

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

A Regular Meeting of the Grand Haven Community Development District's Board of Supervisors was held on **Thursday, July 16, 2015** in the **Grand Haven Room, Grand Haven Village Center, 2001 Waterside Parkway, Palm Coast, Florida 32137** at **10:00 a.m.**

Present at the meeting were:

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

Also present were:

Craig Wrathell	District Manager
Rick Woodville	Wrathell, Hunt and Associates, LLC
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Scott Clark	District Counsel
Jim Sullivan	District Engineer
Barry Kloptosky	Field Operations Manager
Robert Ross	Vesta/AMG
Ashley Higgins	Grand Haven CDD Office
Jim Gallo	Resident
Bob Clarke	Resident
Kay Clarke	Resident
George Amandola	Resident
Chip Hunter	Resident
Vic Natiello	Resident
Tom Byrne	Resident
Valerie Wright	Resident
H. Matthews	Resident
Ron Merlo	Resident
Dave Reisman	Resident
D.W. Ferguson	Resident
Rob Carlton	Resident
David Alfin	Resident

FIRST ORDER OF BUSINESS

CALL TO ORDER/ROLL CALL

Mr. Wrathell called the meeting to order at 10:03 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.

THIRD ORDER OF BUSINESS

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

Mr. Bob Clarke, a resident, indicated that his home abuts a pond and a conservation area, on the southwest corner of Front Street and Montague, which he believed were owned and maintained by the CDD. He did not realize that fishing in the pond would be allowed from the conservation area 50’ from his lanai. Mr. Clarke felt that, as a homeowner, he should not have to endure what he observed from his lanai. He “did not choose to live in Grand Haven to look at half-naked kids fishing, drinking beer, smoking cigarettes, 50’ from the back of our house”. Mr. Clarke provided photographs of people fishing behind his home and described their appearance and actions. He contacted the CDD office two to three times and the sheriff’s office three times, over the past two months, to “have those people checked out”. Mr. Clarke noted that one person always claims to be a resident and the others are his guests. He stated “Aside from the visual pollution that we are experiencing, these people are destroying the vegetation the CDD is required to maintain. I have seen them stomping on plants, breaking off tree branches, besides leaving their garbage.” Mr. Clarke discussed the legal obligations of property owners to individuals on their property. He voiced his belief that there may be several dangerous conditions, which may require the CDD to warn people, such as slip and fall dangers, a slope of more than 45°, drowning and alligators.

Mr. Clarke felt that fishing in all ponds, from CDD conservation areas, should be prohibited. He reiterated his opinion that the District has legal obligations and urged the Board to consult with District Counsel.

Mr. George Amandola, a resident, recalled an item on a prior agenda regarding a traffic signal at the Main Gate and questioned why it would be needed. He inquired about when the pickleball courts would open.

Supervisor Davidson indicated that, many years ago, the County required a bond from the CDD for a traffic signal; however, a traffic study determined that a signal was not necessary, which led the District to seek the bond funds from the County. He stated that the County was reluctant to release the funds to the District.

Supervisor Gaeta clarified that the traffic signal was for the South Entrance, not the Main Gate.

Supervisor Davidson referred to an email from Mr. Brad Schaaf, a resident, regarding dining in Grand Haven. He summarized that recent improvements led to the café's success and Mr. Schaaf recommended expansion. Supervisor Davidson noted Mr. Schaaf's suggestion that Mr. Ross assume operation of the food and beverage operations at the Grand Haven Golf Club (GHGC). He pointed out that the GHGC is a private enterprise; therefore, the CDD could not become involved.

Supervisor Lawrence voiced his agreement with Mr. Clarke's position on fishing in the area discussed. He felt that the District should install "No Fishing" signs in that area.

Regarding implementation of a selective "No Fishing" policy for common property, Mr. Clark believed that the District's fishing policy left discretion for installation of "No Fishing" signs and declaring the area "off limits". He felt that the Board could designate that location as a "No Fishing" area.

Discussion ensued regarding why fishing should be prohibited in that area. Supervisor Davidson wanted to ensure that designating it as a "No Fishing" area would not take a benefit away from a homeowner.

Mr. Clark suggested the Board declare that the area was not a proper access point, due to physical constraints. Mr. Kloptosky requested Mr. Clark's input regarding wording for the signs. In response to a question, Mr. Kloptosky confirmed that the District has other areas with a similar issue.

Supervisor Davidson noted that the rules were recently changed to require residents to present their Smart Amenity Access Card (SAAC), upon demand; residents can be asked to leave if SAAC is not presented.

Mr. Kloptosky was directed to evaluate similar areas and report his findings at a future meeting.

FOURTH ORDER OF BUSINESS

CONSENT AGENDA ITEMS

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

A. MINUTES

- i. Approval of June 4, 2015 Community Workshop Minutes**
- ii. Approval of June 18, 2015 Regular Meeting**

B. UNAUDITED FINANCIAL STATEMENTS

i. Approval of Unaudited Financial Statements as of June 30, 2015

Mr. Wrathell reported that assessment revenue collections were at 95%, which was status quo with Fiscal Year 2014’s collections.

Supervisor Gaeta indicated that she submitted changes to the minutes to Management’s office.

Supervisor Davidson questioned a \$42,000 invoice from Austin Outdoor (Austin), which he believed should have been a credit, rather than a bill. The credit was for removal of the croquet court treatments from the Austin contract. Mr. Kloptosky indicated that the bill was for regular monthly maintenance; the contract amendment was a notation.

On MOTION by Supervisor Lawrence and seconded by Supervisor Gaeta, with all in favor, the Consent Agenda Items, including Supervisor Gaeta’s amendments, previously submitted to Management, were approved.

FIFTH ORDER OF BUSINESS

STAFF REPORTS

A. District Engineer

Mr. Sullivan indicated that the contractor applied for the construction permit for the Sailfish Drive project. Several comments were received from the City. The comments were responded to and the plan and all items were resubmitted to the City. Mr. Sullivan was optimistic that the permit would be issued soon and construction should commence within a few weeks.

In response to Mr. Kloptosky’s question, Mr. Sullivan confirmed that the District Engineer will inspect the project, a limited number of times, once work commenced.

B. Amenity Manager

Mr. Ross indicated that the Creekside Tiki Bar trial period was extended to 12 weeks to fully confirm its viability; overall, it was reasonably successful.

Mr. Kloptosky felt that the District should purchase and install a television at the Tiki Bar, on the chance that it might increase attendance.

Supervisor Davidson asked about the status of the café expansion.

In response to Supervisor Davidson's question, Mr. Kloptosky was unsure if the Board directed him to obtain a conceptual drawing.

Discussion ensued regarding expansion, whether the kitchen facilities were adequate for an expanded café, seating and air conditioning. Mr. Kloptosky stated that the current air conditioning system was probably not sufficient; expansion would likely require installation of a supplemental unit. Supervisor Davidson believed that oversized air conditioners were installed. Mr. Kloptosky stated that the units were sized to accommodate the room; units are not typically oversized. It was recommended that Mr. Kloptosky ask builders and contractors for a free evaluation of the expansion options. Supervisor Davidson summarized that the plan was to extend the roof and construct walls to enclose the tables in the courtyard. A resident advised that a contractor regularly constructs lanai enclosures in the community; he will provide Mr. Kloptosky with the contractor's information.

C. Field/Operations Manager

Mr. Kloptosky indicated that final inspections of the pickleball courts were completed by the City. The courts sat for several weeks to allow the paint to dry. He recalled discussion of a grand opening, ribbon cutting and photo opportunity. Mr. Kloptosky confirmed that the pickleball courts were ready to open and questioned when the Board wanted to open them.

Supervisor Davidson suggested that, with proper advertisement, the entire Board should visit all of the courts on July 25, 2015, for photos, etc. He felt that the courts could open prior to the grand opening. It was suggested that the pickleball, Petanque and croquet players also attend.

Discussion ensued regarding the pickleball schedule and scheduling play. Mr. Kloptosky received questions from residents who want to play during times that regular pickleball players used the courts and questioned if the Board wanted to develop a policy designating times of play for the pickleball group. Supervisor Davidson felt that Mr. Ross should make the decision.

Mr. Clark confirmed that this must be properly noticed, since more than one Board Member would attend.

Mr. Ross advised that the pickleball courts would be opened tomorrow.

Mr. Kloptosky questioned how to incorporate the pickleball court maintenance into Austin's contract. Staff can perform maintenance, temporarily; however, maintenance should eventually be added to Austin's contract.

Regarding amenity facilitators maintaining the pickleball courts, Mr. Ross pointed out that only one facilitator is on duty and must also check SAACs, along with other activities.

Mr. Kloptosky was confident that the croquet courts would be ready for the anticipated opening on July 25, 2015. He ordered a new canopy for the awning, which should be installed on Monday, along with a stone ball stop around the perimeter. Austin will install additional mulch and enhancements prior to the opening. Mr. Kloptosky noted that a gate was ordered and would be installed.

Mr. Clark reviewed the details of the court opening event on July 25, 2015, to be included in the newspaper advertisement.

Regarding the Marlin Drive reuse pond issues with the City's refill mechanism, Mr. Kloptosky indicated that the City replaced the fill meter on the west side of the pond, as well as the remote fill equipment that was damaged during a power surge. He noted that the system was not yet operational. Mr. Kloptosky advised that the City remained diligent in refilling the pond, alleviating issues for the District. In response to Supervisor Gaeta's question, Mr. Kloptosky stated that he must check how the signals are transmitted and whether it is by cell or radio transmission.

Mr. Kloptosky recalled the Creekside Water Usage Amendment Agreement and confirmed that he executed the documents and submitted them to the City. The City required payment of \$8,278.36; the check will be delivered, once received from Management. He advised that, once the agreement was received, permitting for the Creekside south parking lot could commence.

Regarding the outdoor cooler proposed by Mr. Ross, Mr. Kloptosky indicated that the cooler was purchased but installation requires a permit. The City wanted stamped and sealed engineering drawings, wind load documentation and tie downs. The District incurred costs for eight tie downs, at \$220 each, as well as \$400 for the engineering drawings. Mr. Kloptosky

stated that the City then wanted additional engineering drawings because the plan was to install the cooler on top of the refrigeration unit.

Supervisor Lawrence recommended that the District document all incidents where the City's actions caused the District to incur additional expenses, possibly needlessly. He felt that the District should meet with the new mayor, in November, and request relief from the City's unnecessary harassment.

Supervisor Davidson recalled that the City was to assign a "point person" for the District's matters; however, a CDD contractor was told by Building Department City staff that the "point person" did not work for the City.

Mr. Kloptosky advised that two insurance claims were pending for accidents that occurred in the community. He explained that a vehicle knocked over a streetlight; the District filed a claim for reimbursement for the purchase and installation of a new streetlight. Mr. Kloptosky noted that the insurance company agreed to pay the \$4,325 claim, less \$398 for depreciation.

Mr. Clark recommended that the District push for full restoration and, if the insurance company does not pay in full, the District should maintain a claim against the driver for the difference. Mr. Kloptosky stated that the insurance company's position was firm. Mr. Clark suggested that the District accept the insurance company's offer and bill the driver for the balance.

Mr. Kloptosky indicated that the second accident occurred at the North Gate, when a driver drove over the island, damaging the camera equipment, gate access device (GAD) reader, gate and landscaping. The claim totaled approximately \$6,000; however, the total could increase by \$3,000, depending on the gate damage. The Board directed Mr. Kloptosky to submit a claim for \$9,000.

Mr. Kloptosky stated that a new copier was included on the 2016 Capital Improvement Plan (CIP) projects list; however, the copier in the front office is not operating properly. He wanted to purchase a copier now, for \$3,000. The Board agreed to the purchase.

Mr. Kloptosky recalled that the District spends approximately \$8,000, annually, for holiday lighting. He indicated that the lights at all five entrances could be converted to LED uplighting for approximately \$10,000. The LED lights have a remote, which allows for the colors to be changed. He felt that this change would reduce the District's cost for holiday

lighting to \$1,000, if staff decorates the entrance fence, Creekside and The Village Center. Mr. Kloptosky conceded that many residents are accustomed to palm trees wrapped in white lights and the appearance would be different with uplighting. The Board requested a demonstration.

Mr. Kloptosky advised that a resident with complaints about security continually contacts the CDD office requesting that the Board addresses his concerns. He noted that many of the resident's complaints were related to his builder and not CDD matters.

Supervisor Davidson indicated that the resident's issue with the builder's van was resolved when the van was towed by the Sheriff's department; however, the CDD was not notified until the incident was over. Supervisor Chiodo took umbrage with the resident's insinuation that the District knew of the situation for a long time when the GHMA was who he alerted about the van matter. Supervisor Davidson concluded that the District would respond to the one or two items, in the resident's appeal, which were actually CDD-related matters.

Mr. Kloptosky reported that payment was not received from the Condo Association for pond repairs. Mr. Wrathell was advised that the Condo Association would send a letter to the District but there was no mention of a payment check. Mr. Kloptosky indicated that the Condo Association was disputing the cost and wanted to pay a lower amount.

Mr. Kloptosky distributed copies of letters regarding music licensing for music played within the facilities. The cost would be approximately \$3,200, annually. In response to a question, Mr. Kloptosky indicated that he received notices from two companies.

Mr. Clark confirmed the potential for copyright infringement when music is widely broadcasted. He did not necessarily agree with the assertions in the letters but must obtain additional information regarding music at the facilities and research it further. Mr. Clark felt that the District should not ignore the matter.

Mr. Kloptosky believed that the licensing was related to live music and dance classes. Mr. Clark stated that the conductor of a dance or exercise class should be liable for the music played but the District could be liable when it sponsors live music or plays music over a multiple speaker system. In his experience, Mr. Wrathell had never heard of this situation. Discussion ensued regarding whether the District would be under the licensing requirements. Supervisor Davidson directed Mr. Clark to delay further research until Mr. Ross provides information from AMG/Vesta.

In response to Supervisor Gaeta's question, Mr. Kloptosky indicated that the irrigation line breaks were repaired.

D. District Counsel

Mr. Clark continued gathering information about the traffic light bond, in preparation for a mediation request. Regarding preparation of a draft rule related to stormwater obstructions, he voiced his opinion that it was premature to draft the rule; the Board must first determine what should be accomplished.

E. District Manager

i. Upcoming Community Workshop/Regular Meeting Dates

○ **COMMUNITY WORKSHOP**

- **August 6, 2015 at 10:00 A.M.**

The next workshop is scheduled for August 6, 2015 at 10:00 a.m., at this location.

○ **REGULAR MEETING**

- **August 20, 2015 at 10:00 A.M.**

The next meeting is scheduled for August 20, 2015 at 10:00 a.m., at this location.

*****The meeting recessed at 11:17 a.m.*****

*****The meeting reconvened at 11:26 a.m.*****

SIXTH ORDER OF BUSINESS

BUSINESS ITEMS

▪ **9th Green Site**

*****This item, previously Item 6.I., was presented out of order.*****

Supervisor Chiodo recalled discussion with Mr. Jim Cullis, of Grand Haven Realty, regarding purchasing the 9th Green site. The District requested credits against the price for the drainage and conservation easements. The agreed upon price was \$59,500, less credits of \$12,000 and \$15,000 for the drainage and conservation easements, respectively, resulting in a net cost of \$32,500. The CDD would acquire ownership of the 9th Green site, including the units adjacent to the clubhouse, and create a park-like atmosphere on the property. Supervisor Chiodo indicated that Mr. Cullis no longer needed the conservation easement, once the senior living project fell through; therefore, Mr. Cullis removed the \$15,000 credit, which increased the price to \$47,500. Mr. Cullis was only agreeable to negotiation to the extent that the District would defer a portion of the payment, such as \$6,000, as a future credit on Mr. Cullis' assessments.

Supervisor Chiodo noted that Mr. Chip Hunter, resident and Condo Association President, advised that the Condo Association was interested in assisting the CDD with the purchase.

Supervisor Chiodo indicated that the Condo Association requested permission for condo residents to park overnight, temporarily, in the golf course parking lot.

Supervisor Gaeta expressed ambivalence about the request, since the CDD “absorbed” the assessments for the reduction in the number of properties by four and the Condo Association did not reimburse the District for the pond repairs; she felt that payment would have been a sign of good faith.

Mr. Clark confirmed that there would be no issues with the Condo Association contributing to the 9th Green purchase, as outlined by Supervisor Chiodo; however, the CDD must be the sole owner of the property. It would be viewed as a gift, with no conditions attached. He noted that the initial offer was that, if the CDD ever developed the property, the Condo Association wanted the money back. Mr. Clark pointed out that the CDD could not give the Condo Association preferential use of the property; it must be available to all residents, as an amenity.

Regarding allowing condo residents to park in the golf course parking lot, Mr. Clark advised that the easement was not exclusive but the District assesses the golf course for the parking lot. He cautioned against interfering with the golf courses usage, as the golf course could ask for the assessments to be shared. Mr. Clark felt that overnight parking that did not interfere with the golf courses use, would be permitted, under the easement; however, if the District allows one group to park overnight in the lot, it must permit others to park, as well.

Mr. Hunter indicated that the Condo Association would pay for signage advising when residents were allowed to park in the golf course parking lot.

Discussion ensued regarding a previous request to park RVs, boats, etc., in the golf course parking lot, which was not approved.

Supervisor Davidson directed Staff to obtain an independent appraisal of the 9th Green site.

A. Continued Discussion: Fiscal Year 2016 Proposed Budget

Mr. Wrathell believed that there were no changes since the last meeting. He referred to Page 17 and noted that the four units related to the 9th Green site were still reflected on the

budget. Pulling the four units would result in fund balance of approximately \$8,000. He stated that the District would “basically have a balanced budget, other than the additional money going to the capital projects reserves, so we would be neutral, basically.” Mr. Wrathell indicated that the proposed budget reflected a \$62.98 increase in the “Admin & Field Ops” assessment and a \$21.76 increase in the “Infrastructure Reinvestment” assessment, equating to a total assessment increase of \$84.74.

Mr. Kloptosky was advised of an aquatic services contract increase of \$67. Mr. Wrathell believed that the contracts contained a typical consumer price index (CPI) increase; therefore, the increase should have been factored into the proposed budget.

B. Continued Discussion: Capital Plan

An updated CIP projects list was distributed.

Supervisor Lawrence advised that the estimated cost to replace the vinyl picket fence on Waterside Parkway was reduced from \$14,000 to \$6,300; the project commenced. The following items were recently completed or are underway: replacement of failing pressure washer and replacement of failing CDD office copier. He indicated that \$9,950 was estimated for installation of controllable uplighting at the entrance gates.

Discussion ensued regarding whether installation of LED streetlights would be cost effective. Mr. Kloptosky noted that the electric bill for the seven streetlight trial segment reduced from about \$120 to \$135 per month to \$36 per month. The trial will continue for two more months.

The following items were recently completed or are underway: installation of a maintenance access gate at the croquet court and a ball stop surrounding the croquet court.

Supervisor Lawrence recommended installation of a separate heat pump at The Village Center office at an estimated cost of \$4,970.

On MOTION by Supervisor Lawrence and seconded by Supervisor Davidson, with all in favor, installation of a separate heat pump at The Village Center office, in a not-to-exceed amount of \$5,100, was approved.

Supervisor Lawrence noted that, with two months remaining in Fiscal Year 2015, approximately \$25,000 of the CIP projects budget was available. He suggested that funds not currently allocated be allocated to the LED light project.

Supervisor Smith asked about the restroom tile restoration project. Mr. Kloptosky indicated that he was proceeding with sinks and granite countertops, during Fiscal Year 2015.

Mr. Wrathell confirmed that Management would be able to advertise the grand opening event on July 25, 2015.

▪ **Potential Budget Consideration Item: Employee Health Insurance**

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

Mr. Wrathell indicated that CDD employees wanted the Board to consider providing health insurance.

Supervisor Lawrence favored offering health insurance to CDD employees and suggested that Management obtain information and estimates.

Supervisor Chiodo recalled that the District already compensates Mr. Kloptosky for his health insurance coverage.

In response to Supervisor Gaeta's question, Mr. Kloptosky advised that, including himself, the CDD has six employees.

Mr. Wrathell pointed out that, if a group plan was offered, it must be offered to all employees. He estimated that at least 50% of Management's Districts offer employee health insurance. Mr. Wrathell indicated that he could consult with his firm's insurance agent to obtain cost estimates for various plans. He noted that the District reimburses Mr. Kloptosky for approximately 50% of his insurance cost.

▪ **Field/Operations Manager Raise and Bonus**

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

Mr. Wrathell reported that Mr. Kloptosky received favorable performance evaluations from all Board Members. He advised that, as Mr. Kloptosky's salary was already at the top of the pay range, he will receive a CPI increase and bonus. The CPI increase would be retroactive to April 1, 2015.

Mr. Kloptosky thanked the Board.

C. Continued Discussion: Business Plan

Supervisor Smith reviewed a chart, distributed at the meeting, which recapped the Board's initial priorities and new items. He stated that most of the Board agreed on the top three items. The tree management program must be discussed, as it was not on the initial forms. Supervisor Smith pointed out several items in the middle, which the Board felt were high or medium priorities. The bottom items were those that at least two Board Members rated; the bottom five items were items raised by only one Board Member.

Supervisor Smith asked each Supervisor to complete a ranking sheet and provide it to Management's office one week prior to the next workshop.

In response to Supervisor Davidson's question, Supervisor Smith advised that this version was a combination of the Board's perceptions of resident priorities and the items that would produce the greatest impact.

Supervisor Lawrence asked for clarification of the "Long Range Tree Management Program". Supervisor Smith indicated that the program would address concerns about the impact of live oak trees on the District's infrastructure.

Supervisor Smith stated that "safety and security" must be discussed. Previously, the Board expressed general comfort that the District made a lot of progress with amenity security and proper use. He wanted to focus on other forms of security, such as funneling people through authorized access points.

D. Updates: Revised Policies

Supervisor Davidson indicated that the proposed "Policy for Storm Water Right-of-Way Utility Easements" was provided to the GHMA, New Construction Architectural Design Committee (NCADC) and Modification Architectural Design Committee (MADC); no negative comments were received. He felt that the Board should adopt the policy.

In response to a question, Supervisor Davidson indicated that this was the final draft version of the policy.

Supervisor Lawrence questioned what would happen if the policy was adopted, which would instantaneously put many easements in violation. Supervisor Davidson stated that there would be no action; the policy would relate primarily to new construction. Supervisor Davidson explained that existing easements would be discussed separately, based on the District Horticulturalist's evaluation and whether the CDD wanted to act on her recommendations.

Mr. Vic Natiello, a resident, was pleased that reference to the tree counts was removed. He referred to the second bullet point and voiced his opinion that irrigation piping was a wide subject. Mr. Natiello agreed that PVC pipes should be located outside of the CDD easement but Mr. Kloptosky should have discretion regarding flexible pipes, which could be moved out of the way.

Discussion ensued regarding wording for the policy. The Board agreed to change “Irrigation piping” to “Ridged, nonflexible irrigation piping”. Supervisor Gaeta asked that the title clarify that the policy was only related to new construction. Supervisor Davidson explained that the policy would relate to all property but the District would only act on existing easements if an issue arose.

On MOTION by Supervisor Lawrence and seconded by Supervisor Chiodo, with all in favor, the Policy for Storm Water Right-of-Way Utility Easements, as amended, was approved.

- **Storm Water Right-of-Way Utility Easements**
 - **Obstructions Removal Agreement – Option 1**

Supervisor Davidson indicated that, under Option 1, obstructions would be removed at the District’s expense, the District would install sod and the resident must maintain the easement and keep it free of obstructions and vegetation.

Supervisor Davidson referred to the policy where it stated that the District has the right to resolve obstruction issues and assess the property owner for the cost. He questioned if the District can impose a special assessment.

Mr. Clark indicated that Item 5, in Option 1, states that the property owner can be invoiced or assessed for the cost.

In response to Supervisor Gaeta’s questions about Items 15 and 16, Mr. Clark explained that there could be litigation; however, per Item 15, the property owner agrees to waive their right to a jury trial but they would not be waiving their right to litigation.

Mr. Clark noted situations where the District might voluntarily utilize the agreements but other situations when the District identifies an issue and takes action. He felt that, prior to drafting a rule, the Board must determine what it will do in situations where something is not

currently an issue but could become one. Mr. Clark questioned if the agreements would be used in those situations or if the District would wait for the problem to arise.

- **Obstructions Removal Agreement – Option 2**

Supervisor Davidson indicated that Option 2 related to situations when the property owner wanted to retain easement encroachments. The District would allow certain encroachments, as stipulated, and they must be maintained; however, the District would still complete an initial removal of obstructions to perform maintenance or repairs.

Supervisor Lawrence pointed out that he has obstructions in the utility easement that would not be allowed by the new policy and asked if it becomes a negotiation between him and the District, if he wanted to retain certain items. Supervisor Davidson advised that the initial issue would relate to access; if something blocks access, it must be removed.

Supervisor Gaeta recalled Mr. Kloptosky's previous comments that, per S.E. Cline Construction (Cline), trees never caused pipes to fail.

Supervisor Lawrence questioned what would happen if a property owner planted shrubs, after obstructions were removed and whether the CDD had the right to prohibit the resident from planting those shrubs. Supervisor Davidson pointed out that, if the shrubs must be removed, the District has the right to remove them and bill the resident. Supervisor Lawrence asked for confirmation that, after the District removes obstructions, it cannot deny a resident the ability to replant something that was removed. Supervisor Davidson noted that there would be a list of approved items that would be allowed.

Supervisor Lawrence questioned the frequency of emergency situations that could require removal of obstructions. Mr. Kloptosky recalled approximately 12 times in seven years.

Mr. Clark commented that the possibility of billing property owners could be complicated, as the property owner could have approved landscape plans. He felt that the intent of a rule regarding utility easements was to legally set something in motion; however, while the policy deals with new construction, it should also address current obstructions. Mr. Clark explained that the District should have the right to remove something that affects the integrity of the stormwater system; the question becomes who should pay for removal, which leads to one of the agreements.

Mr. Wrathell stated, if the District shied away from billing a property owner and the property owner refused to execute an agreement, the District would be able to remove

obstructions and install sod. Supervisor Davidson clarified that, in this situation, the property owner would pay for removal, since there would be no agreement.

Mr. Clark explained that the District has a series of plats that define easement area and language in some declarations suggesting that the District has the right to maintain areas related to the stormwater system; however, it is silent about who would pay. He felt that the District was trying to define who would pay. Mr. Clark believed it wise of the District to agree to pay if the property owner agrees to the terms and executes an agreement; if this option were offered, the District could better enforce requiring removal, at the property owner's expense, if they do not agree to the terms and execute an agreement.

Supervisor Davidson pointed out that the District Manager's address was still incorrect in Option 2.

Supervisor Davidson recalled that the District Horticulturalist identified areas where a tree might cause a problem; however, Mr. Kloptosky advised that none of the pipe failures were due to trees or roots. He questioned how to proceed with the conflicting information, such as take action, videotaping the pipes to ensure that no problems exist but do nothing or wait for an issue to arise. Supervisor Davidson asked if the District would be considered negligent if areas were identified that could be problematic but the District chose to do nothing.

Supervisor Gaeta recalled that the easement evaluation was conducted by the District Horticulturalist and Mr. Kloptosky. She would be more comfortable if the District Engineer opined on the findings, stipulating whether the identified areas were potential problem areas.

Mr. Kloptosky reported that the camera was recently used in two areas with potential issues. He stressed that the issues had "absolutely nothing to do with a tree". Mr. Kloptosky indicated that the minimum charge to videotape the pipes was \$600, plus a per-foot cost.

Regarding liability, Mr. Clark stated that the District's level of liability would increase if it were aware of a potential issue but did nothing; the District would be liable when issues become a health and safety or property damage matter. He advised that the District should be proactive in areas where there is a depression that could become a sink hole and someone could fall into it and become injured. Mr. Clark stated that deferred maintenance issues were of lesser concern.

Supervisor Smith and Lawrence favored doing nothing, at this time. Supervisor Smith felt that Mr. Kloptosky acts prudently when an issue is identified. Supervisor Smith saw no

reason to spend money on speculation that there could be an issue. Supervisors Lawrence and Gaeta concurred with Supervisor Smith. Supervisor Davidson questioned if the property owners should be notified that the situation bears watching and if it would place the District in jeopardy. Supervisor Smith felt that each property owner with a utility easement should be advised of the policy and that they do not need to do anything now but should not place any more items within the easement.

Supervisor Davidson surmised that the District Horticulturalist's evaluation was informational and the District would not act on any issues until an actual problem develops, based on Mr. Kloptosky's opinion.

Supervisor Chiodo wondered if residents should be made aware of an issue that might arise.

Mr. Clark preferred that Mr. Kloptosky and staff periodically monitor the areas where an issue might arise. It was clarified that the rule should state that the District will watch for problems and express that the District has the right to remedy issues as they arise. In response to a question, Mr. Clark indicated that he would reference the agreements in the rule but not lock them in, as the Board may wish to fine-tune the agreements.

E. Discussion: Proposed Community Symposium Regarding Live Oak Street Trees and/or Sidewalks

Supervisor Lawrence recalled recent concerns about oak trees affecting pipes, utilities, sidewalks, etc. He noted that his son lives in a 75-year-old community where tree roots lifted the sidewalks but his son was not aware of any instances where the roots impacted the utilities. Supervisor Lawrence felt that residents are "being led to believe that something is going to happen, in copious amounts that will never happen". He believed that the Board must address and clarify the misinformation.

Supervisor Davidson stated that the purpose of a symposium would be to learn about a complicated issue, on many levels, from people who are knowledgeable about the topic. He indicated that the community symposium would include the major organizations and the District and GHMA, and its sub-organizations, the NCADC and MADC. The suggested invitees would be Mr. Bob Dickinson, the original landscape architect, and Mr. Cullis. Supervisor Davidson envisioned a morning discussion of the current benefits and burdens from live oak trees, and possible solutions. He wanted an afternoon symposium to include discussion of the legal,

liability and financial considerations of the current oak tree situation and what could happen if changes occurred or responsibility for the trees and sidewalks shifted to the CDD. Supervisor Davidson discussed possible invitees.

Supervisor Davidson volunteered to moderate the symposium. He advised that the GHMA, MADC and NCADC were interested in participating. Supervisor Davidson sought the Board's permission to contact people outside of the community.

Discussion ensued regarding scheduling the symposium.

In response to Supervisor Lawrence's question, Supervisor Davidson clarified that possible scenarios and ramifications would be discussed during the symposium.

Supervisor Lawrence believed that the symposium must include discussion of the financial impact on property values if the oak trees were removed or the types of trees became mixed. He felt that the District must hear from someone regarding the "allegations" that the oak tree roots could destroy wiring and pipes.

Supervisor Davidson indicated that the purpose of the symposium would be to define the intricacies of the interactions between the various entities. Supervisors Davidson and Smith supported inclusion of City staff. Supervisor Davidson indicated that the proposed symposium outline was posted on the CDD website and encouraged residents to provide questions and suggested participants.

A resident noted that oak tree roots broke a water pipe on his property; however, it might not have been reported to the CDD, as it was on his property. He speculated that other incidents occurred in Grand Haven but were on private property.

Supervisor Davidson anticipated holding the symposium in September.

Mr. McGaffney asked if one of the goals was to change local ordinances or requirements. Supervisor Davidson had no preconceived goals for the symposium.

A resident voiced his opinion that experts, such as lawyers, must come to the symposium with legal opinions based on the tree locations, who owns the trees and/or property, etc.; if the expert already had an opinion, the symposium would only be gathering information. He felt that other experts might need to inspect the community prior to making a determination.

Supervisor Davidson indicated that he was interested in "knowing what is out there, there's a possibility, that's all, what's a possibility". He added that it would be a collective common sense decision about what to do.

Supervisor Smith believed that the participants should be provided with a “briefing” document to inform them about the District.

Mr. Tom Byrne, a resident and ADC Chair, stated that he would provide information to the District. He worried that notifying residents of the symposium might mistakenly lead them to believe that they no longer need to make requests to the ADC and urged the District to remind residents that the ADC was still in charge of approving changes to property.

Supervisor Davidson stated that the symposium would be an educational experience and would have nothing to do with the current governmental structure of the District.

Supervisor Chiodo suspected that many would attend the symposium and recommended holding it at a larger location.

A resident suggested taping the symposium. Supervisor Davidson questioned the legalities and whether the District must obtain releases from speakers. Mr. Clark was concerned about the effect of taping the symposium on speakers’ willingness to speak candidly and be “forthcoming”. It was suggested that the minutes of the meeting be transcribed. Mr. Clark pointed out that audio of the meeting would be available.

A resident felt that, after the symposium, residents should be reminded that the Master Declarations remain in effect and “it is business as usual”. Supervisor Davidson suggested including a disclaimer on all e-blasts regarding the symposium. Mr. Clark recommended that the disclaimer state “This event and discussion is educational in nature and does not supersede any existing declarations, rules and regulations, which will continue to be applied.”

Supervisor Davidson reiterated that he wanted to schedule the symposium for late August or early September.

F. Discussion: New Creekside Croquet Court Tentative Opening Date: July 25, 2015

This item was previously discussed.

G. Discussion: Hack Attack Insurance

Supervisor Lawrence heard about “hack attacks” where someone that hacks into a computer system can “empty your bank account”. He contacted Management to investigate the cost to obtain “hack attack” insurance.

Mr. Wrathell indicated that the District’s current insurance carrier quoted an annual premium of \$1,500 for coverage up to \$1 million, with a \$25,000 deductible. He stated that, from a banking perspective, the greatest fear would be related to online banking; however the

District's only online banking is its operating account with SunTrust Bank (SunTrust). Mr. Wrathell indicated that Management submits a wire request to FineMark Bank (FineMark) to wire money into the SunTrust account and he must speak directly with FineMark for the transfer to occur. He surmised that it would be difficult for a hacker to pull much money from the District's accounts.

Mr. Wrathell felt that the District's exposure to its accounts being hacked was limited but the Board could consider insurance for "peace of mind". He indicated that Management has an elaborate firewall on its computer system.

Mr. Wrathell advised that Management might purchase the insurance coverage for the firm; therefore, it would not be necessary for the District to purchase it.

Discussion ensued regarding anticipated attendance at the symposium and a suitable location.

▪ **Condition of the Grand Haven "Signature" Live Oak Tree**

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

Supervisor Davidson referred to the "signature" oak tree of Grand Haven, which appears on the official logo and gates. He advised that, although the tree does not appear dead, it is dead, leaning and a threat to life; therefore, it must be removed. Supervisor Davidson suggested transitioning the area. He discussed selecting another tree in the community to be designated as the "signature" oak tree and whether it should be on CDD property or could be on private property. The Board felt that, if possible, the tree should on common property.

Supervisor Davidson advised that the tree would likely be removed next week. Three bald cypress trees would be planted, benches would be installed and a plaque might be placed to memorialize the location of the "signature" oak tree. He noted that commissioning a sculpture from a portion of the tree was being considered.

H. Discussion: Status of Pickleball

This item was previously discussed.

I. Discussion: 9th Green Site

This item was previously discussed.

J. Discussion: Dining Amenity

This item was previously discussed.

SEVENTH ORDER OF BUSINESS

OPEN ITEMS

This item was not discussed.

EIGHTH ORDER OF BUSINESS

SUPERVISORS' REQUESTS

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

NINTH ORDER OF BUSINESS

ADJOURNMENT

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

On MOTION by Supervisor Gaeta and seconded by Supervisor Davidson, with all in favor, the meeting adjourned at 1:40 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

Secretary/Assistant Secretary

Chair/Vice Chair