

**MINUTES OF MEETING
VISTA LAKES
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Vista Lakes Community Development District was held on Thursday, February 11, 2010 at 10:00 A.M. at the Vista Lakes Clubhouse, 8841 Lee Vista Boulevard, Orlando, Florida.

Present and constituting a quorum were:

John Rose	Chairman
Randy Holihan	Vice Chairman
James Shelton	Assistant Secretary
Dr. Harold G. Banks	Assistant Secretary

Also present were:

Gary L. Moyer	Attorney
Barry Roy	Manager: Moyer Management Group
Scott Clark	Engineer: Bowyer-Singleton
Lee Smith	Holland & Knight
Gary van der Laan	Leland Management

FIRST ORDER OF BUSINESS

Roll Call

Mr. Moyer called the meeting to order and stated that all Supervisors were present at roll call with the exception of Mr. Cumello.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the November 12, 2009 Meeting

Mr. Moyer stated that each Board member received a copy of the minutes of the November 12, 2009 meeting and requested any additions, corrections or deletions.

There not being any,

On MOTION by Mr. Shelton seconded by Mr. Holihan with all in favor the minutes of the November 12, 2009 meeting were approved.
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THIRD ORDER OF BUSINESS

Manager's Report

A. October, November and December Financial Statements

Mr. Moyer stated we provide financial statements to you each month. The ones in your agenda package are through December 31, 2009. What is notable is we collected 80 percent of

our non-ad valorem assessments, which is at the top range of similar Districts and what they have collected through this time frame. Approximately \$1,027,000 has already been collected against \$1,280,000. On the expense side, we are under budget for all major categories. Overall we are in good shape.

B. Check Registers

Mr. Moyer stated the check registers were provided to the Board. After the Board's review, I would ask for a motion to approve.

Mr. Holihan moved to approve the financial statements and check registers for October, November and December 2009 and Mr. Shelton seconded the motion.

Mr. Rose stated the \$400 invoice for Dollard Enterprises for the installation of Christmas lights is supposed to be paid by the HOA.

On VOICE VOTE with all in favor, the prior motion to approve the financial statements and check registers for October, November and December 2009 were approved.

C. Discussion of Action Item List

Mr. Moyer stated the action item list was provided to the Board. Many items are ongoing while others are administrative in nature. There was a question as to why the check register changes from month-to-month and this is simply a timing issue in terms of when we receive invoices and when they are reflected on the financial statements. This is just the normal course of business. On the adjustment of our assets, the Auditors have been advised and the Audit to be presented to the Board shortly will reflect the re-alignment of our assets as discussed at our last meeting. In regards to the street lights, the Chairman has been actively pursuing this matter on a diligent basis.

Mr. Rose stated two weeks ago, I heard from the City Attorney and they said they would make the agreement available to me, but I have not heard anything since so I need to follow up with them. Apparently they are moving forward with this and will be able to submit an agreement for 2009. However, sometimes it is hard to get things moving.

Mr. Moyer stated I understand. On re-issuing the checks, we issued checks on the first round to reimburse our residents because the Property Appraiser extended the wrong tax levy in

2008. We wrote checks to everyone, but some were not cashed and stale dated. It was Mr. Rose's desire to re-issue those checks. Because the Auditor does not like checks floating around, we sent letters to those who had not cashed their checks asking them if they wanted to have another check issued. This is in process. At the end of the day, we will have accomplished what you all wanted us to do.

Mr. Rose asked have those checks been cleared off of the books?

Mr. Moyer responded yes.

Mr. Rose stated I noticed some were still stale, but the majority of the old stale checks were gone.

Mr. Moyer stated they should all be cleared off of the books.

Mr. Rose asked are we simply sending letters saying if they want the checks to be re-issued, we would re-issue them?

Mr. Moyer responded yes.

Mr. Rose asked where is the money being held in the interim?

Mr. Moyer responded in our account.

Mr. Rose asked from an accounting perspective, are the checks still payable?

Mr. Moyer responded yes. The last action item is for Mr. Holihan to follow-up with Code Enforcement regarding the resident encroaching into the conservation area. We turned this over to Code Enforcement. Is there any update?

Mr. Holihan responded I turned this matter over to Mr. Mike Rhodes who is the person in charge of Code Enforcement and I just need to follow-up with him.

FOURTH ORDER OF BUSINESS

Attorney's Report

Mr. Clark stated we have had an ongoing discussion about the roads in terms of ownership and maintenance. At our last meeting, we finally made some progress in terms of deciding where we wanted the assets to go and direction was given. We left the meeting saying that we would think about the next step at the next meeting, which is what to do with the reserve for maintenance and how to go about defining the maintenance obligations in areas where we have separate ownership of the sub-base and the top-coat. What we need to do in order to follow through and be consistent with how to classify our assets is to modify our Reserve Study to be consistent so we are reserving for the base in areas we have responsibility for. Then I think we need to formalize an agreement with the HOA on what is going to happen if we have a failure in

one of those areas where the HOA owns the top-coat and the CDD owns the base and who is going to take the initiative to get something done. We can define the cost sharing and who is responsible for what, but we need to determine whose problem it is going to be and how we go about dealing with this. For instance, behind our gates where we own the base and they own the top-coat, if there is a pothole, who is going to take care of it?

Mr. Moyer responded I need to do additional work, but interestingly enough, I have both Reserve Studies and it appears to me that the HOA has set up reserves for asphalt, curbing and related stormwater for the roadways within the gated communities as part of their Reserve Study. Similarly, we set up reserves in our Reserve Study for the portion of the road we own. I want to get with Mr. Cumello before the next meeting or with someone who is familiar with how all of this works to make sure that my review of the Reserve Study is correct and in fact each entity is reserving appropriately for those expenses. It looked that way to me, but I am not as familiar with the intricacies of the community as you are here all the time.

Mr. Rose stated I remember from the Reserve Study that the only roads we reserve for are commercial roads. I do not remember addressing the communities sub-layer.

Mr. Roy stated that is my understanding as well.

Mr. Rose stated I do not think we are doing it inappropriately. I remember bringing up the amount since we were reserving for the commercial because it seemed like such a small amount as we do not have a lot of roads. However, they were clear that it was just four or five roads we have responsibility for and not the community's roads.

Mr. Holihan stated I do not think we are talking about who is ultimately going to be paying for repairs, but who is taking the lead in repairing them.

Mr. Clark stated I think we decided who is going to pay for what repair just by determining the ownership, but practically speaking, if you get a pothole, the HOA is going to say it is a CDD problem and vice versa.

Mr. van der Laan stated obviously we have the advantage of Leland working for both the CDD and HOA. In the past, I contacted Mr. Roy who broke out what we need to do and actually put me in touch with the contractors and/or County and City entities or whoever needs to get involved. The HOA has taken the lead on seeing this through with the involvement of the District Engineer and that worked out extremely well.

Dr. Banks stated that works great provided that Leland remains as the Manager of both entities. However, if something happens or does not work out, do we need to have something in place?

Mr. Clark responded yes. I think there should be a simple agreement.

Dr. Banks stated the HOA is more likely going to have less money at different times than the CDD. Correct?

Mr. Rose responded the potential is there, but not the way they run their finances.

Dr. Banks asked if the HOA does not have any money and the repair needs to be made, does that need to be in the agreement for either side?

Mr. Clark responded yes.

Dr. Banks asked is there a way to go back and take those roads under two different ownerships for the sub-base and put the asphalt under one entity?

Mr. Clark responded probably not without a consequence that we do not want to face. If you put it all under the CDD, then you have the issue with the gates being there. We discussed that you could have self-opening gates and other things can be done. However, if you put it all under the HOA, then you have transferred the CDD assets that were paid for with bond funds, which you are not allowed to do.

Mr. Moyer stated I think we just have to live with it and make the system as efficient as possible.

Mr. van der Laan stated I was just thinking logically.

Mr. Moyer stated the protocol that Mr. van der Laan just outlined makes it easy with Leland being the Property Manager for both sides. But if that were not the case, the District in all likelihood would have a Field Manager component to the District management contact. The process would be exactly the same. The District Manager/Field Manager would be talking to Mr. van der Laan, for example, on what happened and who was responsible and ultimately Mr. Roy would be involved, especially if the conclusion was that it was a District responsibility. It is not quite as clean as with one entity, but it still works and for the Districts I manage in Central Florida, we have a Field Manager that comes out and reviews the work that contractors do. It still would work just as Mr. van der Laan outlined, there is just another person involved in the process.

Mr. Clark stated there will probably come a time when there will be a more fundamental failure as the system ages that will not be asphalt or a patch. It will be a stormwater failure that gets more detailed. Then I think we will have to confront this question because I think the HOA will probably say that this is bigger than they thought.

Mr. Rose stated they have been good about being responsible about making sure that they have the appropriate funding available for any issues. We always had this looming question of how deep we should go. I really do not think that is a real problem because they have always been straightforward about making sure the reserves are there and they are sufficient. We had a few budgeting issues, but I think we are dealing with it.

Mr. van der Laan asked is there any value to putting in writing what I just said in regards to this process and having Mr. Clark formalize it.

Mr. Clark responded yes. I do not think this has to be a large project, unless it becomes a problem later on, but I think there should be some recognized system or process. One of the two entities should say "I will run with it and at the appropriate time we will get estimates and discuss the cost and get everyone to say it is okay." If you want to forward something to me, I will look at it and we can go back and forth. Perhaps we can bring it as a procedure to be approved at the next meeting.

Mr. Rose stated we do not need to have Attorney after Attorney go through all of this. Do we want to send it to their Attorney and have a formal Agreement?

Mr. Clark responded I do not think so as long as it is working. You have the advantage of the Common Manager, which helps a great deal. If that changes, then we might want to revisit this matter.

Mr. Moyer stated before we leave the overall subject, the Reserve Study identified that the Gentry Park roads were owned by the District. It also said periodically, the District should go in and inspect cracks and fill those cracks and if necessary, seal coat the roads. They recommended that we start this process in 2008. I am wondering whether we should authorize Mr. Roy to see if in fact we need to seal coat the roads since this is part of the recommendations of the Reserve Study.

Mr. Rose stated most certainly.

Mr. Moyer stated if this is alright with the Board, I will authorize Mr. Roy to do this. It is part of the Reserve Study so there are monies available for this. The estimate to seal coat is between \$8,500 and \$10,000.

Mr. Rose stated it is not just Gentry Park, but the commercial properties as well.

Mr. Moyer stated the specific recommendation was for Gentry Park and did not mention any of the other commercial properties. However, it would apply in both cases. If we are maintaining those, we should do it for both.

FIFTH ORDER OF BUSINESS

Engineer’s Report

There not being any, the next item followed

SIXTH ORDER OF BUSINESS

Community Association Manager

A. Activity Report

B. Agronomist Report

Mr. van der Laan stated the monthly Activity and Agronomist Reports were provided in the Board’s agenda package. I met with Servello yesterday to start our monthly inspection. We discussed the plants that appeared to not survive the freeze. They believe that all of the plant material will come back and if not, they will replace them at their expense. They want to wait it out through the end of February and re-evaluate at that point. I spoke to the Agronomist, Mr. Larry Smith and he thinks some of the plants will not survive. We will not go past February as it is not worth having dead plants out there. We should know more next month. I was asked a question at the last HOA meeting relating to the two wood docks on Vista Lake and the ownership primarily related to the maintenance. Obviously maintenance staff maintains them, with the cost being split between the CDD and the HOA. The question was in regards to the cost of the maintenance. Currently the HOA has been absorbing the cost and the HOA Reserve Study identifies the docks as being HOA property. However, Mr. Cumello provided a map at the HOA meeting showing that the docks were attached to CDD property over a CDD lake. I recall discussing this issue before and the Board decided those were HOA docks, but I wanted to bring this up at today’s meeting for further discussion.

Mr. Roy stated it is my understanding that the docks were under the ownership and maintenance responsibility of the HOA.

Mr. Moyer stated I do not have specific knowledge, but I sense that the developer does not want everyone from Orange County fishing in your lake and in order to enforce this, the HOA needs to own them.

Mr. Shelton asked does the CDD own them?

Mr. Moyer responded the CDD owns the pond, but the ability to use the pond via the dock is restricted by the HOA since they own the dock.

Mr. Shelton asked can the CDD restrict use of the pond?

Mr. Moyer responded no.

Mr. van der Laan stated the second issue relates to the gates. There is a Maintenance Operation Easement with the HOA for maintaining the gates and operating them. Yesterday, one of the gates was completely destroyed by a car and the entire gate will need to be replaced. My understanding is that because the gates are on CDD property, if they were completely destroyed, the CDD needs to replace them. Is that correct or does this fall under maintenance and the HOA would be responsible?

Mr. Clark responded given everything else we agreed on, it is hard to say it is a CDD responsibility to repair and replace gates and restrict access to private roads.

Mr. Holihan asked why doesn't the car that did the damage replace them?

Mr. van der Laan responded we do not know who did it.

Mr. Moyer stated it is an insurable asset.

Mr. van der Laan stated I do not believe the gates were added to the HOA's insurance policy and I do not know if it is on the CDD insurance policy either.

Mr. Moyer stated I suggest calling Ms. Paula Davis and she can tell you what is on the CDD insurance policy.

Mr. van der Laan stated it will basically be a non-issue for the insurance because it will cost \$3,000 to replace the gates and I am sure there is a \$5,000 deductible. I knew the question would come up so I wanted to raise it. I got my answer.

Mr. Rose asked what about the grass in the median?

Mr. van der Laan responded I am sure you noticed the work being done on Lee Vista Boulevard towards Narcoossee in regards to the new turn lane. We pulled all of the trees in the median before the County did this work so we would not lose them and re-located them. However, the County went through and leveled everything else. The new sod they installed is

Bahia, which is what the County usually installs on rights-of-way. Since the rest of the property has St. Augustine, the County agreed to re-sod with St. Augustine for us. The question was whether we wanted to do anything else out there. It was well landscaped prior to this work being done, but there has also been talk about the fact that this property is not recognized as Vista Lakes property, because you pass it before you get to the Vista Lakes signs. We received no response from Home Depot or the commercial entities about helping to maintain that area so the question is whether we want to install additional landscaping.

Mr. Rose stated I do not like that option of leaving the existing grass and not having it irrigated, but this is something we need to consider. Another option is to re-irrigate it and install the St. Augustine.

Mr. Roy asked did you irrigate it when it was still intact?

Mr. van der Laan responded no. The irrigation was destroyed.

Mr. Roy asked do you have to repair the irrigation?

Mr. van der Laan responded if we install St. Augustine, we have to repair the irrigation.

Mr. Rose stated I do not like the way it looks now.

Mr. van der Laan stated it will not be a significant cost to repair the irrigation and maintain the St. Augustine. If you start installing more landscaping, obviously you have to install additional sprinkler heads, fertilizer and maintenance.

Mr. Rose stated we were not able to answer the question of whether we wanted to tell the City that we were not going to maintain the entire island anymore.

Mr. van der Laan stated I do not think we received a definitive answer. I believe the thought was we could not stop the maintenance because there was a Maintenance Agreement in place.

Mr. Moyer stated correct.

Mr. Rose asked how can we not maintain 200 feet?

Mr. van der Laan responded my thought was to install the St. Augustine, repair the irrigation and maintain the grass.

Mr. Rose asked does everyone agree?

The record will reflect there was Board consensus.

Mr. Rose stated we will do it.

Mr. Shelton asked what is the status of the commercial bank that looks overgrown and in need of maintenance?

Mr. van der Laan responded the POA sent out violation notices. We know that the irrigation is connected as the sprinklers are working. Beyond that, we have not received a response about them doing anything more than maintaining it.

Mr. Shelton asked is that still being pursued or did we pursue that as far as we can?

Mr. van der Laan responded I will talk to the POA Board to see if they want to go any further, but at this point, it would have to be turned over to an Attorney in order to enforce it.

Mr. Shelton asked in the springtime are there any plans to put any colored flowers in the medians?

Mr. van der Laan responded no.

SEVENTH ORDER OF BUSINESS

Supervisors' Requests

Dr. Banks stated Chickasaw's top coat looks horrible and someone should re-pave it.

Mr. Roy stated you need to contact the City of Orlando.

Dr. Banks asked are they planning to re-pave it?

Mr. Roy responded I thought the repaving of Chickasaw Trail was in the five year plan.

Mr. Rose stated that is four years away.

Dr. Banks stated as soon as you get off of the County road onto the City road, it looks terrible.

Mr. Rose stated encourage your people to contact the City.

Mr. Moyer stated one of our residents is actively doing this.

Mr. Shelton stated the upside is that traffic on Chickasaw Trail is slower. It is cheaper than installing speed bumps.

EIGHTH ORDER OF BUSINESS

Audience Comments

There not being any, the next item followed

NINTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Holihan seconded by Mr. Shelton with all in favor, the meeting was adjourned.

Gary L. Moyer
Secretary

John Rose
Chairman