

**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 13, 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
James Shelton	Assistant Secretary
Ron Cumello	Assistant Secretary

Also present were:

Gary L. Moyer	Attorney
Barry Roy	Manager: Moyer Management Group
Scott Clark	Engineer: Bowyer-Singleton
Derek Buehler	Servello & Son
John Dougherty	Servello & Son
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 Pastor Banks and Mr. Holihan.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the February 11, 2010 Meeting

Mr. Moyer stated that each Board member received a copy of the minutes of the February 11, 2010 meeting and requested any additions, corrections or deletions.

There not being any,

On MOTION by Mr. Rose seconded by Mr. Cumello with all in favor the minutes of the February 11, 2010 meeting were approved.

THIRD ORDER OF BUSINESS

**Presentation of Fiscal Year 2011
Proposed Budget**

A. Fiscal Year 2011 Budget

Mr. Moyer stated you are familiar with this process. At this meeting, I will ask the Board to adopt a resolution approving the budget for the purpose of setting a public hearing for August. This budget is similar to what the Board approved last year. The good news is last year we anticipated that we would have to supplement the budget for \$20,000 from the fund balance. However, when we received the Audit, we realized that we did not have to use this money. In fiscal year 2011, because of the good work the Chairman has done on street lighting reimbursement through the City of Orlando, the budget balances without any anticipated application of fund balance. This results in no additional assessment on our residents and the assessment will remain at the same amount as last year.

Mr. Cumello asked since we have quarterly meetings, how much interaction are we going to have on fine tuning this budget?

Mr. Moyer responded you bring up a good point. We may want to consider meeting in July to discuss the budget.

Mr. Cumello stated that is what we are going to have to do because this is the first time we are seeing the numbers. It looks like you are going to request authorization today to proceed with the Reserve Study, which means that we are going to get new numbers for the reserve for 2011.

Mr. Moyer stated yes.

Mr. Cumello asked do you envision any carry over funds to offset expenses, which would allow us to decrease assessments?

Mr. Moyer responded if we follow the current pace, we anticipate \$137,000 of surplus funds. If these funds are used for the fund balance, you are looking at a fund balance of \$500,000.

Mr. Cumello stated this is basically cash in the bank.

Mr. Moyer stated yes. Some of this money; \$199,000 will be encumbered against the Reserve Study.

Mr. Cumello asked is it appropriate to show the reserve as a separate fund?

Mr. Moyer responded yes. There is a schedule in the Proposed Budget

Mr. Cumello stated there is a line item on Page 3 for reserves of \$108,000, which seems low.

Mr. Moyer stated according to Page 4, \$108,000 is in reserves.

Mr. Cumello asked is that new or the total of what was in reserves from 2010?

Mr. Moyer responded according to the financials, there is \$199,500 currently in reserves that is encumbered.

Mr. Cumello stated to clarify; there is a fund balance of \$506,000 according to Page 3. Does this include \$199,000 or the \$108,000?

Mr. Moyer responded it includes the \$199,000, plus what we anticipate carrying forward this year. According to the Audit, we started the fiscal year with \$357,000 as our fund balance; \$199,000 of which are designated reserves. This means you had \$200,000 of undesignated fund balance. We are going to add another \$137,000. Of that \$137,000, \$103,000 would be for additional reserves. I misled you somewhat when I said that we have \$137,000. The reality is that the undesignated reserve we will have at the end of this fiscal year is approximately \$37,000.

Mr. Cumello stated it is not a significant number to carry over to reduce the assessments.

Mr. Moyer stated in July, we will have a better handle on this because this budget was put together as of March 31 and in six months, we will be two or three months into this fiscal year.

Mr. Cumello stated what I am struggling with is why the \$199,000 is considered to be an asset and not in this line item. It should be under assets. Since these are total expenses for the budget, should the \$199,000 be pulled out and placed under the asset column?

Mr. Rose responded it should be under both columns.

Mr. Moyer responded it would be a balance sheet item under designated reserves. The way this budget was set up, they do not show the expense of the reserve, which is probably confusing. That is why I had to make this adjustment by taking the \$103,000 away from the \$137,000 fund balance.

On MOTION by Mr. Cumello seconded by Mr. Rose with all in favor a July meeting will be scheduled for the purpose of discussing the budget.

B. Consideration of Resolution 2010-1 Approving the Budget and Setting a Public Hearing

Mr. Moyer stated if there are no further questions, I request that the Board consider Resolution 2010-1, which sets the public hearing for August 12, 2010 at 10:00 A.M. at this location.

On MOTION by Mr. Cumello seconded by Mr. Rose with all in favor Resolution 2010-1 Approving the Proposed Budget for Fiscal Year 2011 and Setting a Public Hearing for August 12, 2010 at 10:00 A.M. at the Vista Lakes Clubhouse, 8841 Lee Vista Boulevard, Orlando, Florida was adopted.

FOURTH ORDER OF BUSINESS

Acceptance of Audit for Fiscal Year 2009

Mr. Moyer stated I distributed the Audit for fiscal year 2009 from Grau & Associates. In the *Independent Auditor's Report*, which is the first part of the Audit, the Auditor stated in the third paragraph, "*In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and major funds of the District as of September 30, 2009*". This is typically referred to as a clean audit opinion, meaning the financials we provided to the Auditor at the end of last fiscal year, fairly represented our financial position as of this date. Noteworthy in this Audit is the \$8.1 million based on Mr. Roy's analysis that deals with the facilities conveyed to governments. It is also reflected in terms of our capital asset value.

Mr. Cumello stated when we discussed this last year; the concern was if we took those assets off of the books, our liabilities would be greater than our assets.

Mr. Moyer stated it did not end up being that way. Page 19 shows the adjustments that they made to the capital assets. On Page 24, is the *Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. As it relates to internal controls, the Auditor stated "*We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses*". On compliance, the Auditor states "*The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards*".

The last report the Auditor is required to make is the Management Letter, which the Auditor makes certain findings on and bring forward to management any items that are not

material weakness and suggestions on how to make the accounting system better. They had no such findings or recommendations. Under footnote 8, the Auditor stated that the District had not met one or more of the financial emergency conditions described in Section 218.503(1) of the Florida Statutes. By not meeting one of those conditions, means we are not in a State of financial emergency. Taken in its entirety, this was a clean audit with no recommended changes or suggestions.

Mr. Cumello asked how does the Auditor explain the fact that he did not catch that the assets were not correct?

Mr. Moyer responded he would not have identified them.

Mr. Cumello stated he made the statement that the assets were transferred to other governmental agencies.

Mr. Moyer stated this was from material that we provided to him on the work that Mr. Roy did on the asset.

Mr. Cumello asked does he feel he needs to go back and redo the Audits from prior years since these assets were transferred over the last seven years?

Mr. Moyer responded I do not think we want to pay him to go back.

Mr. Cumello stated I am just curious.

Mr. Moyer stated I will check with the Auditor on whether the disclosures from this Audit are sufficient. I assume they are without going back and making prior year adjustments, but I will ask that question.

Mr. Clark stated I do not see what good will come from that.

Mr. Cumello stated I don't either, but when you make a statement and hear there are no deficiencies, you question whether they recognize the fact that there was an issue.

<p>On MOTION by Mr. Cumello seconded by Mr. Rose with all in favor the audit from Grau & Associates for Fiscal Year 2009 was accepted and staff was authorized to file said audit with the appropriate State agencies.</p>
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FIFTH ORDER OF BUSINESS

Manager's Report

A. March Financial Statements

Mr. Moyer stated we provided the March financial statements. We collected 91 percent of our non-ad valorem assessments based upon the receipt of monies in April. I expect that the

balance of the assessments will be collected as part of the tax certificate process, which will take place in late May or early June.

Mr. Cumello asked is there any risk?

Mr. Moyer responded based on what we saw last year, we are probably okay. Last year we collected slightly more than we levied. Part of this was because of interest on delinquencies. If those certificates sold last year, I have every reason to believe they will sell this year.

Mr. Clark stated it is likely, because this is a mature community and no lenders will step up and purchase certificates.

Mr. Cumello stated the history we have here is the lenders are not closing on foreclosures. They are sitting out there on the market for two to three years. That means they do not want to write off the assets.

Mr. Clark stated that is the risk we face. If the lenders do not pay the taxes, the likelihood of someone one picking them up is fairly good. What is a typical tax bill?

Mr. Cumello responded \$4,000 to \$5,000.

Mr. Moyer stated you get 18% interest.

Mr. Clark stated you would either get 18% interest or acquire a house for that amount of money.

Mr. Cumello stated generally we are relying on the County to do the collections.

Mr. Moyer stated yes.

Mr. Cumello stated if we get to the point of where we are at risk on any dollars and if there is any value to knowing whether or not they are in foreclosure, the HOA has that information.

Mr. Moyer stated I provided the Board information on our investment schedules, which show that we are following the program I discussed before about layering investments to try to get higher interest rates. Unfortunately, as you can see, higher interest rates are not very high, however staff is managing the General Fund monies closer than in the past.

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.

On MOTION by Mr. Rose seconded by Mr. Shelton with all in favor the March financial statements and check registers were approved.

Mr. Moyer stated there was an issue about reimbursement checks. There is a schedule in the financials, showing that we are now down to 11 unclaimed checks. This is better than the pages of unclaimed checks that we had in prior months.

Mr. Rose stated Ms. Marina Hernandez said that \$6,000 was outstanding and there were more than 11 unclaimed checks. They are trying to reissue the checks before presenting to the State. It sounds like they are doing what they need to do. That is all we can ask.

C. Discussion of Action Item List

Mr. Moyer stated the action item list was provided to the Board. Mr. Rose was successful in his negotiations with the City of Orlando as we now have a Street Lighting Agreement that District Counsel reviewed on our behalf, made some changes and negotiated with the City. Mr. Rose has the authority to sign the agreement, but since the changes were made within the past four to five days, I thought it was appropriate to bring this to the Board.

Mr. Clark stated I provided a copy of the Street Lighting Agreement to the Board, which provides that the City of Orlando will reimburse the District.

Mr. Rose stated they will reimburse 60% of the electricity.

Mr. Clark stated the total amount of the reimbursement is \$32,743.92. The agreement had many provisions that did not belong such as automatic termination and a provision forcing us to pull out the lights. I contacted the City Attorney's office and questioned this provision and he agreed. All of my requested changes were made. They were fairly cooperative about these changes. I sent it to them last week. I believe this is in the District's best interest and recommend moving forward with it.

Mr. Cumello asked was the equivalent standard lighting charge adjusted based on the lease, the number of fixtures and poles?

Mr. Rose responded yes.

Mr. Cumello asked did the CDD pay for these fixtures and poles? If so, why would we adjust it?

Mr. Moyer stated we probably would not pay for them. It would not increase based on the fixed amount of the poles.

Mr. Cumello stated I am trying to understand this because it looks like there is a rental cost for the standard fixtures and concrete poles, but if the CDD paid for it, there is no cost from the City so why should they net it out?

Mr. Rose responded we did not pay for anything. We leased the poles and fixtures from Progress Energy. We chose not to purchase them.

Mr. Cumello asked do we know this for a fact?

Mr. Rose responded we have a contract saying that we are leasing them so I am assuming yes.

Mr. Clark stated I hope we did not pay for them.

Mr. Rose stated I did not think about that. All this agreement is saying is that Progress Energy reviews their leasing rates every year and publishes them on their website. Their reimbursement is going to be based upon the cost we are going to be charged. They are not going to give us a fixed amount now because our costs have changed and are based upon what Progress Energy publishes.

Mr. Cumello stated in a monthly bill, imbedded in the rate structure is the lease cost. That is why they want to net it out.

Mr. Rose stated that is the lease cost.

Mr. Cumello stated they will always charge us for the usage.

Mr. Rose stated they will pay 60% of the electricity and there will be another line item for the lease.

Mr. Cumello asked are you comfortable that it is in the bill?

Mr. Rose responded yes. I have looked at these bills for many months.

Mr. Cumello stated I am looking at the usage. It makes a distinction that only applies to the non-gated communities.

Mr. Rose stated correct. The City of Orlando will only reimburse for streets that they maintain. That is their rule.

Mr. Cumello asked is there a termination provision if they decide not to fund it for that year?

Mr. Clark responded their position is with the budget constraints that governments have, they had to reserve the right to terminate the reimbursement program. The original draft said that they could terminate this agreement if they decided not to fund it and terminate if they

decided to discontinue the program so they could not single us out. That was as good as we could get.

Mr. Rose stated we told Mr. Moyer that the likelihood of them doing this was fairly low, but the amount we get this year will be put into reserves for next year in case they come to us next year and say they are not going to reimburse. We will have that reserve roll over every year.

Mr. Cumello stated my concern was in the termination provision under Section 5. I can understand if they have an annual budget problem and they decide not to fund this line item or cut the funding on the line item for that fiscal year, but the way this is written, they effectively terminate the agreement by just doing that the first time. Do you think they would be open for just that year only versus the total agreement?

Mr. Clark responded I can ask.

Mr. Cumello stated there is an easy way to terminate this the way it is written right now by not funding it.

Mr. Clark stated that was as it was intended. I will ask.

Mr. Rose stated I think this is a valid point. If they say "No" are we still okay?

Mr. Cumello responded yes. This is money we get until they terminate us, which will probably be next year. In fact, they have not paid until this point. Right?

Mr. Rose responded right. But they are going to reimburse us for 2009.

Mr. Moyer stated that is found money. Mr. Rose and I were talking about encumbering that money to cover us if they do not fund.

Mr. Cumello stated it is only \$30,000.

Mr. Rose stated right. Are we okay with this? If so, we will check to see if they will make the change. Whether they will or will not, we are still going to approve it.

Mr. Cumello stated we had an issue over the past two months about who was paying for water and it turned out that the CDD was paying for the water and not the HOA. The HOA went to Orange County to change the billing on that meter so future bills come to the HOA. We had this problem for years and it was never resolved.

Mr. Rose asked is this for the pool?

Mr. Cumello responded yes. One of the spickets was metered to the CDD. I sent an email with the meter number to Mr. Moyer. You should lose the billing on this one, but if you do not, let the HOA know.

Mr. Moyer stated I will do that.

Mr. Rose asked how much was the bill?

Mr. Cumello stated it cost \$200 dollars to fill the pool. It is supposed to eventually be converted to reclaimed water, according to the County, but this is not true.

D. Discussion of the 2010 General Election

Mr. Moyer stated Mr. Cumello, Mr. Rose and Mr. Holihan's seats up for election in November. If anyone is interested in running for those seats, there is a qualification process, which is the same as running for City or County Commissioner. In order to qualify; you need to acquire 25 signatures on a petition, which was included in your agenda package. Once you obtain those signatures, you take the petition to the Supervisor of Elections and pay 10 cents for each signature, they will validate it. This has to be done by May 17. Otherwise, you can go to the Supervisor of Elections office between June 14 and June 18 and pay a filing fee of \$25 to be placed on the November ballot.

Mr. Rose stated I recall paying \$192 years ago.

Mr. Moyer stated when you ran four years ago, the cost was based on receiving \$200 per meeting or \$2,400 per year. The law was changed in 2006 to pay a flat fee of \$25 because we wanted to encourage more people to run. The materials are available and anyone who is interested in running, needs to keep those dates in mind.

Mr. Cumello stated seats 2 and 3 were up for election two years ago. How did seat 1 get included?

Mr. Moyer responded that was the way it was staggered going back to when the District was established. From when a District is first formed, there are always three seats up for election until we go through the conversion process. Once you go through the conversion, which we have already gone through because the District is 10 years old, every two years you have elections where two seats will come up and then every four years, three seats will come up for election.

Mr. Cumello stated four years ago, two seats were up for election.

Mr. Moyer stated there should have only been two seats up for election. This year three seats are up.

Mr. Rose stated in four years, two seats will be up for election.

Mr. Moyer stated no, in two years, two seats will be up. In 2012, Mr. Shelton and Pastor Banks seats will come up for re-election and in 2014, the three seats up for election today come up for re-election.

D. Consideration of Resolution 2010-2 Requesting the Orange County Supervisor of Elections Conduct the General Election

Mr. Moyer stated for your consideration is a resolution telling the Supervisor of Elections what we are doing. Resolution 2010-2 requests that the Orange County Supervisor of Elections office conduct the General Election for Seats 1, 2 and 3 and memorializes what is in State Law dealing with elections.

On MOTION by Mr. Rose seconded by Mr. Shelton with all in favor Resolution 2010-2 requesting that the Orange County Supervisor of Elections conduct the General Election for Seats 1, 2 and 3 was adopted.

E. Reserve Fund Report Update

Mr. Moyer stated Reserve Advisors will perform the Reserve Study for \$2,900. When they did the initial Reserve Study, they included the cost in the Reserve Study. Rather than taking the funds out of general revenues, we will take the funds out of the designated reserve. We discussed this matter before and I think it is time that we proceed.

On MOTION by Mr. Shelton seconded by Mr. Rose with all in favor the proposal from Reserve Advisors to perform the Reserve Study for \$2,900 was approved.

Mr. Cumello stated I would like to discuss the fishing piers on the lake. I sent an email to Mr. Clark. When we did the original Reserve Study in 2007, the Board decided that the HOA should reserve for it. Then we had an issue with the gates and a decision was made to enter into a License Agreement because the CDD gates were on HOA property. We have the same issue with the piers. I believe that they were built with CDD funds because there is no record of the HOA building them. If the assets were turned over to the HOA, we would have HOA property

sitting on CDD property. It does not make sense that the HOA should be responsible for the piers since they are CDD property and we have to create these agreements all over again.

Mr. Rose stated the last time we spoke about this; we said if we decided to maintain them, we would have to open them up to the public. The gates are the problem.

Mr. Clark asked do we know whether or not the piers were built with CDD funds or with HOA funds?

Mr. Cumello responded we have no clear record. All we know is that the piers were built before the HOA built the park. You can assume that some funds were used, but they may not have been HOA funds. The piers are on CDD property and the public has access to them by law. That is the bottom line.

Mr. Moyer stated there have been no problems to date.

Mr. Cumello stated the lakes are surrounded by 20 feet of CDD property.

Mr. Clark stated if there is no interest, you can declare it HOA property and block access to the public.

Mr. Cumello stated my concern from an HOA standpoint is there would be some point where those piers would have to be replaced, meaning that the old piers would have to be removed and machinery would have to be used in order to put the new piers in. Effectively, we would need to have a lease or access agreement. It does not make sense to either organization to do this.

Mr. Clark stated I agree.

Mr. Cumello stated I assume it would take significant effort to remove those piers from the standpoint of the machinery, so it would be more appropriate for the CDD to have the maintenance responsibility and have it included in the Reserve Study. By doing this, we would not need to have an agreement with the HOA.

Mr. Rose stated I agree.

SIXTH ORDER OF BUSINESS

Attorney's Report

A. Consideration of District/City Street Lighting Agreement

Mr. Clark stated the Street Lighting Agreement was discussed earlier in the meeting.

I wanted to bring to the Board's attention that in February, the District was served with a summons along with several others from Super Stop who owns a number of acres between our property and the expressway. We reviewed the summons and sent a copy to the Engineer to

determine the purpose of the complaint and what our interest and exposure was. I believe that this is an excuse for the developer to get money from the City Expressway Authority. Their allegations are that when the Expressway interchange improvements were put in, they exceeded the capacity of the drainage for the Super Stop property that ultimately flows into our system. They are asking the Water Management District to revoke the permit or require other improvements to be made. The Water Management District considers this to be a nuisance action. They do not think it is well taken and they do not have the standing to bring the action. The posture that I have taken was to try to understand whether or not we have any risk, which I do not believe we do and say *"I do not think you are asking for anything for us, but we are interested because ultimately the drainage flows into our system so we would like to talk to you about this"*. I had the same discussion with the Attorney for the Water Management District and said *"We are minding our own business, running our system and doing what we are supposed to do"*.

Mr. Cumello stated I am confused. Are you talking about the Windsor area, because that is the furthest south area on the map?

Mr. Roy responded it relates to the storm pipe that is on the west property line inside of the berm that Home Depot tied into. Super Stop ties in at the south end of the pipe.

Mr. Cumello asked does Super Stop own the property where the Lowes is going to be built?

Mr. Roy stated the Super Stop property is actually at the gas station at the Beeline Expressway.

Mr. Clark stated the Expressway Authority is saying that you did not have the right to do what you did when you constructed the drainage to go through that property. They want some money to give us permission to do this.

Mr. Cumello asked how does this impact us? The problem is that they would have to build a larger retaining pond for the drainage.

Mr. Clark stated that would be one solution. One issue they raised is that the Expressway Authority outfall was designed based on a 25 year storm event but should have been designed for a 100 year storm event. I do not think the Water Management District agrees with this and this is part of their argument. I do not know if anything will happen but we are watching this.

Mr. Roy stated we concur with what Mr. Clark is saying. We have run a calculation guide and concluded that what they are proposing does not affect our system. This is a four inch storm pipe from the south end of Vista Lakes that runs down the Super Stop property. The City of Orlando paid for this pipe system. Whoever connects to this pipe needs to go through them. It does not impact our system, but we will still be required to process the form for discharge and an easement.

Mr. Rose asked why do we need to meet with them?

Mr. Clark responded we simply want to know that they are not going to do anything that imposes additional burdens on us such as make us take additional water we are not designed to take or make us participate in a re-design or change the permit in any way that would cause us concern.

Mr. Cumello asked was this request made by Rob Yeager?

Mr. Roy responded no. The City of Orlando for the Narcoossee widening had to purchase some right-of-way and this is all part of it.

Mr. Cumello stated I want to give an update on the draft report that the Army Corp. of Engineers completed. We met with them in November and their plan was to have the final report issued to the public in the spring. However, the Florida Dept of Environmental Affairs came back with comments that forced them to do additional soil testing. Apparently, the initial soil testing that they did was not adequate enough and that generated additional testing. The sample testing they did was restrictive and was only done in certain areas and the State wanted them to expand the testing to outside of Pinecastle Range. I spoke with the Army Corp. of Engineers and they expect to have their next meeting by June in order to issue the final report and recommendations. The draft report included a number of options up to and including leveling the conservation areas to do the removal. As a stakeholder, my comment to them at the meeting was from a CDD standpoint, that would not be an issue unless SJRWMD agreed to allow this to happen. Their worst case scenario was to ask for another \$25 million to continue the removal of the soil. At this point in time, we are waiting to see the final report and the recommendations. Those stakeholders, which would be the State, County and City would then put their restrictions on it. I do not know what issues we are going to have if there is a recommendation to level the conservation areas.

Mr. Rose stated this seems bad on so many levels. Does SJRWMD have an opinion?

Mr. Cumello responded I do not know because I suggested that the Army Corp. of Engineers speak to SJRWMD to see whether this was a reasonable option versus fencing it off and posting signs.

Mr. Rose stated that is just as worse.

Mr. Cumello stated there is no guarantee that they can remove all of the ordinances. They can only see so far down. I do not know whether or not they are going to take the lead and get a buy-in from SJRWMD and whether or not this is a viable option.

Mr. Clark asked when you receive the report, will you share it with me?

Mr. Cumello responded I will provide you with a copy.

Mr. Clark stated if appropriate, we will bring it to the July meeting.

Mr. Cumello stated at some point in time, the Board needs to decide what they want to do about this from a liability standpoint. I think the report is critical to provide vital information to the Board.

SEVENTH ORDER OF BUSINESS

Engineer's Report

Mr. Roy stated I was asked to provide an estimate on the seal coating for Gentry Park and Town Center South. The bid from Campolong Enterprises is \$23,000 if you stripe with paint or \$4,000 to \$5,000 to re-stripe with dermoplastic; for a total of \$28,000 for all roads. I recommend the dermoplastic because paint does not last long and the dermoplastic will last longer. The question is whether seal coating is cosmetic or adds to the structural integrity of the asphalt. I do not know, but anytime you add asphalt to the existing asphalt, there has to be some benefit to it. I have seen seal coats wear off fairly rapidly. They look great at first, but then it seems to have a worse cosmetic appearance as it wears away. This is up to the Board.

Mr. Rose stated it does not sound like it is recommended by you.

Mr. Roy stated I do not believe that DOT seal coats their roads. They put a 12 year life on the roads and then they resurface. I generally do not think you see any roadways being seal coated. You will only see this on parking lots and driveways.

Mr. Rose stated the City used to do all of our streets.

Mr. Moyer asked was it seal coating or micro-resurfacing?

Mr. Cumello responded it was a loose type of aggregate.

Mr. Roy stated they put down reclinite, which is not a standard seal coat and has a brownish tinge to it.

Mr. Cumello stated it has all washed away now.

Mr. Shelton asked how long ago did they do it?

Mr. Roy responded six months ago.

Mr. Cumello stated the Reserve Study is going to say that the roads need to be repaved every 15 years and we are at the half way life on some of these streets. Will spending this money extend the life?

Mr. Roy responded I do not believe it will. I have seen seal coat mostly being cosmetic.

Mr. Cumello asked will it fill in the cracks?

Mr. Roy responded yes.

Mr. Cumello stated I assume the damage to our roads is caused from water going into the cracks and undermining the base from the asphalt causing potholes.

Mr. Roy stated water can damage the surface between the asphalt and the base and cause potholes. I can obtain further literature. Seal coat contractors will recommend it.

Mr. Rose stated it does not sound like you are recommending or saying not to do it.

Mr. Moyer stated we had Mr. Roy obtain a proposal because as part the Reserve Study in 2008, they recommended seal coating these roads.

Mr. Cumello stated the money is in the reserve funds for this expenditure. It is not a matter of not having the funds to do this.

Mr. Rose stated I agree, but if it not going to give us any benefit, then why do it.

Mr. Roy stated I can look into this further. For parking lots, you can corner off an area, but doing this in a fairly high traffic residential area is cumbersome. The residents affected will not have access to their garages for a day or so.

Mr. Shelton asked did we receive any input from the residents?

Mr. Roy stated I have not heard anything, but I can obtain further information as to whether there is a benefit or strictly cosmetic.

Mr. Moyer stated you should go ahead and do that. We will see what Reserve Advisors recommends.

Mr. Rose stated I personally would like a firm recommendation. Can you talk to them to see what they are thinking? I rely on staff to say whether or not we should do something

EIGHTH ORDER OF BUSINESS**Community Association Manager****A. Activity Report****B. Agronomist Report****C. Condition of Landscaping in Vista Lakes**

Mr. van der Laan stated I just noticed that the monthly Activity and Agronomist Reports were not in the Board's agenda package. We started moving forward last month with the re-plantings. We wanted to wait until we got through the winter, which was exceptionally longer and colder than in the past. Mr. John Dougherty and Mr. Derek Buehler from Servello & Son are here. The Agronomist Report was shorter than prior ones. Every fountain, aerator and pump around the property are now under one maintenance contract for quarterly or annual maintenance, depending on what the contractor recommends.

Mr. John Dougherty stated in regards to the plantings, we are waiting two or three weeks until we get more rain. We had problems with re-plantings in the past because the water was shut off and it got really dry. The last thing that I want to do is to start planting and then they shut off the water again. I provided a list of color plantings to Mr. van der Laan. The biggest thing we are trying to do is to add color with plants that are considered Zone 11. If by chance the temperature drops down into the 20's again, we are not going to lose much plant material. We are trying to minimize any damage that would occur in the future. One adjustment we are making is to our use of pre-emergent and post-emergent herbicides. We are actually using a two part mix. We always used a granular post-emergent herbicide in our fertilizer and now we are going to blanket spray the entire property. Either that or we may have to move the mowing cycles two to three weeks earlier. The turf is not growing as fast as the weeds and even if we spray and it takes 10 days to kill, you are still looking at a tall yellow dead weed for 10 days and that is not our objective. If necessary, next year we will start the mowing cycles earlier. The grounds report has been turned over to our Horticulture Department, which Mr. Buehler is handling.

Mr. Cumello stated we had a lot of weeds that died off and now we have a lot of dead spots. What are you doing to repair the dead spots?

Mr. Buehler responded we are starting to repair the sod.

Mr. Dougherty stated the crab grass that died off used to be killed by Asulox, which was pulled off of the market years ago, but is now available again, however it is not used in

residential areas. But since you are a CDD, we are permitted to use it here. We recommend replacing those areas of crab grass and using the Asulox before putting the sod down. You will not have those dead areas nearly as much as you had this year because we had no real crab grass control last year.

Mr. Cumello asked looking forward, how are you going to prevent the crab grass from coming back?

Mr. Dougherty responded we will be using the Asulox product, which will kill the crab grass. Before all you could do was block it. Asulox can be sprayed on top of the St. Augustine and it will not kill the St. Augustine, but only kill the crab grass. In the past our only remedy was to use Roundup or hand pull it out.

Mr. Cumello asked how soon will you have the dead spots repaired?

Mr. Dougherty responded our crew is out there today.

Mr. Buehler stated first they are installing the Bahia. By the middle of next week, all of the dead spots should be repaired.

Mr. Dougherty stated as we go through the summer months, we will start spot treating smaller crab grass areas and allowing the St. Augustine to come back. You may notice some small spotting, but it is much better than the alternative.

Mr. Cumello stated will you be replacing the grass that the City installed on Lee Vista Boulevard? Apparently they installed the wrong type of grass.

Mr. Buehler responded yes. The City did not just throw down the wrong type of sod, they used a product that has a plastic woven fiber with hay on top, which they then threw seed on top of. It is DOT certified, but this is a cheaper way of doing things.

Mr. Dougherty stated once it rooted, it tore up our machines because instead of cutting through dirt and roots, it through plastic. We are still trying to rake it out. The area should be repaired by the end of this week.

Mr. van der Laan stated I did not sign off on the re-planting being done along Chickasaw. Can you talk about your recommendations for this area? Last year we replaced several Oak Trees that were lost in 2004/2005. Mr. Dougherty submitted a proposal for plantings around those trees. We also spoke about replacing the area between the sidewalk and the lakefront or between the street and sidewalk where there was Bahia grass. It is not irrigated and since it is Bahia, we cannot treat it. We have a proposal for replacing the Bahia with St. Augustine. It will

look nicer because there was irrigation installed along with the Oak Trees. I wanted to get your thoughts on whether or not we should proceed with this.

Mr. Cumello asked is this on the Melrose side?

Mr. van der Laan responded no, going from Melrose to Newport.

Mr. Dougherty stated we put St. Augustine on both sides of the Oak Trees. The bubblers are working well and we have a line so we do not have to use as much water on the Oak Trees. It would be fairly easy to install an irrigation system to cover that area of St. Augustine so you would have a nice solid green. Another option we are looking into is to install large planting beds on the other side of the sidewalk. We want to add something there because right now there is un-weeded turf. Mr. van der Laan and I discussed adding green healthy turf with the Oak Trees, which would be the most economical.

Mr. Shelton stated I can attest that this area looks horrible. You can see it as you come around the Melrose gates.

Mr. Dougherty stated it is not even near a conservation area. On the other side of the street it is between the conservation area. Everything else is well trimmed between Newport.

Mr. van der Laan stated I receive several calls about this area not being maintained and I have to explain to people that there is no irrigation and there is nothing we can do with it. We have a proposal for \$10,000 to change out that entire area.

Mr. Rose asked do we have a budget for it?

Mr. van der Laan responded it is within our budget.

Mr. Shelton stated it is an interesting contrast as you go by Newport, which is nice and green and then before you get to Melrose, it looks like no mans land.

Mr. Cumello stated this does not fix the west side between the curb and the sidewalk, which has weeds.

Mr. Buehler stated it is hard to get water there.

Mr. van der Laan stated there is no irrigation.

Mr. Cumello stated we are only repairing the Lake Bedford side.

Mr. van der Laan stated correct.

Mr. Buehler stated it is possible to get water there, but we would have to bore underneath the road or tap it.

Mr. Dougherty stated there are other things we can do like during the winter months, we can overseed with Rye and let it take over and get some green grass in there. It is hard to control the weeks without any water.

Mr. Rose stated I like the idea of replacing it, but I am biased because I live in Newport. Our residents would appreciate it.

Mr. Shelton asked are you just talking about the lake side?

Mr. Dougherty responded yes.

Mr. Shelton stated the contrast between the lake side and the Melrose side is quite evident. I was actually referring to the Melrose side.

Mr. van der Laan stated keep in mind that we are trying to address these areas in phases because of the budget. We have the money to get this area done, but the other area might need to be addressed next year. There are many replacements that are still ongoing from what was lost in the last hurricane. We are addressing everything as it comes along.

Mr. Shelton stated the lake side is certainly more open.

Mr. van der Laan stated with a small amount of money we can certainly make a big impact whereas the other side we need to run irrigation and it would be a larger project.

Mr. Rose stated I say we should do it.

On MOTION by Mr. Rose seconded by Mr. Shelton with all in favor the proposal from Servello & Son for \$10,000 to replace the Bahia grass between the sidewalk and the lakefront around Oak Trees along Chickasaw from Melrose to Newport with St. Augustine grass was approved.

Mr. Rose stated it seems like we have periodic issues with weeds. It is not just with the crab grass, but with dollarweed as well. When we bring these issues to Mr. van der Laan, he calls you and it gets taken care of, but then the weeds come back. What do we need to do to get a handle on this?

Mr. Dougherty stated it will continually occur going into and out of winter because the chemicals we use constantly changes. This is why we may have to go with a mechanical source of knocking down the weeds. We had a hard freeze this winter. We are continually adding fertilizer to the grass to try to bring it back. The same aspect is occurring with the weeds. We are spraying them, but it takes 10 to 14 days to kill them. Next year if we get into a problem

with killing the weeds, we will have to mow the entire property to get everything even while we are in the process of treating them. What you are seeing is not the amount of weeds, but weeds that are growing taller than the grass. There will always be some weeds there. You are seeing them during that transition mowing stage. One thing we changed is we are not only going to be using the granular, but a blanket application 14 days after we do our post-emergent. We have generally only done a post-emergent in the fertilizer and then spot treated, but we are going to blanket spray the entire property. We contacted Mr. Larry Smith who gave us some different chemical alternatives.

Mr. Rose stated what I am hearing is that cycle is always going to be there, but the bottom line is to the degree we can maintain it.

Mr. Dougherty stated we are going to control the visual aspect. You are not going to see what you saw this past year. Our goal is by changing the chemicals, we can get better control. If that does not work, we are going to cut the entire property to make sure that you do not see weeds popping up.

Mr. Rose stated it looks like you guys are not doing your job, but now being educated, I know that you are in fact doing your job. It is just the way it is.

Mr. Dougherty stated one thing that you might not see anymore that you are used to seeing is those spots of blue. We are going to stop using the color when we blanket spray as we no longer need to track where we are going. I hope this answers your question.

Mr. Rose stated yes, definitely.

Mr. Roy asked is the lake over by Odyssey Middle School Servello's responsibility?

Mr. van der Laan responded it is the responsibility of the lake maintenance company; Aquatic Systems.

Mr. Roy stated when you are cutting the grass, you should observe whether there is a build up of weeds.

Mr. van der Laan asked is there a weir?

Mr. Roy responded to the east of Odyssey Middle School, there is an outfall structure that is in the northeast corner of the pond. Depending on which way the wind blows, it tends to accumulate vegetation.

Mr. Dougherty stated it is not a problem for us to monitor it. We are out there all week.

Mr. Roy stated you need to watch it during the rainy season. If the weir is blocked, the lake level will rise. You will see it because you will not be able to cut down the lake bank as far as you are used to cutting. You can probably take a rake and move the vegetation out of the way to open the weir back up.

Mr. Cumello asked did this cause the flooding?

Mr. Roy responded yes.

Mr. Roy asked do we have someone who is responsible for the maintenance besides Servello?

Mr. van der Laan responded Aquatic Systems is responsible for all of the lake maintenance.

Mr. Cumello stated this is the second time that I am aware of that the drains got clogged at the pond by Odyssey Middle School and water came into the roadway. The City and the County had to come out here and close the road until the water receded.

Mr. van der Laan stated we found out that this was a CDD lake back when it was not being maintained by Odyssey Middle School.

Mr. Roy stated Odyssey Middle School maintained it at one time and decided to stop and then the CDD did not pick up the maintenance.

Mr. Rose asked we have the staff so why was it not being done?

Mr. Roy responded it needed to be on their checklist during the rainy season.

Mr. Rose stated we should have people going by there every day or every other day.

NINTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Cumello stated the HOA wants to install a dog station in Avalon. We did this before by the CDD lake.

Mr. Rose asked do they need just one?

Mr. Cumello responded yes. In the past we brought items of this nature to the Board as a courtesy. There would just be one post on CDD property by the lake.

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. Rose seconded by Mr. Shelton with all in favor, the meeting was adjourned.

Gary L. Moyer
Secretary

John Rose
Chairman