

**MINUTES OF MEETING
GRAND HAVEN
COMMUNITY DEVELOPMENT DISTRICT**

A Community Workshop of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, December 2, 2010, at 10:00 a.m.**, in the **Grand Haven Room, Grand Haven Village Center, 2001 Waterside Parkway, Palm Coast, Florida 32137.**

Present at the meeting and constituting a quorum were:

Dr. Stephen Davidson	Chair
Peter Chiodo	Vice Chair
Tom Lawrence	Assistant Secretary
Marie Gaeta	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Matt Kozak	Wrathell, Hunt & Associates, LLC
Doug Paton	Wrathell, Hunt & Associates, LLC
Barry Kloptosky	Operations Manager
Grant Misterly	District Engineer
Howard McGaffney	Amenity Center Manager
Robert Lyons	LandMar
Gary Noble	Resident
John F. Pollinger	Resident
Frank Benham	Resident
Charles Trautwein	Resident
Ron Merlo	Resident
Ray Smith	Resident
Glenn Laury	Resident
Otto Bohmueller	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 10:06 a.m., and announced, for the record, that all sitting Supervisors were present, in person, and one (1) seat remains vacant.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS

Update: Landscape Renovation and Rejuvenation Program & Future Plans (LL)

Ms. Leister provided an update on the current landscaping projects. She noted a problem getting material that is the correct height for the lake bank project and advised the work should begin next week. At the front Main Gate, Viburnum will be installed on the south side of the Main Gate entrance. This should be completed in a few days. Ms. Leister indicated four (4) Indian Hawthorns were ordered for the pool and will be delivered next week. She further advised that the Circle Islands project is scheduled for January and will be done all at once. Work will begin at the South Gate entrance, in South Lake, which are the worst islands. She stated once that project is completed; the other areas will be assessed, one at a time, with the worst being done first.

Ms. Leister reported that the staging area project is ready to begin. Screening is being purchased so that the community will not see the plant storage. Once the staging area is finished, the remainder of the screening will be used to screen the filters on Waterside Parkway.

For 2012, Ms. Leister advised the goal is to continue enhancing problem areas in the community, addressing those needing the most work first. She discussed a proposed project at the North Entrance to add color to the landscape by enlarging and raising the elevation of the beds with topsoil so that they are more visible. She also indicated that she would like to have more additions and repairs done to the landscape at the Main Gate to fill in areas where the vines have killed the landscape.

Ms. Leister addressed future plans for the parks on Front Street. Supervisor Gaeta asked if the flooding in Wild Oaks is being caused by erosion. Ms. Leister explained one of the problems is that the landscape company had the water running for 20 minutes, every day. When the company was terminated, an irrigation assessment was done and everything was shut off, except for the main gate, where the annuals need water. This should result in a drastic reduction in their bill. Ms. Leister reviewed the remainder of the landscape projects proposed for 2012.

Supervisor Davidson reiterated that Ms. Leister is discussing recommended improvements, not actual projects. He stated the Board will decide on the improvements, based upon preliminary estimates, and Ms. Leister will then conduct final negotiations with the vendor.

FOURTH ORDER OF BUSINESS

Discussion: Procedure to Fill BOS Vacant Seat

******This item, previously the Seventh Order of Business, was presented out of order.******

Mr. Wrathell referred to a draft copy of the Grand Haven CDD Board of Supervisors Vacant Seat Appointment Process Proposed Refined Timeline, which was prepared by Supervisor Davidson and previously distributed.

Supervisor Davidson advised, initially, there was some discussion about completing the rankings today; however, District Counsel questioned whether this involved the decision making process, which is not permitted at a workshop. His preference was to complete the rankings at the next Regular Board Meeting; thus, at the next meeting, the Board will report their individual rankings and the District Manager will create a master ranking list. The Board will determine the number of applicants invited to be interviewed and invitations will be issued for the interviews, to be conducted at the January 6th Workshop. Final instructions will be issued for the final ranking determinations. At the January 20th Board Meeting, the District Manager will create a final composite ranking, followed by the selection of the applicant to fill the vacancy and the applicant will be appointed.

Supervisor Lawrence discussed the need to reveal the names of the candidates. Supervisor Chiodo thought only the rankings would be kept private. Mr. Wrathell indicated the suggestion not to reveal the names of the candidates was for discussion purposes only and was to allow for more open and frank discussions during the ranking process. Supervisor Gaeta agreed that keeping the names private prevents putting the candidates on the spot. Mr. Wrathell stated it would be appropriate to name the candidates whose resumes have been received.

Discussion returned to the process of filling the vacant BOS seat. Supervisor Davidson referred to the ranking sheet proposed by Mr. Kozak, located behind Tab 7. He pointed out that the ranking forms were labeled with the Board Members' seat numbers, not their names. He indicated that the composite ranking sheet, which will be created at the January 20th Board Meeting, in accordance with the refined timeline, will list the applicant alphabetic letter designation across the top and the Board Members' seat numbers on the left margin, along with a total point score. This will be done after the interviews are conducted at the January 6th Workshop. The Board agreed with the process.

FIFTH ORDER OF BUSINESS

Discussion: Individual Supervisor and Collective Board Mission Statements, Goals and Priority (SD) (*deferred from November 18, 2010 Regular Meeting*)

Supervisor Davidson stated all of the current seated Board Members have developed their own mission and vision statements for the community. He indicated the idea is to look at the common key words and phrases and create a collective mission/vision statement for the Board, going forward, which can be applied to potential difficult decisions, in the future.

******The Workshop recessed at 10:56 a.m.******

******The Workshop reconvened at 11:05 a.m.******

Supervisor Davidson began by identifying the common elements in each mission statement. He suggested that each Board Member craft their own version of the mutual mission/vision statement over the next week or two (2) and forward them to the District Manager. The District Manager will then prepare a blended statement, which will be placed on the December Agenda. The Board agreed to submit their statements to the District Manager by December 8th.

SIXTH ORDER OF BUSINESS

Engineering Expenses

******This item, previously the Twelfth Order of Business, was discussed out of order.******

Mr. Wrathell referenced the revised Unaudited Financial Statements as of September 30, 2010, located behind Tab 9. He brought up an issue, discussed at the last meeting, regarding how the engineering expense was laid out. He noted that \$17,383 was previously posted as \$31,000 or \$32,000. He explained that an invoice was received and booked and, subsequently, a revision was requested to separate out the expenses that go to the general fund, versus the capital projects fund. The entry had not been reversed at the time the Board received the Unaudited financial statements.

Mr. Wrathell indicated the overall expenses came in under what was budgeted for the year. He advised that certain projects were not completed by September 30th and the invoices were not received until after the close of the fiscal year. Those invoices will be paid in the current fiscal year.

Supervisor Davidson asked Mr. Misterly for some ideas regarding what can be done to control the engineering expenses. Mr. Misterly explained that his firm works on a time and materials basis and whatever time they spend on a project is billed to the District. He indicated that he is trying to use Mr. Brian Simms as much as possible because his fees are lower. He cautioned against cutting back too much to avoid not addressing certain issues and having a greater problem in the future.

Supervisor Lawrence questioned an engineering invoice where Mr. Misterly spent 16 ½ hours writing a pump house letter. Mr. Misterly advised the issue involved Hampton Golf paying their proportionate share of the work done on the pump house. He indicated that he received a large amount of documentation on the project, with the end goal being a letter breaking out how much of the construction cost was the District's responsibility, versus Hampton Golf's. This involved researching the history of the project and reviewing the construction plans to determine what benefited the CDD and what benefited Hampton Golf. Mr. Wrathell advised since the expense was being placed as an assessment on the tax bill, it was necessary to ensure that the document would legally stand up in court.

Discussion ensued regarding replacing the pergola and the Engineer's involvement.

SEVENTH ORDER OF BUSINESS

Discussion: CIP Priority Items (PC)

******This item, previously the Sixth Order of Business, was presented out of order.******

******Supervisor Chiodo left the workshop.******

Supervisor Davidson asked the Board and the Field/Operations Manager to combine the five (5)-year stormwater and road projections with the spreadsheets that the ad hoc group produced and use them as a guideline to look at potential projects in each fiscal year. He suggested appointing a liaison to work with the District Engineer and the ad hoc group to create a singular combined CIP Program, which can be incorporated into the budget. Supervisor Lawrence was asked to serve as the Infrastructure Reinvestment Liaison. Supervisor Lawrence suggested using the District Engineer's stormwater and repaving projections and adding to them the projects from the detail list to create a total list, which will be prioritized.

Mr. Wrathell suggested using a list of anticipated projects for the fiscal year as an exhibit to the infrastructure reinvestment fund. He also suggested taking some of the individual line items out of the regular budget and adding them to the infrastructure reinvestment fund.

Supervisor Lawrence proposed advertising for an ad hoc committee, which will be made up of residents, to investigate the latest technology in road resurfacing. Mr. Wrathell confirmed that the Agenda for the next BOS meeting will include consideration of appointing an Infrastructure Reinvestment Liaison and consideration of an ad hoc group to evaluate the latest proven technology in road resurfacing. Supervisor Davidson indicated that Mr. Kloptosky's projections will need to be incorporated with those of the District Engineer and the ad hoc committee. Discussion ensued regarding what items on Mr. Kloptosky's list should be included in the maintenance budget, rather than capital improvements.

Mr. Misterly provided an update on the pond outfall repairs. He indicated the goal is to put together the design package for the next Board Meeting, as well as a conceptual cost. Supervisor Gaeta asked what will be done to prevent future soil erosion. Mr. Misterly advised there are contributing issues that will be addressed in the design. He noted what was actually built does not match up to the original design. He also noted the significant fluctuations in the water levels and that the outfalls are sticking out of the water. Supervisor Lawrence asked if the Board has the ability to go back to the original contractor and request remuneration, given that the outfalls were not built the way they were designed. Mr. Wrathell will email Mr. Clark to ask if the District infrastructure was designed with certain specifications and the final construction is not consistent with the design specifications, the repairs can be funded out of bond construction account funds. He indicated that the Engineer that signed off on the construction may be at fault, as well.

Supervisor Davidson suggested that Mr. Kloptosky discuss replacing the carpet in the gym at the next BOS meeting.

EIGHTH ORDER OF BUSINESS

Discussion: Options for Exterior Windows

******This item, previously the Fourteenth Order of Business, was discussed out of order.******

Supervisor Davidson asked Mr. Misterly's opinion regarding the use of impact glass for the exterior windows at the Village Center. Mr. Misterly advised this is outside of his area of expertise. Supervisor Davidson suggested that Mr. Kloptosky obtain quotes and investigate

alternatives for the windows. Supervisor Gaeta volunteered to work with Mr. Kloptosky on this item.

NINTH ORDER OF BUSINESS

Continued Discussion: Hampton Golf Assessment Detail

******This item, previously the Tenth Order of Business, was discussed out of order.******

• Response Regarding Proposed Budget/Proposed Special Assessment

Mr. Robert Lyons reported that since LandMar’s exit from bankruptcy, they have been restructuring the direction of the company. He indicated that Mr. Jim Cullis purchased the remaining real property from Grand Haven Developers, LLC, which included two (2) lots, plus the vacant parcel next to the clubhouse. Mr. Cullis also purchased LandMar’s declarant rights, the sales operation and some electrical property.

Mr. Lyons addressed the \$20,000 proposed assessment to be charged for the pump house construction. He stated, unless the two (2) parties can come to an agreement, his only option is to file a lawsuit. He relayed his position to the Board and also discussed the CDD water charges for the parking lot, the 15% administration fee and the extra 4% that LandMar was charged. Mr. Wrathell explained the 4% discount and advised he will confirm that LandMar was not assessed twice for the 4%. Discussion ensued regarding the outstanding receivables for reuse irrigation water. Mr. Lyons concluded by stating he would like to see a better working relationship between LandMar, the Board and Hampton Golf in the future.

Mr. Ray Smith, a resident, inquired about the possibility of the Board giving Mr. Lyons a possible selling price for the golf course and Mr. Lyons could use that for potential buyers as a consideration to factor into their analysis. Supervisor Davidson advised this will be a potential discussion item for the next meeting.

TENTH ORDER OF BUSINESS

Discussion: Hampton Golf Tax Bill

******This item, formerly the Eleventh Order of Business, was discussed previously.******

ELEVENTH ORDER OF BUSINESS

Update: Secondary Emergency Route (MK)

******This item, previously the Fourth Order of Business, was discussed out of order.******

Supervisor Davidson stated Mr. Harper, of the EOC, has been in discussions with Mr. Kozak regarding an emergency ingress/egress road out of The Crossings.

Mr. Kozak reported that he received a draft easement agreement, along with some pricing. He indicated the next step is to contact Mr. Ray Tyner, who is the planning manager for the City, to ask if they would like some type of acknowledgment stating that the District will be adding an ingress/egress secondary route. He advised after he speaks with the city, Mr. Chuck Lorenda, with the county, will come out to review the connection around Colbert Lane and check for stabilization issues. Also, Mr. Harper and Mr. Tyner will be finalizing the easement agreement and sending it to the District Office. He will then have Mr. Clark review the document.

Mr. Kozak was advised that the ingress/egress road is located on an archeological site. Mr. Harper will contact the historic division of the state, who will conduct a survey to see if the road will impact the site. Once this is completed, the Board of County Commissioners will meet to hopefully approve the ingress/egress. Mr. Harper indicated this will take three (3) to six (6) months. Mr. Kozak stated he will contact St. Johns River Water Management District (SJWMD) to see if there is any paperwork required. Supervisor Davidson stated because this is a previous stabilized non-pavement roadway, it should not be an issue with SJWMD; however, they may want to do a survey, which may add to the soft costs. He indicated that the county is ready to go with their equipment. Discussion ensued regarding the cost.

TWELFTH ORDER OF BUSINESS

Discussion: Resident Issues

******This item, previously the Eighth Order of Business, was discussed out of order.******

- **Broken Rain Sensor (\$175)**

Mr. Kloptosky stated an individual in the community requested reimbursement for a broken rain sensor on his house because a branch from a tree, located on common property, fell and broke the sensor. He indicated that Cousino Landscaping replaced the sensor and provided a letter describing what was done and why. The resident requested reimbursement for \$175. Mr. Kloptosky indicated this is the first time this has happened, which is why he and Mr. Wrathell are bringing it to the Board's attention. Mr. Wrathell stated if the damage is justifiable, it would be appropriate to issue a reimbursement; however, it should be handled on a case-by-case basis. Supervisor Davidson stated a letter should be drafted by the District Manager to the resident, to

accompany the \$175 reimbursement check, stating that the Board reserves the right to review each situation on a case-by-case basis and the CDD has no future obligations for reimbursement.

- **Common Area Maintenance**

Mr. Kloptosky discussed a complaint from an individual who is requesting additional maintenance by the CDD in the common areas. The resident asked for additional work on the fences and pruning of the palm trees. Mr. Kloptosky discussed this issue with Supervisor Lawrence, who produced a letter that was supplied to him at the last discussion. The Board addressed this issue in May, 2008 and decided that they would only continue doing certain maintenance. The resident is objecting because he believes it is common area and feels it is not fair that he should have to maintain it. Mr. Kloptosky requested direction from the Board.

Supervisor Lawrence stated when Lakeside West was built, a fence was put up by whoever was constructing the area. This was discussed at a Board Meeting and the decision of the Board was that the CDD would maintain the area but it did not include the fence. The letter from the CDD indicated that the owner could remove the fence, as it is on private property. Supervisor Lawrence advised that the area is being watered by common water and he suggested that they cease watering. He read a letter he sent, as the Operations Manager, to the homeowner, on June 17, 2008, which stated the CDD will not maintain any palm trees or fences outside of the easement area installed by Centex on 31, 36, 35 and/or 38 Shinnecock Drive. The letter also indicated that residents may remove trees installed on their property installed by Centex but only with ADC approval. If not removed, the trees must be maintained by the owner. It further indicated that the residents may also remove the white fence installed on their property by Centex; if not removed, the fence must be maintained by the owner. Supervisor Lawrence read a letter to the same homeowner, dated August 12, 2008, regarding 35 Shinnecock Drive tree removal (shrub removal).

Supervisor Davidson stated the response is to reaffirm the decisions made previously and if the homeowner wants to remove the fence and the trees on his private property, he needs to reapply to the ADC and then have them removed immediately.

Mr. Kloptosky stated the resident claims that there is a utility easement there that is owned by the CDD. He clarified that even if it is a utility easement, the homeowner is responsible for maintenance up to the curb.

- **Road Drainage**

Mr. Kloptosky reported that he received a call from a resident living on Sailfish Drive, who was complaining about water collecting in the street in front of her driveway. He stated it is not only collecting from natural rain, it is collecting from irrigation, as well. He walked the entire street and it is the only house that has a large puddle in front of the driveway. Mr. Kloptosky stated a child slipped and fell, which is why the resident called. He advised he and Mr. Simms looked at the driveway and their conclusion was that there is settling. There is a raise in the curb and the road surface to the left and a little to the right but there is also a dip in the road where the driveway is. Mr. Simms provided several solutions, which were costly and he advised they cannot proceed without doing an elevation study regarding the drainage pipes. Mr. Kloptosky asked if they could fill it in and Mr. Simms' response was they can cut it out and patch it but that will only move the water from one side of the driveway to the other; the problem will not be eliminated.

Supervisor Davidson stated as part of investigating the CIP and creating the spreadsheets, Mr. Kloptosky should look at where Sailfish is on the list for roadway resurfacing. He requested the information for the next meeting. He also requested that under Field/Operations Manager's Report, Mr. Simms be questioned about a temporary fix to alleviate the problem.

THIRTEENTH ORDER OF BUSINESS**Continued Discussion: Revised Unaudited
Financial Statements as of September 30,
2010**

******This item, previously the Ninth Order of Business, was discussed out of order.******

Mr. Wrathell referred to the Marlin Drive pump house insurance repairs, located behind Tab 9 on Page 3. He stated the District paid out \$31,821; however, \$38,223 was received. He indicated there are invoices outstanding which are required to pay the final balance.

Mr. Wrathell stated the Board inquired about the Due from Developer: Wild Oaks. He indicated the first component is the accounts receivables for the irrigation reuse water. He advised that the River Club and the Riverview Condominiums are billed for reuse water as well. Mr. Wrathell reviewed the payments received from the Grand Haven Golf Club, LLC, and concluded that the District is owed about \$28,000, primarily for reuse water and some shared

parking lot expenses. He stated the majority is owed by Hampton Golf. He advised the Board that he will look into this further.

Mr. Wrathell briefly reviewed the remainder of the unaudited financial statements. He stated if it can be legally determined that the amount Due from Developer: Wild Oaks Phase II and the \$29,902 Due from Developer are not recoverable, they will need to obtain something in writing from Mr. Clark in order to write them off the books as bad debt. Mr. Wrathell indicated he will email Mr. Clark to confirm that the amounts should be written off since LandMar has emerged from bankruptcy and the CDD's claims to get money out of the bankruptcy probably were not awarded. Further discussion ensued regarding what was billed to Hampton Golf.

Supervisor Lawrence indicated his agreement with Mr. Lyons that the construction on the Marlin Drive pump house was strictly for the benefit of the District. Supervisor Gaeta stated the golf course share of the CDD parking lot fee could be reimbursed if the stormwater ordinance is passed. Discussion returned to the Marlin Drive pump house issue with Hampton Golf and which items should be pulled from the assessment. Mr. Wrathell indicated he feels the District needs to make every effort to get the Marlin Drive pump house repairs paid off. They also need to get caught up on the outstanding reuse bills. Supervisor Davidson asked if there is a process to amend the tax bill. Mr. Wrathell advised they can contact the Flagler County Tax Collector.

Mr. Wrathell explained the circumstances that led up to charges for the pump house being placed on tax bill. He advised that Hampton Golf started out by saying they would not pay and then a meeting was held and it was determined that the Engineer would look at the Marlin Drive pump house CIP. Hampton Golf is now refusing to pay. Mr. Wrathell stressed that deliberation went into this decision and he and Mr. Clark determined that it was legally justifiable to place this as an assessment on the tax bill. He stated the Board can revisit the individual items and remove them from the tax bill.

Mr. Trautwein, a resident, explained that the CDD sent many bills to Hampton Golf over a long period of time and never received a response. The District was attempting to ensure that they received some type of payment and the only alternative they had was to place them on the tax bill. Mr. Trautwein also indicated he feels the pump house charge should be taken off of the tax bill because he does not feel it will be justified and the District will incur legal fees.

FOURTEENTH ORDER OF BUSINESS

**Discussion: Use of Basketball Court at
Creekside for PickleBall**

****This item, previously the Thirteenth Order of Business, was presented out of order.****

Mr. Kloptosky indicated that he will meet with Mr. McGaffney regarding this item.

FIFTEENTH ORDER OF BUSINESS

**Discussion: Staffing of Operations
Manager's Office**

Mr. Wrathell stated the CDD budgeted for a full-time person and a part-time person. If Nancy changes to full-time status, she will fill the full-time position and the next step will be to advertise for the part-time person. Mr. Kloptosky explained that one (1) of the reasons Ms. Fagnoli is hesitant to commit to full-time is that she has experienced verbal abuse from some of the residents. Supervisor Lawrence suggested that Mr. Kloptosky tell Ms. Fagnoli that the Board cannot control the residents and they want her there full-time. Mr. Wrathell stated part of Ms. Fagnoli's job is to interact with the residents and that is what she is expected to do. Discussion was held regarding limiting gate access pass processing to enable the administrative person to devote more time to assisting Mr. Kloptosky.

Mr. Kloptosky expressed a growing need for a field individual with construction knowledge, as well as administrative experience, due to the number of projects going on in the community. Mr. Wrathell advised that a member of the field staff should have that level of construction experience and suggested that they evaluate their resources over the next 30 to 45 days.

SIXTEENTH ORDER OF BUSINESS

Supervisors' Requests

Supervisor Lawrence reviewed the items included in his email regarding topics for discussion at the Workshop. The following decisions were made: The Board will draft their questions for the candidate interviews and submit them to the District Office by December 8th, for placement on the December BOS Agenda; all Supervisor Agenda packages will be sent to the Operations Manager for pick up; Mr. Wrathell will look at creating an informational booklet for the new Supervisors, to include the Sunshine Law Manual; on the e-blasts, the link to the website will be removed and the link to the Agenda will be kept. Town Hall meetings will be discussed

once the new Supervisor is in place. Supervisor Gaeta discussed the Agenda preparation process.

SEVENTEENTH ORDER OF BUSINESS Adjournment

There being no further business, the Workshop adjourned.

On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, the Workshop adjourned at 2:17 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair