

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

A Regular Meeting of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, June 21, 2012 at 9:30 a.m.**, at the **Grand Haven Village Center, Grand Haven Room, 2001 Waterside Parkway, Palm Coast, Florida 32137.**

Present at the meeting were:

Dr. Stephen Davidson	Chair
Peter Chiodo	Vice Chair
Marie Gaeta (via telephone)	Assistant Secretary
Tom Lawrence	Assistant Secretary
John Pollinger	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Matt Kozak	Wrathell, Hunt & Associates, LLC
Scott Clark	District Counsel
Howard McGaffney	Amenity Management Group (AMG)
Roy Deary	Amenity Management Group (AMG)
Barry Kloptosky	Field Operations Manager
Al Lo Monaco	Resident
Roy Search	Resident
Janet Ward	Resident
Gloria Schleith	Resident
Linda Struble	Resident
Chip Howden	Resident
Rob Carlton	Resident and Master Association President
Ron Merlo	Resident
Ray Smith	Resident
Marcia Munsterman	Resident
Gary Noble	Resident
Vic Natiello	Resident
Pat Maloney	Resident
Ronnie Lyons	Resident
George Suhaj	Resident
Bev Fraioli	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the meeting to order at 9:35 a.m. He noted, for the record, that Supervisors Davidson, Chiodo, Lawrence and Pollinger were present, in person. Supervisor Gaeta was not present at roll call.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

THIRD ORDER OF BUSINESS

**AUDIENCE/RESIDENT RESPONSE,
REPORT & COMMENTS *(3-Minute
Rule; Non-Agenda Items)***

Ms. Gloria Schleith, a resident, stated that, in the 14 years she has lived in Grand Haven, residents never found out about the CDD Board seats in the newspaper. She stated that there have always been nominations and elections, with the exception of Mr. Chiodo, on one (1) occasion. Ms. Schleith felt that this is a disgrace; the CDD did not send a single email regarding the Board vacancies and seeking interested people. Ms. Schleith contended that the CDD has no elections for candidates and Supervisor Davidson and Mr. Ray Smith are listed in the paper as the candidates to represent the District.

Ms. Schleith stated that the 2012 budget expenditure for the tennis courts was \$19,020; however, the costs are \$101,000, which is a tremendous increase. She feels that residents should be notified when there is that much of an increase. She suggested that the District should have an authorization stating that the Board cannot exceed a budgeted line item by more than \$25,000 without notifying the residents. Ms. Schleith estimated that the overage equates to \$60 per household and advised that she does not want to pay for tennis court improvements. She does not mind the repair if the courts are only open to the residents of Grand Haven; however, she does not want to see outsiders using her tennis courts.

Ms. Schleith voiced her opinion that the pavers on Front Street have “screwed up the look” of the entrances and wants Ms. Leister to explain the reason for the pavers.

Ms. Schleith voiced her disapproval of the proposed croquet courts and threatened to go “door-to-door” recruiting residents, should the Board approve the project. She stated that the residents stopped it before. Ms. Schleith stated that she cannot play croquet and noted that the croquet players play for free in Grand Haven; she feels they are never satisfied. She feels it is wrong; she is tired of being a Grand Haven resident and having her money be used when she

does not have a choice. She noted that she moved into Grand Haven to play golf but it is too expensive. She further commented that it is easy to play tennis but they are never satisfied, either. Ms. Schleith suggested that the community has two (2) groups that have powerful lobbyists.

Ms. Schleith recalled that the Board previously consisted of a member from each community.

*****Supervisor Gaeta joined the meeting, via telephone, at 9:42 a.m.*****

Mr. Roy Search, a resident, asked that the Board take his comments as constructive and not personally.

Mr. Search read the June 20, 2012 letter from his wife, Mrs. Janet Search, into the record:

“Grand Haven CDD,

We are not a tennis community, yet much of our money is allocated for tennis. Less than 1% of our community residents play tennis.

We are not a croquet community, yet much of our money is allocated for croquet. Less than 1% of our community residents play croquet.

The CDD has a “Wish List”. Did they ever ask the “WHOLE” community what they want. No, you just keep funding the small percentage of special interests.

I have had a “Wish” for 4-5 years. I want the hedges trimmed on either side of Augusta Trail so that I can see oncoming traffic. Has anyone ever cared about that, even though you were aware of it? Every resident who passes Augusta Trail on Waterside Parkway, is in danger. But, since we do not have a group called “Grand Haven Residents for a Safer Grand Haven”, it is not dealt with.

Grand Haven CDD, this letter will be part of your minutes, and you are hereby on notice that you are aware of a dangerous situation.

It’s time Grand Haven residents are part of the decision making in Grand Haven.

It’s also time that Grand Haven resident unite to let the CDD know that there are issues of speeding, safety, security, maintenance and controlling cost that are much more important to the majority of us than tennis and croquet.

I will do my best to inform the residents, and will probably do a better job than the CDD does to inform us of useless expenditures.

*Janet Search
20 Augusta Trail”*

Mr. Search asked what action is being taken against owners that are not paying their fees and taxes. Mr. Wrathell explained that the CDD assessments are placed on the County tax bill; therefore, if a property owner does not pay their assessments, either the bank will pay it or the delinquent taxes will go to tax certificate sale. Mr. Wrathell advised that, historically, the District has had 100% collection.

Mr. Search referred to budget revenues and asked if it assumes 100% collection. Mr. Wrathell replied affirmatively and noted that revenues can exceed 100% if taxes are not paid early, taking advantage of the 4% early pay discount that is available.

Mr. Search questioned the purpose of the paver path on the Front Street circles and voiced his opinion that they look bad.

Ms. Linda Struble, a Sailfish Drive resident, recalled attending the October meeting and being told that the Sailfish Drive drainage issue would be repaired; however, nothing has been done. She noted that \$30,000 was proposed and only \$11,007 has been spent. Ms. Struble questioned when the drainage problem will be fixed. She acknowledged that two (2) new storm drains were installed but questioned if those can solve the problem.

Ms. Struble voiced her opposition to the proposed second croquet court. She feels there will be a parking problem and it would be a shame to take away the children's soccer field.

Ms. Struble questioned the purpose of the pavers on Front Street.

Ms. Janet Ward, a resident, voiced her concern about the proposed croquet court and removal of the soccer field. She stated that she is a golf course member and must pay for her membership. Ms. Ward stated that she is not allowed to play on the croquet court. Supervisor Davidson advised that Ms. Ward's comment is incorrect. Supervisor Davidson stated that any resident can make a reservation to use the croquet court and that other users can be bumped, as theirs is an unofficial schedule. Ms. Ward explained that she was told that she must be a member of the Croquet Club and have the approval of the Croquet Club President, in order to use the court. Supervisor Davidson confirmed that she was misinformed; croquet is a community amenity and happens to be used by a group of people who formed a club.

Ms. Ward recommended that Board Members in the Croquet Club recuse themselves from votes on the matter. Supervisor Davidson indicated that District Counsel was consulted and advised that such Board Members are not required to recuse themselves from the vote.

Ms. Ronnie Lyons, a resident, reported that renters living across the lake from her are hanging clothes on a clothesline in their screened porch and asked if the District has regulations

regarding this. She noted that she cannot have flamingos on her lawn. Supervisor Davidson stated that this is a Master Association issue and asked Mr. Carlton to present it to them.

Mr. Vic Natiello, a resident, reported on traffic issues on Egret. He feels that the trees along Egret have low branches, resulting in pedestrians walking in the street to go around them, which can be a safety hazard. The next issue is on the corner of Jasmine, east and Egret. Mr. Natiello stated this is an oblique, negative angle corner and one must creep forward into the circle traffic lane, after a stop, in order to see oncoming traffic. He recommended removing all vegetation and installing low ground cover. Mr. Natiello felt that having the speed device at that location, set to blink at 25 miles per hour, is distracting, as the speed limit there is 30.

FOURTH ORDER OF BUSINESS

CONSULTANT, GUEST REPORTS & PRESENTATIONS

A. Elder Care Campus Project; *Jim Cullis, Grand Haven Realty, LLC*

Supervisor Davidson clarified that the correct title is “Senior Care” not “Elder Care”.

Mr. Cullis described the location for the proposed senior care community, noting that a portion of the property is within the CDD, and reviewed the current zoning. He explained that the goal of the project is to provide an alternative for people who love the community but have come to a point where they need a different type of housing and level of care from what is currently available within Grand Haven.

Mr. Cullis indicated that traffic studies were completed and he has a meeting with the City. He discussed the conservation efforts and noted that the master plan calls for approximately 300 senior care homes and 25,000 square feet of medical office/commercial development. Regarding traffic concerns, he stated that the current zoning would generate more traffic than the proposed project; senior housing does not generate a lot of traffic.

Mr. Cullis reviewed a site plan and renderings of the proposed independent and assisted living housing units. Mr. Cullis addressed a concern that this project could become dormitories or student housing, should the senior care project not progress. He stated that he is open to restrictive language to prevent that from occurring. Mr. Cullis addressed concerns regarding preservation of old Florida natural vegetation and trees, height restrictions and the project name. He indicated that Grand Haven North is a placeholder name but acknowledged that naming it Grand Haven may imply that those residents have access to the CDD’s amenities, which is not

correct. Mr. Cullis explained that the Grand Haven DRI expired; he is updating the PUD and no retraction of the DRI boundaries is necessary.

Mr. Cullis asked the Board to appoint a liaison to work with him on these matters.

Supervisor Gaeta asked if the Senior Care Project will be a continuous care facility. Mr. Cullis replied affirmatively. In response to Supervisor Gaeta's question about the structure, Mr. Cullis felt it is premature to discuss specifics of ownership or rental scenarios but stressed that this will not be a nursing home. Mr. Cullis advised that, at a later point, he will work with companies that specialize in these types of projects. Everything is contingent on the City's response to the project. Supervisor Gaeta asked if the proposed clubhouse would be where residents could dine. Mr. Cullis replied affirmatively.

Ms. Ward asked Mr. Cullis if he is 100% committed to the senior care lifestyle development. Mr. Cullis indicated that he is 100% committed; however, zoning gives flexibility for other development, such as luxury apartments, etc., depending on what the market will bear.

Ms. Schleith asked if the proposed project would assist the CDD in paying the taxes for Colbert Lane. Mr. Cullis felt that the project will not change the current tax structure.

Mr. Chip Howden, a resident, asked how drainage into Graham Swamp and the ditch running through Wild Oaks may be affected by construction. Mr. Cullis acknowledged concern from the City and stated that the project is not contiguous to Graham Swamp, it is contiguous to the Woodlands and Wild Oaks; however, the preliminary engineering information is that the drainage goes north, not south.

Mr. Howden recalled Mr. Cullis' original statement that this would be an extension of the Grand Haven lifestyle but later indicating that those residents would not have access to the CDD amenities. Mr. Cullis clarified that, although residents will not have user rights, they can still participate in activities with their friends who live in Grand Haven.

Mr. Howden voiced his concern regarding the City's possible position.

Mr. Vic Natiello, a resident, encouraged Mr. Cullis to consider a turning lane, as the area is already dangerous. Mr. Cullis discussed the traffic study and stated that traffic issues will be addressed.

Supervisor Gaeta asked the occupancy percentage necessary to obtain the City's approval. Mr. Cullis indicated that most of these types of communities are rental and the approval issue is more with financing. Mr. Cullis doubted that the City would set any conditional zoning based on a percentage of residents.

▪ **Public Comments – Continued**

Mr. George Suhaj, a resident, recalled a problem with a light pole in front of where his house is being built. The light pole would be in the middle of the driveway. He discussed the limitations and recommended moving it. He asked what the CDD can do regarding this problem.

Supervisor Davidson questioned whose error this was. Supervisor Pollinger lives in the area and found that no other lots have this problem. Supervisor Davidson asked how much it would cost to move the light pole. Mr. Kloptosky stated that the light pole is not currently spaced the same as the others. Mr. Kloptosky obtained a \$900 quote to relocate the light pole and noted that, in addition, a new FPL meter would be needed. Supervisor Davidson asked if all work would be on District property. Mr. Kloptosky indicated that it would be in the utility easement. Supervisor Davidson stressed that he wants to ensure this is not an improvement solely for the benefit of the resident.

On MOTION by Supervisor Davidson and seconded by Supervisor Chiodo, with all in favor, authorizing relocation of the light pole in a not-to-exceed amount of \$1,000, was approved.

FIFTH ORDER OF BUSINESS

CONSENT AGENDA ITEMS

A. Approval of Minutes

- **May 3, 2012 Community Workshop**
- **May 17, 2012 Regular Meeting**

Supervisor Davidson presented the May 3, 2012 Community Workshop and the May 17, 2012 Regular Meeting Minutes and asked for any additions, deletions or corrections.

B. Approval of Unaudited Financial Statements as of May 31, 2012

C. Community Emergency Management Plan (*to be provided under separate cover*)

Supervisor Davidson noted that the Community Emergency Management Plan was distributed. He explained that, if adopted, this will be the first such plan established within any municipality in Florida. The document would be on file with the various emergency management agencies.

Mr. Howden indicated the current document contains all changes initiated at the May and June Workshops. It also recognizes that the listing of certain phone numbers on the County

Code Red system has been completed by all parties. Change 6 of the specific hazard analysis shows that mitigation efforts have improved by the listing of those numbers. It recognizes that the District is working on a debris contract for storm response. Page v is a placeholder for use in recording the Board’s adoption of the plan.

Supervisor Gaeta indicated that the business contact information is still incorrect on Page 45, listing “Amy”, along with the emergency phone number being incorrect. Mr. Howden advised that these are maps completed by the Palm Coast Fire Department. Chief Harper is scheduling a meeting between Mr. Howden and the fire department to review the documents and redo them. The District cannot change the plans on its own. Mr. Howden stated that the District is adopting documents that currently exist with the City and, once corrected, the plan would be amended and the corrected City documents will be redistributed. Mr. Wrathell confirmed that the Board can approve the plan today and approve a revised plan at a future meeting. Mr. Howden asked for a copy of the plan that will be distributed to the fire department so he can use it to plan his meeting. Mr. Howden stated that he only needs two (2) hard copies unless the District wants him to hand deliver them to the other entities. Supervisor Davidson recommended CD copies for the other parties.

Mr. Kloptosky reported that the maps on Pages 45, 46, 47, 49 and 50 are incorrect.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, the Consent Agenda Items, as presented, were approved.

SIXTH ORDER OF BUSINESS

STAFF REPORTS

A. Amenity Manager’s Report

Mr. McGaffney indicated that Supervisor Gaeta asked him to obtain placards regarding the occupancy requirements. There were code issues related to the size of the lettering but that has been resolved and the signs will be completed by next week and hung. Mr. McGaffney recalled Supervisor Gaeta’s request for information about closing the other gate to divert traffic flow to the front. He researched the statutes and feels the gate is an egress and an ADA issue; therefore, the District is not allowed to alter it by closing it.

Mr. McGaffney advised that he overspent the special events budget by \$500 due to fewer people attending the Memorial Day event because a fee was charged. As the special events

budget has not changed in three (3) years, Mr. McGaffney asked the Board to consider increasing the budget by about \$4,000, to be comparable with similar communities. Supervisor Davidson indicated this will be added to the budget considerations.

Mr. McGaffney reported that the tennis court project continues. He asked the CDD to send a formal thank you letter to Palm Coast Tennis Center. Players are happy to return to the new courts with only a small concern regarding the number of trees that were removed; he is explaining the conditions. Overall, drainage is doing what it is supposed to do.

Supervisor Chiodo felt the District must communicate the reason for the project to the community. He noted the misconception of many residents that the CDD spent \$100,000 simply because the tennis groups lobbied to have the courts improved, not understanding it was necessary because of required maintenance.

Mr. Kloptosky stated that he is happy with the tennis courts. In response to Supervisor Chiodo's statement, Mr. Kloptosky indicated that the tennis court project was related to an infrastructure deficiency, which was first brought to the Board's attention four (4) years ago. Mr. Kloptosky advised that he is receiving comments from residents that this project was the result of the tennis groups lobbying. He stressed that it had nothing to do with that. The drainage situation was ruining the tennis courts and creating a safety hazard. He detailed what has been accomplished by the project and acknowledged that the project took longer than anticipated because numerous issues were uncovered during the work. Regarding the cost of the project, in relation to the budget, Mr. Kloptosky clarified that the \$19,000 referred to by Ms. Schleith was for resurfacing the courts, which was completely separate from the drainage project.

Mr. Wrathell discussed the aging infrastructure and improperly built items and the need to address those issues.

Supervisor Gaeta advised that she had a conversation with Mr. McGaffney regarding using a television in the Amenity Center to scroll community information. Supervisor Chiodo feels the District must do a better job communicating information and recommended utilizing all means, including the newsletter.

On behalf of the tennis community, Mr. Rob Carlton, a resident, thanked the Board. The courts are wonderful and the environment is much better than before.

B. Field/Operations Manager

Regarding other ADA compliance issues, Mr. Kloptosky reported that the handrails were completed on the fishing piers. This completes all ADA compliance issues, with the exception of the pool lifts. Mr. Kloptosky asked if the Board wants McCranie to complete a final inspection and issue a certification now or after the pool lift issue is resolved.

Supervisor Davidson voiced his opinion that the pool and spa lift matter is now postponed until January 31, 2013; therefore, the completed work should be certified now, as a matter of public record. The Board and Mr. Clark concurred.

Mr. Kloptosky indicated that the total costs, not including the pool lifts, was about \$22,000.

Regarding the radar speed sign, Mr. Kloptosky stated that he is working with Supervisor Pollinger on the issue of correcting the blinking speed. Two (2) 30-mile-per-hour speed limit signs were installed on Egret, as requested by the Board.

Mr. Kloptosky advised that the Marlin Drive sheds are on order.

Mr. Kloptosky introduced Ms. Ashley Johnson, a new office staff member. Another office position remains vacant but should be filled by Monday. Regarding the office hours of 8:00 a.m. to 5:00 p.m., Mr. Kloptosky requested approval to limit amenity card, new registration and ID card matters to 9:00 a.m., to 4:00 p.m., which gives staff time to download information received. The Board agreed, provided special arrangements can be made, when necessary.

Regarding the amenity center budget overage, Mr. Kloptosky questioned if the Board wants it to remain as an overage or move it to another line item. The Board confirmed it should be left in place. Mr. Wrathell stated that the purpose of the budget is to track spending and if a line item goes over, it is an indication for the next budget season that the item might need to increase.

Mr. Kloptosky reported that two (2) incident reports were filed, one (1) at Creekside and the other at The Village Center. Both reports were forwarded to the District Manager and the insurance carrier. Supervisor Davidson asked if the reports were distributed to the full Board. Mr. Kloptosky felt they were not.

- **CDD Crime and Incident Report**

Supervisor Davidson asked if the Crime and Incident Report forms in the Agenda are what the Board approved. Mr. Kloptosky replied affirmatively; it is a draft and can be amended. Supervisor Davidson clarified that the form is not only for crimes but is for other incidents, such as accidents, call box issues, unauthorized users, etc.

Mr. Wrathell recalled a recent incident where a resident turned in a \$95 doctor's bill. He cautioned against making numerous small insurance claims, as that will likely cause the District's insurance premiums to increase significantly. Supervisor Chiodo directed Mr. Wrathell to develop a proposal defining the level of incident cost that the District should "self-insure" versus that amount that should be turned over to the insurance carrier. Mr. Wrathell suggested that any cost under \$500 should be dealt with by the District.

Mr. Wrathell felt that the District probably holds some degree of liability regardless of whether a person is a registered guest. Regarding unregistered or unauthorized guests, Mr. Clark concurred that the District would not be very successful in claiming that it is not responsible for those people, unless many things are in place to keep them out and they still enter. Mr. Clark referred to the report of the incident mentioned by Mr. Wrathell and stated that it was not clear, based on the report, whether the District is responsible. Mr. Clark advised that the District must have a release form, if it makes the decision to pay such claims, as the District is then implying some degree of responsibility and the same person may come back for more and more money.

Mr. Wrathell reiterated his belief that, with a release, reasonable documentation and staff confirmation, smaller claims should be paid by the District without submitting the claim to the insurance carrier.

Regarding the \$95 claim of the unregistered guest, Mr. Wrathell recommended settling it but withholding the \$10 guest fee that was not paid. Mr. Clark acknowledged that withholding the \$10 may feel good but it does not gain much; he recommended paying \$95. Supervisor Davidson concurred with Mr. Clark.

Mr. Kloptosky reported on a slip and fall incident, which was reported but he was recently informed that the man went to the emergency room and has a fractured foot, which may result in higher costs. Mr. Wrathell recommended the District ask for medical bills, evaluate the situation and, if credible and over the established threshold, the claim should be turned over to the insurance carrier.

Supervisor Davidson voiced his understanding that the injured person suffers from low blood pressure and heart conditions and questioned his use of the pool and whether he should be responsible for his own health. Mr. Kloptosky voiced his understanding that the person had additional health issues. Supervisor Pollinger felt that health issues should not be discussed. Supervisor Davidson agreed but clarified that no names were mentioned.

Supervisor Davidson noted that Grand Haven is viewed by the insurance carrier as submitting a lot of claims and its rates could increase. He questioned if a preexisting condition impacts the District's liability. Mr. Clark felt that, at some point, the District must state that it did not do anything wrong and, if the person wants to sue, they will; the District cannot continuously pay everything just to make it go away. Mr. Wrathell did not recall these types of situations until recently. Supervisor Pollinger felt that the more payouts the District gives, the more it will circulate throughout the community and lead to further claims. Supervisor Pollinger was not comfortable with giving staff latitude to decide these matters; it is the Board and District Counsel's decision.

Supervisor Gaeta questioned if a disclaimer could be included in the policy document stating that the District has no liability and use is at the person's own risk. Mr. Clark indicated that some language is in the policy document but it only covers the District to the extent that a judge or jury agrees.

Supervisor Lawrence supported paying injuries under \$500, with a release, and concurrent with Staff and District Counsel determining whether to pay. He felt that these items do not need to come before the Board. Mr. Wrathell felt that Staff should be able to authorize payment, if they can confirm it is legitimate; however, if there is a question, it should come to the Board.

Mr. Kloptosky asked how legitimacy would be determined. Mr. Clark noted that is his concern, as well. Mr. Clark questioned what the District did wrong, should a person with wet feet on a wet pool deck slip and fall. Mr. Clark voiced his reluctance to pay when nothing was done wrong.

Mr. Kloptosky stated that he prefers to report incidents as they occur and asking the Chair, District Counsel and District Manager to advise, as he is not comfortable making a determination, on his own. Supervisor Pollinger agreed with the approach; he is not comfortable with placing the burden on one (1) person. Supervisor Pollinger feared a landslide of these types of incidents.

Supervisor Davidson outlined a process where incident reports are emailed to the District Manager, who forwards them to District Counsel and, with full detail, a decision will be made.

Mr. Kloptosky recalled the Ibis Court road repairs, for approximately \$13,000, which were discussed at the last Workshop and asked if a motion is necessary. Mr. Kloptosky recommended a slight increase, as leeway.

On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, Ibis Court South road repairs, in a not-to-exceed amount of \$15,000, were approved.

Mr. Kloptosky reported a problem with otters in Pond 12. According to wildlife management, otters are dangerous to the environment, children and wildlife. The cost to have the otters removed is approximately \$400. Mr. Kloptosky asked the Board's advice. The Board directed Mr. Kloptosky to contact the Florida Fish and Wildlife Commission regarding free removal.

A resident questioned if the Crime and Incident Report will include all types of incidents. Supervisor Davidson advised that it is meant to include every major incident. The resident referred to the previous discussion on the injured person not paying the \$10 guest fee. He felt it is not just a "feel good" matter, it is an issue of the resident not following the amenity rules and questioned if people can eventually have their amenity privileges suspended, if they continue to bring in unregistered guests.

Supervisor Chiodo referred to Sailfish Drive, noting the District originally committed to repairing it and questioned when the Board can discuss further repairs. Mr. Kloptosky recalled that he brought this up when the initial repairs were completed but the Board said to hold off, until budget discussions for 2013, which is why he completed the survey but did not proceed with additional repairs. It was noted that nothing is proposed in the Fiscal Year 2013 budget and there is a lot of money left in the Fiscal Year 2012 budget. Mr. Kloptosky stated that there was \$30,000 and far less was expended; however, the Board did not want him to proceed, at that time. A resident asked if the repairs could be completed this fiscal year, since it was in the budget and funds remain. Supervisor Davidson questioned if engineering input is needed. Mr. Kloptosky replied affirmatively. Supervisor Davidson explained that the District is "in between" engineers, the former was terminated and the new one is coming on board and must evaluate the issue. The resident stressed that she would like to see the Sailfish Road repairs in the proposed budget. Supervisor Lawrence stated that funds for road improvements are included in the capital budget and, as the District Engineer determines repairs are needed, funds will be used. Supervisor Pollinger advised that the entire \$30,000 was not spent because the problem was discovered to be more than a \$30,000 project. Supervisor Davidson assured the residents that this matter is still under consideration.

Mr. Search reported that the golf club had an outing where drinking carried over into the parking lot. As the District owns the parking lot, he questioned the District's exposure, should something happen. Supervisor Chiodo asked District Counsel to comment. Mr. Clark stated that, anytime you own something, you are a target.

****The meeting recessed at 11:44 a.m.****

****The meeting reconvened at 11:55 a.m.****

C. District Counsel

Mr. Clark recalled Mr. Cullis' presentation and the portion of the project that is within the District's boundaries. This brings to question whether there is an implication that residents on that portion have the right to use the District's amenities and if the District has the right to levy assessments on the property. Mr. Clark felt that the practical solution might be to remove that piece of property from the District's boundaries so there is no confusion.

Mr. Clark indicated that the Board directed him to prepare proposed rule language for the fishing issue. He noted, if the District proceeds with this, it should consider whether there are other changes to be included. Mr. Clark advised that he prepared a proposed agreement with Mr. Cullis reducing the O&M assessments from six (6) to four (4) units, subject to him platting four (4).

Supervisor Davidson recommended changing "recreational purposes", in the last line of the first paragraph, to "fishing purposes", as he feels the term "recreational purposes" implies that the lakes can be used for boating or swimming, etc. Mr. Clark will change "recreational purposes" to "fishing purposes, as described below".

Supervisor Pollinger referred to the last sentence of the second paragraph, under FISHING POLICY, which states "Anyone who violates this provision does so at their own risk." and asked that it be removed.

Supervisor Lawrence feels that the District is trying to put into policy something that will be nearly impossible to enforce. Supervisor Davidson indicated the reason for instituting the policy is to issue a trespass notice if they fail to pay the \$10 guest fee; however, if there is no policy, nothing can be done. In response to a question, Mr. Clark recommended making it clear that the fishing policy also applies to non residents or people who are not the guest of a resident.

Discussion ensued regarding whether the \$10 fee is strictly for guests or if non residents can pay a \$10 daily fee and use all CDD facilities. Mr. Clark advised that the annual membership was established for the public usage of the facilities issue; however, he does not feel

that the District is required to allow nonresidents access to the amenities on an individual, daily basis. Mr. Clark recommended adding clear definitions to the rules. It was noted that a daily guest is a person or persons who are invited, for the day, by a patron (resident, landowner or registered renter) to participate in the usage of the amenity facilities; it is not someone who drives in and just wants to use the facilities.

Supervisor Davidson reiterated his understanding that the District can control access but cannot prevent people from using the roads and amenities. Mr. Clark explained that the roads are different. Mr. Clark restated his opinion that the District can charge a fee for people to use the amenities but that the District is not required to give a certain level of access that is different from the access enjoyed by the residents. Mr. Clark felt that, if the District were to do so, then a resident could allege that they are being treated unfairly because nonresidents and guests must pay in full when they only use certain amenities a few times per year, when they would prefer to only pay on the basis of actual use. Mr. Clark felt that a nonresident, who is not a guest, should have to pay the same amount as a resident; they must pay for a full membership. Guests are charged a nominal fee, as they are affiliated with a resident who already paid assessments.

Supervisor Chiodo recommended sending a letter to contractors reminding them that their employees are not allowed to fish in the District's ponds.

Discussion ensued regarding monitoring and enforcement of the fishing policy, as related to amenities.

Supervisor Lawrence asked if the District can prevent nonresidents from entering, parking and taking a walk along the Esplanade.

Mr. Clark cautioned against stretching the rules too far. Mr. Clark noted that the District is attempting to define certain things as amenities and attaching a cost to using them but that approach cannot be applied to the roads and the walking paths, etc.. In response to a question, Mr. Clark confirmed that fishing can be included if it is defined as an amenity.

Mr. Gary Noble, a resident, questioned the District's "catch and release" fishing policy, as he feels it degrades the ability to catch large fish. He voiced his opinion that the District should have an open season when fish can be kept. The Board felt that would be difficult to enforce.

Ms. Bev Fraioli, a resident, stated her understanding that the City's parking ordinances would apply to Grand Haven. She felt that it does not allow much parking on streets.

Discussion ensued regarding parking within the community.

Mr. Clark presented a draft maintenance agreement between the District and Mr. Cullis. The Board agreed to the agreement, in form, and will discuss it further, at a future meeting.

Supervisor Davidson indicated that he received emails from residents regarding bicycle lanes and bicycling on the streets versus the sidewalks. Mr. Clark advised that bicycles are generally considered vehicles and should not be on sidewalks. He felt that the District cannot keep bicycles off the roads on the premise that it is a hazard. Supervisor Davidson asked if the District can remind residents to ride bicycles on the sidewalks, rather than the street. Mr. Clark stated that could result in a situation where a pedestrian is hit by a bicycle riding on the sidewalk and could then sue the District for telling them to use the sidewalk.

Supervisor Lawrence referred to the R.A. Scott litigation and asked if settlement discussions are any closer. Mr. Clark indicated that no settlement discussions were scheduled; it is to a point where it may be appropriate to open the door to discussions. Mr. Clark felt Mr. Scott may be wearying a bit, given the attorney's fees. In the right context, the District may want to open discussions.

D. District Manager

- **Jim Cullis' Series 2008 Prepayment**

Mr. Wrathell presented confirmation of Mr. Cullis' prepayment and the funds were submitted to the trustee.

- **Eugene Holland: Property Issue**

Mr. Wrathell presented an email chain regarding this matter. He noted Mr. Holland's concerns regarding comments made by Mr. Kloptosky, at the last meeting, and Mr. Holland's desire to give his opinion. Mr. Wrathell felt there is nothing more to do, other than put the email on the record, which it is, by way of being included in the agenda.

- **Next Community Workshop/Regular Meeting**

- **COMMUNITY WORKSHOP:**

- **July 5, 2012 at 10:00 A.M.**

Mr. Wrathell noted that the next workshop is scheduled for July 5, 2012 and asked the Board to consider changing the start time to 2:00 p.m. The Board agreed to reschedule the workshop to 2:00 p.m.

- **BOARD OF SUPERVISORS MEETING**

- **July 19, 2012 at 9:30 A.M**

The next regular meeting is scheduled for July 19, 2012 at 9:30 a.m.

SEVENTH ORDER OF BUSINESS**BUSINESS ITEMS**

Supervisor Lawrence provided a status update on the Palm Coast stormwater utility fees. He indicated that the City Council voted not to enact an electric franchise fee/tax; however, in order to maintain a revenue source, they voted not to end the current stormwater utility ordinance and directed the City Manager to rework the ordinance so it is legal and good public policy. Supervisor Lawrence heard that the City may establish a base, monthly fee of \$10 for all property owners, regardless of whether the property treats its own stormwater. He noted that approach would double tax the District and property owners because they already pay for their own stormwater system.

Supervisor Lawrence outlined the financial impact to the District and individual Grand Haven property owners, concluding that the City would receive \$220,848 per year from the District and its property owners. He felt one option is for the District to take legal action against the City to prevent them from applying a base charge to properties that provide their own stormwater treatment. Mr. Clark stated that the CDD can take action and he feels that the residents have recourse for a \$200,000 per year charge for which they are receiving no services in return. Mr. Clark advised that this is not a CDD issue, the residents should band together to fight it. Legally, the HOA may be able to act as the common representative. Mr. Clark thought that the HOA previously contacted an attorney.

Mr. Clark referred to a case involving sovereign immunity where a community college was billed a similar stormwater utility but they had not agreed to pay it and were receiving no services for the fee. In this case, the court ruled in favor of the college. Mr. Clark advised that he would be prepared to assert to the City that they cannot assess the District-owned properties.

Supervisor Lawrence advised that the City's argument will be that their stormwater system protects all of the roads; therefore, District property owners should pay something.

Supervisor Lawrence felt that the District could lobby the City to apply a base fee to all properties plus a swale fee to properties that do not treat their own stormwater, thus, reducing the base fee amount to all. The third option is to turn over the maintenance of the District's stormwater system to the City and pay the same fees as all others. He noted that the City seems willing to do this but will only provide algae treatment once per quarter. Supervisor Lawrence estimated that the savings would be 25% of the current aquatics contract, or \$10,400 per year; however, the City would then be responsible for repairing any failures in the system. For example, the City would have paid for the stormwater outfall project.

Supervisor Davidson noted that this is what is anticipated and, should it go through, District Counsel and the HOA should pursue the options. Regarding turning the system over to the City, Supervisor Davidson felt that the City's level of service would be deficient, which would not be positive for the community. He noted that the City is not interested in aesthetics; they are only concerned with hydraulic flow. Supervisor Lawrence noted that the District would continue treatment of the ponds even if it turned over maintenance. Mr. Wrathell felt that the District is the permit holder and wondered if it could be transferred to the City. Mr. Kloptosky voiced his opinion that, should the City take over the maintenance, they may not be as responsive as the District would like.

A. District Engineering Services

****This item, previously Item 7B., was presented out of order.****

- **Consideration of CPH Engineers, Inc., Fee Schedule**
 - **Comparison of Hourly Engineering Fees by Title**

Mr. Wrathell presented the CPH Engineers, Inc., (CPH) proposed fee schedule and a comparison to fees charged by other firms. He noted that CPH's fees are higher in some categories and lower in others and, overall, their fees fall within an acceptable range. In response to Supervisor Davidson's question, Mr. Wrathell confirmed that the comparison firms are located and work throughout Florida.

Supervisor Davidson pointed out that CPH's technician rates were quite a bit higher than the comparison firms and asked Mr. Wrathell if he negotiated for lower rates for support staff. Mr. Wrathell replied no, stating that he felt that CPH was within range, overall. Supervisor Davidson urged Mr. Wrathell to gently negotiate the support staff rates to be more in line with the average on the comparison. Mr. Wrathell felt that the District could accept the fee schedule, pending his negotiations for reduced technician rates. Mr. Clark indicated that the agreement is ready and can be approved, contingent on negotiating the rates.

On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with all in favor, engaging and entering into a continuing services agreement for District Engineering services with CPH Engineers, Inc., and authorizing the District Manager to negotiate the Technician 1, 2 and 3 rates, was approved.

- **Authorization to Transmit Termination Letter to Applied Technology & Management, Inc.**

On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with all in favor, approval of the termination letter, in form, and authorizing transmittal to Applied Technology & Management, Inc., pending engagement of the new District Engineer, was approved.

- **Consideration of Continuing Services agreement with CPH Engineers, Inc.**

This item was approved above, by motion.

B. Policy Regarding Rating of RFQs (SD)

****This item, previously Item 7D., was presented out of order.****

Supervisor Davidson voiced his desire to return to the previous final RFQ rating forms, which used a ranking system lowest to highest, therefore giving each Board Member an equal vote. He felt that using a 1 to 5 rating system to arrive at individual composite scores is fine for each Supervisor to arrive at their individual ranking but using it as the final figures distorts the final tally; it does not give each Supervisor an equal say. The Board agreed. Mr. Wrathell indicated that, with future RFQs, a ranking form will be presented to the Board for approval.

C. Elder Care Campus Project (SD)

Supervisor Davidson reviewed the questions and concerns included in the agenda. He indicated that the purpose is to make Mr. Cullis aware that there are certain considerations that must be taken into account.

- **Appoint BOS Liaison**

On MOTION by Supervisor Chiodo and seconded by Supervisor Gaeta, with all in favor, designating Supervisor Davidson as the Senior Care Campus Project BOS Liaison, was approved.

- **Official BOS Response**

On MOTION by Supervisor Davidson and seconded by Supervisor Chiodo, with all in favor, establishing the 7 Questions and Concerns regarding the Grand Haven North, LLC Rezoning Application as the official BOS response regarding the Senior Care Campus Project, was approved.

D. Appoint BOS Liaison to Escalante Golf

****This item, previously Item 7E., was presented out of order.****

Supervisor Davidson recalled the need to control access and safety issues surrounding Escalante Golf.

On MOTION by Supervisor Davidson and seconded by Supervisor Chiodo, with all in favor, designating Supervisor Lawrence as the Escalante Golf BOS Liaison, was approved.

E. Redirecting Flow of Traffic at Amenity Center (MG)

****This item, previously Item 7F., was presented out of order.****

This item was deferred.

F. Consideration of Annual Pest Control Service Agreement with Bug-Guard Services, Inc.

****This item, previously Item 7G., was presented out of order.*

Supervisor Lawrence voiced his opinion that this type of matter should not come to the Board; it should be left to Mr. Kloptosky. The Board agreed.

G. Proposed Fiscal Year 2013 Budget

****This item, previously Item 7A., was presented out of order.****

Mr. Wrathell reviewed the adjustments that were made, as a result of the last meeting. A question was raised regarding whether the electric expenditures line items should be increased more, in anticipation of rate increases. Regarding the water services line item, Mr. Kozak is working on an analysis. Supervisor Davidson noted a reduction in cost was anticipated; however, there was an increase. Mr. Kozak is attempting to determine why the costs increased. Mr. Wrathell felt that the District under budgeted the expenditure for Fiscal Year 2012. Supervisor Davidson stressed the need to investigate the issue.

Mr. Wrathell noted that the oak tree pruning line item replaces the palm tree pruning. The payroll line item now includes the additional full-time admin person.

Mr. Wrathell referred to Page 19 and noted that the number of single-family units was reduced from 1,812 to 1,810, as part of Mr. Cullis' request.

Page 23 contains the CIP Wish List. The special events item discussed today will be added for \$10,000 and the Sailfish Road repairs amount will be added, in an amount to be determined.

Supervisor Gaeta asked the status of resurfacing the pool and a spa. Supervisor Davidson referred to the \$81,285 estimate to re-marcite and repair The Village Center pool and asked if a second opinion was obtained. Mr. Kloptosky indicated that he is waiting for the new District Engineer.

*****Mr. Clark left the meeting.*****

Supervisor Davidson asked that the proposed budget be the first item on the workshop agendas, going forward.

- **Proposed Budget Additions**
 - **Proposed Combined Strategies to Enhance Security and Reduce Unauthorized Overutilization of District Facilities and Amenities**
 - **Deactivation of Unregistered Gate Access Devices (GADs)**
 - **Compliance Review BUR**
 - **Hardware/Software for Smart Amenity Access Cards (SAAC)**
 - **Concerns Regarding New Amenity Card Procedures**
 - **Data Solution, *Dolphin Technical Solutions, LLC***
 - **Distribution of SAACs/Update Resident Information (CWURR)**
 - **Proposed Email Communication to GH Residents Regarding Community Wide Re-registration**
 - **Double Striping Waterside Parkway**
 - **Additional Croquet Court at Soccer Field**

Regarding the CIP Wish List and the croquet court, Supervisor Chiodo noted that there is no provision for additional parking. He voiced his opinion that, since this is a proposed additional capability and, as they asked someone to develop a tool, it is time to implement it, as it applies to the croquet court. Supervisor Chiodo asked that the Board seek public input and determine the cost, prior to approving the new croquet court.

Supervisor Lawrence noted that this subject is controversial and questioned if the Board will put all items of this type out for a community vote. Supervisor Chiodo replied no; he feels

this proposal represents an increment to the amenities and is significant. Supervisor Chiodo felt that anytime an amenity is increased or one is taken away, the Board should understand the community's feelings. Mr. Wrathell noted that there would be an impact to the soccer field.

Supervisor Davidson recalled his comment that feasibility studies of the soccer field and croquet courts is necessary. Mr. McGaffney advised that only five (5) or six (6) children use the soccer field.

Supervisor Davidson recalled the Croquet Club's proposed \$15,000 commitment towards the new court; however, the club currently only has approximately \$10,000. Supervisor Davidson wondered if the Croquet Club is prepared to make the contribution. He noted that the District still does not know what the whole project will cost.

Supervisor Chiodo questioned if agreeing to the Croquet Club's contribution will make this a Croquet Club asset or if it would still be a CDD amenity. Mr. Wrathell confirmed that it would still be a CDD amenity.

Regarding an estimate of total cost, Mr. Kloptosky advised that Austin gave a figure based on its 2005 amount, with a 20% escalator. If the District wants a proposal, it must hire someone to design it; contractors will only bid on something when there is a plan. Mr. Kloptosky recommended asking the District Engineer to design a plan. Supervisor Davidson suggested that the Croquet Club pay for construction plans.

Mr. Wrathell noted that the District is trying to maintain the same level of assessment and approving this project may result in something being eliminated from the wish list. Supervisor Davidson asked Supervisor Lawrence to prioritize the CIP Wish List.

Supervisor Davidson indicated that he spoke with Ms. Leister regarding the landscape rejuvenation items and stressed the importance of sticking to the budget. Supervisor Davidson asked that the Center Park pavers be removed from the wish list. Discussion ensued regarding the landscaping.

- **Pickleball Court**

EIGHTH ORDER OF BUSINESS

OPEN ITEMS

These items were discussed at other times during the meeting or not addressed.

NINTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

▪ **Debris Removal**

Supervisor Davidson asked if any progress was made on the debris removal contracts. Mr. Kozak indicated that the City and County are fine with any contracts that the District wants to piggyback on; Mr. Clark will begin drafting agreements.

Supervisor Davidson asked the status of River Bend/Herschel King Park. Mr. Kloptosky indicated that he is trying to reach the necessary party.

Supervisor Davidson recalled that he was going to write an article regarding the beneficial user rights policy; however, as it cannot be invoked yet, he will write one about The Crossings Road Project and its success. The Board agreed to the new article.

Supervisor Davidson indicated that he will write the thank you letter to Palm Coast Tennis Center.

Supervisor Davidson felt that it is time for a town hall meeting and indicated that he and Mr. Carlton will schedule it.

Supervisor Lawrence asked to move concerns regarding new amenity card procedures to a workshop. Supervisor Davidson clarified that everything listed under Item 7A., will be addressed at the workshop.

Mr. Kloptosky indicated that Item B, on the Open Items list, can be removed.

TENTH ORDER OF BUSINESS

ADJOURNMENT

There being no further business, the meeting adjourned.

<p>On MOTION by Supervisor Pollinger and seconded by Supervisor Chiodo, with all in favor, the meeting adjourned at 1:38 p.m.</p>
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Secretary/Assistant Secretary

Chair/Vice Chair