

**MINUTES OF MEETING
MIROMAR LAKES
COMMUNITY DEVELOPMENT DISTRICT**

The Regular Meeting of the Miromar Lakes Community Development District's Board of Supervisors was held on Thursday, January 9, 2014, at 2:00 p.m., at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Present and constituting a quorum were:

**Mike Hendershot
David Herring
Alan Refkin
Doug Ballinger**

**Chairman
Vice Chairman
Assistant Secretary
Assistant Secretary**

Also present were:

**James Ward
Greg Urbancic
George Keller
Paul Cusmano**

**District Manager
District Counsel
Calvin Giordano & Associates
Calvin Giordano & Associates**

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order at 2:00 p.m. and the record reflected all members of the Board were present at roll call with the exception of Supervisor Donoho.

SECOND ORDER OF BUSINESS

Staff Reports

a. Attorney

Mr. Urbancic indicated he had no specific report, but he would comment on previously discussed access issues as they were brought up in the meeting.

b. Engineer

No report

c. Asset Manager

Mr. Cusmano distributed copies of a plan done by District Engineer Charlie Krebs that illustrated past and present access points in the District, including land that was deeded to FCCU by the developer. District staff needed to speak to FCCU and the Equity Group, the

other property owner, about allowing the District access to maintain the berm owned by the CDD in that area. Thus, there was a need for two access agreements.

Dr. Herring asked if the developer deeded the property to FCGU, what responsibility did the District have regarding the berm.

Mr. Cusmano explained the berm belonged to the District, as it was deeded to the CDD by Miromar Lakes.

Mr. Hendershot asked if the District could give the berm away.

Mr. Ward replied the District could give the berm to a governmental entity, such as FCGU.

Mr. Urbancic explained the berm was a part of the requisition from the developer, so the District acquired the berm, including the landscaping that went with it.

Mr. Hendershot asked if the berm was part of the original CDD boundary.

Mr. Urbancic replied it was within the CDD and the District purchased the simple title to that property.

Dr. Herring questioned the rationale for the District doing that, as it seemed the only benefit was the ability to maintain it.

Mr. Urbancic commented it was part of a greater methodology, as when they went through the process, they created an engineer's report and developed what the original developer contemplated was a public project. Part of the project was the construction of a landscaping berm, similar to I-75, and they contemplated that the CDD would own it, so ultimately, as bonds were issued, the construction fund was funded, and part of the project was to purchase some of these other berms.

Mr. Hendershot sought clarification the berm was a part of the original CDD set up, and the berm was created with bond money only.

Mr. Urbancic affirmed this to be the case.

Mr. Hendershot stated it appeared the transaction was done by the developer from one set of books to the other for their convenience.

Dr. Herring observed there was an actual boundary in the subject area of what the District owned and what FCCU would be given by the developer and noting this was land the District could theoretically give to the University.

Mr. Hendershot questioned if there was any physical means of separating or identifying the boundary other than what was landscaped and what was not.

Mr. Cusmano replied no, as there was no fencing or other demarcation.

Dr. Herring wondered what the benefit to the University to own the land the developer was deeding to them, if they had any plans to build on it.

Mr. Cusmano learned in a meeting earlier in the day that FCCU had planned to build on the land, possibly in four to five years. They gave no specifics on what they intended to build, and the berm would block the view of whatever they built, so if the District gave the University the berm, it lost control of what could be there.

Mr. Ballinger asked if the bonds used to create the berm had been paid down at all, and would they be affected if the District gave the berm to the University.

Mr. Ward stated the bond would not be affected, as the liens were on the lots not on any of the physical assets the District owned. The District had the right, under the law, to donate the berm to another governmental agency, but it could not be transferred to a private company.

Mr. Hendershot inquired, if the District deeded the berm to the University and they became the titleholder up to the water line, would this affect any rights of ingress or egress, and use of the waterway.

Mr. Urbancic believed they would be affected.

Mr. Hendershot asked if deeding the berm would give the University more rights than they had at present.

Mr. Ward remarked the University would have the right to do whatever they wished to the berm; that is, maintain it, tear it down, etc.

Mr. Urbancic affirmed this to be the case, unless the University agreed to some kind of deed restriction.

Mr. Ward doubted the University would agree to a deed restriction.

Mr. Cusmano commented his goal was to maintain the berm until any other decisions were made, so he was looking into getting access to the berm, and in meeting with the University, the District would have access to the berm once the developer deeded the land to FCCU. He spoke to Don with the Equity Group, and they agreed to give the District access via their property as well. Mr. Urbancic and he were to meet with Don to write up an

agreement for the Board to review, noting one of the stipulations Don asked for was an estimate of how long the District would need access. It was difficult to estimate, as with the plan for the access road shown in the plan, he put the onus on when the school and when the developer would build; nothing would be developed immediately. Part of the agreement would entail the District looking at the matter yearly, see if either the University or the Equity Group were developing and, if there was no development, the District could continue using the temporary access points.

For the present, he would not pursue the District's building a bridge over the weir, and temporary access from the University and the Equity Group was the easiest and most cost effective route. If there was a problem and they refused to sign the agreements, he would go back to exploring installing a bridge.

There was discussion on how the berm would be serviced, based on the information on the map provided by Mr. Krebs.

Mr. Cusmano stated it could be five to ten years before the permanent road and bridge were built, and they would be funded by both the University and the Equity Group. When they were built, the District would then have access to the berm area.

Dr. Herring asked fellow Board members if they saw any reason why the District should retain ownership of the berm.

Mr. Refkin replied the only reason he could think of was that the adjacent residents could be adversely affected, as the District would have no control as to what could be built on the berm.

Mr. Hendershot asked what duty the District had to preserve the property values of the residents.

Mr. Ward responded there was no affirmative duty to do that, but if the Board looked at the way the District's bond documents were structured, assessments were levied on all the developed properties. One of the concepts of an assessment was property values increased as a result of improvements that were put in and then ultimately maintained. To the extent that an improvement was made and then was not maintained, causing property values to decrease, this would adversely affect the assessment levels, not in terms of what the District levied, but in terms of your obligation to increase values from the imposition of

the assessments. He felt the District had some obligation to maintain the property at a level that was reasonable through expectations.

Mr. Hendershot questioned if the CDD or the Board had any liability to residents if the decision was made to deed the berm over to the University and the berm became overgrown.

Mr. Urbancic believed there would be no liability.

Mr. Ballinger inquired if there was a possibility that Miromar Lakes might consider taking over on the maintenance of the berm again, as they were still trying to sell lots in the subject area.

There was a general comment that this was unlikely.

Mr. Ward remarked if the District bought and acquired either the land and/or the improvements through bond funds, the CDD would not be able to turn over the land to the developer. The best that could be done was to form an agreement to permit Miromar Lakes to maintain the berm at a set standard or they could agree to share the maintenance.

Mr. Urbancic thought Miromar Lakes might become concerned if they learned the District was considering handing the berm over to the University.

Mr. Krebs pointed out the University was not responsible to anyone, and if they wished to wipe out wetlands, by obligation and as a good neighbor, they would go to the South Florida Water Management District and the Army Corps to get permits. However, he did not think they were required to do so, and if they decided to develop a baseball stadium on the land, they had every right to do it. He felt to give the University the berm would be detrimental to the community, as they could build anything they wanted without restriction.

Dr. Herring understood but claimed there were a number of waterfront views with the equivalent of that scenario, and there were people living right next door to the stadium across the waterway, so let the buyer beware.

Mr. Hendershot commented he knew of numerous residents complaining about the stadium, and in the subject situation, the berm existed and the District would be giving it to the University with the possibility that a conflict might be created. There was the issue of the District being good neighbors to the residents.

A male speaker sought clarification as to the amount of money the District spent to maintain the berm.

Mr. Cusmano responded he would call Estate and ask them to break out the cost to maintain the berm.

Mr. Ward asked if the cost to landscape the berm was significant.

Mr. Cusmano believed it to be an annual cost between \$5,000 and \$10,000, as the area was only being cut and maintained, with mulch being added periodically.

Mr. Ward stated a maintenance cost between \$5,000 and \$10,000 a year worked out to a \$3 to \$6 a year per resident.

Mr. Ballinger asked if the developer turned the land over to the Master Association in a five-year period, whatever access agreements the District made would move to the Master Association.

Mr. Hendershot noted the District would still be independent even when the land was turned over.

Mr. Urbancic commented the District took back much of the maintenance responsibility that was originally with the Master Association, and he was not aware if the latter was doing much for the District at present.

There was a general Board consensus for Mr. Cusmano and Mr. Urbancic to proceed with drafting temporary access agreements with the University and the Equity Group.

Mr. Cusmano explained they were likely to require a hold-harmless letter or a copy of the District's insurance and insurance for vendors working on the berm.

Mr. Ward thought the Board's consensus to go forward with setting up the two agreements for temporary access was a good idea just to set the issue aside for now, but on a long-term basis, the area was remote and yielded little benefit for the District. The nearby homeowners were the ones who benefited from the berm staying as is. He mentioned two possibilities: at some point the District could do an agreement with one or multiple homeowners' associations (HOA) to permit them to maintain the berm at whatever standard they desired; alternatively, the District could charge those adjacent owner's to maintain the berm.

Mr. Hendershot concurred, in the latter option it would be a special assessment to specific neighborhoods.

Mr. Ward shied away from dedicating land to schools, as it was a nightmare to deal with. If it was possible to keep the matter in-house, and if it was not a particularly obtrusive financial number, the either option was feasible.

Mr. Cusmano moved onto the budget report, noting he went through the contracts and updated them.

Mr. Ward inquired as to the lake maintenance contract, which was coming up for renewal in June, asking if CGA would rebid the work or renew the existing contract.

Mr. Cusmano recommended renewing the contract with Lake Masters.

Mr. Ward asked Mr. Cusmano to please have the renewal placed on the February 2014 meeting agenda.

Mr. Hendershot sought an update on the grass carp.

Mr. Cusmano spoke with Mike Elgin, and he would be sending the contact information for Florida Wild Life that did the program. At present, the lake looks good, which meant the presence of the grass carp was working. He said there was no way to count the carp, as they were not tagged, but comparing photographs of the lake when the carp was first put in to what the lake looked like today showed a significant improvement. The permit allowed more carp to be added if the area was not looking good. He would meet with Florida Wild Life, but the lake looked fine to him, and the program was working.

Mr Herring asked if anyone tried to capture any of the carp, as he was present when they were put in the lake, and they were quite big at the time.

Mr. Cusmano commented once the level of the lake went down, it would be possible to see the size of the carp in the shallow, as they ate the grass.

Dr. Herring believed there were areas in the lake that were navigable at present that were not before.

Mr. Hendershot wondered if the \$103,000 was necessary for Lake Master services in light of the presence of the grass carp reducing the need to spray.

Mr. Cusmano noted Lake Master's contract had been the same for three or four years, and with the carp going down and with cost increases, he was reluctant to approach Lake Masters about reducing the contract. He suggested leaving the prices as is, as when he compared their cost to that of other projects, they were lower than most projects, being only three percent higher on one project. Lake Master did a good job, as they understood

the project, it was the same contact person for 16 years, and they were very responsive to his requests.

Mr. Refkin questioned the \$60,000 for chemicals for the lake.

Mr. Hendershot replied the District paid for a lot of special spraying at one time.

Mr. Refkin concurred, stating that was not part of Lake Master's contract, it was an additional fee.

Mr. Ward thought this was when a sonar was used to try to treat the vegetation, and there were additional chemicals; that action was eventually replaced with the grass carp. It had been a very expensive process.

Mr. Cusmano remarked, if the District changed the program, the costs would vary, reiterating his recommendation not to change Lake Master's contract price. He noticed that if Lake Master was asked to redo a task, they did so without resistance. On the issue of storm water drainage, he reviewed the issue and put together some numbers to go into each neighborhood and spoke with Mr. Krebs about it. He would be taking MRI out there starting in February and, based on the CDD neighborhoods, they would to the HOA neighborhoods that drained into the District's storm drains. If the homeowners failed to keep their storm drains clear, the District would notify them of the need to do so.

He would make a plan with MRI over the next two months to see which drains needed to be cleaned out, along with any additional work that was needed. He included some budget numbers based on the costs at Verona Lago, as this was the worst case scenario, noting theirs was \$12,000 based on what they had to clean out due to the effects of the storm. In most cases, it would be a few drains on the main road, cleaning them out, determining if the District's drains were clear or blocking neighborhood drains, or vice versa.

Mr. Hendershot queried if the figures shown were all incremental budget costs.

Mr. Cusmano answered correct, they were not to exceed the estimates he gave, and if work was not required in an area, there was no cost. As no annual examination of the storm drains had not been done for some time, it was necessary to do the walk through examinations.

Mr. Hendershot commented an alternative was to wait until a problem arose to examine the drains, questioning if the District had the funds to do the examinations.

Mr. Ward responded the District had a healthy reserve, so a budget amendment was possible to deal with the issue. He recalled there was about \$25,000 in contingencies throughout the budget for various line items. If Mr. Cusmano wanted to examine the storm drains just before the rainy season, it was possible to move some of the contingencies from various line items to cover the cost.

Mr. Cusmano indicated there were two neighborhoods he was concerned about, but he foresaw few problems with the rest of the neighborhoods, though the figures he gave covered if he had to clear six or seven drains. The upfront cost was his going in with the subcontractor to walk through the area and open up the storm drains.

Mr. Hendershot questioned if an HOA was informed that their drains were dumping debris into the District's drains, what happened if they refused to clear the drain(s).

Mr. Cusmano replied the District had to clear its storm drains and deal with any problems that arose. He wanted to keep the District's drains clear to prevent the District being blamed for any neighborhood drainage issues. Before the rainy season, the dry retention areas would be cut by Verona Lago, and he would do an addendum to the contract to add \$2,750 to have Estate Landscaping cut the area on a regular basis to keep it down. The figure would be added into next year's budget.

Dr. Herring asked Mr. Cusmano if he had an easy time figuring out which retention ponds belonged to the District versus the HOAs.

Mr. Cusmano received plans that allowed him to go through the neighborhoods piece by piece.

Dr. Herring thought it was very helpful to go out and look at the existing land bridge and the berm the District maintained, stating he once served on a greens committee for a country club up north and they went out twice a year and looked at everything as a group. He asked if any Board members went out to the area, as he was unable to tell what belonged to the District versus anybody else, wondering if the Board could do a road trip around the District.

Mr. Ward replied yes you can, however they are difficult, as the only way to do one as a group was to advertise the tour as a regular Board meeting, and it would be open to members of the public, and the trip would have to be recorded and minutes generated. The

alternative was Board members could individually go out with Mr. Cusmano or another District staff member to tour District property.

Mr. Ward stated Mr. Krebs had the most in depth knowledge of the physical aspects of the District's land, so he encouraged interested Board members to schedule individual tours with Mr. Krebs.

Mr. Cusmano mentioned usually visiting the District's property Mondays or Fridays, but, in February, he would be onsite Thursdays, Fridays and Monday doing the review with MRI. He invited Board members to email him the names of their neighborhoods, and when he was reviewing their area, he would contact them so they could join him if they wished. For the next meeting, he would take the plans sent to him by Mr. Krebs and highlight the systems on the plans to show what parts were CDD in one color, where the retention areas were located, and give the Board a plan, so they could independently visit those areas. The report he was reviewing in the present meeting was to facilitate updating the contracts.

Mr. Hendershot asked what a Hoover Pump was.

Mr. Cusmano replied the Hoover Pump was pumping the irrigation, which the CDD maintained; Hoover was the only vendor available and their contract was up for renewal, and as the service was the same, the contract would be renewed with no price change.

Dr. Herring inquired which entity was responsible for maintaining the big bridge that went across Ben Hill Griffin?

Dr. Herring replied the CDD, wondering if the CDD could have the bridge painted.

Mr. Ward said he did not recall the maintenance of the subject bridge being the District's responsibility.

Mr. Ballinger recalled the District painted the bridge two years prior.

Mr. Krebs stated all the internal roads were owned by the Master Association.

Mr. Cusmano wondered who maintained the walkway outside the building, as he was unable to find out, though he thought it was the Master Association.

Mr. Ward believed areas internal to the project and behind the gates belonged to the Master Association; the CDD owned none of the bridges, roads, sidewalks or a light, etc.

Dr. Herring questioned who comprised the Master Association, wondering if it was the developer or Mike Elgin.

Mr. Ward indicated I assume it would be the officers of the Miromar Development Corporation, as that would be relatively consistent with the larger DRIs.

Mr. Hendershot observed the developer usually kept control of the Master Association until they sold all the lots, and no residents were involved other than as billing recipients.

d. District Manager

I. Financial Statement – November 30, 2013

Mr. Ward stated the District’s financial statements were in very good shape, as illustrated in the subject statement.

II. Fiscal Year 2014 – Agenda Schedule

Mr. Ward updated the Board’s meeting outline for the coming year, noting his only request was if the Board would move its March meeting a day or two, as he was planning on being on vacation on March 13, 2014, the date on which the Board’s meeting was scheduled. He would send an email with alternative dates and the Board members could indicate their availability.

Mr. Ward indicated that one item we discussed during the budget was the web site – and he began work on the District’s website, and in another 60 to 90 days he would give the Board a preview; he was able to bundle the process with the other districts for which he was creating websites. As the format for all of them would be the same, he would divide the cost to create the websites among them, making the cost substantively less than if the District’s website was done as a standalone project. He noted the website was anticipated to include all the District’s records: minutes, agendas, etc., with various links to other websites, so it would act as a basic tool for Board members and the public to use to access District information.

THIRD ORDER OF BUSINESS

Supervisor’s Requests/Audience Comments

Mr. Ward noted Mr. Refkin mentioned some bullrush at Sienna and Bella Vista, and he authorized Mr. Cusmano to have them cut down, as he heard the issue mentioned before, so they would be repeatedly cut down when they grew back. The goal was to keep the residents happy while meeting the regulatory requirements.

Dr. Herring mentioned seeing seven to eight-foot alligators in the areas.

FIFTH ORDER OF BUSINESS

Adjournment

On MOTION by Dr. Herring, seconded by Mr. Refkin, with all in favor of adjourning at 2:48 p.m.



James P. Ward, Secretary



Mike Hendershot, Chairman