here tonight, but we have had some conversations with him regarding that. The CDD would not have a problem meeting there at some nominal fee because they are members of the CDD so we would not be encroaching on their space as members of the CDD. The HROA meetings, because they do not belong to the HROA, would be a slightly different subject so the HROA would have to pay more money to hold meetings there. It would not be \$350. We have not quite figured it out, but the Property Manager for the association is on board with it. By the way it is the same Property Manager who is going to come here starting next week. The developer is also talking to the lawyers who represent that association to make sure it is okay to use the facility in the way we are contemplating it. If that comes about, and again this is all preliminary and nothing is on paper, these meetings would shift down to that building. We would have to provide a round table and couple of other tables to make this setup.

Supv Farnsworth asked: If we provide those is there some place for us to store them?

Supv Berube responded: Yes. There is storage for all the chairs as well.

Supv Farnsworth stated: We can store them there.

Supv Berube stated: Yes. Normally, the room would be left set up month to month because they do not use the room for any particular purpose other than meetings.

An unidentified speaker asked: What about the school?

Supv Berube responded: The school is not really feasible. It is a problem with access. You cannot get in before 6:00 p.m. and if there is a child in the cafeteria after 6:00 p.m. we cannot get in.

The unidentified speaker stated: They do not have a multi-piurpose room.

Supv Berube stated: No, you meet in the cafeteria.

Supv Kassel stated: They have tables in the library, but it is very unwieldy for a meeting such as this.

Supv Berube stated: We will figure out the meeting space so that it is comfortable for everybody.

Supv Kassel asked: Was there a cost involved with meeting at the recreational center at the Lakes?

Supv Berube responded: The word I got was nominal. The HROA would have a more substantial fee, but for the CDD, the developer wants to be a good neighbor. They are members of the CDD. They do not want to encroach on the agreements the association has for the building. It is the developer's building and the developer funds the association, but you have to watch the legalities. The developer has been a bit busy lately selling off much of Harmony. We are working on it; I do not like paying \$350 for the meeting room either.

[[End of sub-topic discussion; start of new discussion.]]

Supv Berube stated: I heard from a resident, Mr. Neville Pennington, who is an avid bass fisherman. He has used the bass boat 26 times in the last 30 days. Basically, the boat is tied up everyday because someone takes it out for three hours, it comes back and has to charge for a couple of hours before anybody else can have it. On a seven or eight hour day, five hours it is tied up in use or charging and is one use a day. Mr. Pennington says there are other fishermen here who would like to use the bass boat and the reservation system shows it is busy through the end of February. The request is can we buy another bass boat? I think with all the folks here, we added the Suntracker last year and it got used quite a bit. There seems to be enough demand for another bass boat.

Supv Farnsworth asked: Do we have storage space for it?

Mr. van der Snel responded: There is no spot for it now.

Supv Berube asked: What about bringing it on the inside? I see ropes there.

Mr. van der Snel responded: It cannot go into it when we have it floating between the ramps and the dock.

Mr. Pennigton stated: I have a suggestion, if you would like. You have a rescue boat with gas in it and is only used when they have to go out. You come inside and build a step ladder down to three to get into the emergency boat and park it inside. How often do you use that boat?

Mr. van der Snel responded: We use it every week.

Mr. Pennington stated: You could put the new bass boat where that one is at. I have three or four guys calling me to ask why I am hogging the bass boat and it is, I built a house down here to fish four months. That is what I do, I fish. I do not play golf or use the amenities, all I do is fish. It is busy enough that you could use two boats.

Supv Bokunic asked: What is the cost of a boat?

Supv Berube responded: Less than \$10,000.

Supv Farnsworth asked: What is unique about the bass boat?

Supv Berube responded: The bass boat has a small trolling motor and a seat in the front. It is largely access; the pontoon boats are not fishing friendly. Everybody uses a bass boat and is why they call them bass boats.

Supv Walls stated: Using the boats myself on the weekends; it is tough to get a boat. I think the usage can support a new boat. The first question is where do we put it and the second question is how much does it cost? I think a boat similar to what we have now is not a huge expense. The third thing, which I have talked about before, I think now is the time we probably need to look at our policies for reserving the boats and maybe limiting it to one or two reservations at a time.

Supv Kassel stated: I thought we already did that.

Mr. van der Snel stated: The system does not approve it.

Supv Walls asked: What is the limit?

Mr. Pennington responded: Four at a time from Sunday to Sunday. You have to make a reservation 24 hours in advance which means you have to schedule out to what you are going to be doing that specific day. If you have reservations three days in a row, when you use the boat one day, you go back the next day and you still have four reservations.

Supv Walls stated: I think that needs to be looked at, to me three or four are too many. Maybe you can have two open at a time or whatever it might be. What happens is people sit on these for the weekends and nobody else can get them.

Supv Berube stated: The first question is the space problem. Can we overcome that? Can the rescue boat go somewhere else and use that spot for another bass boat?

Mr. Scarborough responded: The problem is anything on this side of the gate is unprotected. Can it, yes, but it is unprotected.

Supv Berube stated: The bottom line is we could find another home for the rescue boat if push came to shove.

Mr. Scarborough stated: That is true.

An unidentified speaker asked: Does the Suntracker charge faster? Is there an option of upgrading the motor and battery to maybe make it more accessible?

Mr. Scarborough responded: The Suntracker is proprietary.

Supv Berube stated: It has a German engineered torqeedo motor and we may end up there with the bass boat. We are in agreement we have room for the boat and we have demand. Should we have Mr. van der Snel get us a figure on obtaining another bass boat equipped similarly to the one we have now?

Supv Walls responded: Not based on my desire to fish, but based on the usage.

Supv Berube stated: You are the fisherman. The type like we have?

Supv Walls responded: Yes.

Supv Berube asked: Everybody good with it?

Supv Bokunic responded: I am not good with putting the other boat where it is inaccessible.

Supv Kassel stated: Me neither.

Supv Walls stated: That is the first thing we need to figure out. There needs to be space for it and you need to have easy access to the rescue boat in case you have to use it. That plan needs to be worked out first.

Mr. van der Snel stated: I do not think we can extend the dock. You can hook up an extra dock, but it has to be permanent.

Supv Berube stated: A few years back we were going to make the dock bigger and more accessible, as well as, change the dock configuration to provide storm protection for the boats. We got tied up with the permitting. However, we now have a developer who says they can get through the permitting. Do we want to consider pulling out those plans from the dock we could not get permitted and look at it again? We are only going to do more and more boats as people are coming.

Supv Bokunic stated: I think absolutely.

Supv Berube stated: The bigger deal with the dock design was it was going to put two legs on the floating dock to make it an H, so when a storm approaches all the boats come inside to a protected harbor.

Supv Walls stated: I think if we are going to get permits and it is hard to do it, we should look at it.

Mr. Pennington asked: Do you know if the developer is going to put a ramp in on the west side when they build?

Supv Berube responded: What I heard is the area they are going to develop first has a series of canals along the water and the first homes in will be going along the canals.

Mr. Pennington stated: They were going to put a boat ramp in for gas motors.

Supv Berube stated: Do not believe the rumors you are hearing. However, plans have a way of changing.

Supv Kassel stated: As much I would like to know that there are not going to be gas boats allowed on the lakes, I am not going to assume based on the experiences we have had with developers that is going to be the case. I would assume there could be the possibility of gas boats on the lakes that we should be aware of and try to do what we can to prevent, I would not be complacent that the developer will only allow electric boats on the lake.

Mr. Pennington stated: When those 1,800 homes in there are going to be fishermen who put pressure on the developer to put a dock and ramp in, and they are eventually going to do it. I do not know what Mr. Shoopman is going to do with Cat Lake, but I understand we have access to it, but how do you get access?

Supv Kassel responded: The CDD does not have an agreement with the developer for Cat Lake.

Mr. Pennington stated: I have talked to Mr. Shoopman because I live next to Cat Lake and want access to the lake. I asked him to put a small boat ramp in and give us a key for it. I like the way our system is set up, people love it, but the problem is when you go to make a reservation all the boats are taken.

Supv Berube stated: We will look at it. We are going to move forward with figuring out where we are going to put the rescue boat in a safe and accessible spot, and Mr. van der Snel will get us a quote or two.

Supv Farnsworth stated: You are going to get these quotes. Are you assuming we are going to go ahead with it before we do the dock update?

Supv Berube responded: Yes. We do not have permitting for the dock.

Supv Farnsworth stated: I know.

Supv Kassel stated: It is only if we have room.

Supv Berube stated: We are going to find room for the rescue boat that is safe and secure.

Supv Farnsworth stated: It is a prerequisite before we buy another boat.

Supv Berube stated: Once we can find a good spot for the rescue boat, these guys are ingenious and they will figure it out. While it is getting figured out, Mr. van der Snel will get quotes on a similarly-equipped boat, and he is also going to contact the Dockters. They were the contractor who did the floating dock and should have the original plans. I guess we need to ask them to update it without too much of a rush, but take a look at the plans and ask how much it is going to cost and then when we get into the permitting for the boathouse, we will ask the developer to also permit the dock so we will be ready to go with it. In order of importance - find a spot for the rescue boat, quote on another boat, get the Dockters on board.

An unidentified speaker asked: While there is talk of permitting is there any motivation to increase the access to the west side of Buck Lake for the Green and Cherry Hill neighborhoods?

Supv Kassel asked: What kind of access are you referring to?

The unidentified speaker responded: To the boardwalks.

Supv Farnsworth asked: Is there a secondary access behind Cherry Hill that goes out to Buck Lake?

Supv Berube responded: Yes.

Supv Farnsworth asked: Is there a boardwalk, pier or anything?

Supv Kassel responded: It is a trail.

Supv Walls stated: It is where they used to put in the boats.

Supv Farnsworth asked: Is there a ramp?

Supv Walls responded: It is not a ramp; there is an access.

Supv Farnsworth asked: Is it something that could be put in?

Supv Walls responded: We do not own it.

The unidentified speaker stated: I just thought I would mention it. I have brought it up in the past. There was agreement at some point in the past between the CDD and previous developers who were building the boardwalks that we now maintain.

Supv Walls stated: A different time and a different place.

Supv Berube stated: We actually got the developer to pay for half of it. It started out as a request for half a mile of sidewalk. We can keep it on the backburner for this developer. We do not have the permitting started yet for this dock.

Supv Kassel stated: The developer paid for most of the boardwalks.

[[End of sub-topic discussion; start of new discussion.]]

Supv Farnsworth stated: I tried to get this taken care of more simply than this. Until four months ago when you go through the URL address, after you get past HarmonyCDD.org, then things like this which we are looking at, the schedule for this year, resides in a particular directory structure. The directory structure begins with wp-content/uploads/ then the folder it is in. Until four months ago the directory structure was visible to everyone. It was visible, you could not modify it, but it was visible and you could see the directory structure and what was in the tree. All the files, which are public records, are all of a sudden hidden. Why?

Mr. Koncar responded: They should not be.

Supv Farnsworth stated: I did not get a straight answer.

Mr. Koncar stated: What I am going to do is put you in touch with our webmaster.

Supv Farnsworth stated: I have already been in touch with him.

Mr. Koncar asked: What did he say?

Supv Farnsworth responded: That is the reason I am bringing it up now, I did not get a straight answer.

Mr. Koncar stated: I will handle this. It is the first I have heard this, but he is supposed to make sure that all of the records are visible. There should not be anything hidden.

Supv Farnsworth stated: That was my opinion.

Mr. Koncar stated: I will get him an email out before I leave.

Supv Berube asked: Has anybody in the audience ever experienced this difficulty?

[[End of sub-topic discussion; start of new discussion.]]

An unidentified speaker stated: I began streaming with the land swap and the heightened interest with that. Just on a regular meeting like tonight there are six to 12 people watching at any time. Would there be any interest or any conflicts from a legal standpoint of having a camera as part of the setup and doing it as part of keeping the meeting in the public record?

Supv Farnsworth asked: Are you wanting to set it up on your own or are you wanting us to pay something to do this?

The unidentified speaker asked: What makes sense?

Supv Farnsworth responded: If you have ever gone to the Celebration site, they do that. I pulled up one or two of their videos and started to go through it; it is miserable to try to

go through one of those meetings after the fact. I do not think it is a good idea. It is a waste of time and money.

The unidentified speaker stated: Fair enough.

Supv Berube stated: The bottom line is if you are going to do it you have to do it right with good microphones, good camera action, showing who is talking and it does involve some expense. I am not sure there is a huge amount of demand for it at this point.

Supv Farnsworth stated: If somebody wanted to stream things.

Supv Berube stated: He is doing it right now.

The unidentified speaker stated: It would be under \$1,000 and would show who is talking in the room. There would need to be some sort of arrangement.

Supv Berube stated: The folks listening to you now are listening to this discussion. They can respond to say we want video of the meetings or there may be no response.

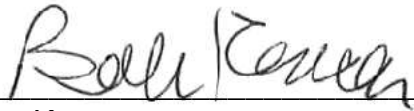
Supv Farnsworth stated: Before anybody says yes go to Celebration and pull up some of theirs to see whether they think sitting through one of those is a good idea.

TENTH ORDER OF BUSINESS


Adjournment

There being no further business:

On MOTION by Mr. Berube seconded by Mr. Bokunic, with all in favor, the meeting was adjourned.



Robert Koncar
Secretary



Steven Berube
Chairman