

**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, December 5, 2013 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:

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

Also present were:

| | |
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| Craig Wrathell | District Manager |
| Howard McGaffney | Wrathell, Hunt and Associates, LLC |
| Scott Clark | District Counsel |
| Alan Skinner | District Engineer |
| Robert Ross | Vesta/AMG |
| Barry Kloptosky | Field Operations Manager |
| Louise Leister (<i>via telephone</i>) | Horticulturalist |
| Bob Hopkins | Resident |
| Gary Noble | Resident |
| Ron Merlo | Resident |
| Sharon Downes | Resident |
| Al Lo Monaco | Resident |
| Turner Lett | Resident |
| Rob Carlton | Resident |
| Charles Greer | Resident |
| Russ Leavitt | Resident |
| Vic Natiello | Resident |

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the meeting to order at 9:34 a.m., and noted, for the record, that Supervisors Davidson, Chiodo, Gaeta and Smith were present, in person. Supervisor Lawrence was not present at roll call.

SECOND ORDER OF BUSINESS

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance.

*****Supervisor Lawrence arrived at the meeting, in person, at 9:35 a.m.*****

THIRD ORDER OF BUSINESS

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

Mr. Bob Hopkins, a resident, recalled that he incorrectly stated, at the last meeting, that the District only uses one (1) color for passes; however, he was incorrect. He explained that yellow is used for vendors and blue for visitors.

Mr. Ron Merlo, a resident, stated that a particular Board Member missed ten (10) meetings, during the past year, and recommended that the Board set a parameter after missing three (3) meetings, that the Supervisor may still call in to the meeting but does not get paid for attending.

Supervisor Gaeta acknowledged that Mr. Merlo’s comment was directed at her and indicated that she is aware of his queries regarding her absence. She stressed that she did not “miss” any meetings during the year; she called in to the meetings that she was unable to attend, in person, as she was recuperating from extensive and painful surgery. Supervisor Gaeta advised that she is aware of what is going on in the community; she keeps abreast of everything and maintains contact with the District Manager, District Counsel and Mr. Kloptosky. She stated that she discussed this with all parties, prior to her surgery, because she did not want her situation to compromise the Board or CDD.

Mr. Merlo contended that he had the same surgery as Supervisor Gaeta and the only thing he was not able to do was play tennis; he did not take eight (8) weeks, sit on the phone twice per month and “get paid for it”. Supervisor Gaeta voiced her happiness for Mr. Merlo’s quick recovery and reminded him that recovery times differ for many individuals.

FOURTH ORDER OF BUSINESS

CONSENT AGENDA ITEMS

Mr. Wrathell indicated that there were no Consent Agenda Items.

FIFTH ORDER OF BUSINESS

STAFF REPORTS

A. District Engineer

i. Consideration of Additional Services Authorization for Sailfish Drive Drainage Improvements

Mr. Wrathell recalled that, at the last meeting, the District Engineer was asked to revise the Additional Services Authorization to contain only the work completed. He presented the change order for \$450.

On MOTION by Supervisor Davidson and seconded by Supervisor Lawrence, with all in favor, the Change Order, in the amount of \$450, was approved.

B. Amenity Manager

Mr. Ross advised that there were no “Critical Incidents” or “Resident Recommendations” or “Resident Complaints” to report.

Mr. Ross indicated that the café reopened; it looks fantastic, a new menu was introduced and residents love it.

Supervisor Davidson thanked Mr. Ross for his assistance and providing the tree decorating volunteers with lunch. He stated that the CERT luncheon was held yesterday and Mr. Ross offered a price of \$10 each, for unlimited food and beverages and treated the two (2) Emergency Operations Center attendees.

C. Field/Operations Manager

Mr. Kloptosky recalled that the pergola repair was completed for a cost of \$1,700 and asked whether he or District Counsel should follow up with seeking reimbursement from VerdeGo. He noted that the second coat of finish is turning black due to a reaction with the lumber and questioned if the Board wants to delay contacting VerdeGo for reimbursement until the new issue is resolved.

Supervisor Davidson recommended contacting VerdeGo as soon as possible for the finished portion. Mr. Kloptosky asked District Counsel’s opinion and suggested that the letter notify VerdeGo that other issues remain pending. Mr. Clark felt that VerdeGo will want a release, if they agree to pay the \$1,700 amount; however, the District does not have to agree to a final settlement. Mr. Kloptosky will forward the necessary information and Mr. Clark will prepare a letter to VerdeGo.

Discussion ensued regarding what is causing the discoloration of the wood and what can be done.

Mr. Kloptosky indicated that 766 emails were sent to residents whose vehicle registrations were not current. The email related to 1,080 vehicles and 347 responded, to date. He stated that one (1) resident refused to comply and a few others complied but voiced their opinion that the process is cumbersome. Mr. Kloptosky discussed his staff's handling of the resident who refused to comply and advised that, in his opinion, the employee handled it professionally; however, the resident was upset and wanted the policy changed, which the employee cannot do.

Supervisor Davidson noted that there are legal issues involved with the resident situation and asked to discuss this matter further during District Counsel's report.

Mr. Kloptosky indicated that he and the District Engineer conducted a walkthrough of the Creekside facility for the bondholders report.

Mr. Kloptosky reported that the Wild Oaks Bridge railing replacement will be completed this morning. The Esplanade erosion repair is still under review by the Florida Inland Navigation District. He reiterated that the café project went well; the café was only closed for seven (7) business days.

Mr. Kloptosky advised that The Village Center deck drain project has not commenced. He explained that the contractor was working on portions of the café and, due to the holidays and the need to close the pool for five (5) days, the project was put on hold until after the new year.

The Board agreed that the pool drain project should be delayed until after the holidays.

Discussion ensued regarding the proposed price. Mr. Kloptosky recalled that the contractor wanted to complete the first three (3) drains before determining a price for the others.

i. Sound System

Mr. Kloptosky indicated that he invited a representative from HabiTech Systems; however, he has not arrived. This item will be presented later in the meeting.

D. District Counsel

i. Pier Adjacent to Golf Club

Mr. Clark indicated that he received the original deed for the parcels conveyed from the developer and proof of payment of the taxes. The deed was sent to be recorded and, once recorded, Mr. Clark will provide Mr. Wrathell with the recorded deeds so that Management can apply for the tax exemption.

ii. Pump House Agreement/Repairs

Mr. Clark indicated that he spoke with Mr. Leahy, of Escalante, regarding the agreement and the information was forwarded to another contact, at Escalante. Escalante is beginning to engage in negotiating the agreement.

Mr. Clark recalled the situation with the resident who objected to providing vehicle registration information. He stated that he spoke with Supervisor Davidson and Mr. Kloptosky regarding comments made by the resident, who threatened a lawsuit. Mr. Clark indicated that the basis of the lawsuit against the District would be that the District does not have the authority to restrict gate access devices (GADs), require people to register and that there is no crime problem in Grand Haven; therefore, the Board is going overboard. He recalled his opinion that the District has the right to control the issuance of GADs, as the use of a GAD is a privilege, not a right; the public has a right to access but the District is not required to give "easy" access, by way of a GAD. Mr. Clark advised that his opinion remains unchanged. If a lawsuit occurs, Mr. Clark is willing to address it and offered to speak to the resident who made the threat.

Supervisor Davidson indicated that he spoke to the resident several times. The resident contends that the District has created an onerous and burdensome regulation or ordinance that serves no purpose and it does not pass the test of reasonableness. The resident might make this argument before a judge. Another argument is that the District is acting as if it is the Department of Motor Vehicles (DMV) and that it does not have the power to do so. The resident alleges that the District's communication informs people that their registrations have "expired", which may not be true. Supervisor Davidson tried to explain to the resident that the District's communication relates to the information on file, in the District's system, not the DMV registration; however, the resident finds the information confusing, such that it implies that the District is acting as the DMV and that there could be detrimental consequences for residents.

Supervisor Davidson asked to discuss this later in the meeting, as the Board must decide whether to continue the policy or put it on hold and invite the particular resident, and others, to attend the next meeting.

iii. Wild Oaks Lot 53 Pathway

Mr. Clark recalled that Ms. Debbie Deal, a resident, attended the last meeting and requested to remove the pathway on the basis that it invites foot traffic and interrupts the drainage pattern required by the city.

Mr. Clark reviewed an aerial photograph of the pathway, recalled discussion of what the pathway connects to and whether removal of it would interrupt use of certain amenities or

recreational rights. He stated that the pathway connects to a system of pathways. Mr. Clark noted that the area is part of Tract D, which is a conservation area and, per the plat, it is restricted, under the conservation language in Florida Statute 704.06. A requirement of that statute is that there should be no removal of trees, shrubs and vegetation. He explained that, when the work was initially completed, the statute was violated by a party other than the District. Mr. Clark indicated that, if the District takes the position that the pathway is an amenity that it does not want to remove, it essentially means the District is encouraging people to violate the terms of the conservation easement. He confirmed that other portions of the pathway are not in violation.

Mr. Clark reiterated that he believes that the District is encouraging the statute violation by keeping the pathway open. He referred to email correspondence with the St. Johns River Water Management District (SJRWMD), which arose as a result of a previous violation on CDD property, by another party. Mr. Clark noted that SJRWMD worked through the matter and, in the correspondence, indicated that Tract D and other conservation areas are subject to the conservation restrictions. He pointed out SJRWMD correspondence advising that they were beginning an evaluation of the conservation areas to determine what is occurring. For this reason, Mr. Clark believes it is critical that the District take appropriate action.

Mr. Clark stated that he does not want the District to take “ownership” of a problem that it did not create; however, this situation may represent why the District should consider granting Ms. Deal’s request. He explained that, if Ms. Deal agrees to grade the pathway and remove it from her property, as part of the construction, she would be doing the District a favor by helping eliminate the invitation for people to walk through the conservation area. Mr. Clark indicated that he is hopeful that the SJRWMD will favor allowing the area to “grow back”, over time. He suspects that SJRWMD will inform the District that the permit for this area, including the conservation areas, was never turned over for maintenance; it is still in the developer’s name. Mr. Clark explained that, if SJRWMD issues a citation, it would go to the permit holder or the party that created the pathway, neither of which is the District.

Mr. Clark recommended that the District agree with Ms. Deal and the adjacent property owner that they can grade and remove the pathway improvements during the constructions phase, while keeping the drainage easement.

Discussion ensued regarding other areas and whether they are conservation easements.

In response to a question regarding whether the District should proceed with deconstructing the pathway, Mr. Clark advised against the District doing so, as it implies responsibility. In response to a question raised about accessing the easement, Mr. Clark explained that, with this type of easement, you can walk through the easement but you cannot clear it. He does not believe a fence or “No Trespassing” signs would be required.

Supervisor Lawrence voiced his concern that the District took “responsibility” for the pathway when it previously accepted both phases of Wild Oaks from the developer. Mr. Clark felt that the District took no formal action to accept responsibility; it only maintained the area because the developer was no longer going to do so. Mr. Clark advised that the permit transfer has nothing to do with the District maintaining its assets. The permit transfer is handled by the state; the state generally wants things in compliance before it will transfer the permit. Mr. Clark indicated that he will have the state direct its issues to the permit holder, who was the developer, and let them battle it out.

Mr. Clark noted a history of enforcement issues in Wild Oaks and a trail of communication between the developer and the SJRWMD, meaning that SJRWMD still views the developer as the permit holder.

Supervisor Lawrence asked if the pathway is utilized. Mr. Kloptosky replied affirmatively; it is used a lot. Mr. Kloptosky indicated that Ms. Deal has received anonymous calls from residents in Wild Oaks threatening her that, if she removes the pathway, she will not be “welcome” in the neighborhood.

Supervisor Davidson stated that the threats against Ms. Deal should be taken into consideration. He noted that the encroachment on conservation land can carry a \$10,000 per day fine from the SJRWMD. Supervisor Davidson stressed the need to explain the reasons the path was allowed to be removed, if the Board approves removal; it is because it encroaches on conservation easements and should never have been built.

Supervisor Lawrence stated that residents should also be informed that the District is waiting for information from SJRWMD regarding whether the other parts of the path that fall in conservation areas can remain and, if allowed to remain, the level of maintenance that the residents have come to expect will likely no longer be allowed; over time, vegetation growth could make the pathways impassable. He believes that residents must understand that the future of the pathway is in the hands of SJRWMD.

On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with all in favor, authorizing the adjacent property owners to remove the pathway and regrade the area, at their expense, leaving the area as a utility access easement, was approved.

Discussion ensued regarding who will take the lead on communicating with residents. Supervisor Smith voiced his preference that Staff be responsible for communicating this matter. Supervisor Lawrence suggested waiting to hear from SJRWMD regarding this and other areas so that a single communication can be sent to residents. Supervisor Gaeta agreed with Supervisor Lawrence and suggested that District Counsel send the letter, rather than the Board. Supervisor Lawrence clarified that he still believes the adjacent property owners should be allowed to proceed as approved but wait to send a general communication until after hearing from SJRWMD, unless that will take several months. Supervisors Smith and Davidson voiced their belief that a letter should be sent now, if the idea is to defuse the situation. Supervisor Davidson suggested sending a letter now, as it could take SJRWMD some time. Supervisor Chiodo recommended that the letter not address the other portions of the pathway.

Mr. Wrathell volunteered to draft the letter. He believes that the letter should not be overly descriptive; it should simply state that this portion of the path represents an encroachment on a conservation easement, the developer should not have built it and it was not an issue created by any adjacent property owners.

▪ **Sound System**

*****This item, previously Item 5.C.i., was discussed out of order.*****

Mr. Kloptosky recalled that the Board requested proposals for four (4) and ten (10) wireless microphone systems. He explained that the first, smaller proposal is accurate but the proposal for the larger system is an estimate, as there were additions and amendments to the Board's request.

Mr. Chris Levengood, of HabiTech Systems, presented the proposal for the four (4)-microphone wireless system and explained the related system components. He noted that the proposal includes costs of about \$1,200 for four (4) pairs of speakers. Discussion ensued regarding whether the current speakers can be used.

Mr. Levengood indicated that the ten (10)-microphone system is essentially the same but requires a ten (10)-channel mixer and addition of a fourth pair of speakers; this quote does not

include the cost for a rack or the power conditioner with surge protection. He noted that this proposal is from last July and offered to prepare a revised proposal.

Supervisor Gaeta asked if the District can add microphones, if it selects the system with four (4) microphones. Mr. Levengood indicated that they can add; however, the main issue is the mixer and a larger mixer would need to be added. Supervisor Lawrence asked for a proposal for four (4) microphones but with an eight (8)-channel mixer. Mr. Kloptosky noted that the microphones are on stands and asked if the microphones come out of the stands. Mr. Levengood stated that there would still be a wireless microphone that the audience can use.

Regarding timing, Mr. Levengood estimated five (5) to seven (7) days to order the equipment and one (1) day to install the system.

Noting that the Board is considering proposals in the range of \$13,000 to \$29,000 for a microphone system and the goal is simply to be heard by the audience, Supervisor Smith asked Mr. Levengood what he could provide with a \$3,000 budget. Mr. Levengood indicated that the Board could not have a wireless system; the system would be similar to what they have now. Mr. Levengood pointed out that the proposals are for commercial grade, top quality products, which are not available for \$3,000. Supervisor Smith asked the alternatives. Mr. Levengood reiterated that the system would not be wireless so cords would be running across the room. Supervisor Smith asked if the District can get a nine (9)-microphone wired system for \$3,000. Mr. Levengood replied probably not but offered to prepare a proposal. Supervisor Smith stated that he is not comfortable explaining to residents that the Board spent \$29,000 for a microphone system when other requests have been denied. Supervisor Davidson agreed that nobody wants to spend that amount of money. In response to a question, Mr. Levengood confirmed that he could create a hybrid system with wired and wireless and a six (6)-microphone system would be only slightly higher than the system with four (4) microphones.

Mr. Levengood confirmed that he will prepare new proposals with various options that will use commercial grade equipment; he will not propose low quality equipment.

E. District Manager

i. Upcoming Regular Meeting/Community Workshop

- **BOARD OF SUPERVISORS MEETING**
 - **January 16, 2014 at 9:30 A.M.**

Mr. Wrathell indicated that the next meeting is scheduled for January 16, 2014.

- **COMMUNITY WORKSHOP**

▪ **February 6, 2014 at 10:00 A.M.**

Mr. Wrathell advised that the next workshop is scheduled for February 6, 2014.

SIXTH ORDER OF BUSINESS

BUSINESS ITEMS

A. Discussion: Revised CIP [TL]

Supervisor Lawrence presented the draft CIP. He recalled that the CIP and the proposed projects were already approved. Several items are on hold. A total of \$163,634 remains uncommitted.

Supervisor Gaeta pointed out \$4,500 in the cameras line item and recalled that, based on Mr. Kloptosky's comments at the last meeting, the total should be \$1,200. She noted that, according to her notes from the last meeting, the CAC treadmill and CAC crosstrainer do not need to be replaced now. Supervisor Gaeta felt that \$600 to replace the laptop for the meetings is too conservative and recommended boosting the amount.

Regarding the CIP, Supervisor Lawrence stressed that items were approved but on an "as needed" basis; costs will fluctuate between items, as some will cost more than anticipated, others will cost less and some will not be necessary. He indicated that these are working estimates of what needs to be done and the costs; the Board must review it monthly and be reactive, if something arises.

Supervisor Lawrence confirmed that he will adjust the camera line item to \$1,200 and the \$3,300 balance will fall into the "Unknown/unexpected" line item.

Supervisor Davidson noted that the District Manager is now bringing a laptop to meetings and asked if Management is willing to offer it for use during meetings. The Board agreed that the District needs its own laptop.

Supervisor Gaeta recalled that "Marcite Creekside pool" was not approved and would be moved to the Fiscal Year 2015 CIP. Mr. Kloptosky concurred. Supervisor Lawrence indicated that he will remove it. Mr. Wrathell pointed out that this item is already under "Projects Not Approved" and suggested leaving it. The Board agreed with Mr. Wrathell's suggestion.

In response to Supervisor Gaeta's question about the pump house, Mr. Kloptosky indicated that the situation is status quo; the pump house is functioning but the condition has not changed with regard to the equipment. Mr. Kloptosky directed his staff to send a letter to Mr. Leahy requesting copies of the proposal that were promised in November and the proposals have not been received. The Board directed District Counsel to send a follow-up letter.

B. Discussion: Adopted Post Orders 11/21/2013 – Color of Vendor Passes

Supervisor Davidson presented the Adopted Post Orders. Mr. Wrathell indicated that, in light of the clarification of the colors of passes, the following changes will be made:

Page PO-4, Item 1.a.: Change “BLUE” to “**YELLOW**”

Page PO-4, Item 1.b.: Change “BLUE” to “**BLUE**”

On MOTION by Supervisor Gaeta and seconded by Supervisor Lawrence, with all in favor, the Revised Post Orders, as amended, were adopted.

****The meeting recessed at 10:55 a.m.****

****The meeting reconvened at 11:07 a.m.****

C. Discussion: Amending Amenity Facility Rules, Policies and Fees Versus Establishment of Administrative Guidelines

- **Policy Worksheet for Instructional/Commercial Use of GHCDD Common Areas**

Supervisor Davidson presented a draft worksheet related to instructional and commercial use of the CDD facilities and recapped the decisions made at the last meeting. Regarding resident rental for commercial use, the Board agreed to a \$100 rental fee, with an additional charge if an impact is expected, advance written permission from the Field Operations and Amenity Managers, no liability insurance is required unless alcohol is served or the event involves physical activity, use of AMG e-blasts to be determined by AMG and posting of the event on bulletin boards and the calendar is permitted. The Board determined that nonresidents will not be allowed to use the facilities for commercial purposes, period.

Supervisor Lawrence suggested that, rather than listing \$100 as the rental fee, the wording state “standard Grand Haven room rental fee”. Supervisor Smith questioned why a resident would be required to obtain an additional insurance policy if AMG is serving the alcohol. Mr. Wrathell thought the Board decided that the renter would fall within AMG’s insurance, if AMG was serving the alcohol. Supervisor Gaeta recalled that the policies state that alcohol can only be served if AMG serves it. Supervisor Lawrence felt the Board believed having double coverage was important, should something happen. Supervisor Davidson stated that the intent was for the renter to be protected by carrying their own policy, in addition to

AMG's coverage. Mr. Wrathell felt that most "commercial" entities will already have liability insurance; therefore, naming the District as an additional insured should not be a big deal.

Discussion ensued regarding under what circumstances liability insurance should be required of renters. Supervisor Davidson asked District Counsel if he would be comfortable if the District did not require that a resident host of a commercial event, where alcohol is served, carry a liability insurance policy. Mr. Clark stated that, if AMG is serving the alcohol, the District's primary source of indemnity would be AMG's policy; he is less concerned about this than residents self serving at the facilities. The Board agreed to not require liability insurance. Supervisor Lawrence stressed the need to spell out the circumstances so that residents understand; he is aware of situations where residents have brought their own alcoholic beverages to events.

Supervisor Davidson wondered how this impacts the Croquet Club's weekly "Wine and Wickets" activity. The Board felt that the activity is not impacted because it is not a "commercial" use of the amenities. In response to a question, Mr. Wrathell confirmed that, if the CDD owns the amenity and lets the person bring alcohol and consume it, the District is liable. Mr. Clark noted that all situations are potential liabilities. In response to Supervisor Gaeta's question, Supervisor Davidson indicated that the Croquet Club has liability insurance for special events but he is not sure if they have a yearly policy. Supervisor Davidson indicated that the wording related to liability insurance will be "Not required, understanding AMG only to serve alcohol and no BYOB".

The following changes were made to the worksheet:

Second "RESIDENT, FEE BASED" line: Change "RESIDENT" to "NON-RESIDENT"

Supervisor Davidson suggested the following change:

INSTRUCTIONAL line: Change "INSTRUCTIONAL" to "INSTRUCTIONAL: ALL PROGRAMS MUST BE LIMITED TO GRAND HAVEN RESIDENTS"

In response to Supervisor Lawrence's question, Supervisor Davidson indicated that this policy only refers to instructional activities; it does not refer to general rental of the facility. Supervisor Smith asked if the Bible Study group is considered instructional. Supervisors Davidson and Gaeta replied affirmatively. Supervisor Smith recalled that the Board made an exception to allow nonresidents to attend the activities. Supervisor Davidson replied affirmatively but stated that they must pay a fee. The following change was made:

INSTRUCTIONAL line: Change “INSTRUCTIONAL” to “INSTRUCTIONAL: ALL NON FEE-BASED PROGRAMS MUST BE LIMITED TO GRAND HAVEN RESIDENTS”

Discussion ensued regarding whether a resident, providing instruction for no fee, should pay a rental charge for use of the facility. In response to a question, Supervisor Davidson explained that rental of the room, by a resident, to provide non fee based instruction is different than the resident renting the facilities for an event because the instructional activity would be open to all Grand Haven residents.

For residents renting the facilities to conduct non fee based instruction, the Board agreed to no rental fee, no liability insurance requirement, AMG e-blasts are at AMG’s discretion and posting on the bulletin boards is permitted.

Discussion ensued regarding whether the resident Tai Chi instructor pays a fee to rent the facilities to hold his fee based instruction. Supervisor Davidson indicated that the fee based Tai Chi instruction is limited to Grand Haven residents; therefore, he feels that no rental fee should be charged, even though the participants pay the instructor.

For residents renting the facilities to conduct fee based instruction, the Board agreed to no rental fee for not-for-profit instruction, liability insurance is required if physical activity is involved, AMG e-blasts are at AMG’s discretion and posting on the bulletin boards is permitted.

Discussion ensued regarding nonresident rental of the facilities for non fee based instruction. Supervisor Lawrence contended that nonresidents have no standing in the community; they cannot use the facilities. Supervisor Davidson summarized the Board’s position that the District will not allow any nonresident to rent the facilities to provide instruction or classes, to residents, for free, unless the nonresident instructor is sponsored by a resident.

For nonresidents renting the facilities to conduct non fee based instruction, the Board agreed to no rental fee but instructor must be sponsored by a resident, no liability insurance requirement, AMG e-blasts are at AMG’s discretion and posting on the bulletin boards is permitted.

Discussion returned to nonresident rental of the facilities for fee based instruction. The Board discussed the “dancercise” class. Mr. Ross confirmed that a rental fee is not charged but participants pay a \$3 fee to the instructor. The participants are only residents.

For nonresidents renting the facilities to conduct fee based instruction, the Board agreed to no rental fee for not-for-profit instruction, liability insurance is required if physical activity is involved, AMG e-blasts are at AMG’s discretion and posting on the bulletin boards is permitted.

Discussion ensued regarding whether clubs should pay rental fees and fall under the various instructional categories. The Board agreed to not address clubs, at this time.

- **Day Guest Pass Policies Worksheet**

Supervisor Davidson reviewed the District’s current definition of “House Guest”, which is “Any guest that is residing in a Property Owner’s or Registered Renter’s home for one (1) night or longer as a guest”, with the stipulations that they must be registered and accompanied by a patron before entering the facilities but, once registered, house guests may enter unaccompanied by the patron. He stated that there is no mention regarding whether the house guest is required to pay or is exempt from a daily usage fee.

Supervisor Davidson pointed out that the “House Guest” category has the greatest potential for abuse because it allows nonresidents to use the facilities for free. The “Daily Guest” requires the nonresident to pay a \$10 per day fee and the person must be accompanied by a property owner or registered renter, at all times.

Supervisor Lawrence stated that the Grand Haven policy has always been that “House Guests” are not charged a fee and that policy should remain, as it is usually family members, etc. Supervisor Lawrence agreed that there is potential for abuse but questioned if there is evidence of abuse. Mr. Ross replied affirmatively and explained that residents are signing up nonresidents, some who reside locally, for weeks at a time.

The Board agreed to the following regarding “House Guests”:

House Guest (HG)

- Usage fee per day per guest: No Fee
- Limits: # of HG per day per Lot: Six (6) per day (with override by FOM and Amenity Manager for special circumstances)
- # of HG (monthly/annually): Unlimited, if not abused
- Duration of HG pass per usage period: Two (2) weeks (Can be renewed)
- Geographical: Must reside outside of Flagler County

The Board decided that “House Guests” must show a driver’s license to prove residency outside Flagler County; for children without a driver’s license, the child’s parent must present their driver’s license. Pointing out that he could pick his grandchildren up in Orlando and bring them to stay with him without their parent, a resident asked how he could “prove” that they reside outside Flagler County. The Board did not respond to the question of this scenario.

Supervisor Davidson indicated that a “Daily Guest” is defined as “Any person or persons who are invited for the day by a Patron to participate in the use of the Amenity Facilities. Must pay the daily usage fee of ten dollars (\$10.00) per Daily Guest per day and must be accompanied by a Property Owner or Registered Renter at all times”.

The Board agreed to the following regarding “Daily Guests”:

Daily Guest (DG)

- Usage fee per day per guest: \$10 per day, per guest
- Limits: # of DG per day per Lot: Unlimited, if not abused
- # of DG (monthly/annually): Unlimited, if not abused
- Duration of DG pass per usage period: One (1) day
- Geographical: Unlimited

Supervisor Lawrence questioned why “House Guests” would be allowed to have “House Guests” and pointed out that the definition of “Patron” would allow such a scenario. The Board agreed that the term should be changed or removed. “Patron” will be changed to “Property Owner or Registered Renter”.

- **All Guard Houses are Restricted to Security and Authorized Personnel Only**

Supervisor Davidson indicated that this item is necessary because it is not stated in the Policies and Procedures or Amenity Rules. He advised that it should be added the next time the District has a public hearing to change the Policies and Procedures. Mr. Kloptosky advised that the statement is not in the Post Orders, either.

On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, inserting “All Guard Houses are Restricted to Security and Authorized Personnel Only” into the Revised Post Orders, where appropriate, was approved.

D. Discussion: Holiday Bonus for Employees

Discussion ensued regarding holiday bonuses for CDD employees.

On MOTION by Supervisor Lawrence and seconded by Supervisor Chiodo, with all in favor, holiday bonuses for CDD employees, in the same amount as last year, was approved.

E. Consideration of Proposals for Chinier and Front Street Proposed Landscape Enhancements

Ms. Leister discussed the plan for Chinier and Front Street. She indicated that proposals were provided for both Front Street and Chinier. She discussed the plans for Front Street and indicated that the area will include boulders but retain a natural appearance, while keeping people from parking on that area. Ms. Leister advised that, with the new landscape plan for Front Street, there will be adequate room to walk but not to park vehicles. She stated that the work could begin in January, as the landscaper is busy until then.

In response to Supervisor Davidson's question regarding the colors of the holiday flower plantings, Ms. Leister indicated that they are light blue, violet and silver.

Ms. Leister confirmed that the District's landscaper, Austin Outdoor, will perform the Front Street landscaping. A resident questioned the cost of materials, such as hay, and asked if lower prices could be obtained if the District purchased it.

On MOTION by Supervisor Davidson and seconded by Supervisor Gaeta, with Supervisors Davidson, Gaeta, Chiodo and Smith in favor and Supervisor Lawrence dissenting, the Front Street landscaping proposal, for \$5,681.05, was approved. (Motion passed 4-1)

Per the Board's request, at the last meeting, Ms. Leister presented a proposal for \$8,298.80 for the Chinier landscaping, which reflects 40% less landscaping than the original proposal. She discussed the scope of work and confirmed that the work could be completed in mid to late January.

Supervisor Lawrence asked if the work will be focused predominately in front of the first house on Chinier. Ms. Leister replied affirmatively and stated that the work will extend partially to the lot alongside that house but does not include the area where the natural tree line begins. Ms. Leister indicated that the landscaping will include a few coquina boulders for continuity but will appear very natural.

On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, the Chinier landscaping proposal, for \$8,298.80, was approved.

F. Consideration of Tow Signage: Appearance, Language and Placement

Mr. Kloptosky referred to the decorative sample sign and advised that it cannot be used, as it is not reflective. He stated that the required signs will still be attached to the decorative posts. Mr. Kloptosky indicated that a sign will be posted at the Creekside north and south parking lots and The Village Center north and south lots, for a total of four (4) signs.

Mr. Clark explained that the language on the decorative sign is fine; the lack of reflectivity is the issue. He confirmed that color is not a factor; however, the signs must be reflective.

On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, Tow Signage, in green, if possible, and with decorative poles and backings, at the entrances to The Village Center and Creekside north and south parking lots, for a total of four (4) signs, was approved.

G. Discussion: New Resident Directory/New Printed Version vs. Electronic Version

Supervisor Davidson indicated that the GHMA has created a "Welcome Wagon" group, which has visited 80 households over the past few months. They are distributing a packet of information about the community and each household has requested a copy of the Community Information Directory; however, the directories are all gone. The GHMA asked that the District produce another directory as soon as possible. They also questioned why an electronic version of the directory is not available.

Discussion ensued regarding printed pages versus creating a CD version. The Board was against making an electronic version of the directory available. Supervisor Gaeta discussed the database system and how it can be used to process the resident information for the new directories.

The Board agreed that the Policies and Procedures should not be reprinted until it is updated; however, work can begin on updating the other information, in preparation for a new directory.

Supervisor Gaeta asked the Board to determine how frequently the directories will be updated, each year. In response to a question, Supervisor Gaeta indicated that 1,000 directories were ordered; after distribution, 64 directories remained but those have now disappeared. She

suggested that the distribution process be modified the next time. Supervisor Davidson indicated that CDD Office staff is working with a printer who can print the new directories.

Mr. Kloptosky added that minor software modifications to the database remain pending.

Supervisor Gaeta clarified that quotes to print the directory contents are being obtained, as well a quotes for new binders. She felt that at least 1,700 directories are needed, if not more, as Wild Oaks is developing quickly.

Supervisor Davidson reminded the Board that this item was not budgeted for Fiscal Year 2014.

H. Discussion: GHMA Oak Tree Article Protocol

Supervisor Davidson indicated that the Oak Tree editor had extra space in the last issue and, without the Board’s consent, inserted some CDD Rules and Regulations, which were not correct. This was followed by an email that implied that the incorrect information was the fault of the CDD. Supervisor Davidson directed Mr. Wrathell to send the GHMA a letter thanking them for the wonderful Oak Tree but requesting that, when publishing something about the CDD, they first have the article verified by the District, prior to publishing. He stressed that this situation resulted in “egg on the District’s face” created by the information published in the Oak Tree by the GHMA.

I. Keeping Grand Haven Grand

This item was not discussed.

SEVENTH ORDER OF BUSINESS

OPEN ITEMS

This item was not discussed.

EIGHTH ORDER OF BUSINESS

SUPERVISORS’ REQUESTS

Supervisor Davidson recalled earlier discussion of the resident who refuses to provide a copy of their current vehicle registration to the CDD office. He stated that the resident called the CDD office and was very difficult; the CDD office employee was extremely shaken by the forcefulness of the resident. Supervisor Davidson reported that he had several conversations with the resident, immediately following the incident, followed by a two (2)-hour meeting at the person’s office the next day, and another conversation took place this morning. He indicated that the resident’s position is that, no matter how the language is written in the CDD letter, the

implication is that the CDD is acting as the DMV and telling residents that their registrations have expired, which they have not, and that the District has no way of knowing the information. Furthermore, the resident believes that “it will create a tremendous problem that could result in a policing authority in the County of Flagler impounding our records and issuing tickets based on false information”. The resident also alleges that “governmental organizations sometimes err on the side of over enthusiasm and create burdensome regulations that provide no solution to a known problem and do not pass the test of reasonableness”. Supervisor Davidson indicated that the resident said that they could “file a claim against the District on the grounds that we have created an unreasonable ordinance or regulation that would wind up having to have a judge decide whether we could continue to do this or not”. He stated that this individual is willing to file such a claim.

Supervisor Davidson discussed the goals and process with the resident but the resident alleged that the District’s actions are “using a cannon to kill a mosquito”; the resident was not weary of unauthorized GADs in the community because a perpetrator could enter the community because the roads are public.

A resident asked why Supervisor Davidson is reluctant to name the particular resident. Mr. Clark stated that the Board’s general practice is to not discuss disputes with individuals unless the person is invited to attend and hear comments in person. Supervisor Davidson suggested inviting the resident to attend the next meeting, along with the GHMA and Neighborhood Watch, who are in favor of the District’s policies, so all parties can present their positions and the Board can make a decision, while suspending the requirement, until a decision is made.

Supervisor Davidson stressed that this is a difficult situation that came as a surprise.

Mr. Clark read the section of the statutes related to the District’s special powers, stating “Our powers are to operate and maintain systems and facilities for security including but not limited to guard houses, fences and gates, electronic intrusion detection systems and patrol cars”. He indicated that it goes on to say that the District cannot exercise “police powers” unless it contracts with law enforcement. Mr. Clark questioned how the District could exercise those powers, if it were not allowed to have a guard house, fence, gate etc. He believes that the District is not required to provide GADs, for instance, it could require everyone, including residents, to stop at the guard house; therefore, GADs are a convenience and distribution of them is at the Board’s discretion.

Supervisor Lawrence voiced his opinion that the resident is not challenging the issuance of GADs; rather, they are challenging the requirement to provide a copy of their vehicle registration, which was never previously required. Mr. Wrathell felt that, if a resident chooses not to provide a copy of the vehicle registration, the District does not have to issue a GAD; the resident can still access the community but they must enter at the guard house.

Mr. Kloptosky reiterated that a small number of residents voiced their discomfort with this request but eventually complied, with the exception of this particular resident.

Supervisor Davidson asked if the Board wants to invite this person, as a resident but in no other capacity, to address the Board.

Supervisor Davidson noted that reminder postcards will be sent in two (2) weeks, which contain the language that the resident objects to. Supervisor Gaeta read the following statement from the postcard, which states *“This postcard serves as notice that the motor vehicle registration(s) for one or more vehicle(s) in your household, currently on file in the Grand Haven CDD Master Resident Database, has or have expired. The Master Resident Database requires a valid registration on file for each gate access device that is issued. Please provide the Grand Haven CDD office with the required information as soon as possible to prevent disruption of your gate access device. Copies of current and valid vehicle registration(s) need to be received in our office no later than 30 days from receipt of this notice to avoid deactivation. Copies of these registrations can be delivered in person to the CDD office at 2 North Village Parkway, Monday through Friday, 8:00 a.m., to 5:00 p.m., or emailed to office at ghcdd.com or fax at 386-447-1131.”*

Supervisor Davidson noted that the postcards were purchased and questioned if they should be sent, as scheduled. Supervisor Chiodo suggested waiting until after the January meeting.

Mr. Wrathell questioned whether the Board would be giving this situation the same attention if the refusal and threats were from a regular resident who does not serve in a certain capacity and carry a certain level of gravitas in his line of work. Discussion ensued regarding the attention being given to this based on the refusing person’s “clout”. Supervisor Lawrence stated that he is not viewing this based on the person’s job title; rather, the person is a lawyer who is threatening to sue the District. It was suggested that Mr. Clark speak to the resident; if the issue is resolved, the postcards will be sent, and, if not, the resident will be invited to attend the

January meeting, where the Board will make a decision. Discussion ensued regarding the resident's possible motive and whether the Board is being "held hostage".

Supervisor Chiodo voiced his belief that the vast majority of Grand Haven residents are in favor of the reregistration process and believe that the security of the community is of utmost importance. It was suggested that the resident making the claims be invited to attend a meeting, along with all residents of Grand Haven, so that the person can explain his stance. Mr. Kloptosky stated his understanding that the resident is not disputing the language so much as the entire concept; he doubted that changing the language on resident communication would change his opinion.

Regarding the incident with this person and the CDD office staff member, Mr. Kloptosky questioned why this resident's actions are being treated differently than a different resident would be handled, had they treated a staff member similarly. He wondered if this individual should be exempt from the CDD's process for dealing with these types of matters involving staff, simply because of "who he is". Mr. Kloptosky noted that the resident not only treated the staff member badly but he also threatened to sue her, personally.

Supervisors Davidson and Gaeta felt that the resident will probably choose not to attend a meeting to discuss the matter.

Mr. Clark advised that he might miss the January meeting, due to an ongoing legal matter. Discussion ensued regarding changing the January meeting date.

On MOTION by Supervisor Davidson and seconded by Supervisor Chiodo, with all in favor, rescheduling the January Board of Supervisors Regular Meeting from January 16, 2014 to January 23, 2014, at this location, was approved.

Mr. Clark was directed to send another letter to the Lagunchiks regarding the date change.

Discussion ensued regarding adding a workshop in January.

On MOTION by Supervisor Chiodo and seconded by Supervisor Lawrence, with all in favor, scheduling a workshop for January 9, 2014, at this location, was approved.

Supervisor Davidson summarized that Mr. Clark will contact the particular resident to discuss the matter and the resident will be invited to attend the January 23, 2014 meeting to address the Board; the GHMA and Neighborhood Watch organizations will be invited to attend the meeting, along with other residents in the community.

Discussion ensued regarding whether to delay mailing the follow-up postcards. Mr. Clark recalled that the Board would likely not delay it, if a different resident were making these threats, and noted that he does not like the perception that the Board is being bullied. Supervisor Lawrence suggested continuing this meeting to January 9, 2014, prior to the workshop, to further discuss this matter. Supervisor Chiodo agreed. Supervisor Gaeta voiced her opinion that allowing this resident to bully the Board sets a precedent for this and all future Board decisions, when a resident disagrees. Supervisor Lawrence suggested authorizing Mr. Clark and Supervisor Davidson to make a decision regarding whether to send the follow-up postcards, based on the outcome of Mr. Clark's discussion with this particular resident.

Mr. Wrathell speculated that Mr. Clark will have his conversation with the resident; however, the possibility of a frivolous lawsuit will remain, which puts Supervisor Davidson in a political conundrum if he must make the ultimate decision regarding the postcards. Supervisor Davidson disclosed that the particular resident involved in this matter is his friend, neighbor and his formal counsel in real estate matters. It was suggested that Supervisor Davidson not be involved in the decision.

Mr. Clark suggested that, if it is clear that the resident will not attend the January 23, 2014 meeting, the District should proceed with sending the follow-up postcards.

Mr. Wrathell summarized that the question is whether this resident's allegations have any legal merit and whether he will attend the January meeting. Mr. Clark indicated that he will ask the resident to provide evidence of the legal merit, as well as whether the person will address the Board or will proceed with what he plans to do, regardless. The Board agreed to make a decision regarding the postcards at the January 9, 2014 Continued Meeting.

Discussion ensued regarding the wording for the postcards.

Mr. Clark confirmed that he will discuss this matter with the resident and report his findings at the January 9, 2014 Continued Meeting, after which, the Board can decide whether to send the postcards. Regarding whether District Counsel will address the issue of the resident's treatment of the CDD office employee, Mr. Clark recommended not mixing the matters.

NINTH ORDER OF BUSINESS

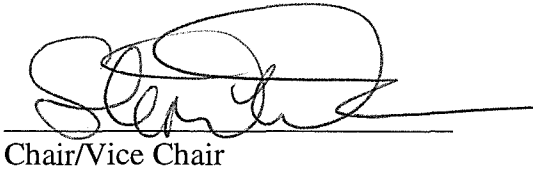
ADJOURNMENT

There being nothing further to discuss, the meeting was continued to January 9, 2014 at 10:00 a.m.

On MOTION by Supervisor Smith and seconded by Supervisor Chiodo, with all in favor, continuing this meeting to January 9, 2014 at 10:00 a.m., at this location, was approved.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end, positioned above a horizontal line.

Secretary/Assistant Secretary

A handwritten signature in black ink, featuring a large loop at the top and a long horizontal stroke at the bottom, positioned above a horizontal line.

Chair/Vice Chair