

**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, May 10, 2012 at 10:00 A.M. at the Vista Lakes Clubhouse, 8841 Lee Vista Boulevard, Orlando, Florida.

Present and constituting a quorum were:

Randy Holihan	Vice Chairman
James Shelton	Assistant Secretary
Ron Cumello	Assistant Secretary

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Scott Clark	Clark & Albaugh, LLP.
Barry Roy	Engineer: Bowyer-Singleton
Gary van der Laan	Property Manager

FIRST ORDER OF BUSINESS

Roll Call

Mr. Moyer called the meeting to order at 10:05 A.M. and stated all Supervisors were present with the exception of Mr. Rose and Pastor Banks.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the February 9, 2012 Meeting

Mr. Moyer stated each Board member received a copy of the minutes of the February 9, 2012 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 February 9, 2012 meeting were approved.

THIRD ORDER OF BUSINESS

Presentation of Fiscal Year 2013 Proposed Budget

A. Fiscal Year 2013 Budget

Mr. Moyer stated all of you are familiar with this process where management prepares a budget and submits it to the Board. In your agenda package is the proposed budget for fiscal year 2013. For the most part, this is the same work program we are currently operating under for

2013, with the exception of some minor adjustments within the various categories such as the proposed non ad-valorem assessment being slightly less than last year at \$1,188,894 versus \$1,213,437 last year.

Mr. Cumello stated I noticed a \$25,000 difference. Is there any reason for this? Is it because it was uncollectable?

Mr. Moyer responded no. It is due to adjustments to the work program on pre-pruning.

Mr. Cumello stated I am talking about from a revenue standpoint. It was \$1,313,000 for this budget year and \$1,188,000 for the proposed budget.

Mr. Moyer stated look at the other column further to the left. What we levied last year was \$1,213,000. Through March, we collected \$1,131,000. What is left to be collected would have come in by April or through tax certificates. I am sure we will end up getting \$1,213,000.

Mr. Cumello stated but your annual budget for FY 2013 is \$1,188,000, which is less than 1.2%. Are you assuming less revenue will be coming in?

Mr. Moyer responded we are going to levy less revenue, unless you want to add an additional work program to this budget.

Mr. Cumello stated so you get this number by looking at what the actual assessment would be against the properties.

Mr. Moyer stated yes.

Mr. Cumello stated I understand.

Mr. Moyer stated in terms of the magnitude of the reduction, if the Board approves this budget, it will be between \$8.00 and \$85. Generally it is between \$8 and \$16. This is shown in the schedule on page 18 of the proposed budget.

B. Consideration of Resolution 2012-1 Approving the Budget and Setting a Public Hearing

Mr. Moyer stated if there are no further questions, I request the Board consider Resolution 2012-1, which sets the public hearing for August 9, 2012 at 10:00 A.M. at this location. At the public hearing I will ask the Board to adopt the budget. You can make revisions to it, but only up to the public hearing. Historically, the Board has scheduled a workshop in July to further discuss the budget. If this is the Board's desire, we can certainly schedule one.

On MOTION by Mr. Shelton seconded by Mr. Holihan with all in favor Resolution 2012-1 Approving the Proposed Budget for Fiscal Year 2013 and Setting a Public Hearing for August 9, 2012 at 10:00 A.M. at the Vista Lakes Clubhouse, 8841 Lee Vista Boulevard, Orlando, Florida was adopted.

Mr. Clark stated if there is any inclination to increase the assessments, this should be done as soon as possible as we have some notice periods to comply with.

Mr. Cumello asked if we have any comments on the budget should we forward them to you?

Mr. Moyer responded yes.

Mr. Cumello stated right now, I do not see a need to have a workshop.

FOURTH ORDER OF BUSINESS

Discussion of Proposals for Management Services

Mr. Moyer stated at the last meeting, the Board requested Mr. Clark obtain proposals for management services. At this time, I will turn the floor over to him.

Mr. Clark stated specifically, we discussed not going out for proposals to the public at large, but obtaining proposals from our two existing managers and looking at what would happen if we combined services with a single vendor. Mr. Cumello developed a scope of work, which I reviewed and was satisfied with. I sent the scope out to Severn Trent Services and Leland Management and asked them to provide proposals. I received proposals from each company, which I forwarded to each Supervisor. At this point, the Board needs to discuss the proposals and what they want to do. There was not any clear direction from the Board that they wanted to do anything other than seeing what would happen. There is a savings under either scenario, which is what the Board was looking for. At this point, we can look at these proposals and discuss them and choose one. However, we are missing two Supervisors and it may weigh into your decision about whether or not you want to take this matter up today or leave it like it is. The Board wanted to see if they could save money and the answer is yes.

Mr. Shelton stated I think the other issue was to have a single point of responsibility with both phases of management; CDD and field.

Mr. Clark stated if the Board wants to go forward with this; both candidates are present and can discuss their proposals. The Board can put it off for further discussion, take a vote or go through a ranking process. There is no particular defined way to choose a Manager under the

Statutes. Generally, I request proposals and open it up for discussion. When I have been through this process, sometimes the Board has a clear direction and someone makes a motion and votes. We had instances where there was a split of the Board and we went through a ranking process to try to achieve consensus. At this point in time, I do not have clear direction on how you want to proceed.

Mr. Shelton asked did we receive a copy of the scope of work?

Mr. Clark responded you should have received one.

Mr. Shelton stated I am nervous about making a decision with only 60% of the supervisors here, particularly without the Chairman.

Mr. Cumello stated I have two suggestions. One is to discuss the process and to allow both sides to make presentations. The second is once the Board makes a decision, how to implement it or get a contract in place. Is this something we delegate to the District Manager or can you handle it?

Mr. Clark responded I have always handled the process when we are dealing with a change in the Manager because it is awkward to have an existing Manager be involved with the process. I have used different contracts. This is something I will handle or the Board can recommend I handle.

Mr. Cumello asked from a contract standpoint, would you have to modify the contract because these proposals do not address the scope of work, except at a high level. When it comes to the actual work to be done, do you have a contract to work off of to incorporate the scope of work?

Mr. Clark responded I would incorporate the scope of work as an exhibit to a form contract.

Mr. Holihan asked do we have an existing contract?

Mr. Moyer responded Severn Trent Services does.

Mr. Clark stated that contract covers less than the scope of work than the combined work.

Mr. Cumello stated the existing contract did not cover field services. The new scope of work combines the financial side, managerial side and field services side. Once the Board makes a decision, will Mr. Clark go through the process of getting the new contract executed?

Mr. Clark responded yes. If you want to accept one of the two proposals, you would decide which one. This is clearly a matter in which I recommend you interact with your

proposers and ask them questions such as who would be handling what on both sides. If you choose Severn Trent Services to take over the field services, then you want to know who would be handling and staffing it. If Leland Management took over the District Management services, you would like to know who the Manager is going to be and how they are equipped for the financial side and what to expect. This is a fairly significant decision.

Mr. Cumello asked do you feel this is something you can discuss today or would you rather wait for the next meeting and have more formal presentations?

Mr. Holihan responded I would like to get more prepared in advance.

Mr. Moyer stated I always can talk about it.

Mr. Clark asked would you make this presentation or bring in someone from your office?

Mr. Moyer responded I will bring a couple of people. I have no idea what Mr. van der Laan submitted and what scope of work they are proposing. As part of our proposal, I have someone who is an irrigation specialist and Electrician. This person is Mr. Brian Smith out of Celebration. He works for the Brighton Lakes CDD and East Park CDD. He is in the vicinity on a fairly regular basis for the East Park CDD. I will bring him to the next meeting so I can introduce him. However, in terms of the services they provide, I can discuss this at any time. To Severn Trent Services credit as indicated in the proposal, they have spent a great deal of money coming up with a very sophisticated accounting system for CDDs. They provide these services to many CDDs. It is somewhat different than business or HOA accounting since CDDs deal with government fund accounting rather than general business fund accounting. I think it is fine if you want us to come back and make a presentation at the next meeting. I do not mean to usurp Mr. van der Laan and his presentation today.

Mr. Clark asked is it safe to assume Vivian would be the District Manager?

Mr. van der Laan responded yes. I would like to bring the key employees with me to the next meeting. I can speak to our process, but not the specifics of what we would be doing.

Mr. Clark stated what I am hearing is if there is a presentation requested from the Board; you would like to bring your critical team members to meet the Board.

Mr. van der Laan stated correct.

Mr. Holihan asked what is the expiration date of the current contract?

Mr. Clark responded the existing contract with STS can be terminated upon 60 days notice.

Mr. Moyer stated correct.

Mr. Clark stated it renews from year to year. When you adopt the budget, you approve the management fee. However, if you want to change it, you can. I would love to see those changes occur on a fiscal year basis. They do not always occur this way, but if we are close to it, we try to do it that way.

Mr. Cumello stated so the timing would be right if we have our next meeting in August and the fiscal year starts on October 1, 2012.

Mr. Clark stated correct.

Mr. Holihan stated I suggest we have a meeting where they could make full presentation. We should encourage the other two Board members to attend.

Mr. Cumello stated I am comfortable with that.

Mr. Shelton stated I concur.

Mr. Clark stated I will send an official letter to both companies asking them to give a presentation to the Board at the August meeting.

Mr. Shelton stated you brought up the issue of the personnel assigned. There is nothing in Leland's contract saying it cannot be modified. I was wondering the significance of who we would be assigned to.

Mr. Holihan stated they can change staff if someone resigns. They have the right to replace them.

Mr. Clark stated it is difficult for a company to guarantee the individual introduced would be the one performing under the contract, because individuals have a choice in their lives as well. Sometimes when a Management Company changes their staff, it causes a change in the Management Company. But, sometimes it does not. I think it is important to know the individuals responsible to interface with the Board at meetings and the individual on the field management side, who you are going to call when things are not going well.

Mr. Cumello stated with Severn Trent Services, we had three different Managers during the past six years. However, in government contracting, when you have a new contract, the contractor identifies their key personnel and their commitment to have them work there unless they die, resign or removed/replaced with the customer's approval. I think the Board is in agreement to have each company come back and give presentations. What time period are we looking at for the presentations?

Mr. Moyer responded usually they are 20 minutes at the most.

Mr. Clark stated 20 minutes is probably accurate.

Mr. Moyer responded I would need a copy of Leland's proposal for the record.

Mr. Clark stated I will send it to you. We will carry this item forward on the agenda for the August meeting.

FIFTH ORDER OF BUSINESS

Manager's Report

A. January, February and March Financial Statements

Mr. Moyer stated we provided financial statements for January, February and March. The most recent is from March 31, 2012. What is noteworthy is we collected \$1,131,000 of our non ad-valorem assessments through March 31, 2012, against an assessment levy of \$1,213,000. This represents 93% of the overall assessment versus 91% last year. This is in line with where we were last year. We expect to receive some payments in late March and to the degree there are outstanding assessments after those collections, they will go to tax certificate sale. History has shown we usually receive 100% of our assessments. I am not very concerned about this. On the expenditure side, for the most part we are \$17,000 under the prorated budget through March 31. We are tighter than we usually are on the expenses, but we have undertaken some items, which we identified. In the notes to the financials, it explains in detail why we exceeded the budget in some line items.

Mr. Cumello asked did the new landscaping contract take effect in March?

Mr. Moyer responded yes.

Mr. Cumello stated according to their contract, there was a fixed bid price of \$42,000 for maintenance, pest and fertilization and irrigation repairs. Will there be separate line items for these items with a fixed price of \$42,000?

Mr. van der Laan responded what was in your contract was strictly maintenance items. It did not include irrigation. However, there are some overruns for repairs up to two inches of piping. It usually runs \$400 to \$500 per month in overages, but irrigation repairs would not be included.

Mr. Cumello stated were those evaluated when the evaluation was completed? In looking back at some of the spreadsheets we received, we were looking at a total maintenance price, which was a combined number. For example, Servello & Son bid \$42,000 and Proscapè bid \$23,000. Was the bid based on the evaluation and not the irrigation?

Mr. van der Laan responded the bid number from Servello & Son was for both the maintenance and irrigation. The total amount of \$275,000 is what we budgeted for 2013.

Mr. Cumello asked what does the \$42,000 cover?

Mr. van der Laan responded all of the irrigation inspections, checks and repairs up to two inch lines and sprinkler head replacements. We will typically get an overage for pump or timer repairs.

Mr. Cumello stated the budget for this year is \$40,000 for R&M irrigation.

Mr. van der Laan stated correct.

Mr. Cumello stated what we would expect to see is the cost for the monthly maintenance of the irrigation system. Would the time and material repairs fall to that line item?

Mr. van der Laan responded the way the budget is currently set up right now, all of the irrigation inspections and repairs are grouped with landscape maintenance. We have separate items for any additional irrigation overages.

Mr. Cumello asked is the new budget set up this way?

Mr. van der Laan responded the new budget is the same as last year.

Mr. Cumello stated I suggest we make sure the new budget is set up this way, with \$272,000 budgeted for maintenance and another amount for time and materials.

Mr. Moyer stated \$272,000 is the amount of the landscape contract. Are you saying the \$40,000 is included in the \$272,000?

Mr. van der Laan responded it includes \$40,000 for all of the inspections and an additional \$40,000 and any overages. Under the landscaping budget, we split *Plant and Tree Replacement, Trees and Trimming and Tree Trimming Services*. The numbers did not change, but was only split out into separate line items so they were easier to track.

B. Check Registers

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

<p>On MOTION by Mr. Holihan seconded by Mr. Cumello with all in favor the financials and check registers for January, February and March were approved.</p>

C. Discussion of Action Item List

Mr. Moyer stated the action item list was provided to the Board. Some items are ongoing as indicated.

Mr. Cumello asked what about number three?

Mr. Moyer responded this item is pending as I am trying to locate the memo.

Mr. Shelton asked how does number 16 relate to number 8?

Mr. Moyer responded 16 deals with the qualification information for the General Election, which is later on in the agenda. Item 8 deals with the request for qualification for management companies.

Mr. Shelton asked what does number 10 refer to?

Mr. Cumello responded for the flooding on Remington Court.

Mr. Roy stated regarding number 9, I believe I provided the rainfall data to the Board shortly after the meeting when we realized it was a 50 year storm event. Do you need any additional information?

Mr. Moyer responded I do not think so.

Mr. Cumello asked was it distributed to the Board? I do not recall receiving it.

Mr. Moyer responded it was part of Mr. Roy's report at the last meeting.

Mr. Roy stated I will re-send the email to Mr. Moyer to forward to the Board. It had the rainfall data for Lee Vista Boulevard and for a DOT storm event. In regards to number 10, I obtained some proposals on running a camera through the drainage system. I am waiting for two additional proposals. To run a camera through the entire system on Remington Court will cost \$4,200 versus \$1,000 to run a camera from the street to the pond. I asked for a separate proposal to illuminate it instead of running the camera for \$1,200 to \$3,500.

Mr. Cumello asked is it a straight run?

Mr. Roy responded it is a straight run from the road to the pond. The \$4,200 included every pond and around six structures. There would be 700 feet of pipe total. There was a request to see if there was some way to improve the system. We can either replace the existing 18 inch pipe with a larger diameter pipe or constructing a parallel line stacked on top of the existing pipe to provide more capacity. When we looked at the calculations, the design requirements were only for a 10 year storm. Replacing a larger diameter pipe or a parallel pipe will bring the system down at the road by approximately a foot to a foot and a half. Apparently

replacing the existing pipe is extremely difficult based on the depth and the existing utilities as well as doing the work within the lake. This lake is connected to all of the other lakes within Vista Lakes. There is approximately 180 acres of water. I provided pictures to the Board of the route we have to follow. I received two proposals and waiting on two additional proposals. One proposal was for replacing the existing pipe with a larger diameter 24 inch pipe for \$35,000. The other proposal is for \$68,000. The cost to run a parallel pipe on top of the existing pipe ranged from \$29,000 up to \$58,000.

Mr. Cumello asked would you have to cut through a drainage easement?

Mr. Roy responded yes, a drainage easement between the two houses.

Mr. Cumello stated we started this because we had complaints from residents when they had flooding from heavy rainfall. We wanted to make sure there was no defect. We left it with checking the pipes out to make sure there were no problems as the system was designed to cover this. As Mr. Clark stated, by doing this, we would be in a better position to defend it. Is that correct?

Mr. Clark responded what I said is you are in a position to defend it now because of compliance with technical requirements.

Mr. Cumello stated as long as it is not plugged.

Mr. Clark stated that pertains to maintenance as opposed to the design. The design complies. The maintenance is something you need to check from time to time. However, if the Board wants to go beyond the technical requirements, it makes it more protected.

Mr. Cumello stated I just want to make sure so we can respond to residents that there is no defect and we had done whatever we had to do to demonstrate there is no maintenance defect and so it was designed to code. If we still have a problem, then there would be a new decision on whether or not we would go beyond the code to fix the problem. When do you think you will have a quote?

Mr. Roy responded I was hoping to have the other quotes today, but it may not be until the first of next week. This is for the improvement of the system. You are talking about \$1,500 to run a camera through it. If you want solid proof there is no maintenance issue, I believe a video of the storm pipe would be the best proof versus shining a light through it.

Mr. Cumello asked is a motion in a not to exceed amount of \$2,000 adequate to run a camera and inspect the line?

Mr. Roy responded yes.

Mr. Shelton asked are you saying a camera would be better than illuminating it?

Mr. Roy responded yes, as far as evidence there are no obstructions. With a camera, you can actually look at every joint in the pipe to make sure it is intact. By illuminating it, you are just going to see if there is an obstruction.

On MOTION by Mr. Cumello seconded by Mr. Shelton with all in favor, the proposal to run a camera through the pipe on Remington Court in an amount not to exceed \$2,000 was approved.

Mr. Shelton stated three items on the Action Item List are ongoing issues. Can those be placed at the top of the list so they can be taken first?

Mr. Moyer responded yes.

Mr. Shelton stated the dates should be updated.

Mr. Moyer stated number four is the Army Corp. of Engineers.

Mr. Clark stated there was some additional activity from the Army Corp. of Engineers in the form of the final decision documents. I reviewed them, although not in detail. Mr. Cumello is going to speak with Pinnacle because they are saying they want to clean munitions in certain areas. They are probably referring to the work they have already done, specifically north of Lee Vista Boulevard. They are not requiring any further action south of Lee Vista Boulevard, other than periodic reviews of the situation. They had comments in that area as to water quality, which was a concern the Board addressed. Although, they found some levels of several metals, they concluded it was not hazardous to public health as long as no one was drinking or swimming in the retention ponds. They are generally saying they are done. Is that your understanding, Mr. Cumello?

Mr. Cumello responded more or less. They divided the MRS' into four areas and basically took a broad area; everything north of Lee Vista Boulevard, west of Warwick and south of the Mockingbird property, which is south of Odyssey Middle School. Based on their findings, there is no further Department of Defense action required because they did not find anything that warranted them to continue the investigation. From a CDD standpoint, they are not going to bother with the properties south of Lee Vista Boulevard by Warwick and the church. However, we still have the open issue of the clearance letters because they are required by the City of Orlando in order to commence with any work. But they have no intents to come back. For the

properties just south of Lee Vista Boulevard, which is Odyssey Middle School heading east, they intend to spend \$4.2 million to look for additional problems. They already awarded the contract and work is supposed to commence in the fall. For the properties east of 417, which are mostly commercial properties, their intention is to hold educational seminars on the threat. If anyone wants to build a commercial building there, they will provide on-site explosive support. I believe they allocated \$1 million towards this work over a five year period. They do not have a decision document for the properties south of Odyssey Middle School, which is known as the Mockingbird property. One of the reasons they do not have it is because the cost was estimated to be somewhere over \$15 million. The way I am reading this is for MRS north, which is where we have CDD property including that conservation area in the pond next to Odyssey Middle School, they will be back on those properties in the Fall. I do not know whether or not they are going to level the conservation area . They will be coming back to the Board to seek an Access Easement to clear those properties as part of the \$4.2 million.

Mr. Shelton asked do you have any opinion on the areas where they are not testing, but are providing explosive support?

Mr. Cumello responded we do not know what the City's reaction is going to be. The City has always taken the conservative view that they want clearance letters. Therefore, anything south of Lee Vista Boulevard, even though it is in an area where there is no further involvement, the City has not lifted the partial stop order. I have not heard a change in their position. We still have the same issue for those CDD properties. They will be doing the same for the next few years. The good news for the communities in Vista Lakes is their properties are no longer under the umbrella except for Avon, Warwick, part of Newport and Central Park.

Mr. Clark stated the \$4.2 million is for new future work, including some of our properties.

Mr. Cumello stated correct, it will include the properties directly next to Odyssey Middle School. You can take the property line of Warwick and go east. The work they did was an investigation and in some cases, they only did 20% of the work. Now they are supposed to go back and do 100% of the work.

Mr. Clark asked what further interaction do you think I need at this point?

Mr. Cumello responded two things. They still owe us a response on the clearance letter.

Mr. Clark stated the last time I checked, the responses were to wait until the reports were out. We now have the reports and are asking the question again.

Mr. Cumello stated we have the clearance letter, not the report. The City would not accept the report. I would expect we are going to be asked to sign another Access Agreement. I do not know whether it would go to Mr. Moyer first or directly to me. I do not know if we need a Board decision.

Mr. Clark stated no. I am just looking for some direction. I will review the clearance letters. For the properties to the south, I do not know if we can get something from them saying they do not see a risk and advise them of where work is needed.

Mr. Cumello stated then the issue for us would be to go to the City and ask them to lift the partial stop work order on the properties in the “no additional work required” area. If they do not do this, then we have a battle between the City and the Army Corp. of Engineers to get clearance.

Mr. Clark asked would it be appropriate for me at this point, to take the report for the south properties and write a letter to the City on behalf of the CDD, informing them they are done and there is no significant risk and therefore, we request a lifting of the partial stop work order.

Mr. Cumello stated but we have to list 11 properties in the letter and make sure we have the right ones because some of those are in the area where they are going to spend money.

Mr. Clark stated that is why I am going to allow you to review the letter first.

Mr. Cumello stated we have to go back to the plats and look at that and say “our understanding from the Army Corp. of Engineers is this one is in this MRS and these are in the existing areas.

Mr. Clark stated I will work with you on this.

Mr. Cumello stated the other question is whether there was any value on putting Newland Communities on notice for damages? If we receive clearance letters in a year, there would be little to no damages for us because we can build on those properties. Obviously we are not going to get clearance letters on the property by Odyssey Middle School as there is a conservation area.

Mr. Clark stated the clock is not ticking for us to send further notice. The clock is ticking in order to file the lawsuit, if this is what the Board wishes. The Board has not been excited

about this for a number of reasons. We are reaching the period of five years from where the CDD's minutes reflect discussion on this matter.

Mr. Cumello stated here is my concern. We just had discussion about the pipes in Carlisle and said one of the solutions the Board can consider in the future is to put in a bigger pipe or another pipe on top of the existing one. A year ago, we never thought we would have to do something like this. Suppose we have a collapsed water management system for this pond. Then we need to go in there and replace the water management system five years from now. Currently, we do not have a clearance letter and do not have permission to go in there and do this work. This is the issue we have.

Mr. Clark stated I agree, but we are already at the period where we discovered we have a significant problem and we brought an action to get immediate and detailed motions to dismiss for statute of limitation issues. That only gets worse in the future. We discussed this some time ago and there is nothing we can do to change this.

Mr. Shelton asked are you saying there are places that show the wariness of the issue?

Mr. Clark responded the clock for construction related items generally starts when construction is complete. Then there is the doctrine of latent defects where you say "This was not apparent" or "You concealed it". Then the clock starts to run from when you knew it or when you should have known it. Once you create a record that you have been talking about it, it is hard to say you did not know it. You can say "We did not appreciate the severity of the problem", but once you know there is a problem, you have to become proactive. It is not good enough to say "Well, we thought it was a small problem and it has now turned into a big problem".

Mr. Shelton asked when is our time up?

Mr. Clark responded five years from when you have knowledge. We are close to that point. If you should have known something before this time, then the clock starts to run from that time. When I went back and looked, I found notes from a discussion in October of 2007 where there were meetings about the problem. Two meetings from now will be five years.

Mr. Shelton stated so if we are going to try to get any satisfaction from Newland, we have to do it now.

Mr. Clark stated yes. Writing a letter to Newland will not accomplish anything. If the Board has any inclination to sue Newland, then the Board needs to decide no later than the next meeting.

Mr. Shelton asked in your opinion, is that a viable alternative for us to start this process or else we run the risk of not being able to do things we have to do?

Mr. Clark responded I think it is very difficult to quantify what our damages are. I am not jumping up and down saying you need to do this. I am just saying the date is coming up where it will not be an option. Filing a lawsuit and saying “We may have damage in the future” is a tough lawsuit.

Mr. Holihan stated I am not sure what we would be suing for.

Mr. Shelton stated I would assume we would sue Newland because they gave us damaged property.

Mr. Holihan stated yes, but that is just throwing money to the litigators.

Mr. Clark stated I am looking at the map and talking about further clearance to go on in these areas. You could find something in two years and file a lawsuit and take the position “We were waiting for the Department of Defense to do work and see if there was anything there and we could not possibly know for sure because it is not like we can clear it ourselves”. That would be the theory. The longer you wait, the more the Judge looks at you and scratches his head saying “That was seven years ago and you are just bringing suit now”. It is a hard sell.

Mr. Shelton stated I know the answer to the question, but I just wonder what the City’s reaction would be if we went with Mr. Cumello’s scenario of having a collapsed sewer pipe that we dig up and fix it and the City says we cannot do this. Meanwhile, we have storm sewers all over the place.

Mr. Moyer stated if it is a clear and present danger to the health, safety and welfare; I would make the decision to do it without the permit. It is an emergency. We would do the work and then deal with the consequences that the City tried to impose upon us after the fact. Managers are paid to make those decisions and I would make that decision in a heartbeat.

Mr. Clark stated if you have a situation that is severely impacting your community and the City says no, then you start getting 3,000 residents calling the City. You can find the name and email address of the person saying no and say “I cannot flush my toilet and you are telling me you cannot fix it”. The problem I would see is more serious work where there needs to be

more preventive work because the pond is staging too high in order to prevent future problems. When we asked for a permit, the City said no. That can very well happen.

Mr. Moyer stated yes, but in a lawsuit, the first question would be if we asked for a permit. If the answer is no, then you cannot establish damage.

Mr. Clark stated it is very difficult.

Mr. Cumello stated this is where we are at. Correct?

Mr. Clark responded this is where we have been as long as we discussed the issue. I would not disagree with the Board's position to not pursue the litigation. It is extremely expensive. They have had other litigation and spent a lot of money defending it.

Mr. Cumello stated it sounds like it would be cheaper to clear the area and do the work than to litigate against the developer.

Mr. Clark stated if you decided to litigate in August, then I would tell you right now, you can go back to your budget and allocate funds and direct the Manager to send letters to all of your residents saying you are going to increase the budget because the Board decided to file a lawsuit against the developer. You know where that will lead.

Mr. Moyer stated item five on the action item list pertains to the masonry walls.

Mr. van der Laan stated the report on the masonry walls was provided to the Board. The company who prepared the report did a lot of the wall work in the community. You can read their recommendations. They estimate less than \$2,000 to make all the recommended repairs. If you recall what started this was in the Reserve Study, we had quite a bit of money set aside for repairs and maintenance for the brick wall for 2012.

On MOTION by Mr. Cumello seconded by Mr. Holihan with all in favor, the proposal to repair the brick walls in an amount not to exceed \$2,000 was approved.

Mr. van der Laan stated item six on the Action Item List is the test for the signature wall lighting. We had a delay on this matter due to a switch in contractors. We also changed the area where we were going to do the testing. Originally we were going to do the test in Avon, but since some additional wiring was required for Pembroke, we decided to do the test lighting out there. We are going to call the Electrician at the same time the wire is installed. In the next week, this will be completed. Item seven is ongoing and will be added to the top of the Action Item List. Item 12 is replacement of the light pole in Avon on Lee Vista Boulevard, which was

reported to Progress Energy. Item 13 is for the Warwick entrance landscaping. We took several different approaches. One was to have Servello take a look at the entrance and give us a proposal to replace the existing plants and fill those areas. They also had the Agronomist take a look at the entrance and take photos. He came up with conceptual work for changing the look such as adding more color and flowered plants along Passaic Parkway. Servello estimated follow the Agronomists recommendation for \$8,070. This is just for Passaic Parkway. It did not include the road going into Warwick or the center island. There is actually a good amount of CDD property inside of Warwick. There is a wall running alongside the right hand side just past the entrance. There is also a Lift Station with plantings in front of it. The Agronomist offered to provide conceptual plans for the two areas for \$300 each.

Mr. Cumello asked does the proposal include the signature walls?

Mr. van der Laan responded no.

Mr. Cumello stated the signature walls are one of the biggest complaints.

Mr. van der Laan stated as a point of comparison, the proposal for the Warwick entrance from Servello, addressed everything out there for \$14,400; including the entrance walks and along Passaic roadway. We would not be changing the look. I think this is where the Agronomist is going to go. They were talking about replacing the Oak trees and noted the property was very wet. Oak trees over time will not do well out here. If you read their monthly reports, he is leaning towards Palm trees and flowering type trees and staying away from Oak trees. Obviously this changes the look of the community. Over time, the Agronomist suggested changing out the flowers. In fact, according to his notes, he does not think the Oak trees are salvageable.

Mr. Cumello stated when you look at our budget for landscaping, you will notice \$14,000 was spent on Palms. How much money did we have left in the current budget based on where we are at?

Mr. van der Laan stated I believe we have approximately \$25,000 in the *Renewal and Replacement Fund* for this budget year. On the 2012 budget, it is not broken out as clear as it will be next year. We had earmarked this \$25,000 last year for each of the entrance walls.

Mr. Moyer asked is this for *R&M-Flowers*?

Mr. van der Laan responded *R&M-Flowers* and *R&M-Trees and Trimming*.

Mr. Cumello stated so we had \$45,000 for *R&M-Flowers* and \$25,000 for *R&M-Trees and Trimming* for a total of \$65,000.

Mr. Moyer stated you do not have any money left under *R&M-Trees and Trimming*.

Mr. van der Laan stated we have additional money under *R&M-Mulch*. In my estimation, there is \$25,000 left.

Mr. Cumello asked will this be the last project we do this budget cycle?

Mr. van der Laan responded that is up to the Board. Last year we planted around the fountain and along Lee Vista Boulevard. Moving the trees was unexpected. The idea to have \$50,000 for planting money was to use for each of the entrance walls. However, Avon was done earlier in the year.

Mr. Cumello stated but we only have three months left in the budget cycle.

Mr. van der Laan stated correct.

Mr. Cumello stated there is only so much we can get done in this budget cycle. What I am struggling with is whether we should allocate some number not to exceed to work in Warwick based on the budget.

Mr. van der Laan stated the question to consider is whether you want to start changing things over. We can go with the concept and see what you think. Of course that does not address the walls themselves or the area going into Warwick. At least it gives you an idea and we will not get complaints from residents at this entrance and you can see the idea and start implementing it.

Mr. Holihan stated but that implementation is an \$8,000 expenditure.

Mr. van der Laan stated correct. It is a significant change to the look of the community. You are basically removing the shade trees and over time replacing them with flowering and Palm trees.

Mr. Shelton stated one factor is you are not going to remove the Oak Trees. You have one look at the walls and another look once you get inside of the neighborhoods.

Mr. van der Laan stated when I was involved with the HOA, there was discussion about the fact the Oak trees caused damage and did not flourish. I think the Agronomist made a recommendation for the HOA.

Mr. Shelton stated I spoke to the HOA about this, but I think it is not practical that you are going to remove 1,000 Oak trees and replace with Palm trees.

Mr. Cumello stated I believe there are Maple trees in front of houses, not Live Oaks. Any Live Oaks we have is unique.

Mr. Shelton stated in Vista Lakes I, there are Live Oaks. Who has Maple trees?

Mr. van der Laan responded Warwick.

Mr. Cumello responded Warwick and Windsor have Maple trees. Losing the Live Oaks in front would not be too significant.

Mr. van der Laan stated Passaic is unique in that it is not like the entrance to Warwick, but it becomes the entrance to Warwick. If Mockingbird ever paid their bills, it would be completely landscaped.

Mr. Cumello stated they owned the road.

Mr. van der Laan stated correct.

Mr. Cumello stated they own everything on the east side. I am leaning towards allocating \$12,000 to landscape this entrance including the signature walls. The signature walls are bare in this area. I would leave it up to the powers that be to decide the best look.

Mr. van der Laan stated I suggest the Board accept the other proposal we have for the entrance wall and the area from the gate for \$15,000. Then we can do the \$8,000 concept plus the entrance area.

Mr. Holihan stated you gave us a number of \$8,000 for the entrance wall and the area from the gate and \$600 for the two drawings for a total of \$8,600.

Mr. Cumello stated both areas have plantings there, but most of it is dying and needs to be replaced.

Mr. Holihan asked do you also have to factor in the amount for maintenance for the Palms, flowers and trees?

Mr. van der Laan responded that is a good point. It would affect our trimming budget. Right now we do not expend any funds because we do not have anything to trim as the trees are not mature enough.

Mr. Cumello asked are you suggesting we not plant Palms or less Palms?

Mr. Holihan responded no. I am a shopping center developer. If I had my way, we would not have trees. We would only have grass. There is nothing wrong with grass.

Mr. Cumello stated I like the Robellinis' better than the Sabal Palms. It does not grow very high.

Mr. Shelton stated they need more trimming than the Palms.

Mr. Cumello stated yes, but they do not cost much money to take a machine out to elevate them.

Mr. Holihan stated I would be in favor of your idea and Mr. van der Laan's opinion that \$12,000 may not be enough.

Mr. Cumello stated if we have \$25,000, let them budget for the year. As long as we have money left over to deal with minor issues.

Mr. van der Laan stated we hold this money back in case something happens.

<p>On MOTION by Mr. Cumello seconded by Mr. Holihan with all in favor, the proposal to provide landscaping in Passaic and the Warwick signature walls in an amount not to exceed \$15,000 was approved.</p>

Mr. Cumello stated I do not think we need too many large Palm trees. I would like to see smaller Palm trees.

Mr. van der Laan stated in regards to item 15, the remaining two aerators were installed and are fully operational.

Mr. Cumello stated we still have residents saying there is a fountain and two additional aerators in Pond 9 in Waverly.

Mr. van der Laan stated I clarified this with Vertex. There are multiple bubblers in this pond because of its size. There is actually one aerator with three bubblers.

Mr. Cumello stated the resident questioned why they were all on the north side of the pond and suggested moving one to the south side.

Mr. van der Laan stated I can clarify this for you.

Mr. Cumello stated we only have one aerator in the largest lake. Should we have more than one aerator?

Mr. van der Laan responded I think a fountain would look better.

Mr. Cumello stated I am more worried about what grows in the lake than the aesthetics.

Mr. van der Laan stated from what I understand, the issue is one section of the lake is much more shallow than the other sections and something is needed to move the water around.

Mr. Cumello stated I guess we can table this item for now, but if we see we have a buildup of pond scum, we need to address this.

Mr. van der Laan stated whatever problem we had has dissipated. I received an email the other day from someone who said the lake was looking good for the last couple of months.

D. Discussion of the General Election, Consideration of Resolution 2012-2 Confirming the District's Use of the Orange County Supervisor of Elections to Conduct the District's Election of Supervisors in Conjunction With the General Election

Mr. Moyer stated I provided material to the Board. The qualification period opens on June 4, 2012 at Noon and closes on June 8, 2012 at Noon. You can qualify by going down to the Supervisor of Elections office, which is Mr. Bill Cowles at 119 W. Kaley Street in Orlando and filing to run for office during the qualifying period. They will have materials for you to sign and subscribe to an oath. Mr. Shelton and Pastor Bank's terms are up for election.

Mr. Cumello asked is the fee to register still \$25?

Mr. Moyer responded yes. The Board also received a copy of Resolution 2012-2, which puts the Orange County Supervisor of Elections on notice that we will be using their services to conduct the District's election of supervisors in conjunction with the General Election.

On MOTION by Mr. Holihan seconded by Mr. Shelton with all in favor, Resolution 2012-2 Confirming the District's Use of the Orange County Supervisor of Elections to Conduct the District's Election of Supervisors in Conjunction With the General Election was adopted.

E. Report on the Number of Registered Voters – 3,251

Mr. Moyer stated this is an informational item. Chapter 190 requires us to obtain the number of registered voters within the District. According to the Supervisor of Elections, there are 3,251 registered voters. This is only significant when there are more than 250 voters because when you hit the 250 voters and six years in the lifecycle of the District, you go from landownership elections to registered voter elections. We are well past this threshold. However, there is nothing stopping us from obtaining this information so we continue to request it.

SIXTH ORDER OF BUSINESS

Attorney's Report

There not being any, the next item followed.

SEVENTH ORDER OF BUSINESS**Engineer's Report**

Mr. Roy stated I provided two copies of the SJRWMD's permit. We have been working with the City regarding the 24 inch pipe just south of Vista Lakes, which goes to the Super Stop. The SJRWMD has officially issued the permit for the pipe, although it has already been constructed. This will require the City to raise two manholes approximately a foot. The top elevation is by the Super Stop. This is the same permit for the existing conditions Vista Lakes was originally permitted under as far as flows coming into the main pond for Vista Lakes. It was just a more detailed pre-development condition model that the SJRWMD now uses to issue any other permits for Vista Lakes. There are no implications at all to Vista Lakes. Because there are no special conditions, I suggest the permit say anyone connecting to the pipe needs the permission of the Vista Lakes CDD Board because the ultimate receiving body is our system. We should tell SJRWMD they need to make sure the Board is notified of anyone connecting into the system so we have the ability to review their calculations. The model the SJRWMD is using specifically says how much discharge they can have, which goes back to the original discharges.

Mr. Clark stated you or I should send a letter to the SJRWMD asking them to place this letter in their permit file with a copy of the permit. I would be happy to do this.

Mr. Roy stated this letter would probably be better coming from the CDD Attorney. We can give you the calculations. The permit specifically tells every parcel along Narcoossee how much they can discharge.

Mr. Moyer asked are you satisfied with this?

Mr. Roy responded yes. It is just a more detailed pre-development condition model than what was submitted back in 1998.

Mr. Clark stated I will send the letter.

Mr. Roy stated I looked at the observation deck and the drainage underneath and this seems to be an area where kids like to pick up rocks and throw them into the lake, thereby exposing the pipe. You may want to have the Maintenance Department place the rocks on top of the pipe so the pipe does not meander around and keep the kids from picking up the rocks.

A resident asked when did you notice this?

Mr. Roy responded I first noticed it a month and a half ago.

Mr. Cumello stated I noticed the canoe dock was replaced.

Mr. Roy stated the deck was replaced.

Mr. Cumello asked what are we doing with the sidewalk?

Mr. Roy responded I am still trying to obtain some prices. The Board authorized the money so there is intent to bring the sidewalk up to code. I looked at different scenarios. A 150 foot long parallel sidewalk is not feasible. The only solution is to have a ramp with landings and hand rails 5.7 feet down from the existing sidewalk to the dock. You would basically have two landings and a minimum of 50 feet of new sidewalk. This would hinder someone from bringing a canoe down through the new sidewalk.

Mr. Cumello asked is this still an open item?

Mr. Roy responded yes. I made some sketches and whatever scenario you want to go with is fine. I believe the sidewalk has to go north towards the entrance to Windsor. I will finish the sketches and provide them to the Board.

EIGHTH ORDER OF BUSINESS

Community Association Manager

A. Activity Report

B. Agronomist Report

C. Lake Report

D. Wall Report

Mr. van der Laan stated copies of the monthly Activity, Agronomist, Lake and Wall Reports were provided to the Board in the agenda package.

NINTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Cumello asked are we going to do a new Reserve Study for 2013? We should do one every five years.

Mr. Moyer responded we did one in 2010, which is the one we are currently operating off of.

Mr. Cumello stated according to the Reserve Study expenditures, we had \$2,900 to carry over to next year.

Mr. Moyer stated I will check on this.

Mr. Cumello stated I do not think the costs of living have changed significantly.

Mr. Moyer stated no. As a matter of fact, if you recall when we did the update, the Reserve Fund requirements actually went down.

Mr. Cumello stated in regards to the decision the Board made on the masonry walls, I suggest we take the \$2,000 out of cash and not out of the Reserve Study. We replaced one slab of CDD sidewalk.

Mr. Moyer stated I authorized that work.

Mr. Cumello stated I do not know whether or not the CDD Board wants to look at other neighborhoods. We only looked at the gated communities. We did not look at Gentry Park or the POA areas to see if there are any sidewalk issues. Since we publicized the fact we were repairing them, we have had a number of claims against the HOA regarding people tripping.

Mr. Moyer stated I hate to say this, but this goes with the business. The Celebration CDD has the same problem. We get several claims a year from people complaining about trips and falls.

Mr. Cumello stated I noticed that the City has been very diligent with their sidewalks by going out and replacing them because of the Live Oak trees. I believe we replaced at least 100 slabs in the gated neighborhoods. It may be time to take a look at the remaining CDD properties to see what those slabs look like.

Mr. Shelton asked was the CDD sidewalk replaced in Melrose?

Mr. Cumello responded no, the one in Carlisle was replaced by the signature wall.

A resident stated I did not realize the one outside of the Melrose gate belonged to the CDD. Does anyone from the CDD want to look at the slab that was replaced before the bill is sent?

Mr. Moyer responded if you can send pictures, this would be wonderful. It was a fairly small amount. I think having Mr. Roy go out and look at it would cost as much as the repair.

TENTH ORDER OF BUSINESS

Audience Comments

There not being any, the next item followed.

ELEVENTH ORDER OF BUSINESS

Adjournment

There being no further business,

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

Gary L. Moyer
Secretary

Randy Holihan
Vice Chairman