

**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, July 17, 2014 at 9:30 a.m.**, in the **Grand Haven Room, Grand Haven Village Center, 2001 Waterside Parkway, Palm Coast, Florida 32137.**

**Present at the meeting were:**

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

**Also present were:**

Craig Wrathell	District Manager
Rick Woodville	Wrathell, Hunt and Associates, LLC
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Scott Clark	District Counsel
Jim Sullivan	District Engineer
Barry Kloptosky	Field Operations Manager
Robert Ross	Vesta/AMG
Jim Cullis	Grand Haven Realty
Frank Sockman	Real Living/Palm West Home Realty, Inc.
Ron Merlo	Resident
Gary Noble	Resident
Murray Salkovitz	Resident
Joanna Salkovitz	Resident
Jerry Kagan	Resident
George Suhaj	Resident
Chip Hunter	Resident
Bob Shields	Resident
Rob Carlton	Resident
Jim Gallo	Resident
Marilyn Shields	Resident
Eileen Hayward	Resident
David Alfin	Resident
Jim Gallo	Resident
JoAnne Smith	Resident
Mr. Smith	Resident

**FIRST ORDER OF BUSINESS**

**CALL TO ORDER/ROLL CALL**

Mr. Wrathell called the meeting to order at 9:38 a.m., and noted, for the record, that Supervisors Davidson, Gaeta, Lawrence and Smith were present, in person. Supervisor Chiodo was not present at roll call.

**SECOND ORDER OF BUSINESS**

**PLEDGE OF ALLEGIANCE**

All present recited the Pledge of Allegiance.

**THIRD ORDER OF BUSINESS**

**CONSULTANTS, GUEST REPORTS & PRESENTATIONS**

- **Fiscal Year 2015 Landscape Renovation Plan** [*Louise Leister, Horticultural Consultant*]

Mr. Wrathell indicated that Ms. Louise Leister, Horticultural Consultant, was not able to attend today’s meeting. Supervisor Davidson confirmed that Ms. Leister will attend the next workshop and recommended that the Board develop a list of items for Ms. Leister to cover, in addition to the existing item.

**FOURTH ORDER OF BUSINESS**

**PUBLIC COMMENTS (3-Minute Rule; Non-Agenda Items)**

Mr. Jerry Kagan, a resident, discussed gate access and issues on Colbert Lane. He recalled discussion about supplying builders with extra gate access devices (GADs) for their subcontractors. Mr. Kagan felt that it was illogical, as only nine homes are being built in Wild Oaks. He noted that only 12 homes are currently under construction in the District. Mr. Kagan voiced his opinion that backups at the Main Gate are being caused by contractors entering the community to work at individual homes; he recommended that residents instruct their contractors to use the North or South Gates, which would alleviate the backups.

Ms. Eileen Hayward, a resident, voiced her concern with the District providing contractors and subcontractors with admittance to the neighborhood. She felt that the District would have no control over who the builders or contractors give the GADs to. Ms. Hayward felt that giving GADs would be irresponsible.

Mr. George Suhaj, a resident, discussed his concerns with granting gate access to contractors. He believed that the main issue is with entry at the Main Gate. Mr. Suhaj noted that Wild Oaks has issues with contractors entering through the exit gates because security does not

open the gates. Mr. Suhaj voiced his opinion that it would be irresponsible to grant access to unknown people.

Mr. Suhaj submitted a petition “from everyone at Wild Oaks” to increase security and extend the gate to the main entrance of Wild Oaks. His petition included a diagram of his proposal. Mr. Suhaj asked that this item be considered at a future meeting. He contended that Wild Oaks has issues with people entering the community and using the amenities, knocking on doors, etc., because there is an open, unsecured walkway into the area, creating a security problem.

Mr. Bob Shields, a resident, discussed security in Wild Oaks. He felt that, if the District allows builders to manage access, it will never be managed properly, which compromises security. Mr. Shields felt that residents should proactively provide their four-digit access code to individuals that they know and trust.

Supervisor Davidson recalled that the four-digit resident access codes were removed. Mr. Kloptosky advised that the codes were deactivated. Mr. Shields confirmed that his four-digit code still works to gain entrance. Mr. Kloptosky stated that he will clarify with the CDD office staff whether the codes were deactivated. Mr. Shields questioned why the District would deactivate the codes. Supervisor Davidson indicated that many residents, and others, who knew the codes, gave them out freely, causing a breach in security. Mr. Shields clarified that he was referring to the code that connects to the resident’s telephone number, the call box numbers.

Ms. Marilyn Shields, a resident, asked the Board to consider installation of “Neighborhood Watch” signs, in Wild Oaks, near the walking path and the gates. She noted that other parts of the community have “Neighborhood Watch” signs.

Supervisor Davidson asked Mr. Kloptosky to have the signs installed, as it is consistent with the community.

Mr. Jim Gallo, a resident, requested an update on the paver project, on Montague, as work commenced but stopped. He recalled that the area previously contained two lights but now has only one. Mr. Gallo stated that the fence surrounding the new condominium site remains, although the property passed to the owner; he finds the fence to be an eyesore. He asked if the fence could be removed, once construction begins, or if it can be moved to the construction location, rather than remaining along his property line.

Mr. Frank Sockman, of Real Living/Palm West Home Realty, Inc., indicated that the permitting process for the condominium project is underway. He distributed photographs and

stated that the City of Palm Coast advised the builder that more space is necessary to complete work on the side facing the intracoastal. Mr. Sockman referred to the photographs and stated that the builder is requesting permission to move the current fence to the edge of the cart path; a portion of the cart path is on CDD property. He described the proposed fence location and the work that would be completed in the area. Mr. Sockman stressed that, if the fence cannot be moved or removed, work cannot proceed.

Supervisor Davidson summarized that, if the fence remains in its current location, it will interfere with the final landscaping phase. Mr. Sockman agreed and added that it will also interfere with equipment accessing the work area, as there is currently not enough room, which creates a safety issue. Supervisor Smith acknowledged the City's position but questioned whether the fence is necessary; he asked Mr. Rob Carlton, GHMA President and resident, to comment. Mr. Carlton was not sure whether the fence is essential to the construction project but questioned if it would serve any purpose to remove the fence and have an open construction site, where anyone can roam. Supervisor Smith contended that 1,500 homes were built in an "open" construction area. Mr. Carlton felt that the condominium project is different from building a single home; this is a large construction project. Mr. Carlton favored allowing the fence to remain, for the sake of completing the project. Discussion ensued regarding removal of the green fabric on the fence. Mr. Gallo recalled that other projects were completed without a fence; however, for liability purposes, the bank required the fence for this project.

Supervisor Davidson asked Mr. Sockman to speak to the builder regarding whether they really want to keep the fence. Supervisor Chiodo asked Mr. Sockman to find out the reason that the builder wants to keep the fence. Mr. Gallo asked that the construction trailers and equipment be located nearer to the actual construction site, not adjacent to his property. Mr. Sockman agreed.

Supervisor Chiodo asked for a valid reason for having the fence. Mr. Sockman stated that the reason is because the area will be an active construction site, with equipment and materials; the fence could help prevent vandalism. In response to a question, Mr. Sockman indicated that the fence is 5' high.

Mr. Clark recommended a temporary construction easement that requires insurance. Supervisor Davidson stressed that this should be completed as soon as possible. Mr. Clark suggested attaching a survey to the easement, to properly identify where the easement will be located.

**On MOTION by Supervisor Chiodo and seconded by Supervisor Lawrence, with all in favor, authorizing District Counsel to coordinate with Mr. Sockman, draft a temporary easement agreement and for the Chair to execute the agreement, were approved.**

Mr. Chip Hunter, a resident and Riverview Condo HOA President, stated that his HOA supports the request of Mr. Jim Cullis, of Grand Haven Realty, regarding the Lot K parcel and use of the land for non construction purposes.

*\*\*\*The meeting recessed at 10:07 a.m.\*\*\**

*\*\*\*The meeting reconvened at 10:21 a.m.\*\*\**

▪ **Cullis Easements**

*\*\*\*This item, previously Item 6.D.iv., was presented out of order.\*\*\**

Supervisor Chiodo recalled that he was appointed, by the Board, to negotiate with Mr. Cullis, regarding the Parcel K property. He distributed the latest proposal received from Mr. Cullis. Supervisor Chiodo noted that, previously, Mr. Cullis sought compensation of \$175,000 for the property; however, the Board was not agreeable to paying that amount. He advised that Mr. Cullis reduced his payment request to \$65,000 for the CDD to acquire the property. Supervisor Chiodo explained that, under the agreement, the District would provide an easement and/or property swap to Mr. Cullis, for drainage property needed for the Grand Living project. He mentioned that Mr. Cullis alerted the Board that, in 1998, the CDD put up a bond with the City for installation of a traffic signal, which was later determined to be unnecessary; the original bond value was \$65,000 but, with interest, the current value is \$80,000. Supervisor Chiodo acknowledged that the Board was previously unaware of the bond and voiced his appreciation to Mr. Cullis for assisting the District in recovery of the funds; he stated that, while the bond fund recovery is not related to Mr. Cullis' current request, it shows good faith, on his part.

Mr. Cullis discussed the status of the Grand Living project and the proposed drainage easement location. He noted that the site near the golf course is difficult to value. Mr. Cullis explained the process to follow so that the City agrees and the County will release the bond, which will require him to agree to restrict his site to less than 74,000 square feet, which he is prepared to do. He stated that he is willing to work with the District; however, he must provide the developer with information regarding the drainage area, as soon as possible.

Supervisor Gaeta referred to the cash bond, paid by the CDD, and asked Mr. Cullis if he is stating that he will assist the District in recovering those funds. Mr. Cullis replied affirmatively. Supervisor Chiodo pointed out that it will take a few months to recover the bond funds. Mr. Cullis concurred with the anticipated timeline.

With regard to the drainage parcel for the Grand Living project, Supervisor Davidson asked if it would be better for the District to continue owning the property and granting an easement or to sell it to Mr. Cullis. Mr. Clark preferred that the District sell the property, if the property has no potential use, which seems to be the case. Supervisor Davidson asked if the proposed arrangement is a “swap” of property. Supervisor Chiodo replied affirmatively.

Regarding the bond for the traffic signal, Supervisor Davidson recalled that the signal was planned for Colbert Lane. He questioned if the traffic study found that a 74,000 square foot, or slightly less, commercial development, situated in close proximity to the Main Gate, with no signal, is not dangerous. Mr. Cullis advised that the traffic study found that a traffic signal is not warranted unless more than 74,000 square foot is built. Discussion ensued regarding situations in which a traffic signal might be necessary or allowed.

Supervisor Gaeta asked Mr. Cullis when he plans to develop the 74,000 square foot property. Mr. Cullis indicated that he plans to build a 3,000 square foot sales center on the site; development of the remaining property could take years, as the Grand Living project is his priority.

Supervisor Smith recalled that the previous proposal contained a number of indemnifications and clauses and asked if those are moot. Mr. Cullis replied no and stated that the only change is the price reduction to the District. Mr. Cullis indicated that the only indemnification he requested was related to ongoing discussion of closing out the St. Johns River Water Management District (SJRWMD) permits, as his company has never been a party to the permits.

Supervisor Chiodo stated that SJRWMD is still determining this; if they have not contacted Mr. Cullis, they will, in the future.

Supervisor Smith asked if this agreement would be silent on the SJRWMD subject.

Mr. Cullis noted that he is not aware of any of the issues, as no one shared the discussions or dialogue with him; he would not be prepared to release his request until he fully understands the situation. He reiterated that no one briefed him on the ongoing discussions; therefore, he cannot make a decision.

Supervisor Davidson asked if Mr. Cullis was copied on Mr. Clark's letter to the City regarding the EBO. Mr. Cullis stated that the letter was sent to the City and should have "worked its way" to Mr. Cullis. Mr. Cullis confirmed that he did not receive a copy. Mr. Cullis noted that he was advised by the City that, if he withdraws his rezoning application, the City will work on the EBO issue, over time.

Supervisor Chiodo felt that the issue to be considered today is the land that Mr. Cullis wants for the Grand Living project drainage and whether the District is willing to separate that from the SJRWMD issue.

Discussion continued regarding Mr. Cullis' request for indemnification from the SJRWMD issue. Mr. Clark stated that this request was a red flag; he believes that SJRWMD is currently reviewing the issue and trying to determine if the bankruptcy affected the conditions of the permits. He explained that the District's position remains that, while the District is the responsible operational entity, it cannot and will not assume responsibility for anything that has not been completed. Mr. Clark noted that numerous items were not completed, when Grand Haven Developers went into bankruptcy. Mr. Cullis reiterated that he was not made aware of the discussions and asked that Mr. Clark provide him with information.

Supervisor Lawrence voiced his opinion that, when Mr. Cullis develops the commercial site, the District will want a traffic signal; therefore, it should assume that the bond money returned to the District will be used to finance a traffic signal, in the future. He felt that the Board should assume that the returned bond money has zero value to the District because it will ultimately fund construction of a future traffic signal.

Supervisor Gaeta believed that the District does not have sufficient information from SJRWMD to make a decision. She acknowledged that these issues, in context with Mr. Cullis' asking price, require additional information prior to making a decision.

Mr. Cullis noted that, with additional research and information, he might be able to waive the requested indemnity. He offered to have the land appraised as a standalone sale or as a drainage easement so that the Board will know the value. Mr. Cullis preferred not to link the two areas, because one is complicated and the other is straightforward. He noted that the District's property, which he is willing to purchase, is inaccessible and cannot be used.

In response to Supervisor Gaeta's question, Mr. Cullis confirmed that he will pull his rezoning request.

Supervisor Davidson indicated that this item will be included on the next workshop agenda, for further discussion.

Supervisor Davidson recalled that, next week, he and Mr. Kloptosky will meet with SJRWMD, on site, to review the 2009 list of items; he was hopeful that many items will be removed from the list and drainage information might be available on plats.

Supervisor Lawrence pointed out that Parcel K has outstanding assessments on the four units, which Mr. Cullis wants the District to pay; therefore, Mr. Cullis' actual asking price is \$65,000 plus approximately \$15,000 in remaining assessments on the units. Mr. Cullis clarified that he offered to pay off the bonds, in exchange for the drainage easement.

Supervisor Smith expressed his preference to keep Parcel K and the other property tied together.

Mr. Cullis reiterated that he needs an answer from the District so that the developer can proceed; the developer will simply use their own property, if an agreement cannot be reached.

Supervisor Smith suggested that the Board would likely commit to the deal if Mr. Cullis was not requiring payment. Mr. Cullis stated that he is giving the District the best price that he can give; he has other uses for the property if he and the District cannot reach an agreement.

Mr. Clark stated that, in order for the District to purchase the land, it must have a clear purpose for purchasing it; he felt that, currently, the Board does not have a clear purpose. Mr. Cullis noted that SJRWMD might not allow the District's land to be used for drainage.

**FIFTH ORDER OF BUSINESS**

**CONSENT AGENDA ITEMS**

**A. MINUTES**

- i. Approval of June 5, 2014 Community Workshop Minutes**
- ii. Approval of June 19, 2014 Regular Meeting Minutes**

**B. UNAUDITED FINANCIAL STATEMENTS**

- i. Approval of Unaudited Financial Statements as of June 30, 2014**

Mr. Wrathell reported that assessment revenue collections were at 97%.

**C. EMERGENCY SERVICES GATE ACCESS**

- i. Additional SOS or Yelp Boxes - \$800 each**

Mr. Wrathell presented the Consent Agenda Items for the Board's consideration.

Mr. Kloptosky presented a proposal from The Gate Store Inc., for additional SOS or yelp boxes, at a cost of \$2,999.65 to install four, one at each gate.



Mr. Wrathell recommended pulling Item C., from the Consent Agenda Items, as the cost does not total the identified cost of \$800 each, and suggested the expenditure with a separate motion.

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

**On MOTION by Supervisor Davidson and seconded by Supervisor Chiodo, with all in favor, the The Gate Store Inc., proposal for \$2,999.65, was approved.**

**SIXTH ORDER OF BUSINESS**

**STAFF REPORTS**

**A. District Engineer**

Mr. Sullivan recalled the Board’s request that he review expansion options for the Creekside parking lot, to increase parking. Concept A would add 28 new spaces, while leaving a portion of the existing soccer field. Concept B adds 33 new spaces but extends further into the soccer field and the potential location of the croquet court. Concept C adds 34 new spaces but it also takes up much of the soccer field.

Mr. Kloptosky felt that Concept A closely matches what the Board envisioned. Mr. Sullivan indicated that an estimate for Concept A was previously obtained from S.E. Cline Construction, Inc., (Cline). Mr. Kloptosky clarified that Cline’s estimate was conceptual; it was not prepared based on actual drawings. Supervisor Lawrence recalled that Cline’s estimate was \$42,000, plus \$12,000 for engineering and permitting and \$10,000 for landscaping, for a total estimated cost of \$64,000.

**On MOTION by Supervisor Gaeta and seconded by Supervisor Chiodo, with all in favor, proceeding with Concept A, for the Creekside parking lot expansion project, was approved.**

The Board directed Mr. Sullivan to prepare options for increasing parking at The Village Center.

**B. Amenity Manager**

Mr. Ross indicated that he received a resident complaint regarding the condition of the ping pong tables. He explained that, since the District began allowing the general public to use the ping pong tables, the condition of the tables has declined, rapidly.

Mr. Kloptosky presented photographs of the ping pong tables. It was noted that the existing tables are professional quality and cost approximately \$1,000 each. Mr. Ross recommended purchasing a less expensive ping pong table for less experienced players to use. In response to a question, Mr. Ross confirmed that the damage is being caused by adults who do not know how to play, not children using the tables. Supervisor Lawrence noted that the damage appears to be the result of players “taking out their anger” or being very careless. Mr. Kloptosky concurred but questioned how the situation can be monitored, aside from having a facilitator watching. Supervisor Davidson suggested installing a camera in the room. Supervisor Gaeta recommended requiring players to sign in. Other Supervisors suggested that staff inspect the tables before and after use. The Board agreed to the purchase of a less expensive table and directed Mr. Ross to research whether the existing tables can be repainted and/or refurbished. Mr. Ross should also develop a system for resident use.

**C. Field/Operations Manager**

Mr. Kloptosky presented conceptual drawings of the area at Creekside, if the Concept A parking expansion option is implemented and the croquet court is relocated to the soccer field area. He advised that, with the croquet court, 40’ of the soccer field remains; however, another 70’ could be gained by clearing trees to the easement. Mr. Kloptosky discussed potential zoning issues but noted that the area would be grass, so the City should not have an issue.

Supervisor Davidson pointed out that the City could have an issue with removing trees.

Discussion ensued regarding reasons for relocating the practice croquet court to a portion of the Creekside soccer field. Supervisor Davidson indicated that it is not necessary to spend time or money on relocating the croquet court to Creekside unless the Board is seriously considering expanding The Village Center parking lot.

Mr. Clark discussed the zoning at Creekside.

Mr. Kloptosky reported that the radar speed sign was stolen; the authorities have some “persons of interest”. In response to a question, Mr. Kloptosky advised that the sign does not have GPS.

Mr. Kloptosky indicated that Wild Oaks residents are concerned regarding platting related to sidewalk maintenance. He noted that, in Wild Oaks, the platting includes a 20' easement from the curb, which means that the property line starts 20' back. In most of Grand Haven, the CDD does not perform any private sidewalk maintenance; however, in light of the situation in Wild Oaks, residents want to know if the District will repair sidewalks in front of private properties, when necessary. Mr. Kloptosky explained that this situation has led to additional questions regarding whether residents or the District will maintain trees, mow and perform other maintenance and repairs in the easements in Wild Oaks.

Supervisor Chiodo voiced his understanding that the sidewalks in Wild Oaks are not private; however, if the District must perform sidewalk maintenance or repairs, Wild Oaks residents would be assessed. He did not recall ever discussing trees or mowing.

Supervisor Gaeta noted that residents in Wild Oaks were required to pay for the trees within the easements when they purchased their home; those residents want to know who will maintain the trees, since they are on CDD property.

Mr. Clark advised that, if the District owns the sidewalks and they become a hazard, the District must repair them; the District has liability. He stated that the concept of allocating the expense to the affected portion of the community is the same as what the District did with the golf course and what it plans to do with the pump house repairs. Mr. Clark indicated that the statute related to maintenance expenses instructs districts to allocate in this manner; if an expense only benefits a certain portion of the community, that portion should bear the expense. Regarding mowing the grass, Mr. Clark stated that covenants usually create an obligation for the homeowner to maintain the property and the trees, including mowing. He felt that, even if a covenant does not exist, the District should not become involved. Mr. Clark explained that the sidewalks and roads are infrastructure but grass and trees are not; the District has an obligation to maintain infrastructure, not the other items.

Mr. Kloptosky asked if this means that the CDD should be responsible for repairing sidewalks, which raises the question of whether the CDD should pressure wash sidewalks. Mr. Clark indicated that the District could budget for pressure cleaning, if residents want that level of service.

Supervisor Davidson summarized that it is being proposed that the District provide Wild Oaks with a level of service greater than every other village within the CDD. He noted that, if

the residents of Wild Oaks request that service, the District can provide it; however, the District can impose a special assessment upon Wild Oaks residents for the cost of that service.

Mr. Wrathell noted that this item is not budgeted and, in order to add this to the budget and assess residents, the Board must make a decision today, to include it in the 197 Letters.

Supervisor Davidson felt that the Board does not have enough information to make a decision today; this matter was the result of a question and speculation. He recommended that it not be included in the Fiscal Year 2015 budget.

Mr. Clark reviewed the Wild Oaks CC&Rs, which state that lot owners are responsible for maintaining grass or landscaped areas, within the right-of-way (ROW), where the lot affronts the ROW. He confirmed that this provision includes trees.

Mr. Kloptosky stated that he was not aware of any present sidewalk deflections; he asked for direction regarding slip hazards on the sidewalks and if the District should proceed with pressure cleaning the Wild Oaks sidewalks.

Mr. Wrathell felt that, if staff pressure cleans the Wild Oaks sidewalks, a separate line item is probably not necessary; however, if major repairs become an issue, the District should consider budgeting for the expense. Mr. Kloptosky expressed his concern about mold on the sidewalks, as he continually receives calls and staff has difficulty keeping up with it, throughout the community.

Supervisor Chiodo agreed that, if the District is responsible for cleaning the sidewalks in Wild Oaks, the cost should be assessed to those residents.

Mr. Clark stated that obvious hazards should be addressed; however, the District should be cautious about cleaning sidewalks for aesthetic purposes.

Mr. Kloptosky summarized that the staff should only pressure clean sidewalks in the Wild Oaks area when there is a slip and fall hazard.

Mr. Suhaj questioned why residents paid to “put in” the District’s sidewalks. Supervisor Davidson noted that this is a question for the builder or developer. Mr. Clark pointed out that local building codes likely required it. Mr. Suhaj contended that, even if the building code required it, the sidewalks are on CDD property; therefore the CDD should have paid to install the sidewalks. Mr. Clark stated that this matter might be addressed in the covenants. Supervisor Lawrence asked Mr. Clark to investigate the covenants. In response to Supervisor Gaeta’s question, Mr. Clark confirmed that the District’s general liability insurance policy covers slip and fall or similar issues. Mr. Suhaj questioned why residents should be assessed to maintain the

District's sidewalks. Supervisor Davidson stated that the reason is because the District would be providing a level of service to those residents that is greater than for residents in any other area of Grand Haven.

Mrs. Joanna Salkovitz, a resident, noted that Wild Oaks only has sidewalks on one side of the street. She advised that street trees are no longer required to be planted between the street and sidewalk, which could reduce sidewalk lifting.

Mr. Wrathell pointed out that property owners are responsible for maintaining the trees; therefore, if street trees cause sidewalk lifting, the property owner could be liable for repairing the sidewalk.

Regarding the community information guide, Mr. Kloptosky stated that payment of \$20,685 is being made; advertisement revenue of \$12,190 was generated to offset the publishing costs, leaving \$8,495 as the District's actual cost. In addition to the publication costs, Mr. Kloptosky anticipated \$400 for shipping and \$400 for the designer's artwork fees, bringing the District's actual costs to \$9,295.

Supervisor Davidson provided the audience with an overview of the new community information guide.

Mr. Kloptosky recalled that the Board directed staff to research implementation of a preferred builder access card. He reported that the builders were contacted and the response was positive; builders are anxious to participate. Mr. Kloptosky indicated that a sign-in sheet was prepared and forwarded to the Board, for review. He asked if staff can proceed with implementation of the program. He explained that access cards would be tracked on a weekly basis and builders must contact the office, each Monday, to update their information. In response to Supervisor Lawrence's question, Mr. Kloptosky advised that the access card would be valid from 7:00 a.m., to 7:00 p.m., six days per week.

Supervisor Davidson recalled that numerous residents spoke earlier regarding the idea of providing access cards to builders and contractors. He explained that the system was requested by the security provider to alleviate backups at the Main Gate and the guard's time being spent responding to calls from the Wild Oaks gate. Supervisor Davidson stated that the plan was to provide each builder with two gate access cards for distribution to their contractors. The access cards were to be accounted for each week and cards would be deactivated immediately, if the builder did not report the information to the CDD office.

Mr. Kloptosky noted that the builders wanted to know if the allotment would be two access passes per builder or two per home site.

A resident clarified that residents understood the proposed plan and urged the District to hire additional security personnel to answer the telephones and open the auxiliary gates.

Supervisors Lawrence and Smith spoke in favor of not implementing access cards for builders. Supervisor Smith requested documentation of backups at the Main Gate. Supervisor Davidson suggested the possibility of the builders paying to fund a part-time guard for the gate.

Mr. Murray Salkovitz, a resident, voiced his opinion that the entire community has experienced issues related to contractors, such as robberies. He felt that the District should not provide access cards to builders and contractors; it is “looking for trouble”.

**On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, discontinuing consideration of issuing temporary access cards to builders and obtaining data to ascertain whether a problem exists, and taking action, thereafter, were approved.**

Mr. Suhaj presented a petition from Wild Oaks residents requesting that the existing fence line, in front of the property, be extended to close the pedestrian walkway, add a fence between the entrance and exit gates and extend the fence on the east side to reach the existing fence. Supervisor Davidson asked that the information be provided to Mr. Kloptosky. Mr. Suhaj provided the petition and information to Mr. Kloptosky. Supervisor Lawrence stated that the issue does not stop at Wild Oaks and asked Mr. Clark to comment on the legality of blocking a public access sidewalk; he recommended discussing this item at a workshop. Supervisor Gaeta named several other areas with a similar issue. Mr. Suhaj acknowledged that the District cannot stop public access; however, he wants access restricted and deterred.

Mr. Kloptosky reported that the permit remains pending for the Marlin Drive Pump House project. He indicated that previously requested information was provided; however, the City responded with a request for a new draft of the entire electrical system.

Supervisor Davidson stressed that the District should meet with City Councilman, Jason DeLorenzo and City Manager, Jim Landon regarding the continued delays in issuing the permit and obstructing the pump house repair project.

Supervisor Lawrence suggested that the meeting not be adversarial. He noted that the District previously complained and District Counsel sent a letter and expressed his belief that the City is already upset with the District, which is why they are making this difficult.

Supervisor Davidson stressed that Grand Haven has 3,000 votes and people can be voted out of office.

Mr. Wrathell pointed out that, if the pump house “blows up”, the District could send the bill to the City, since the City is holding up the project. He acknowledged that the District might not have legal grounds to bill the City but it should inform the City that the situation could have major repercussions.

Mr. Kloptosky stated that the permit was issued for the Center Park paver project and work commenced on Monday; however, rain delayed work over the past few days. In response to a question, Mr. Kloptosky confirmed that he expects the project to be completed by the end of next week.

Mr. Kloptosky indicated that four heat pumps were installed at the Creekside pool yesterday.

Regarding the Creekside croquet court resurfacing project, Mr. Kloptosky advised that the project is contingent upon completion of the pump house project. He provided the information to Master-Turf Farms, Inc., (Master-Turf); however, Master-Turf is reluctant to execute the District’s standard contract. Master-Turf believes that they should not be held responsible for a product that is delivered but will be maintained by someone else. Mr. Kloptosky stated that he forwarded Master-Turf’s contract to Mr. Clark but noted that the contract favors Master-Turf, which he and Mr. Clark were not comfortable with. This project remains pending.

Mr. Kloptosky reported that Nidy Sports executed the contract to install the pickleball court; they are in the permitting process with the City of Palm Coast. He advised that The Village Center entrance sign was completed. Regarding the Clubhouse Pier, Mr. Kloptosky noted that the contractor is completing the column wraps, the benches were ordered and should have shipped yesterday and the deck must be stained.

Supervisor Lawrence inquired if work would be completed on the Center Park Pier. Mr. Kloptosky confirmed that the work will be completed.

A resident recalled that only one side of the pier lights were functioning. Mr. Kloptosky advised that the sides function on different photo cells; one side can turn on before the other but the system is functioning properly.

Mr. Kloptosky reported that the shellcracker fish were released into Ponds 4, 5, 13 and 14.

Mr. Kloptosky advised that the towing signs were installed at The Village Center and Creekside north and south parking lots.

Mr. Kloptosky indicated that Mr. Eric Albertson was hired as the new field maintenance employee. He noted that Mr. Albertson has carpentry and tile skills, which will be beneficial because he will be able to complete work that previously would have required hiring a contractor.

Supervisor Smith asked if the gates at The Crossings will be painted. Mr. Kloptosky advised that he is obtaining quotes to replace the gates, as they are damaged.

*\*\*\*The meeting recessed at 12:08 p.m.\*\*\**

*\*\*\*The meeting reconvened at 12:18 p.m.\*\*\**

#### **D. District Counsel**

##### **i. Palm Coast DRI Hearings**

Mr. Clark reported that the DRI matter may become moot, as of next Monday.

##### **ii. Bankruptcy Payment**

Mr. Clark recalled that a \$279,462.34 check was received from the Crescent Resources Litigation Trust, related to the bankruptcy.

##### **iii. 37 Jasmine**

This item will be addressed later in the meeting.

##### **iv. Cullis Easements**

This item was discussed during the Fourth Order of Business.

##### **v. SJRWMD Compliance**

This item was discussed during the Fourth Order of Business.

##### **vi. Employee Handbook**

Mr. Clark recommended that the CDD prepare and adopt an employee handbook, setting forth policies for its employees. He noted the difficulty in dealing with employee issues, questions, policies, etc., when an employee handbook does not exist.



**On MOTION by Supervisor Gaeta and seconded by Supervisor Davidson, with all in favor, authorization for Staff to prepare a draft employee handbook, was approved.**

▪ **37 Jasmine**

*\*\*\*This item, previously Item 6.D.iii., was presented out of order.\*\*\**

Mr. Clark indicated that he received communication from Mrs. JoAnne Smith, a resident, regarding the retaining wall on Jasmine Drive.

Mrs. Smith presented the Field Observation Report she obtained from LP Engineering, LLC. She stated that she remains concerned about the stability of her home due to the “failing” retaining wall. Mrs. Smith contended that, if the District is negotiating with ICI, they should obtain an engineer’s report. She voiced her understanding that this issue is between ICI and the CDD but it affects her. She noted that the engineer that she hired felt that a sudden failure could cause a landslide. Mrs. Smith discussed other potential ramifications if the retaining wall fails. She advised that erosion has increased, creating a dangerous slope. Mrs. Smith acknowledged the District’s position that the retaining wall is not the District’s; however, it has been on the District’s property for more than ten years and was never maintained. She expressed her hope that the District would come to a resolution with ICI soon.

Supervisor Davidson questioned if the District is the party negotiating with ICI; he believed this was a matter between Mrs. Smith and ICI.

Mr. Clark confirmed that the District is not negotiating with ICI; ICI submitted a settlement proposal to the District, which he discussed with Mrs. Smith. The settlement involved a monetary settlement, with ICI “walking away”. Mr. Clark recalled that Mrs. Smith found the offer unacceptable. Mrs. Smith disagreed and stated that, in her opinion, the issue is between the CDD and ICI; therefore, she urged the CDD to accept ICI’s settlement and “do it” if the District believes it is feasible. In response to Supervisor Davidson’s question, Mr. Clark confirmed that the settlement offer included both the District and Mrs. Smith; ICI would pay a specified amount in exchange for releases from the District and Mrs. Smith.

Mr. Clark advised that the District did not create the retaining wall or authorize it. He suggested that Mrs. Smith hire a lawyer and negotiate with ICI, directly.

Mrs. Smith indicated that she was advised that the issue is between the CDD and ICI. Mr. Clark disagreed and recalled suggesting to Mrs. Smith that she speak to ICI and provide the

engineer's report to them. Mr. Clark recalled that the Board has not authorized him to participate in ongoing negotiations to solve the retaining wall issue.

Mrs. Smith stated that she received a copy of the building permit, from an ICI representative, and was told that the CDD insisted that her name be included on the settlement offer, although ICI believes it is a matter between ICI and the District. Mr. Clark indicated that ICI has never expressed that opinion to him. Mr. Kloptosky confirmed that he spoke to the ICI representative last week, who expressed a desire to resolve the matter sooner, rather than later. Mr. Kloptosky advised the representative to provide the proposed solution, to be forwarded to District Counsel and the Board; ICI responded that their solution was the settlement offer. Mr. Kloptosky felt that the settlement offer was not the appropriate solution; he believes that ICI should do something with the wall.

Mrs. Smith contended that the District wants her to accept the offer and lose her rights to sue ICI. Mr. Clark advised Mrs. Smith not to misunderstand what he said; he did not suggest to her "what she should settle for" or what she should take. Mrs. Smith stated "I know". Mr. Clark recalled that he simply communicated to Mrs. Smith that an offer was received from ICI and Mrs. Smith expressed the reasons that she found the offer unacceptable. Mrs. Smith indicated that she would "listen to anything that anybody had to say".

Discussion ensued regarding who would be liable if an injury occurred. Mr. Clark voiced his opinion that all parties would be sued, including Mrs. Smith, ICI and the District. Mr. Clark reiterated that the District's position has always been that the retaining wall is not the District's issue, as the District did not give permission for it to be built and the District did not install it; ICI trespassed on the District's property and built it. Mr. Clark stressed that it would be very unwise for the District to "take ownership" of a problem that it did not create.

Mr. Wrathell questioned if the District could legally use public funds to maintain a retaining wall that was not legally permitted to be installed on District property; furthermore, public funds probably could not be used because the retaining wall benefits a single property owner.

Supervisor Lawrence sympathized with Mrs. Smith but urged her to hire an attorney and negotiate with ICI. Supervisor Davidson voiced his opinion that Mrs. Smith should work with ICI and ICI should build a new retaining wall on Mrs. Smith's property. Mrs. Smith stated that the retaining wall cannot be built on her property, as it would have to be a 10' tall industrial wall and the cost would be prohibitive. Mr. Clark commented that, perhaps ICI should buy back Mrs.

Smith’s house. Supervisor Davidson reiterated that the District cannot use public funds to build a retaining wall on CDD property for the benefit of a private residence. In response to an assumption by Mrs. Smith, Mr. Clark pointed out that he cannot negotiate with ICI on Mrs. Smith’s behalf; he reiterated that she should hire an attorney.

Discussion ensued regarding a resident who worked with a different builder to successfully resolve a similar issue on his property.

Mr. Wrathell recalled that the District previously offered Mrs. Smith a maintenance easement, which would enable her to maintain the retaining wall. Mrs. Smith indicated that she spoke to a lawyer about that option and was told that it was a terrible idea for her and a great idea for the District; she does not want to assume responsibility or liability for the retaining wall.

Mr. Clark stated, if ICI agreed to build a new retaining wall, the District could possibly consider granting an easement to Mrs. Smith so that it could be constructed on the District’s property. Mr. Wrathell pointed out that, with this scenario, the responsibility and liability that Mrs. Smith was unwilling to accept would be a requirement of the easement agreement. Mrs. Smith stated that there is a difference between the current retaining wall and one that is engineer approved.

**E. District Manager**

**i. Upcoming Regular Meeting/Community Workshop**

**o COMMUNITY WORKSHOP**

- August 7, 2014 at 10:00 A.M.**

Mr. Wrathell indicated that the next workshop is scheduled for August 7, 2014 at 10:00 a.m.

**o BOARD OF SUPERVISORS MEETING**

- August 21, 2014 at 9:30 A.M.**

Mr. Wrathell indicated that the next meeting is scheduled for August 21, 2014 at 9:30 a.m.

**SEVENTH ORDER OF BUSINESS**

**BUSINESS ITEMS**

**A. Consideration of/Decision on: CrowderGulf Contract Renewal for Emergency Disaster Debris Removal Services**

Mr. Wrathell recalled that the District “piggybacked” off the City contracts with regard to emergency disaster debris removal services. He indicated that the contract with CrowderGulf

Disaster Recovery and Debris Management (CrowderGulf) is up for renewal. Mr. Wrathell noted that Management is researching the other similar contract and will present it at a future meeting. He recommended renewal of the contract. Regarding prices, Mr. Wrathell explained that this is a “renewal acceptance”; the prices were in the original agreement. Mr. Clark pointed out that this type of arrangement enables the District to benefit from the City’s ability to obtain bulk costs, which the District alone could not.

**On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, the CrowderGulf Contract Renewal for Emergency Disaster Debris Removal Services, was approved.**

**B. Continued Discussion: Fiscal Year 2014/2015 Proposed Budget**

Mr. Wrathell stated that the proposed budget remains unchanged from the most recent versions.

Mr. Wrathell referred to Page 17 and recalled that the number of units was not changed, yet; the “Admin & Field Ops” “Infrastructure Reinvestment” assessment amounts were “grossed up” to assume a loss of four assessable units. He confirmed that, with any transaction, the bonds on the four properties must be paid off.

Mr. Wrathell referred to the \$135,446 “Excess/(deficiency) of revenues over/(under) expenditures” amount, on Page 5, and noted that a portion of that amount is for the Marlin Drive Pump House project; however, if the four units are lost, the amount would decrease by approximately \$8,000. In response to Supervisor Gaeta’s question, Mr. Wrathell indicated that, if the bonds were paid off, the funds could be reflected under “Capital improvements<sup>3</sup>”, on Page 4.

Mr. Wrathell asked if Escalante Golf (Escalante) paid any of the Marlin Drive Pump House project costs. Mr. Kloptosky believed that Escalante was billed for 50% of the cost but did not know if payment was received.

**C. Continued Discussion: Capital Plan [TL] (*to be provided under separate cover*)**

Supervisor Lawrence distributed the “Capital Plan”. He state that a “Status” column was added to the “FY 2014 Capital Plan” and will be carried over to the “FY 2015 Capital Plan”. Supervisor Lawrence explained that “C” means “completed” and “IP” means “in progress”; a blank space in the column means that nothing has occurred.

Supervisor Lawrence referred to the items with a blank space. He called attention to the “Creekside road drainage repair (wait till resurface road)” line item and indicated that this project will be completed when the road is resurfaced; this frees \$14,600 to be spent on another project, during Fiscal Year 2014. Regarding the “Stop Bars/Arrows” line item, Supervisor Lawrence advised that Mr. Kloptosky plans to complete the project later in the year; the \$3,500 will be spent. He stated that “Add 6 fans to VC GH room (do in FY 2015 with ceiling tile replacement)” was moved to Fiscal Year 2015, as completion will coincide with the ceiling tile and duct work replacements.

Regarding “Projects Not Yet Approved”, Supervisor Lawrence noted that “Add extra SOS sirens at gates” was approved during today’s meeting. He advised that Mr. Kloptosky is prepared to proceed with the “Replace VC bathroom sinks & counter” project and recommended approval.

Supervisor Lawrence referred to the “Replace step coping in CAC pool” line item and indicated that the coping is becoming a safety issue. Mr. Kloptosky confirmed that work must be completed, as the health inspector observed the conditions and is of the impression that the District will repair it. Supervisor Lawrence recommended approving this project.

Supervisor Lawrence suggested that the “Repair Bocce Court Surround & resurface court” and “Repair Shuffleboard Surround & resurface court” items remain on hold.

In response to a question regarding payment for the new sound system, Mr. Kloptosky indicated that he is holding 50% of the cost because he is not satisfied with the sound quality.

**On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, the “Replace VC bathroom sinks & counter” and “Replace step coping in CAC pool” items, were approved.**

Supervisor Lawrence reviewed the “Expected FY 2015 Capital Needs Based on 10 Year Plan”. He referred to the “The Crossings-replace 3 gate operators & 3 gates” line item and noted that the gates and operators need to be replaced; the cost would be \$25,000.

Mr. Kloptosky indicated that the gates in The Crossings recently malfunctioned; one closed and hit a vehicle. He stated that residents claimed that the exit gate did not open when the power went out, despite having a battery backup; however, it functioned properly when he inspected it. Mr. Kloptosky felt that this situation creates a safety issue; the District can purchase

an operator that has a manual release lever. He noted that the District could receive a volume discount and recommended replacing the operators at six gates, including three at The Crossings and three at Wild Oaks; however, if the District does not replace all six, Mr. Kloptosky suggested that Board approve replacement of at least one operator at each location.

Discussion ensued regarding what material the proposed gates are made of.

Supervisor Lawrence referred to the “Replace GH room ceiling” and “Add 6 fans to GH room” items and the cost; a quote is pending for the “Repair GH room A/C ducts above ceiling” item. Mr. Kloptosky believed that the duct work will cost approximately \$7,500.

Regarding the “Replace Café bar top” item, Supervisor Lawrence advised that the bar top has become a health hazard because it is difficult to clean. Mr. Kloptosky explained that, over the years, dirt became imbedded in the surface. Several companies inspected it to determine whether it could be cleaned or buffed; however, it is difficult to perform that type of work in an operating building. Mr. Kloptosky was advised that it would be more economical to replace the bar top. In response to a question, Mr. Kloptosky indicated that the \$6,550 price is for a granite bar top. Mr. Kloptosky recommended updating the “face” around the bar, simultaneously.

Supervisor Lawrence pointed out that, if all of the proposed Fiscal Year 2015 projects are completed at the estimated costs, only \$62,802 will remain for “Unknown” capital projects.

Discussion ensued regarding the future road projects. Regarding the portions that were not previously considered roadways, Mr. Kloptosky felt that those segments were not included in the estimates for future resurfacing projects. Mr. Kloptosky stated that he received a bid from Cline for Lakeview Lane.

Supervisor Chiodo asked Mr. Kloptosky to comment on the North Gate, which was not functioning. Mr. Kloptosky explained that there were two incidents within 24 hours of lightning strikes; the first strike resulted in the loss of two circuit boards, at costs of \$1,600 and \$600. He advised that the second storm, less than 24 hours later, caused the loss of one of the same circuit boards. Mr. Kloptosky stated that, according to the electrician, the North Gate guardhouse might not be grounded properly; the electrician will ground it, if necessary. It was noted that the North Gate experiences more lightning strikes than others.

**D. Discussion: Political Rally Open to candidates for Palm Coast City Council and Flagler County Commission**

- **Invitation Only**
- **Limit Number of Participants**

- **Must Provide Names to District Manager, Amenity Management & Security**
- **Must Be Time Specific (*to be determined by Management*)**
- **Subject To Amenity Management Pre-established Fees**
- **Must Be Sponsored By Resident**
- **No CDD Advertising**
- **Should Be Coordinated By Amenity Management**
- **Proposed Date: Wednesday, August 13, 2014 or Wednesday, August 20, 2014, at 7:00 P.M.**

Supervisor Chiodo pointed out that the political rally will occur on July 30, 2014. He stated that the rally will be “resident-sponsored”.

Supervisor Davidson explained that this item relates to a resident who wants to hold a political campaign event for particular candidates, at the Creekside facility. He stated that the purpose of this item was to set policy for a resident request to hold a political rally.

Mr. Clark advised that this relates to a “facilities” policy. Mr. Wrathell surmised that this is no different than a resident renting a room for any other type of event; the Board is simply creating parameters of how the room would be used.

Mr. Ross indicated that the resident who requested the political rally is agreeable to one of the specified dates and the bullet point terms set forth above.

Supervisor Davidson confirmed that the Board was in agreement with these terms, as an administrative policy for political rallies.

**E. CDD Candidate Night (CDD Only)**

- **Candidate Presentation Limited to 10 Minutes**
- **No Q & A**
- **Moderator (*cannot be a current Board Member*) – Tom Byrne (resident) has been proposed**
- **Should Be Coordinated by Amenity Management**
- **Proposed Date: Wednesday, October 15, 2014, at 7:00 P.M.**

Supervisor Davidson clarified that Mr. Tom Byrne, a resident, agreed to moderate the CDD Candidate Night.

Supervisor Chiodo presumed that this event is for Supervisor Lawrence and the other candidate, as he and Supervisor Gaeta’s seats are unopposed. He asked if other Board Members can attend the event.

Mr. Clark indicated that Board Members can attend the event; however, they should not participate in the discussion or talk to other Board Members about CDD business.

**F. Discussion: Document Management Systems (AH)**

There was nothing to report.

**G. Discussion: Colbert Lane – Installation of ‘No Parking’ Signs on Hold**

Mr. Kloptosky clarified that this is related to the installation of the illegal parking signs at the amenity parking lots, which he previously advised were installed.

**H. Update: Firewise Mitigation [SD]**

Supervisor Davidson indicated that the Firewise mitigation work was completed, resulting in a savings of approximately \$500,000 to the District. He recommended thanking the Firewise crew and asked if all Board Members can attend an event at the café.

Mr. Clark indicated that all Board Members may attend, provided it is limited to a “social” function.

Supervisor Davidson presented a video and slideshow of the Firewise mitigation work.

Supervisor Davidson stated that Mr. Ross and AMG agreed to sponsor a luncheon for the Firewise crew. Supervisor Davidson proposed holding the event next Thursday. Additionally, he wishes to invite the Firewise Committee.

Mr. Clark advised against presenting the Firewise crew with a plaque at the luncheon; it can be presented at a future meeting or workshop.

Mr. Kloptosky and Ms. Leister will also be invited to attend.

**EIGHTH ORDER OF BUSINESS**

**OPEN ITEMS**

This item was not discussed.

**NINTH ORDER OF BUSINESS**

**SUPERVISORS’ REQUESTS**

Supervisor Davidson stated that he is creating a document regarding ponds and the environmental conservation responsibilities of all parties. He questioned if the District, as the stormwater permit holder, has control and can require the golf course to comply with the Spartina grass requirements on the golf course ponds. Supervisor Davidson sought the Board’s approval for District Counsel to research this matter and verify the stormwater permit holder information for the ponds.



Mr. Kloptosky advised that he just received word from his field staff that there was a surge in the Marlin Drive Pump House, which “wiped out” all of the City’s electronic equipment that sends signals to the water plant. He explained that the City will need to repair its equipment.

**TENTH ORDER OF BUSINESS**

**ADJOURNMENT**

There being no further business to discuss, the meeting recessed.

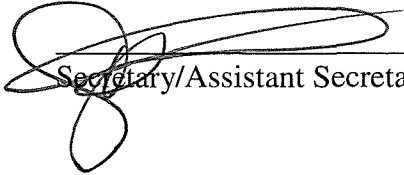
**On MOTION by Supervisor Gaeta and seconded by Supervisor Lawrence, with all in favor, the meeting recessed at 1:35 a.m., and was continued to Thursday, August 7, 2014 at 10:00 a.m.**

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Secretary/Assistant Secretary

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Chair/Vice Chair



Secretary/Assistant Secretary



Chair/Vice Chair