

**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, August 9, 2012 at 10:00 A.M. at the Vista Lakes Clubhouse, 8841 Lee Vista Boulevard, Orlando, Florida.

Present and constituting a quorum were:

Ron Cumello	Chairman
James Shelton	Assistant Secretary
Gary Schuett	

Also present were:

Gary L. Moyer	Manager: Moyer Management Group
Scott Clark	Clark & Albaugh, LLP.
Barry Roy	Engineer: Bowyer-Singleton
Brian Smith	Severn Trent Services
Gary van der Laan	Leland Management Property Manager
Vivian Carvalho	Leland Management
David Furlow	Leland Management

FIRST ORDER OF BUSINESS

Roll Call

Mr. Moyer called the meeting to order at 10:00 A.M. and stated all Supervisors were present with the exception of Mr. Rose.

Mr. Moyer stated we are going to address the quorum issue before proceeding with any other business. After the last meeting, it was discovered Pastor Banks and Mr. Holihan were landowners of the District, but not residents or registered voters within the District. At one time this was permitted, but the District has met the thresholds where you need to be a resident/registered voter in order to be a Supervisor. By the very nature, those two seats are now vacant and the Board will have to address how to fill those seats. Chapter 190 of the Florida Statutes provides the remaining Board members can fill the unexpired terms of office by appointment. This is what we need to consider today. As it relates to the quorum, technically the Board is comprised of three Supervisors with two vacant seats. Mr. Shelton and Mr. Cumello would constitute the quorum for the purpose of conducting this meeting.

Mr. Clark stated this is correct. Before we proceed with other business, I think the Board should consider the appointment of an additional Supervisor, which would bring us to a quorum of three Supervisors, of which I am more comfortable with. The statute contemplates there will be times where a quorum of two Supervisors would be necessary until the vacant seats were filled. If you had three seats and no one qualified, then the two remaining supervisors would have to fill the vacant seats. This is the situation we are in right now. My thought was before we proceed with any other business the Board should formalize the action to declare Seats 1 and 4 vacant.

Mr. Cumello MOVED to declaring a vacancy in Seats 1 and 4 and Mr. Shelton seconded the motion.

Mr. Shelton stated I plan to resign at the end of this meeting. Does this affect what we are currently doing?

Mr. Clark responded yes. I request you not to do this until we find an additional supervisor as Mr. Rose indicated he was about to sell his property and he will become disqualified. Therefore, I implore you to hold on until another meeting.

Mr. Shelton asked do you know if anyone is running for this seat?

Mr. Moyer responded no one qualified. Even in November those seats would become vacant by default.

Mr. Shelton stated I certainly will stay on until I am no longer needed.

Mr. Clark stated at the next meeting, which is November; we would be going through the action to declare those seats vacant. If we have candidates, we can entertain a resignation from you at the same time, but I would like to try to consider adding another Supervisor and getting at least three before accepting your resignation. I would appreciate it.

On VOICE VOTE, with all in favor, the prior motion declaring a vacancy in Seats 1 and 4 was approved.

Mr. Clark stated the next action would be to accept nominations to fill one or more of the vacant seats.

Mr. Cumello stated I nominate Mr. Gary Schuett.

Mr. Shelton stated I second the nomination.

On MOTION by Mr. Cumello seconded by Mr. Shelton, with all in favor, Mr. Gary Schuett was appointed to fill Seat 1.

Oath of Office

Mr. Moyer being a Notary Public of the State of Florida, administered the oath of office to Mr. Schuett and a copy of the signed oath will be made a part of the public record.

I am going to give you a packet of material. The first document is a Form 1 Financial Disclosure Statement, which you need to file with the Supervisor of Elections in Orange County within 30 days of this meeting. Do not be too concerned about this form as it does not go into how much money you make. It only questions whether you are making it from a source regulated by the State. It is a straightforward document. If you have any questions, please call me or Mr. Clark our Attorney and we would be happy to answer them. We will need for you to complete this Oath of Office and I will notarize it. I am also providing you with a packet of documents. The first form is asking for your contact information.

The next document is a Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees. The CDD is a unit of local special purpose government created by Chapter 190. We are a government and as such, you gentlemen are considered to be public officials and are governed by a couple of Florida Statutes. One of them is the Sunshine Law, which is a fairly short provision in Statute 286 of the Florida Statutes where no two members serving on the same Board can discuss District business outside of a meeting like we are having today, which has been advertised. Anything having to do with this District has to be discussed at an open public meeting. This does not mean you cannot go to dinner or play golf with each other, but you cannot talk about what is going to happen at a Board meeting and form a consensus. Since we are now in the electronic age, discussions are defined as email exchanges, text messaging, etc. This would violate the intent of the law.

There is another Florida Statute, Chapter 119 called the Public Records Law. This simply means anything in your possession related to this District, such as an agenda package. If anyone comes to you and asks to see the records of the District, you would have to provide it to this individual. You do not even have the right to ask them why they want to see it. They have the absolute right to come to you and ask to see the records you keep for the District. There really is no requirement for you to keep any of this material. If you decide to throw out your

agenda package, then you do not have any public records. In the normal course of our business, public records requests will either come through my office, because this is a service we provide to the District as clerking and filing services or through Mr. Clark's office. It is very unusual to come through a Supervisor's office. You will get more comfortable as we go through these meetings. We will try to explain to you what we are doing and what Florida Statutes govern what we are doing because we want you to be knowledgeable of the actions we are asking the Board to take. For starters, the Sunshine Law and Public Records Law are the main two you need to know about. All of this is included in the Guide to the Sunshine Amendment and Code of Ethics for Public Officers and Employees.

Mr. Clark stated one emerging issue in public records, which I will call to your attention, pertains to email addresses. I currently have litigation involving the CDD and its bondholders where the bondholders have taken the position that the Supervisors may have been talking amongst themselves because they sent public records requests for all of their emails. Since they mixed their CDD emails with their personal email, they find it very intrusive and it is causing a lot of consternation and litigation. One thing I am advising the Supervisors is you consider establishing a separate email address for your CDD business and segregate it so someone would not be able to request access to your private emails to look for CDD notes.

Mr. Shelton asked how do we know we are conducting CDD business by email?

Mr. Clark responded if you can make the statement honestly whereby you are conducting all CDD business through one email address, then the search would be limited to this email address. If you say everything is mixed together, then someone may be entitled to make a request for your entire email history. You can go through and extract the personal ones, but this is an enormous inconvenience for you. This would not happen until your bondholder files a lawsuit and threatens Attorney's fees.

Mr. Moyer stated welcome to the Board, Mr. Schuett.

Mr. Schuett stated thank you!

Mr. Clark asked did we designate the seat for this appointment?

Mr. Moyer responded we did not. This is Seat 1, Mr. Holihan's seat, which expires in November of 2014.

Mr. Clark stated I suggest we have a motion recognizing Mr. Schuett's appointment to Seat 1.

On MOTION by Mr. Cumello seconded by Mr. Shelton with all in favor Mr. Gary Schuett was appointed to Seat 1.

SECOND ORDER OF BUSINESS

Management Services Presentations and Discussion

Mr. Moyer stated the Board requested Severn Trent Services, which is the part of the business I am associated with, provide a proposal for management services. They also requested proposals from Leland Management. Right now, the management services are bifurcated where Severn Trent Services provides the management, clerking, secretarial and accounting services and Leland Management provides field management services. I think the Board felt there could be economies if all of the services were provided under one entity. I do not know if the Board would like to have the presentations today or defer them. This is open for Board discussion.

Mr. Cumello stated I think we should proceed because we had discussed at the last meeting to have the presentations. With the change in the Board, it is important for the new Supervisor to come up to speed. If Mr. Shelton is leaving the Board, I suggest we consider having a special Board meeting in September on this issue. I do not know how the other Board members feel.

Mr. Schuett stated that would work out fine.

Mr. Moyer stated then we will proceed. I have no problem with the representatives of Leland staying for my presentation. However, I do not know if they have a problem with me staying for their presentation.

Mr. Cumello asked who wants to go first?

Mr. van der Laan responded I will. I represent Leland Management. Thank you for allowing us to talk about the proposal we submitted. I would like to introduce several people; Ms. Vivian Carvalho our CDD Manager, Mr. David Furlow our Vice President and owner and our CPA, Kelly Leary who runs our Accounting Department. Resumes for each of these individuals were provided to the Board along with a synopsis of what roles they will be serving. In terms of combining the field management services we are currently providing, we can provide administrative services. Leland Management currently manages approximately 350 CDD's. Sixty are similar to Vista Lakes as far as amenities and budgets in excess of \$1 million. We have a great deal of experience working with communities with the amenities and budgets you have. We also work with nine CDD's on the field management side. We have several different

Managers who work in field management operations. Of course, we currently provide field management services for Vista Lakes. This includes the bid process for contracts; supervising all of the vendor contracts; handling staff issues; receive and approve any invoices before they are sent to STS and tracking any issues, bids, requests and work orders on the field management side.

In the past two or three agenda packages, we included a Tracking Report or Work Order History Report showing every open item, items still pending and the status. There has been concerns about tracking items to make sure they are being done. As Ms. Carvalho has gotten more involved with the Districts, she implemented this system based on her experience with other Districts. We also provide some administrative services such as records storage. We provide record storage for not only Vista Lakes, but for several Districts based on requirements for records to be stored within the Counties the Districts are located. In regards to financial management, there was initial concern that we have not done any accounting for CDD's. Just to rest your concerns, we have been talking about going in this direction for over two years now. We put this off until we had somebody who had the experience working with CDD's in the past. On the accounting side we have software to meet the CDD accounting requirements. We set this up on the assumption we may have the possibility to move forward and set Vista Lakes up with current account information if this is the direction the Board decides to go in. In addition, we have internal controls with the hiring of an Accountant who has 26 years experience in auditing government type financials. We also engaged an auditing firm to utilize as a consultant to make sure the proper controls are in place and working properly for the foreseeable future. I provided information on their firm. They have a fairly extensive background with CDD's.

As I mentioned, Ms. Carvalho will be providing District Management Services. She has over four years experience in managing CDD's and manages over 20. She would be the District Manager and overseeing the operations. She has been taking this roll over from me for the past several months, having been on the property. She will be supervising the team at Leland to make sure staff was complying with all of the requirements and making sure everything was proceeding. Are there any questions related to the accounting side?

Mr. Cumello asked how would this work because you will have two different entities doing the accounting; Leland doing one side of the CDD management and using a consulting firm for the accounting?

Mr. van der Laan responded we would actually be performing the accounting.

Mr. Furlow stated we are comfortable performing the accounting services. We have a very specific and uniform accounting system. We follow the rules of the Auditor General. It is fairly straightforward. We are already handling the invoices. It is just a matter of merging the invoices into the software. We are quite capable of doing this, but just to make sure we are doing everything correctly, we will have a consultant review every financial for at least the first six months. This is just an extra layer of protection for our benefit and a secondary assurance that everything was being done properly. This is something we do at our cost. We handle some communities who have \$5 million budgets, which are fairly complex.

Mr. Cumello stated we have two pieces of the CDD; the expense side for normal maintenance and the bondholder side. Who will provide this experience?

Mr. Furlow responded the accounting side is fairly straightforward.

Ms. Carvalho stated I have experience to handle the assessments. I do not know if you are referring to the preparation of the Assessment Roll to provide to the Tax Assessor. Certainly, we will have a mechanism in place to make sure we are performing adequately in terms of our accounting software to generate the actual accounts and preparing the Assessment Roll. In terms of the bond calls, we will make sure we are meeting those deadlines with the Trustee to make sure everything has been paid. I am not quite sure what exactly you are referring to as far as tracking.

Mr. Cumello stated this CDD is 12 years old. We have done re-issuance of bonds because the opportunity presented itself. This is something we relied on our CDD Manager to bring to the Board to talk about and hire a firm. I am trying to understand where this experience is going to come from if we have another opportunity. Then of course we have issues with collections and County taxes.

Ms. Carvalho stated as far as re-issuance of the bonds, if there is an opportunity, I have a close friend who worked for Prager, Sealy who is still active in a different capacity who could assist me in this process in terms of making sure we have all of the procedures in place to present an option to the Trustee. In terms of the assessment, like I said, the Assessment Roll will be working hand and hand with the mechanisms we have in place as far as the accounting and the actual folio numbers to make sure we have it ready to go to the Tax Collector as well as meeting the deadlines per Chapter 190.

Mr. Furlow stated as it relates to those types of questions, you need to get the expertise from people who specialize in this. This is what we would do.

A resident stated my firm has been involved in many Cities and CDD's, especially in the last year or so with debt refundings and restructurings, where we issued a Comfort Letter.

Mr. Furlow stated keep in mind, Leland Management is right down the street. We have a full staff. The proximity of all the resources we have is very close, which provides you an extra level of support.

Mr. Cumello stated in looking at our budget and the fixed costs and time and material costs, the proposed fees is only for the fixed price component. How would you handle the other components? Would they be pass throughs or would be burdened in any way?

Mr. van der Laan responded I do not know what you are looking at because our intention was to include everything in the fixed pricing.

Mr. Cumello stated there are miscellaneous and different line items such as Property Appraiser, special assessment and Trustee costs.

Mr. Furlow stated we do not have any services that are at a better bargain.

Mr. Cumello asked do you have a standard price for administrative services?

Mr. Furlow responded yes. We provided this amount to you. We charge the standard amount for copies and actually get a discount on postage.

Mr. van der Laan asked are there any other questions for the Accountant or District Manager? If not, I will close my presentation.

Mr. Moyer stated I am representing Severn Trent Services. I am the Project Manager for Severn Trent Services and have managed this project for years. Mr. Cumello and Mr. Shelton are familiar to us. There was a period of time where there was a hiatus when Severn Trent Services had other Managers. I have been actively engaged in managing these types of Districts since 1976. I was fortunate enough to be part of a group of four individuals that drafted Chapter 190 of the Florida Statutes, which are now the laws governing this District. I have been associated with over 250 Community Development Districts. During that period of time, I have been part of issuing in excess of \$4 billion worth of bonds and tracking and accounting for those \$4 billion in bonds. Certainly, we are in the business of doing the accounting, clerking, filing and all services that go along with District management. My background is what it is and this is not exactly what I want to talk about today.

What I want to discuss is field management. I think these guys are familiar with the professionalism of the reports they receive from Severn Trent Services every month. We have a different definition of field management than Leland does. Field management to Leland is contract administration. This is certainly a component of what we do as well. This is the same type of contract administration. We work with the same vendors, landscape contractors and aquatic control contractors. This is nothing new and is a key part of field management. We have been a part of the Celebration community for almost 20 years and what we have developed over a period of years is to have a group of professionals under field management who actually perform field services. We manage contracts, but we actually do work.

I asked Mr. Brian Smith, who is the head of our Field Management Department and is credited for setting up this field management component to meet with you today. With him are two of his senior people who have been with him for 15 years; Mr. Jeb Stewart and Mr. Russ Simmons. Mr. Simmons is an expert in irrigation and has been for a long time. He has worked with these contractors on solving irrigation issues and has actually gone on-site to do work such as replacing controllers and satellites and install lines to keep the system sound. Mr. Stewart is an Electrician. We went through a situation recently where we wanted to find out why certain lights within the community sign walls were burning out more quickly than one would anticipate. This is what Mr. Stewart does. We have people who can repair sidewalks. This all comes under the field management component that we bring to the table along with contract management. I think this is a huge value. Instead of having to get a contractor to do minor electrical work, we just pick up the phone and call these guys. They work out of Celebration. Granted Celebration is a couple of miles away. I hope you are not making selections on quality of service based on someone being a mile closer to Vista Lakes. This is a component you gentlemen have not had and we bring to the table in this proposal. Mr. Smith, do you have anything to add?

Mr. Smith responded we actually manage a District down the road so we are close. Mr. Stewart actually lives up the road. We can get here quickly. We take pride in the group of people we have to perform services.

Mr. Cumello asked can you talk about landscaping support? We have Servello as our landscaper. Have you worked with Servello before? How do you coordinate with a landscape contractor?

Mr. Smith responded generally we do a regular drive through. I have worked with Servello for years. As a matter of fact, I just contracted with them. I am probably on-site with them at least once or twice a week.

Mr. Moyer stated if they determine there is an irrigation problem that Servello may not be addressing. They will work together until they get the problem resolved. It is not something we continually look at Servello to fix the problem. If there is a problem that needs to be fixed, then these guys can do this.

Mr. Cumello asked are you aware there are separate contracts with Servello for the CDD and HOA? We also have the same issue with pest, fertilization and irrigation. We have two different contracts and two different entities, but there is a single effort with the contractor. Have you had a similar situation?

Mr. Smith responded in Celebration we have a contractor for the HOA side and CDD side. Generally, we work closely with the HOA management. The contractor usually works together with the HOA and CDD in order to end up with a good product at the end of the day.

Mr. Shelton asked how would you categorize the degree of how much field management services you need to provide?

Mr. Smith responded I manage 10 CDD's. In Celebration, which is a fairly large community, we maintain all of the common areas. We have quite a bit of field management experience with the 10 member team I have.

Mr. Shelton asked are the 10 members sufficient?

Mr. Smith responded they are sufficient. I have painters and Mr. Stewart is the Electrician. He is good with pumps and irrigation systems. I have an employee who is licensed to remove valve meters. We have a very experienced team.

Mr. Shelton asked if a light goes out, would you go out and troubleshoot it to see what needs to be done?

Mr. Stewart responded yes. If it is a CDD issue, then we would troubleshoot. If it is nothing too major, it will get it fixed. However, if it is a Progress Energy issue, then we would coordinate with them. We will repair anything belonging to the CDD.

Mr. Smith stated we do not hire an outside contractor to do the job.

Mr. Moyer stated Mr. Stewart and his staff take care of 4,400 street lights in Celebration.

Mr. Smith stated he also maintains the boardwalk lighting and all other lighting as well as the pumps.

Mr. Shelton asked aside from Celebration, is this one of your larger CDD's?

Mr. Moyer responded this is probably an average size CDD. It is the same size as Brighton Lakes and East Park. Most of them are within the same general pattern.

Mr. Smith stated we find using outside contractors is more difficult for us because we have to go out for proposals. We just go out and do the work. Most of the time we do not bill for labor. If you have an outside contractor, you have to manage them and they do not do good work. Whereas, we are very proud of the quality work we do.

Mr. Moyer stated if there are parts, this will be a pass through cost, but labor costs are absorbed within the field management budget.

Mr. Cumello stated so there a fixed price under the field management price. Labor is included and parts is a pass through.

Mr. Moyer stated absolutely.

Mr. Shelton asked do you still have to get a contract on major repairs?

Mr. Smith responded yes. If we can do it ourselves, we will do it and bill for it. We would not even provide a proposal. However, if we need to get outside contractors, we will obtain proposals and get the work done.

Mr. Shelton asked do you repair walls and do stone work?

Mr. Smith responded yes. We use internal staff to do the concrete work.

Mr. Moyer stated Mr. Smith and his staff replace lots of sidewalks.

Mr. Smith stated we will probably use an outside contractor for sidewalk replacements, but our staff oversees the work. However, we can do the grinding and small concrete replacements in-house.

Mr. Shelton asked who would be the contact person for the field work?

Mr. Moyer responded Mr. Smith.

Mr. Shelton asked do you have a system to track the calls?

Mr. Smith responded we have a complaint line. The woman who answers the phone will create a work order or a work authorization. We create a work authorization for landscape issues. However, if it is an internal issue we can handle in-house, she will create a work order.

Mr. Shelton asked do you provide feedback if the Chairman calls you for an update?

Mr. Smith responded yes.

Mr. Shelton asked how?

Mr. Smith responded when they finish their work order, it is returned to our complaint line who will respond back to the individual who initiated the complaint.

Mr. Moyer stated Mr. Smith can be reached by email or phone most of the time.

Mr. Smith stated your Manager can just send an email to my Secretary. We are very cognizant about the homeowners concerns and making sure we respond back to them.

Mr. Cumello stated in regards to the fee structure, in terms of the existing budget and the proposed 2013 budget, the fee structure is broken out into three parts; management services, information and technology services and rentals and leases. In your bid price, is the District management fee the same as what I am looking at?

Mr. Moyer responded I noticed that too. The reality is we are paid by what is in the budget. This is the way our contract is set up with this Board. The actual fee is the budgeted fee of \$52,000 and not \$57,000.

Mr. Cumello asked does this have the same scope?

Mr. Moyer responded yes.

Mr. Cumello stated so there is not an additional fee for information and technology and rentals and leases.

Mr. Moyer stated no. It is all inclusive.

Mr. Clark stated I believe the difference between the \$57,755 and \$52,425 is the assessment fee.

Mr. Moyer responded it could be.

Mr. Cumello asked are there any additional questions from the Board? If not, I do not think we should drag this process on and go through this process again with the new Supervisors. If the other Board members agree, I would make a motion to schedule a September meeting on this subject only to make a determination. Before we make the motion, Mr. Clark can you please talk about how this process works? At the last meeting, you said there were two ways of doing this; we can either have discussion and a vote or do an evaluation.

Mr. Clark responded there is no prescribed process, unlike some of your other contracts where you have bid requirements or request for proposals and scoring requirements. You are free to do this in any way that makes sense to you. When I sent the proposals out, I suggested

using a scoring matrix. This is useful if you have five applicants, but when you have two, you may not need it. You also have the ability to enter into some negotiation with your proposers, whereas if you have a hard bid requirement, you may be required to accept the lower bid. This is not true here. You may look at these proposals and get some feedback and look for areas they can improve upon. Ultimately, you have to look at the candidates and things you want to accomplish; maybe the needs and the way you want to improve the current system. You can look at the two candidates and determine how you are going to do that; whether it is one or the other or whether you continue to feel like you should blend services between the two. It is somewhat subjective and budget driven. It should be your impression of who is going to be better for you to work with as a Board.

Mr. Shelton stated we discussed this before. Do we have any problems in having advertised bids?

Mr. Clark responded no. There is no requirement with this particular contract. In fact, I usually discourage this. If you were to take CDD management and open it to the public, you would get a lot of companies who have not worked with CDD's, but are hungry for the business who would give you very attractive prices, which you may wind up regretting. I have seen this happen.

Mr. Shelton stated given this, there is no reason or need to do so. However, if we wanted to could we do this?

Mr. Clark responded yes. You can do it that way or you could identify the candidates and find five firms who have experience and bring them all to the table. I think where we start this process is some Board members said there was a mix in how they receive their services. It has always been done this way for a long time. Maybe we should determine whether we should do it a better way.

Mr. Shelton stated thank you!

Mr. Cumello stated I think it is fair to allow our new Supervisor time to digest the information. My view is this Board needs to come to closure sooner than later. We have a new budget starting on October 1. However, the budget is going to be finalized today and will not hold that process up. But it makes sense to all parties involved to get this matter resolved. Therefore, I vote to set a special meeting for September to make a decision on this matter.

Mr. Clark asked would you also consider the Board entertaining the addition of another Supervisor?

Mr. Cumello responded sure if we can get someone. If we did this, Mr. Shelton could resign.

Mr. Shelton stated having one or two new Supervisors at this meeting is a good idea, but at the same time, it would delay the vote.

Mr. Cumello stated I would propose the new Supervisor not be appointed until after this vote so we do not have to go through this process again.

Mr. Cumello stated I suggest scheduling the special meeting for September 13th since we usually meet the second Thursday. Are you available?

Mr. Schuett responded probably.

On MOTION by Mr. Cumello seconded by Mr. Schuett with all in favor a special Board meeting will be held on September 13, 2012 at 10:00 A.M. at the Vista Lakes Clubhouse, 8841 Lee Vista Boulevard, Orlando, Florida for the purpose of voting on the management proposals and appointing a new Supervisor.

Mr. Cumello asked do we address any questions we have for the bidders to Mr. Clark?

Mr. Clark responded this is probably the best way. If you provide them to me, I will forward it to the proposers.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the May 10, 2012 Meeting

Mr. Moyer stated each Board member received a copy of the minutes of the May 10, 2012 meeting and requested any additions, corrections or deletions.

Mr. Cumello asked on the bottom of Page six, what does STS stand for?

Mr. Moyer responded Severn Trent Services.

Mr. Cumello asked can you please change STS to Severn Trent Services?

Mr. Moyer responded yes.

On MOTION by Mr. Cumello seconded by Mr. Shelton with all in favor the minutes of the May 10, 2012 meeting were approved as amended.

FOURTH ORDER OF BUSINESS**Public Hearing to Consider the Adoption of the Budget for Fiscal Year 2013****A. Fiscal Year 2013 Budget**

Mr. Moyer stated the proposed budget was approved by the Board in May. It is similar to the budget we are currently operating under. As a matter of fact, it is proposed this year's budget be somewhat under or less than last year's budget, such that residents will actually receive a tax bill lower than last year's tax bill.

Mr. Clark stated given the quorum issue we discussed earlier, I suggest we have a motion to ratify Resolution 2012-1 setting the public hearing. The meeting was publicly advertised, but I would like to ratify the resolution in an abundance of caution.

On MOTION by Mr. Shelton seconded by Mr. Schuett 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 ratified.

Mr. Moyer stated the budget presented to the Board and approved at the May meeting does not take into consideration the fact you will save \$10,000 if you decide to bring management services all under one contract. This amount may be more or less depending on how you proceed through this process. If you want to lower the budget, you can certainly do this. If you want to leave it the same, as you are all aware, the remaining funds at the end of the year will carry over to the unallocated Fund Balance or in Reserves.

Mr. Cumello stated I do not see any need to change the budget at this time since we do not know what the number is.

Mr. Moyer stated with your permission, I will open the meeting for any public comment since this has been advertised as a public hearing. Not hearing any comments, we will take any questions from the Board.

B. Consideration of Resolution 2012-3 Adopting the Fiscal Year 2013 Budget

Mr. Moyer stated if there are no other questions, Resolution 2012-3 by title is:

“A RESOLUTION OF THE VISTA LAKES COMMUNITY DEVELOPMENT DISTRICT RELATING TO THE ANNUAL APPROPRIATIONS OF THE DISTRICT AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2012 AND ENDING SEPTEMBER 30, 2013 AND REFERENCING THE MAINTENANCE AND BENEFIT SPECIAL ASSESSMENTS TO BE LEVIED BY THE DISTRICT FOR SAID FISCAL YEAR.”

Staff will complete the blanks in this resolution on the District’s behalf to reflect the General Fund and Debt Service Fund.

On MOTION by Mr. Shelton seconded by Mr. Cumello with all in favor Resolution 2012-3 as stated above was adopted.

C. Consideration of Resolution 2012-4 Levying and Imposing the Non-Ad Valorem Assessments for Fiscal Year 2012

Mr. Moyer read the Resolution 2012-4 into the record, which by title is:

“A RESOLUTION LEVYING AND IMPOSING A NON-AD VALOREM SPECIAL ASSESSMENT FOR THE VISTA LAKES COMMUNITY DEVELOPMENT DISTRICT FOR FISCAL YEAR 2012/2013”

This is the resolution we send to the Tax Collector along with the assessment roll for 2013 to merge onto the County’s real estate tax bills.

On MOTION by Mr. Cumello seconded by Mr. Schuett with all in favor Resolution 2012-4 as stated above was adopted.

FIFTH ORDER OF BUSINESS

Manager’s Report

A. April, May and June Financial Statements

Mr. Moyer stated we still have some of our non ad-valorem assessments to collect as evidenced by the June 30, 2012 financials. In terms of the budget, we are in good shape on the expenditure side.

Mr. Cumello stated on Page 1 of the balance sheet, \$349,000 was assigned to the reserves for the fence, fountain, etc. Then we have \$540,000 in unassigned reserves. We have three months remaining in this fiscal year and spend about \$100,000 a month. In addition, we are looking at an additional \$240,000 of additional cash reserves. Is this correct?

Mr. Moyer responded in the budget, we project out the balance of the fiscal year as part of our budget analysis. We are anticipating \$144,446 for *Fund Balance* from this fiscal year’s operation.

Mr. Cumello stated when I look at the *Unassigned Reserves*, you are anticipating we are going to run higher than \$100,000 per month.

Mr. Moyer stated correct, but we are fairly conservative when we project out the balance of the fiscal year.

Mr. Cumello stated on page 8 of the financials, in the *Miscellaneous Contingency*, we had some damage to landscaping and the monument due to the accident on Avon. We exceeded this line item by 339%. Do we offset this line item when we get money from the insurance company?

Mr. Moyer responded the proper way to account for this would be to show this as an expense. We actually expended funds from the *Miscellaneous Contingency* to account for the insurance proceeds under *Miscellaneous Revenues*.

Mr. Cumello stated so the answer is we do not offset this line item.

Mr. Moyer stated no we do not.

Mr. Cumello stated those are the actual expenses for this particular line item. *Miscellaneous Revenues* just mean more cash.

Mr. Moyer stated correct.

Mr. Shelton asked how is the insurance payment shown?

Mr. Moyer responded when we ultimately collect the insurance, it will be shown under *Miscellaneous Revenues*.

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.

Mr. Cumello stated we transferred \$100,000 to SunTrust. Was this for a CD?

Mr. Moyer responded yes. There is an investment schedule. It does not show the transfer, but all of your investments are shown on page 11.

Mr. Cumello stated then we had \$17,000 worth of Pine Straw. I assume this was for the berms.

Mr. van der Laan stated yes. We placed wood chips on the main drives, planting beds and slopes.

Mr. Cumello asked do you do this once a year?

Mr. van der Laan responded we do not have to mulch the entire property every year. We discussed this in the past. Mulching the entire property will cost approximately \$75,000 so we rotate it around.

On MOTION by Mr. Shelton seconded by Mr. Schuett with all in favor the financials and check registers for April, May and June were approved.

C. Discussion of Action Item List

Mr. Moyer stated the Action Item List was provided to the Board. Some items have been completed while others are ongoing as indicated. We completed item four today.

Mr. Cumello stated item five should have been taken care of.

Mr. Moyer stated in regards to item six, I sent an email to the Board, which was forwarded to me by the Tax Collector regarding Terrabrooke. This item can be removed.

Mr. Cumello stated I do not see the rainfall data for Remington Court. Item eight is still pending. Mr. Clark was supposed to be working on the access request.

Mr. Clark stated I have not seen any. They generally go directly to Mr. Moyer.

Mr. Moyer stated there has not been any.

Mr. Clark stated we discussed writing a letter. You and I needed to discuss the parcels to include, which has not happened so I need to keep this item on the Action Item List.

Mr. Cumello stated my expectation was they were going to start the work based on what they told us in the fall. They should be asking for an access agreement for the parcels east of Warwick and south of Lee Vista. I was hoping they would come in and identify those parcels for us and then we would double check them against our parcels. We need to leave this item open.

Mr. Moyer stated item nine is in regards to the aerator in Pond 9.

Mr. van der Laan stated the reason why it was needed on the north side is due to the oxygen testing, which is affected by the depth of the water.

Mr. Cumello asked can we remove this item from the Action Item List?

Mr. van der Laan responded yes.

Mr. Clark stated item 10 did not make it on my task list. Have they issued the final permit dealing with the 24 inch pipe?

Mr. Roy responded yes.

Mr. Clark stated if you can provide me with a copy of the permit, I will send out the letter. This will be done in a few days.

Mr. Roy stated item 11 can remain open as I am working with some contractors on obtaining prices to replace the existing sidewalk with a ramp.

Mr. Moyer stated item 12 is my confirmation of whether the \$2,900 reflected in the 2010 Reserve Study was budgeted. The answer is the funds can be used to pay for an updated Reserve Study.

Mr. Cumello stated we are not doing the Reserve Study in 2013 because we did it in 2010. Is that correct?

Mr. Moyer responded correct. But there are monies there for this purpose.

D. Consideration of Fiscal Year 2013 Meeting Schedule

Mr. Moyer stated each year we need to publish a meeting schedule at least one time in the newspaper. We propose keeping the same meeting schedule we are currently operating under with the meeting dates of November 8, 2012, February 14, 2013, May 9, 2013 and August 8, 2013. If we need to meet more frequently as the business requires it, I will get everyone together and advertise a special meeting. There is a procedure for doing this, which is seven days prior to the meeting.

Mr. Cumello stated the location for two of those meetings will have to change because this location will not be available.

Mr. Moyer stated we will check with some of the local hotels.

Mr. Cumello stated I suggest using the ones on the east side of 436.

Mr. Moyer stated if you direct me to advertise this notice with the appropriate location, I would be happy to do this. Are the dates alright with everyone?

Mr. Cumello responded they are fine with me.

On MOTION by Mr. Cumello seconded by Mr. Shelton with all in favor the meeting schedule for fiscal year 2013 as stated above was approved as amended.

E. Acceptance of the Audited Financial Statements for Fiscal Year 2011

Mr. Moyer stated I distributed the Audit for fiscal year ended September 30, 2011 from Grau & Associates. I will not get into the numbers unless you have any questions. But I would like to enter some of the Auditor's findings. The first one is behind the index. In the third paragraph the Auditor stated "*In our opinion, the basic financial statements referred to above present fairly, in all material aspects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2011 and the respective changes in financial position thereof for the fiscal year then ended in conformity with accounting*

principles generally accepted in the United States". This paragraph is typically referred to in the industry as a clean audit opinion, which is unqualified, meaning the financial records we provided to the Auditor as of the end of September 30, 2011, did fairly represent our financial position of the District.

There are other reports the Auditor is required to make either by State law or rules of the Auditor General. On page 23 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 performed checks and balances to assure our financial reporting fairly reflect what we are doing. At the end of the third paragraph, the Auditor stated "*We did not identify any deficiencies in internal control over financial reporting that we consider to be a material weakness as defined above*". In regards to compliance and other matters including compliance with laws, rules, contracts, Trust Indentures and bond documents; 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*, where the structure is either dictated by Florida Law or the rules of the Auditor General. This is also an opportunity for the Auditor to bring to the attention of management certain items that may not rise to the level of a material weakness of internal control. Sometimes Auditors will make recommendations on how to make your accounting system better. In the current fiscal year, they did not have any such findings or recommendations. This was also the case last year. Under item 8 on page 26, the Auditor states "*The District has not met one or more of the financial emergency conditions described in 218.503(1)*". This particular statute defines what constitutes a financial emergency, one of which is you do not pay principle and interest on your bonds. This by definition is a financial emergency. By them saying we have not met one or more of the conditions of 218.503, this is a good thing. Because if you did meet one of those conditions, you are in a state of financial emergency, which we are not. We can always discuss items regarding this audit at a future meeting. With these clean reports, I request a motion to accept the audit and authorize me to file it with the appropriate State agencies.

On MOTION by Mr. Cumello seconded by Mr. Shelton with all in favor the audit from Grau & Associates for Fiscal Year 2011 was accepted and staff was authorized to file said audit with the appropriate State agencies.

F. Consideration of Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year 2012

Mr. Moyer stated a copy of the Engagement Letter for the fiscal year ending September 30, 2012 was provided to the Board in the agenda package. This is a standard form letter, which identifies the scope of their audit services and what management's responsibility is to provide information to the Auditor. They are proposing a fee of \$5,500, which is in line with what we paid previously for audits.

On MOTION by Mr. Cumello seconded by Mr. Schuett with all in favor Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year 2012 was approved.

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 there are a couple of items we were working on. One was the Remington storm drain inspection. The contractor plugged the line and pumped the system down so they could run a camera through it. They found a clean line except for the two wooden spools they use for pave work were wedged into the 18 inch pipe. I told them Watson was possibly constricting it when they entered the pipe. I do not know if it was prior to the rainfall or after. They removed the spools and the pipe was in good shape. I do not think there is any erosion coming back on the pond back at this time.

Mr. Shelton asked do you know the probability of the spools causing the flooding?

Mr. Roy responded I just received the videotape. The wooden spools were 18 inches in diameter and caused the water to come in sideways.

Mr. Cumello asked is there a likelihood the spools entered the sewer as the opening is about eight inches?

Mr. Roy responded the opening is six inches. The spools could have gone in horizontally. I do not know how they were in there. The contractor recommended keeping them, but they would end up getting thrown out with other debris.

Mr. Cumello stated the good news is we had some heavy rains recently and there were no complaints.

Mr. Roy stated I provided an invoice from the contractor to Mr. Moyer.

Mr. Moyer stated I sent it to the Accountant for processing.

Mr. Roy stated in this same neighborhood, there was a request for some curb repairs. It is a similar situation to what you see throughout the community. When the original curb was installed, it was installed by a machine puller. When every driveway is constructed, the contractor cuts out a section and re-pours the curb. I provided some pictures to the Board of what the area looks like. You can see on the right hand side of the page when they re-poured the driveway downstream of where the pond is, it is probably two inches high and backs up water all along the curb to the next driveway. To correct this, you can possibly repair 50 feet of curb along the driveway or 110 feet carrying it past the other driveway, which is slightly high.

Mr. Cumello asked can it be grinded?

Mr. Roy responded I asked the contractor and they do not have much luck grinding it because it is too fat. It will probably crack across the driveway.

Mr. Cumello asked is it the driveway or concrete curb?

Mr. Roy responded it is the concrete curb, which they re-poured for the driveway apron. There is a similar situation in Melrose where they did not follow the established grade when they poured the driveways. They tried to steamline it to back up the water upstream. I obtained several prices. The price for 110 feet is \$3,500.

Mr. Moyer asked did we do the curb repair in Melrose?

Mr. Roy responded no.

Mr. Cumello asked is this a CDD responsibility because it is a gated community? The storm drains are the responsibility of the CDD, but the curb is not.

Mr. Roy responded I believe the curbs were part of the drainage system and the CDD reimbursement.

Mr. Shelton asked is there an allocation for curbs in the Reserve Study?

Mr. Roy responded I believe there is.

Mr. Cumello stated there is money in the HOA budget and I assume there is money in the CDD budget for curbs.

Mr. Moyer stated yes, there is.

Mr. Cumello stated there is also \$300,000 in reserves.

Mr. Roy stated there is probably more ponding in this area than you see in most areas. I am not sure which resident was complaining. It was probably the one who lived upstream. It was a downstream driveway that was causing the problem. The driveway of the resident who complained in Melrose caused it.

Mr. Cumello stated on page five of the notes to the financials, there is a line item for roadways with \$105,000. There is not a separate line item for curbs. Do you have the Reserve Study?

Mr. Moyer responded I have a section of the Reserve Study. The categories they have identified are asphalt paving, which would not cover curbs. There is also an item for concrete work.

Mr. Roy stated this is generally for sidewalks, but it could be used for curbs. They have a 50 year lifespan.

Mr. Cumello MOVED to approve the request from a resident for 110 feet of curb repairs in the amount of \$3,500, subject to notifying the resident and Mr. Schuett seconded the motion.
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Mr. Shelton asked how deep is the cut?

Mr. Roy responded in the worst case, it is probably two inches upstream.

Mr. Shelton stated there is a subjective judgment to be made here. I am not against this, but there are the same problems in other areas. The question is whether we are going to establish a policy to make all curb repairs or take each one on a case-by-case basis.

Mr. Cumello stated I think we have to take them as we receive each complaint.

Mr. Moyer stated the good news is the community has been in existence for 12 years and we only had a couple of these cases. I do not think there is a lot of exposure. The system has been there. If people were going to complain, I would assume they would have complained by now.

Mr. Shelton stated so I can tell my neighbor across the street to take some pictures and submit a complaint.

A resident stated Mr. Roy explained to me if the water evaporates, it is normal, but a three inch puddle would not evaporate.

Mr. Roy stated this is probably the worst case I have seen in other areas, but you have similar situations throughout the community, within the gated and non-gated communities.

On VOICE VOTE, with all in favor, the prior motion approving the request from a resident for 110 feet of curb repairs in the amount of \$3,500, subject to notifying the resident was approved.

Mr. Roy stated I will provide the proposals to the Board. There is no way to get the curb out without tearing up the asphalt. If they tear out the asphalt, then they have to do a strip along there, which costs another \$1,200. They will do the best they can.

Mr. Cumello stated we are voting on this, with the understanding the amount is \$3,500.

Mr. Moyer stated we already had the vote so we will go ahead and proceed.

Mr. Roy stated if you want, we can possibly try to take out the one downstream driveway where the major hump is. By doing this, you would have minimal ponding upstream. This may keep costs down.

Mr. Moyer stated this makes a lot of sense.

Mr. Cumello stated you are the Engineer.

Mr. Roy stated we will try to work on the downstream end. I received a phone call regarding a settled inlet in Gentry Park. The inlet has probably settled four to six inches and the structure itself is somewhat offsetting the two sections of the structure. I have a videotape of the pipes. The settlement has actually cracked the pipes going into it. The cost for the repair is \$15,000. I just received this amount from the contractor today. If you do a quick fix like raising the top of the inlet and re-paving the area, it will continue to settle. We might want to do some mud work in the pipes to stop the infiltration of the soil, but it will probably re-appear after some time. It will take four days to make the repair. The alleyway would probably have to be closed.

Mr. Cumello stated we have done a number of these. Is this more expensive than the one we did at Remington?

Mr. Roy responded this one is deeper and they have to pull the structure, reset a piece of the pipe, concrete collar it, reset the structure and repave the road. It is in between two townhouses. I will get a formal proposal for you and provide to Mr. Moyer.

Mr. Cumello stated we do not have any choice. We just cannot leave it. It is just a question of what type of repair we are doing. Will this affect the pipes?

Mr. Roy responded with settlement on back of the inlet, it should not affect the pipes. The last item is in regards to an email I received yesterday regarding the FEMA flood plain and community center. We are looking through our files. Any of the projects we had worked on, we had filed FEMA applications for. We actually had a map showing all houses were above the 100 year flood plain. In the interim, the City of Orlando had modified the flood map, which disregarded some of the information that was submitted and approved by FEMA. Now the community center is centered in a flood zone. They are saying the corresponding lake does not have a determined 100 year elevation. Although it does have an established storm plan approved back in 2000. So now this map is invalid. We are not sure what is involved. I am trying to get this map revised.

Mr. Cumello stated when I look at this map and see all of these zones, you are saying all of these lakes and ponds are now in flood zones.

Mr. Roy stated Zone A is an undetermined flood elevation. They are saying we need to establish the flood elevation and do a survey showing this building is above the flood elevation.

Mr. Cumello stated I mean other locations, which are also classified as Zone A. It is more than this location, right?

Mr. Roy responded yes. It is throughout the community. They disregarded all of the locations they previously accepted.

Mr. Cumello asked what is the risk to the CDD? Are there any costs associated with this? Are there any legal actions we can take if it is a prohibited cost?

Mr. Moyer responded I think Mr. Roy needs to get with the City and provide the studies they have done, which have been previously submitted and ask them to make those revisions if there are houses. If something happens, the homeowners would need to purchase flood insurance.

Mr. Roy stated what this is going to trigger is the banks coming back to us when someone sells their house saying they need flood insurance when they do not need any flood insurance. We have done these revisions for every community. Every other parcel in here had a letter and map with their elevation. This recent change, disregarded a lot of that information.

Mr. Cumello stated I am still confused. Who had the authority, whether this was the City, Federal Government or State to redo these maps and make this determination?

Mr. Roy responded I think the City contracted with somebody to establish higher elevations outside of your community and it affected the elevations here. We received some emails from a guy asking about the drainage system in Vista Lakes. I gave him a copy of our map showing all of the lake interconnected. In the map, it showed one lake as being undetermined, but the others as being determined.

Mr. Cumello asked are all of the conservation areas coming down through Melrose to one lake and big lake all part of a flood zone?

Mr. Roy responded yes. They are all part of a flood zone, but they have established elevations. The City is saying they do not have an established elevation. A drainage study needs to be done to determine this and show the adjacent buildings are a foot above.

Mr. Cumello stated they changed something to where the original properties were not in a flood zone. What is the impact on CDD property? Is there any cost to the CDD to meet some new requirement?

Mr. Roy responded no. I think they are trying to get a building permit for a community and they cannot get it without having flood insurance.

Mr. Cumello stated you are also saying for those houses on the perimeter of this area are going to have a similar type problem.

Mr. Roy stated their banks may require them to get flood insurance or certificate.

Mr. Cumello asked are you familiar with this problem?

Mr. Roy responded I was just told of this yesterday.

Mr. Clark stated I am not sure anyone is really familiar with the administrative issues resulting from these changes.

Mr. Moyer stated you probably saw my email where I said this should not come as a surprise. I had seen this in many cases before where they went through another alliteration of updating FEMA maps. In most cases, they got the wrong information.

Mr. Cumello stated I guess there is no downside to the CDD with our drainage systems where we have to meet some new standard based on this revised map.

Mr. Roy stated I do not believe so.

Mr. Shelton asked would there be any impact to the CDD homes and buildings, which could get flooded?

Mr. Clark responded there would be insurance impacts.

Mr. Shelton stated but you are not worried about the CDD.

Mr. Moyer stated on behalf of our residents, I think we want to be proactive. If someone goes to refinance their house and they have to pay money for flood insurance, this sometimes makes people angry.

Mr. Roy stated when they sell their house, their prospective buyer finds out at closing they need to have flood insurance.

Mr. Cumello stated I am still struggling with the fact if our lakes and ponds are in a flood zone and they flood, do we have any responsibility?

Mr. Roy responded our rates will always be within a flood zone and the flood zone is contained within the side slopes of the lake. This map is saying the elevation has not been determined and could impact the adjacent parcels. SJRWMD said the properties were outside of any flood zone and did not need flood insurance.

Mr. Shelton asked when the homes were built, did you submit a plan to the SJRWMD and they approve it?

Mr. Roy responded yes. We have letters from 1999 through 2005 where all of the maps were submitted and accepted.

Mr. Cumello asked is there an action for the CDD Board to take?

Mr. Shelton responded it should be before the HOA.

Mr. Clark stated it would not be an inappropriate expenditure of CDD money to have the Engineer take some efforts to try to correct these problems. I do not know how involved or expensive this is. Your residents on a case-by-case basis may solve this by getting some elevations put on their surveys.

Mr. Roy stated the problem comes when there is an undetermined elevation. Once you do the Drainage Study showing FEMA showing the drainage was within the ponds and giving them elevations, they cannot do anything.

Mr. Clark asked have all of the ponds been put into this category?

Mr. Roy responded everything from Chickasaw east.

Mr. Moyer stated what Mr. Roy is saying is that we are not asking him to create these maps because he has already done so. What the Board needs to authorize is the Engineer to spend some time with the City Engineer to get them up to speed based upon what you already have in your records. Is that correct?

Mr. Roy responded the best course of action is for me to contact the City now since they authorized the study changing this map. They are responsible for updating these maps. We had our maps signed off by the City and they received copies of the acceptance letters. We can contact the City and tell them it should be their responsibility to get this corrected. They have the information in their files. We need to get with the Engineer they contracted with to change this map. If they do not proceed, we may have to get Mr. Clark involved to tell them how they are impacting this community.

Mr. Cumello stated I think I am going to take action to speak to our Councilman. I just need to know how to intelligently speak to him about this issue. I assume the City Council gets an opportunity to look at these things and vote on them. There are times when the Building Department makes these changes.

Mr. Roy stated maybe we can come up with some chronology of when we did the map revisions. I cannot guarantee we have copies of those revisions. They are in our archived files back to 2000. The City should have this information in their records.

Mr. Cumello asked can you send me a PDF of some main points?

Mr. Roy responded yes.

Mr. Cumello stated I will schedule a meeting with Mr. Jim Gray. This is the only way we are going to get anything done. Is there any legal recourse for them to demonstrate their determination is accurate?

Mr. Clark responded I think the burden would be on you to determine it is inaccurate to file an application for change and going through this process. This is not an inexpensive endeavor. It may be less expensive if you had all of the information. There is not a simple and quick recourse.

Mr. Cumello asked can you see if there was any case history where there was some legal action against the government?

Mr. Clark responded if the Board authorizes me to do so, I can see if there were any suits against the Federal Government.

Mr. Cumello asked is it the Federal Government?

Mr. Clark responded the map is promulgated by the Federal Government. The local government may have inspired by change, but I do not think we can go over them.

Mr. Cumello stated from what I heard, it was the local government who made this determination and asked the Federal Government to change the map. Correct?

Mr. Clark responded your approach is correct to start with the local government on a political basis and say “You did this. The result is we have x number of houses that are on a large body of water and they may incur \$250 each per year in additional insurance costs and we think you should do something about it”.

Mr. Cumello asked are you saying there is no value in researching this matter?

Mr. Clark responded I would not do this until you try the other method and reach a dead end.

Mr. Roy stated I am not certain the City was the one who instigated this, but I have emails from someone requesting a copy of our drainage systems. I do not know how it trickled down to this community.

Mr. Cumello stated if you can provide me a copy of this email, this would be a start.

Mr. Roy stated they did say they were working for the City of Orlando.

Mr. Cumello stated I will visit Mr. Gray.

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 and Lake Reports were provided to the Board in the agenda package.

Mr. Cumello stated prior reports said the installation of the lighting for Pembroke was completed, but the newest report does not give an update.

Mr. van der Laan stated all of the lighting in Pembroke has been installed.

Mr. Cumello stated we need to make a determination on whether or not it is worth \$30,000.

Ms. Carvalho stated we did the testing and the lighting is operating. We asked several people to come by to make sure it is illuminating to the specifications and it is. We talked with the Electric Company about the actual pricing and had the Electrician provide us pricing for the

labor. According to the type of fixtures and going from Halogen to LED lights, we are looking at a total amount between the fixture and labor of \$20,800.

Mr. Cumello asked for all of the signature lighting?

Ms. Carvalho responded yes.

Mr. Cumello stated we actually started out with an electrical problem and then we ended up doing this test. I recall the purpose of the test was to see what the difference was between the existing lighting and the new lighting, from the standpoint of the quality. Was a determination made that there was no difference?

Mr. van der Laan responded before getting involved, the Electrician went around and did an illumination test where they tested the brightness of the walls based on the existing lighting. After the installation of the lighting in Pembroke, they compared it and determined the center was the same and the outer section was better than what was there before. As far as the amount of light being produced by the LED, there was cost savings with the same light output.

Mr. Cumello stated we had not received an electric bill so we cannot determine what the savings are.

Mr. van der Laan stated in the chart we provided earlier, we can positively say there is a three year return on the investment. We will add in the new numbers once we receive the final bills because these new numbers are less than what we used for the chart. It might even be a sooner return on our investment. We also have a three year warranty.

Mr. Cumello asked are we six weeks into this?

Ms. Carvalho responded yes.

Mr. Cumello stated we should see whether or not there are any maintenance issues.

Mr. van der Laan stated according to the Claim Report, you have additional savings of not having to replace bulbs.

Ms. Carvalho stated recently we had to replace bulbs and a fixture in Avon.

Mr. van der Laan stated based on when the walls were built, you have three different types of lighting on the signature walls. The most recent ones were florescent. The older ones had halogens and others had standard bulbs.

Mr. Cumello stated I think we should just see what happens as far as whether or not we have any maintenance issues. Can we add it to the Action Item List?

Mr. Moyer responded sure.

Ms. Carvalho stated we will have a proposal for your next meeting.

NINTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Cumello stated I have one request from a resident in the Avon subdivision. There is a CDD tract, which is just open grass. It is not a conservation area. They were suggesting we consider placing a small playground for the kids. Since this should be the responsibility of the HOA, I asked Mr. Clark whether the CDD should just install the playground equipment or if the property should be quick claimed to the HOA to put in the playground.

Mr. Clark asked do you think there are any CDD improvements on the property or is it just a passive lot?

Mr. Cumello responded it is just 9,000 square feet of sod.

Mr. Clark stated I do not object in that circumstance to convey the property to the HOA since there is no expenditure of public funds. However, it may be preferable from a legal liability standpoint to us installing, maintaining and insuring an additional structure. It would have to be ADA compliant if the area is public and we would probably have to be responsible for installing accessible pathways.

Mr. Cumello asked would they have to be able to take a wheelchair up to the monkey bars?

Mr. Clark responded under some interpretations. I generally prefer when we have a passive area to not spend money on it. We do not have the restriction in our Trust Indenture to do this or assessable property where we have to pay off liens. I would not object to this.

Mr. Cumello stated first we have to ask the HOA if they want it. If they determine they want to spend money to create a small playground, they can come to the CDD for approval of the quit claim deed. Is there any objection to granting them a quit claim deed?

The record will reflect there was no objection from the Supervisors.

Mr. Cumello stated I will handle this matter. Please put on the Action Item List. Since Mr. Rose will be leaving and he is the Chairman of the Board, I am wondering if it would be appropriate to designate a new Chairman.

Mr. Moyer stated the way the Boards usually do this is when you complete the cycle of getting a full Board. In our case, since we do not have a Vice Chairman, I think this is something we should consider today as I need a signatory for these documents on behalf of the District.

Mr. Cumello stated I appoint myself as Chairman.

Mr. Schuett stated I second the nomination.

On MOTION by Mr. Cumello seconded by Mr. Schuett with all in favor, Mr. Cumello was elected Chairman.

Mr. Moyer stated we need a Vice Chairman at some point, but we can do this when we get everyone together.

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. Schuett seconded by Mr. Cumello with all in favor, the meeting was adjourned.

Gary L. Moyer
Secretary

Ron Cumello
Chairman