

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

A Community Workshop of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, July 3, 2014 at 10:00 a.m.**, at the **Grand Haven Village Center, Grand Haven Room, 2001 Waterside Parkway, Palm Coast, Florida 32137.**

**Present at the meeting were:**

Dr. Stephen Davidson	Chair
Pete Chiodo	Vice Chair
Marie Gaeta	Assistant Secretary
Tom Lawrence	Assistant Secretary
Ray Smith	Assistant Secretary

**Also present were:**

Rick Woodville	Wrathell, Hunt and Associates, LLC
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Scott Clark ( <i>via telephone</i> )	District Counsel
Barry Kloptosky	Field Operations Manager
Ashley Higgins	CDD Office Staff
Robert Ross	Vesta/AMG
Jim Gallo	Resident
Ron Merlo	Resident

**FIRST ORDER OF BUSINESS**

**CALL TO ORDER/ROLL CALL**

Mr. Woodville called the workshop to order at 10:05 a.m., and noted, for the record, that all Supervisors were present, in person.

**SECOND ORDER OF BUSINESS**

**PLEDGE OF ALLEGIANCE**

All present recited the Pledge of Allegiance.

**\*\*\*The workshop recessed briefly, time not specified.\*\*\***

**\*\*\*The workshop reconvened, time not specified.\*\*\***

**THIRD ORDER OF BUSINESS**

**UPDATES: Amenity Manager**

Mr. Ross advised that he was contacted regarding holding “meet and greet” events for candidates in the upcoming election. He noted that the requester wanted to schedule the events on a Friday night. Mr. Ross explained that Friday night is the café’s busiest night; therefore, parking would be an issue.

Supervisor Gaeta suggested scheduling a single event for the City and CDD candidates. Supervisor Davidson clarified that this was a request to hold a political rally for a particular candidate, in the District’s facilities.

Supervisor Smith questioned if the District has policies restricting rental of the facilities. He noted that Mr. Ross manages the facility and, if Friday night is not manageable, he can decline the Friday night request and recommend another night.

Discussion ensued regarding parking, gate access, and suitable nights. Regarding the number of attendees, Mr. Ross indicated that he does not know how many would attend the event; therefore, he cannot determine which rental fee should be used.

Supervisor Davidson stated that Mr. Ross’ question relates to rental of a room for a “meet and greet” event, sponsored by a resident, for a candidate who does not reside in Grand Haven. He felt that the Board should set policy, rather than creating guidelines for this single event. Supervisor Davidson suggested that a policy statement would be necessary for both The Village Center and Creekside.

Mr. Ross confirmed that the requests were to rent the Grand Haven Room. Noting capacity and ease of access issues, Supervisor Davidson questioned if the event would be advertised and whether the general public would be invited to attend.

The Board agreed to the following provisions for rental of the facility for a candidate rally or “meet and greet”:

- Invitation only
- Limit number of attendees to 112
- Must provide names prior to event
- Must be time specific, to be determined by Amenity Manager
- No CDD advertising, emails, etc., promoting the event

Supervisor Lawrence pointed out that the Board is simply acknowledging that a political rally is a legitimate request for room rental; therefore, it is the same as a resident renting the room for other types of events.

Mr. Ross asked if a nonresident who purchased an amenity membership can bring guests to the amenity facilities and, if so, would the same rules and fees apply, as for a resident and their guests. Supervisor Davison felt that the same rules and fees should apply, with the exception of the “overnight” guest provisions; a nonresident could not have “overnight” guests.

Supervisor Davidson recalled that, in the upcoming CDD election, one seat has two candidates and asked if the CDD will hold a “CDD Candidate Night”, specifically for CDD candidates.

Supervisor Lawrence was in favor of a “CDD Candidate Night”.

The Board recommended the following parameters:

- Candidate presentations limited to 10 minutes
- No questions and answers
- Moderator (not a CDD Board Member) – possibly Mr. Tom Byrne, a resident
- Event coordinated by Amenity Management
- Proposed date: Wednesday, October 15, 2014 at 7:00 p.m.

Discussion ensued regarding holding a CDD-sponsored “Political Rally”, whether to include Palm Coast City Council, Flagler County Commission and school board candidates, how to notify candidates of the event, when to hold the event and accommodating the potential number of candidates.

The Board recommended holding the “Political Rally” in August, prior to the primary election, mid-week.

Mr. Woodville indicated that this item will be included on the next agenda for further discussion. He noted that data regarding the Palm Coast City Council and Flagler County Commission candidates will be presented.

**\*\*\*Mr. Clark joined the workshop, via telephone.\*\*\***

- **Crescent Resource Lawsuit**

**\*\*\*This item was an addition to the agenda.\*\*\***

Mr. Clark reported that he is in receipt of a check for approximately \$279,000 from the Crescent Resource Litigation Trust (Crescent), which is a payment of the claim filed by the District during the bankruptcy. He explained that Crescent sued Duke Energy for transferring assets away from them, which should have been available to creditors; the parties reached a

settlement, which allowed payment to creditors in the bankruptcy. Mr. Clark stated that the payment received is 58% of the total of the District's claims against the developer.

Supervisor Davidson advised that he spoke to Ms. Jessica Beach, with St. Johns River Water Management District (SJRWMD) and Mr. Clark should expect a call from their general counsel regarding the LandMar bankruptcy.

**\*\*\*Mr. Clark left the workshop.\*\*\***

**FOURTH ORDER OF BUSINESS**

**UPDATES: Field/Operations Manager**

Regarding the community information guide, Ms. Higgins stated that she provided Supervisor Davidson with the final draft, from the publisher. She notified the publisher of minor revisions. Ms. Higgins noted that advertising sales are slowing and asked if she should discontinue selling ads; she is awaiting responses from two more prospective advertisers. She indicated that advertisement sales currently total \$12,190.

Supervisor Davidson recommended finalizing the guide and proceeding, as soon as possible. The Board agreed.

In response to Supervisor Davidson's question, Ms. Higgins indicated that production time is two to three weeks.

Discussion ensued regarding how to distribute the guides to residents. Supervisor Gaeta recalled that, previously, the guides were distributed by village and resident volunteers helped in the distribution process. Supervisor Davidson discussed having forms available for corrections so that staff can update the database immediately, as corrections are identified by residents.

The Board discussed who should be able to obtain the guide.

Supervisor Smith questioned what will be done with advertisements if payment is not received by the time the guides are published. Ms. Higgins indicated that she will remove advertisements from the guide, if payment is not received.

The Board contemplated whether renters should receive a complimentary guide. Mr. Kloptosky recalled that, previously, a renter could only receive the guide, in lieu of the property owner, if the property owner provided permission, in writing or via email.

Ms. Higgins indicated that the cost per guide is approximately \$7. Supervisor Chiodo pointed out that the true cost, after consideration of the advertising revenue, will be about \$3.50 per copy; therefore, the District could sell the guides to tenants for \$5. Supervisors Davidson

and Gaeta favored charging renters \$10, if the owner does not waive receipt of their copy. The Board agreed.

Supervisor Davidson noted that the District must recruit volunteers to distribute the guides.

Ms. Higgins provided handouts and a presentation of the Laserfiche ECM (Laserfiche) document management system, as a step towards establishing a paperless office. She discussed the limitations of the District's current system, when trying to become paperless. Ms. Higgins explained the benefits of the Laserfiche document management system; all documents, including resident information, invoices, agendas, etc., can be scanned onto the system and easily searched.

Ms. Higgins discussed the estimated cost of \$3,800 for the software, \$1,260 for three scanners and a \$600 annual fee, for an initial cost of approximately \$5,660.

Supervisor Lawrence advised that the District has sufficient money in its capital budget to make this purchase; he recommended proceeding. Supervisor Smith asked Ms. Higgins to provide information on at least one more competitive system. Supervisor Davidson recommended consulting with Ms. Daphne Gillyard, of the District Manager's office, regarding the document management system that they utilize and her familiarity with the Laserfiche system.

This item will be included as a discussion item on the next agenda.

Mr. Woodville discussed the benefits of the Board shifting to using tablets for agendas and District information, in lieu of hard copies; he concluded that it provides a cost savings, as it eliminates the agenda production and shipping costs. He estimated the cost to be \$600 to \$1,000 per tablet, depending on the type purchased and software. Mr. Woodville stressed that the tablets would be District property.

Supervisor Chiodo asked for an estimate of the cost to prepare hardcopy, bound agendas and the shipping costs.

This item will be included for further discussion on the next agenda.

Mr. Kloptosky reported that he received "push back" in the office regarding gate access and the requirement to supply vehicle registration information. He indicated that a number of snowbirds have been giving the CDD office staff "a hard time". Those residents do not want their gate access device (GAD) cancelled if their registration expires because it is inconvenient to go through the Main Gate, once they return to the community. Mr. Kloptosky advised his staff

to continue following the Board's policy to deactivate GADs when a registration expires and a copy of the new registration was not received. The Board agreed with continued enforcement of the current policy.

Mr. Ron Merlo, a resident, advised that he faxed his vehicle registration information to the CDD office.

Mr. Kloptosky reported that a realtor is "giving the office a very hard time" because he wants a GAD. The realtor is a listing agent for foreclosed properties and insists that he is entitled to a GAD but Mr. Kloptosky disagreed. He advised that the realtor plans to address his concerns to the Board.

Supervisor Lawrence recommended alerting Mr. Clark of this situation so that he can be prepared to comment, from a legal perspective.

Mr. Kloptosky indicated that the landscape RFP mandatory site meeting was held on June 30. Five companies attended, including Austin Outdoor, OneSource Landscape & Golf Services, ValleyCrest Landscape Maintenance, Affordable Lawn & Landscaping, Inc., and Duval Landscaping. He advised that, given the size of the property, all of the contractors, with the exception of the District's current contractor, asked if another site visit could be arranged to view and measure the property. Mr. Kloptosky received confirmation from District Counsel that additional visits were permissible. He recommended allowing two more visits, to be held on Monday and Tuesday; the District Manager's office will notify the contractors.

Mr. Kloptosky advised that the gate access code used for emergency gate access was reactivated; the sheriff's office was notified. He noted that the code will be changed quarterly. Mr. Kloptosky indicated that he is awaiting a letter from the fire and emergency services representative requesting access to the code. He explained that the representative wants to meet with him; the meeting is pending.

Supervisor Davidson pointed out that both the City and County fire departments must be contacted. He recommended notifying the Florida Forest Service (FFS), as well.

Regarding whether Mosquito Control can spray the Esplanade, Mr. Kloptosky advised that the Esplanade cannot be sprayed unless evidence of adult mosquitoes is found. Mosquito Control inspected three or four times but did not find adult mosquitoes. He indicated that Mosquito Control will set overnight traps, in an effort to gather the necessary evidence.

Mr. Kloptosky discussed a Supervisor request to add additional "S.O.S." boxes due to emergency vehicles experiencing difficulties entering the gates. He reported that the boxes cost \$600 each and \$200 to install; boxes are needed at four locations.

This item will be included as a consent item on the next agenda.

Mr. Kloptosky indicated that the pump house permit remains pending. He reported the breakage of the float valve, on Sunday, which the city previously refused to repair due to the dangerous conditions in the pump house. Mr. Kloptosky stated that the City agreed to repair the float valve but has not issued the permit.

Mr. Kloptosky expressed the contractor's frustration. He noted that PBM Constructors, Inc. (PBM) often works with the City and pulls permits multiple times per week; he could not understand why this project is encountering difficulties. Mr. Kloptosky surmised that the difficulties are typical of those that the District encounters every time it submits for a permit.

Supervisor Chiodo felt that the District should approach the City Council with this issue.

Mr. Kloptosky discussed events surrounding the broken float valve.

Supervisor Lawrence recommended that the District ask its City Council representative about this. Supervisor Davidson recalled that the Board previously tried that approach and was successful in obtaining approval.

Mr. Kloptosky indicated that Pinnacle Pavers has been unable to obtain a permit for the Center Park paver project. The City informed Pinnacle Pavers that a permit could not be issued because there is no physical 911 address for the location. Mr. Kloptosky advised that the address provided to the City was valid and was previously used on other projects.

Discussion ensued regarding how to approach the City.

Supervisor Lawrence reported that pavers in North Park are stained. He believes that it was the result of a broken hydraulic line and that Austin might be the culprit. Supervisor Lawrence stated that there might have been an attempt to acid wash the stains; however, the appearance has not improved. Supervisor Lawrence asked Mr. Kloptosky to comment on who he thinks is at fault and how the issue can be rectified.

Mr. Kloptosky indicated that he investigated the issue and Austin denies blame. He confirmed that similar stains were observed on the South Park pavers. Mr. Kloptosky was unsure what the stains are or how they got on the pavers.

**\*\*\*The workshop recessed at 11:41 a.m.\*\*\***

*\*\*\*The workshop reconvened at 12:02 p.m.\*\*\**

**FIFTH ORDER OF BUSINESS**

**DISCUSSION ITEM**

**A. Fiscal Year 2015 Proposed Budget**

Supervisor Davidson pointed out that the “Landscape maintenance service contract” amount remains unknown; the true amount will be determined once the RFP process is completed.

Supervisor Smith asked if the recently approved costs to stock shellcracker fish is a capital expense. It was noted that it is an operation and maintenance (O&M) item, not a capital project.

Supervisor Davidson summarized that the proposed assessment increase is 3.6%, equating to approximately \$75. Supervisor Davidson explained that the increase is related to infrastructure improvements and building funds for road replacement. Mr. Woodville noted that the increase also accounts for the possibility of the four “Cullis” lots being eliminated from the assessment roll.

Supervisor Gaeta referred to the “Tennis” line item, under “Revenues”, on Page 2, and voiced her opinion that the \$2,000 projected revenue amount is low, based on Mr. Ross’ current year tennis revenues. Mr. Woodville advised that revenues are conservatively projected.

**B. Update Capital Plan [TL]**

Supervisor Davidson asked to review the “FY 2014 Capital Plan” line by line. The following items were discussed:

**APPROVED PROJECTS**

✓ *Projects started in FY 2013 that will be paid in FY 2014* \$89,037

Mr. Kloptosky believed that all of these projects were completed.

✓ *Road Repaving (excludes FY 2015 Sailfish project - \$130,000)* \$195,000

Supervisor Davidson indicated that this project will be carried over.

✓ *Landscape Renovations (includes \$50,000 vine removal)* \$85,000

Supervisor Davidson stated that he wants Ms. Louise Leister, District Horticulturalist, to attend the next meeting, as the Board must discuss what spraying must be done to control the vines that were removed during the Firewise Mitigation project and what other landscape



renovations should be completed with any remaining funds. He voiced his opinion that \$50,000 was not spent for vine removal during Fiscal Year 2014.

- ✓ *Chinier Street Landscaping* \$13,980

Supervisor Davidson advised that this project was completed.

- ✓ *Club House Pier Repair* \$57,680

Mr. Kloptosky indicated that the project is completed, for the contracted price; however, additional work, including replacing benches, staining the deck and installing column wraps, will be performed, at an additional cost. He will present the costs for the additional work at a future meeting. In response to a question regarding whether the project was completed, Mr. Kloptosky stated that the pier repairs were completed but the additional work remains pending.

Supervisor Davidson pointed out that, this morning, the entire right-side bank of lights were on but the left-side was out.

Supervisor Lawrence asked if the additional work will increase the overall project cost over the \$57,680 amount. Mr. Kloptosky replied affirmatively.

- ✓ *VC A/C repair above Café* \$43,555

Supervisor Davidson indicated that the project was completed and asked if the \$43,555 price was accurate. Mr. Kloptosky did not have the information with him but estimated that the total cost was slightly less.

- ✓ *VC pool deck drain repairs - 1st third* \$4,800

This item was completed.

- ✓ *VC pool deck drain repairs - remaining* \$7,663

This item was completed.

- ✓ *VC replace Tennis Fence Posts* \$1,700

Mr. Kloptosky reported that this project is approximately one-third completed.

Supervisor Davidson asked about the cost. Mr. Kloptosky advised that the cost might be more, as he decided that extra work should be completed.

- ✓ *Sound System for GH Room* \$14,450

Mr. Kloptosky indicated that this project was completed, except for installation of a back on the cabinet and an additional microphone. In response to Supervisor Davidson’s question, Mr. Kloptosky explained that the total cost went back up to \$14,450 because he was not satisfied

with the function of the system; new speakers were installed in the ceiling, rather than tying in to the existing system.

- ✓ *Creekside road drainage repair* \$14,600

Mr. Kloptosky recalled that this project was not completed because the Board decided to address these issues when paving is completed.

- ✓ *Creekside Shower Reconstruction* \$12,840

Mr. Kloptosky reported that this project was 50% completed; the men’s showers were completed but, due to issues with the contractor, the women’s showers were not completed.

Supervisor Lawrence questioned if the women’s showers will be completed during Fiscal Year 2014. Mr. Kloptosky replied that he would like to do it but is “giving it a rest” due to the amount of time that it took to complete the men’s showers.

In response to Supervisor Gaeta’s question, Mr. Kloptosky confirmed that the \$12,840 price was to complete both the men’s and women’s showers; however, the shower doors were replaced, at a cost of \$1,100, which was not included in the quoted price. He summarized that the project is still under budget but only because the women’s showers were not completed; the overall project will likely exceed budget.

- ✓ *Convert Creekside pool lights to LED* \$5,000

This item was completed.

- ✓ *Repair Creekside spa skimmer drain* \$950

This item was completed.

- ✓ *Replace 3 cameras* \$1,050

This item was completed.

- ✓ *Repair Wooden Walkway - North village* \$2,750

This item was completed.

- ✓ *Repaint Street lights ( 40% in 2014;60% in 2015)* \$26,560

Mr. Kloptosky recalled that the budgeted funds for Fiscal Year 2015 were removed because no work will be necessary, in the next fiscal year. He noted that a few sections must be completed during the current fiscal year.

- ✓ *Pump House Pipe Repairs - Interior (25% of \$57,000)* \$14,250

This project remains underway.

- ✓ *Pump House Pipe Repairs - Exterior (25% of \$15,000)* \$3,750

- This project remains underway.

✓ *Repair sidewalks lifted by tree roots* \$10,000

This project remains underway.
- ✓ *Repair bank adjacent to Coquina path for bench - Jasmine Drive* \$7,000

This item was completed.
- ✓ *Gas Powered ATV for CDD* \$10,650

This item was completed.
- ✓ *CAC 2 Ellipticals* \$6,190

This item was completed.
- ✓ *CAC Landice treadmill* \$3,095

This item was completed.
- ✓ *Replace 4 Creekside pool heaters* \$26,500

Mr. Kloptosky advised that the contract was signed, the deposit was paid and a commencement date is pending.
- ✓ *Stop Bars/Arrows* \$3,500

This project is underway.
- ✓ *Replace VC dishes, etc* \$1,000

Mr. Kloptosky must verify if Mr. Ross purchased the dishes.
- ✓ *Purchase VC chairs & lounges* \$3,800

Mr. Kloptosky must verify if Mr. Ross purchased the chairs and lounges.
- ✓ *Replace VC DE Separator Tank* \$1,650

This item was completed.
- ✓ *Laptop for CDD meetings* \$600

This item was completed.
- ✓ *Repair Creekside Croquet Court* \$28,000

This item was not discussed.
- ✓ *Center Park pavers* \$32,000

Mr. Kloptosky reported that Pinnacle Pavers continues to have difficulty obtaining a permit from the City.
- ✓ *Add pickleball to VC adjacent to tot lot - obtaining bids* \$35,000

Mr. Kloptosky indicated that the contract was received from District Counsel and will be forwarded to the contractor.

Supervisor Davidson questioned what became of the petanque courts that were planned.

Mr. Kloptosky stated that he is holding that project. He advised that he obtained an estimate from Austin Outdoor (Austin) for \$4,000 to dig the area and planned to install the railroad tie borders in house. Mr. Kloptosky is waiting to determine if funds are available in the community budget to complete the project at the end of the year.

- ✓ *Replace 8 fans @ CAC pool; 2 fans @ VC pool* \$2,000

Supervisor Davidson indicated that the Creekside pool fans were installed.

- ✓ *Replace VC pool filters* \$2,500

This item was completed.

- ✓ *Replace CAC pool filters* \$2,000

This item was completed.

- ✓ *Add 6 fans to VC GH room* \$2,000

Mr. Kloptosky discussed installing the ceiling fans and noted that this has become a larger project than originally anticipated, as he wants to complete duct work; a proposal is pending. He confirmed that he delayed installing the fans until the ceiling work is completed.

- ✓ *Replace esplanade metal benches with composite benches* \$10,000

Mr. Kloptosky stated that he is compiling a list of locations where benches will be installed. In response to Supervisor Davidson’s question, Mr. Kloptosky indicated that the old benches will likely be sold as scrap metal.

**PROJECTS NOT YET APPROVED**

- ✓ *Replace VC bathroom sinks & counter* \$4,145

Mr. Kloptosky confirmed that this project is necessary and has become a safety hazard. He obtained a proposal to install granite counters with a built-in sink.

Supervisor Lawrence asked Mr. Kloptosky to present the proposal at the next meeting.

- ✓ *Repair Bocce Court Surround* \$5,000

Mr. Kloptosky stated that he obtained proposals to repair the bocce ball and shuffleboard surrounds. He wants to replace the wood surrounds with block, which is stucco on the inside, stone outer veneer and stone caps. The proposals are approximately \$10,000 each, which is double the previously anticipated cost. Mr. Kloptosky is seeking additional proposals.

Supervisor Chiodo questioned the amount of activity at the shuffleboard courts. Mr. Kloptosky stated that the shuffleboard courts have minimal activity, while activity is heavy at the bocce ball courts.

- ✓ *Repair Shuffleboard Surround* \$5,000

This item was discussed above.

- ✓ *Repair Osprey Lake pond bank erosion - under evaluation*

Supervisor Davidson advised that this item can be discussed at the next meeting, as there is currently little information.

It was suggested that a ten-to-15 minute presentation be given at the budget public hearing to recap, for the public, the projects that were completed during Fiscal Year 2014. Supervisor Davidson asked Mr. Kloptosky to have his staff prepare a PowerPoint presentation.

Supervisor Lawrence indicated that landscaping was inadvertently omitted from the “Expected FY 2015 Capital Needs Based on 10 Year Plan”.

Discussion ensued regarding when palm tree pruning will be completed and where it is budgeted.

The Board discussed the “Expected FY 2015 Capital Needs Based on 10 Year Plan”.

Supervisor Gaeta recalled that the “Additional parking at CAC and/or VC” for \$64,000, VC in croquet area” for \$77,000 and “CAC croquet in soccer field – replace two ½ courts” for \$31,880, did not include survey, landscape or conceptual planning costs. Supervisor Lawrence indicated that permit and landscape/lighting were included; he could not recall if the estimates included conceptual plans. Supervisor Lawrence stated that the Board expects more definitive plans and quotes from the District Engineer, at the next meeting.

Supervisor Davidson asked Mr. Kloptosky to discuss the critical need for the Creekside parking lot addition, due to a near crisis situation on Monday,

Mr. Kloptosky stated that cars were parked on North Village Parkway, towards Colbert Lane, as well as throughout the parking lot. He instructed his staff to install the “illegal” parking signs but anticipates an issue with threatening to tow vehicles when there are no parking alternatives.

Supervisor Davidson felt that an interim parking measure will be necessary to alleviate the Monday parking issues at Creekside.

Mr. Kloptosky noted that “RegROUT/repair pool and spa coping” was budgeted for \$6,000; however, he obtained a quote for \$2,000, which leaves \$4,000 that can be shifted to another project, such as surveying costs.

Supervisor Lawrence confirmed that the “Expected FY 2015 Capital Needs Based on 10 Year Plan” remains a work in progress.

Supervisor Gaeta pointed out that, based on the revisions at the last meeting, the “Unknown” amount was \$163,000, instead of \$89,357, and the final total was approximately \$718,000, instead of \$645,300. Supervisor Lawrence indicated that he will update the spreadsheet.

Supervisor Gaeta recalled that the Board decided to refinish the Grand Haven room floor, at a cost of \$10,000, in lieu of replacing it and asked Mr. Kloptosky if he obtained quotes. Mr. Kloptosky advised that he has not obtained quotes.

**C. Potential Rule Changes**

Mr. Woodville recalled that, per District Counsel, rule changes require a public hearing.

Mr. Kloptosky recommended developing Rules and Policies that require residents to be scanned upon entering the amenity facilities. Mr. Kloptosky noted that some residents refuse to sign in at the podium because it is not in the Rules and Policies. He explained that signing in allows staff to gauge usage of the amenities and suggested adding a rule requiring residents to sign in, in addition to being scanned.

Supervisor Davidson felt that the first two items were administrative changes, which should not require a public hearing; however, Mr. Kloptosky’s final recommendation should be reviewed by District Counsel.

Supervisor Gaeta pointed out that the three-minute rule for public comments is not always adhered to. She noted that some residents raise their hand to speak during meetings and questioned how that situation should be encompassed, within the meeting.

Supervisor Davidson believed that the Board can discuss how to handle public comments but it should not require a public hearing, as it is a procedural or administrative rule.

Supervisor Gaeta asked Mr. Kloptosky if he contacted the builders regarding providing access passes to them. Mr. Kloptosky stated that he has not contacted the builders.

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

Supervisor Davidson advised that the Firewise crew was not on site this week, as their machines were in for maintenance. Once work resumes, the crew will focus on areas where they could not complete work due to resident resistance or wet conditions. He noted another area that was hand cut the last time. Supervisor Davidson indicated that the saw palmettos are creeping back; therefore, it is time to evaluate spraying.

Supervisor Davidson discussed his conversations with Ms. Beach and a meeting that he and Mr. Kloptosky had regarding the pond bank issue. He stated that the District needs to understand environmental stewardship of the ponds, how they function and interaction with the stormwater system. Supervisor Davidson advised that Mr. Kloptosky received a call from Mr. John Moden, with the City of Palm Coast, regarding Ditch 10 and the main water body in Wild Oaks. A meeting was held to discuss undeveloped lots in Wild Oaks that bordered the water, which the City was upset about. Supervisor Davidson explained that these areas involve the “10’ zero maintenance zone” for Florida-friendly landscaping standards. He stated that the City was upset that the new builders were clearcutting some of the lots to the water line and replaced the landscaping with grass. Additionally, the City was upset that trees were being cut down on CDD property, which was violating City ordinances and codes. Supervisor Davidson noted that City, SJRWMD and CDD representatives participated in the meeting. He stated that the City’s code enforcement department planned to send violation notices to the CDD and hold the CDD accountable for the clearing being performed by private contractors. Supervisor Davidson stressed that the CDD was unaware of the issue. Discussion ensued regarding the areas of concern and whether certain areas are CDD property or the CDD’s responsibility.

In response to Supervisor Smith’s question, Supervisor Davidson confirmed that Mr. Sterling Colee, of Grand Haven Realty, attended the meeting and was in agreement with everything proposed. Supervisor Lawrence suggested that District Counsel send a letter to Mr. Colee. Supervisor Davidson noted that the District should have control over the area. Supervisor Lawrence reiterated that the letter should be sent by District Counsel so that the District has a basis for pursuing the matter, if trees are cut and the City fines the District. Discussion ensued regarding control mechanisms that the District could employ. Mr. McGaffney spoke of another District that issues permits and the City will not allow certain things until it knows that the District issued a permit allowing the action; he recommended this as a possible procedure. Supervisor Gaeta questioned if this additional work is included in Ms.

Leister's fee. Supervisor Davidson replied no and acknowledged that the District would pay Ms. Leister extra, on an hourly basis. Mr. Woodville recommended obtaining District Counsel's opinion regarding whether the District has the power to institute an official permitting process.

Supervisor Davidson indicated that Mr. Moden discussed a new permit that the District might be required to obtain, involving the Palm Coast stormwater system. In addition to hydraulics, water quality reporting for the system will be required soon, which could create another set of permitting and registration requirements for each municipality that expels water into common waterbodies in Florida. He noted that Grand Haven has its own stormwater system; therefore, if this comes to fruition, the District will be required to obtain its own registration and permit and be subject to the stormwater quality requirements.

Supervisor Davidson indicated that he spoke to Ms. Beach; she will visit the District, at 10:00 a.m., on July 22, to review the 2009 list of unfinished items to eliminate items that were completed or can be removed. He reported that SJRWMD hired new wetland scientists; one will take over Grand Haven and review the file within the next few weeks. A student intern will also review the District's information. Supervisor Davidson noted that the SJRWMD's General Counsel was asked to investigate the issue of an entity holding stormwater permits going bankrupt and what becomes of those permits. He recommended to Ms. Beach that their counsel contact District Counsel to work on this matter, to determine if the District might not be accountable for some of the items, as a result of the bankruptcy and what was purchased by the new declarant. Supervisor Davidson was advised by Ms. Beach that only a few of the permits were issued to the CDD; most were issued to Grand Haven Developers LLC, including Wild Oaks. He explained that, if the bankruptcy did not absolve the owner of the declarant rights of their responsibility, the current owner of the declarant rights would be responsible for administrative compliance.

Regarding the conservation easements that are necessary, Supervisor Davidson was advised that they can be recorded through a standalone conservation easement, a plat or through the written covenants. Supervisor Chiodo stated that District Counsel should inform Mr. Jim Cullis, of Grand Haven Realty, of the specifics regarding what is occurring and what remains pending, in order to put Mr. Cullis "on notice". Supervisor Davidson confirmed that he will relay this information to Mr. Clark. Supervisor Lawrence questioned if SJRWMD will contact



Mr. Cullis, directly. Supervisor Davidson indicated that he will suggest to Ms. Beach that SJRWMD contact Mr. Cullis.

**SIXTH ORDER OF BUSINESS**

**UPDATES: District Manager**

Mr. Woodville expressed Management’s regrets that the Supervisor’s checks were not provided for today’s workshop. He indicated that the checks were mailed today.

- **UPCOMING MEETING/WORKSHOP DATES**

- **BOARD OF SUPERVISORS MEETING**

- **July 17, 2014 at 9:30 A.M.**

Mr. Woodville indicated that the next meeting will be on July 17, 2014 at 9:30 a.m.

- **COMMUNITY WORKSHOP**

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

Mr. Woodville advised that the next workshop will be on August 7, 2014 at 10:00 a.m.

**SEVENTH ORDER OF BUSINESS**

**OPEN ITEMS**

Supervisor Chiodo briefed the Board regarding negotiations with Mr. Cullis on the District’s counter proposal. He recalled that the Board agreed that the District would waive the remaining value of the bonds on the four units, which is approximately \$8,000 and waive all future operating assessments on the four units, beginning with the November, 2014 assessments, which is a value of approximately \$7,800 per year; the District would assume any property taxes owed on the four properties and the CDD’s Wild Oaks property that the developer wants, in order expand stormwater drainage, would be provided to the developer.

Supervisor Chiodo explained that the District made this proposal to provide the CDD with an additional “park like” area, to eliminate congestion associated with the use of Parcel K for residential homes and to eliminate the safety concerns associated with vehicle traffic, if a limited access road were provided for additional residential homes in Parcel K. He outlined the benefits to the developer and suggested that negotiations be completed no later than September 15, 2014.

Supervisor Lawrence questioned if Supervisor Chiodo is proposing to give the developer an easement or giving them the property, outright. Supervisor Chiodo stated that his proposal is

to give the property to the developer, which would absolve the District of the maintenance responsibilities.

In response to Supervisor Smith's question, Supervisor Chiodo confirmed that his proposal entails the District absorbing the remaining value of the bonds. Mr. Woodville explained that the District would become responsible for the remaining debt service on the bonds for those four units.

Supervisor Chiodo met with Mr. Cullis to receive his counter proposal. He read the following received from Mr. Cullis:

*"After much consideration, I have decided to accept the District's offer to swap the property for the District's isolated upland site next to my Grand Living property."*

Supervisor Chiodo noted that this statement implies that Mr. Cullis is accepting the proposal provided to him; however, that is not accurate. He continued reading Mr. Cullis' communication:

*"Even with the dispute over entitlement rights, I feel it is hard to argue that the sites are of equal value. I think it would be difficult to assert that there are no developmental rights but still assess the property. The District's upland site is clearly of no value to anyone other than the adjacent landowner since there is no ultimate access to it. Given the difficulty in appraising either site, I am prepared to enter into an exchange for a net compensation to Grand Haven Properties, LLC, of \$69,552. For what it is worth, this number is my approximate investment in permits and engineering, \$25,000, plus my District assessments that were paid since acquiring Parcel K, of \$44,552.*

*I know it is immaterial but I paid plus \$86,000 for this site which I will have to take as a loss if we close this year.*

*Also, if it matters, which I know it doesn't, I had the property under contract for \$175,000, which I consider the fair value of the site.*

*Assuming this arrangement is acceptable to the District, then we will still need to verify that the land is actually uplands and is suitable for use as a drainage parcel for the Grand Living site.*

*As per offered earlier, the District would need to retire the remaining four bonds and agree that there is no outstanding obligation to Grand Haven Properties, LLC and that the assessments are paid through the fiscal year end so we have this done by then. The District would then need to support the upcoming entitlement process of the City of Palm Coast for approval of the site plan, including the use of the drainage site.*

*If this arrangement is approved by the District, then I will withdraw my applications for entitlements on the ninth green site. The City still needs to finish closing out the DRI through the essential build-out agreement; we can work together with staff to complete the process. I still have not been privy to any of the dialogue between St. Johns River Water Management and the District concerning the out of permit issues. As part of this agreement, I would seek indemnifications from the District for my company. My company was never a party to any of these permits, etc.*

*As they say, time is of the essence and I would appreciate an answer as soon as the District convenes.”*

Supervisor Chiodo noted that, although it is not included in the communication, during discussions, Mr. Cullis stated that he contests that, in 1998, the CDD and/or the developer gave a cash bond to the county for the traffic light that would potentially be installed at the Main Gate. He advised that it was recently announced that the traffic signal is not necessary and, according to Mr. Cullis, the bond, which was an interest bearing bond, is now worth \$80,000 and he is willing to relinquish his rights to the CDD, which would “cover” the \$69,000 payment that Mr. Cullis wants the District to pay.

Supervisor Chiodo indicated that Management is already researching the status of the 1998 cash bond. He noted that, if the District put up the funds for the cash bond, it already belongs to the District. Supervisor Chiodo stressed that he does not believe the District should pay anything to Mr. Cullis.

Supervisor Smith pointed out that it is difficult to lay out a negotiation strategy in a public meeting. Supervisor Lawrence questioned if the Board can hold a shade meeting. Supervisor Chiodo suggested holding a shade meeting at the beginning of the next regularly

scheduled meeting. Supervisor Davidson recalled that shade meetings can only be held when there is pending litigation against the District.

Supervisor Davidson noted, that, based on his conversations with Ms. Beach, the District might have leverage regarding the notion that the developer has no liability.

Regarding the cash bond mentioned by Supervisor Chiodo, Mr. Woodville clarified that it is typically a performance bond, which is paid by the developer, not the District.

Mr. Clark confirmed that a shade meeting can only be held when there is pending litigation. He suggested that the District continue having an appointed Board Member negotiate with Mr. Cullis, as those meetings can occur outside of the Sunshine law parameters. The Supervisor can report the progress to the Board.

Supervisor Chiodo recapped the Board’s discussion of Mr. Cullis’ counteroffer.

Supervisor Lawrence noted that Mr. Cullis paid assessments on the Parcel K lots and asked Mr. Clark if Mr. Cullis can seek reimbursement from the District, since he cannot build on the lots. Mr. Clark felt that such claim would not be successful.

Supervisor Gaeta asked Mr. Clark if Supervisor Chiodo has information to relay related to the SJRWMD issues.

Supervisor Chiodo felt that the issue he discussed is different from the SJRWMD issues.

Mr. Clark agreed that the issues are different; however, the SJRWMD issue could be advantageous to the District in negotiating the other matter.

This item will be included for further discussion at the next meeting.

Supervisor Chiodo felt that the best position is to counter Mr. Cullis’ most recent offer with the District’s original offer.

Supervisor Gaeta referred to Item C., relating to switching the streetlights to LED. She recalled Mr. Kloptosky stating that this item was suggested by Vesta.

Mr. Kloptosky stated that he discussed this with Mr. Deary and Vesta will be prepared to provide a presentation within the next two weeks.

**EIGHTH ORDER OF BUSINESS**

**SUPERVISORS’ REQUESTS**

There being no Supervisors’ requests, the next item followed.

**NINTH ORDER OF BUSINESS**

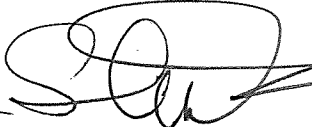
**ADJOURNMENT**

There being nothing further to discuss, the workshop adjourned.

**On MOTION by Supervisor Gaeta and seconded by Supervisor Davidson, the workshop adjourned at 1:24 p.m.**



\_\_\_\_\_  
Secretary/Assistant Secretary



\_\_\_\_\_  
Chair/Vice Chair