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, February 12, 2015, at 2:00 p.m., at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Present and constituting a quorum were:

Doug Ballinger	Assistant Secretary
Burnie Donoho	Assistant Secretary
David Herring	Assistant Secretary
Alan Refkin	Assistant Secretary

Staff present:

James Ward	District manager
Greg Urbancic	District Counsel
Charlie Krebs	District Engineer
Bruce Bernard	Calvin Giordano & Associates
Paul Cusmano	Calvin Giordano & Associates
Bill Reagan	FMS Bonds
Elden McDirmit	Auditor, McDirmit, Davis & Co. (Telephonic)

Other's present:

Keith Gomez	Lee County Utilities
Kevin Kollmann	Estate Landscaping

FIRST ORDER OF BUSINESS — Call to Order/Roll Call

Mr. Ward called the meeting to order at 2:00 p.m., noting that the record should reflect that all members of the Board were present at roll call with the exception of Supervisor Hendershot.

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Mr. Ward commented that the District has been successful in pricing and selling the District's Series 2015 Bonds that were the refunding of the Series 2003 Bonds. Mr. Reagan was present at the meeting and, with the Board's permission, he asked the Board to allow

him to take a moment to go through a summary of those refunding bonds for the Board's benefit.

Mr. Reagan remarked he was the District's underwriter for the refunding of the 2003A Bonds, noting when he spoke at the Board's December or October 2014 meeting, he mentioned his wish to get the subject transaction in the market, move quickly, get the pricing and have the matter closed between Thanksgiving and Christmas, but that date had not been achieved. However, the good news was that the market stayed strong. He noted what occurred during the last few months was that there were many changes within the development itself that required much more disclosure than they originally anticipated.

Whenever dealing with an unimproved area, meaning few units had been sold, there had to be due care in selling the bonds, so his staff and he went through the extraordinary process, along with numerous lawyers. The disclosure document was included in the backup for the Board's perusal, which he thought was a good, clean disclosure that was well received. He indicated, from a marketing standpoint, the District hit all the numbers with over 12 percent savings or over $200,000 per year on an annual basis, and simultaneous with that, the Developer was also making a prepayment, probably on February 13, 2015, of $3.7 million. That was one of the other items where that area floated a little bit, so they tried to size the bond issue to stay within their parameters.

He was glad they priced it on Tuesday, advising the Board that if the District had been in the market today, it probably would have lost ten to 15 basis points, and he might not have been presently before the Board with the refunding. When splitting hairs on savings, it was a meaningful number.

Mr. Refkin estimated it was about .1 percent.

Mr. Reagan affirmed it was, they were only 25 to 35 basis points, and if the District started losing that, it would lose the refund, dropping before the minimum threshold. Thus, they did quite well for the amount of work it took.

He gave the Board an idea about what entities bought such bonds, stating they were all institutions, and most of the funds wanted six percent or better, as they were very interest rate sensitive. When they started doing coupons on a piece of land such as the subject site at 3.5 percent to 5 percent, there would only be a few takers, but the positive news was that the District had sold certain bonds before in the subject community, so they

were easier to sell. He said they had five days of discussions, which was more than they normally did for an existing facility, as for new raw land in a new CDD, two weeks was typical, but the subject discussions took more time, as it was unique.

Though everyone was familiar the property, it was difficult to understand why more building was going on, and the explanation included the development, the process and holding back, and meeting the market when they wished to do so.

Mr. Refkin noticed the old debt amount appeared to be $23 million and the new debt amount was $19 million, asking if the savings showed was weighted.

Mr. Reagan affirmed it was, stating it shows it was current average annual. One of the things they did for demonstration purposes was to show that when a comparison was made, they looked as what the current debt service was and what the new debt serve would be. In the subject instance, it would look like there was 19 to 20 percent savings, as it did not include the $3.7 million. He said they backed out the $3.7 million and look at if they were at $3.7 million today, what would the District's debt service be.

Mr. Refkin asked if Mr. Reagan's fee was taken into account.

Mr. Reagan answered yes, and their fee was less.

Mr. Refkin commented it was principal, so it was seen, asking if it was principal on both sides; that is, on both the sale and the buy or just the buy.

Mr. Reagan indicated it was only on one side, and they were holding some of the bonds themselves in inventory. He tried to be as conservatively fair as possible in showing the annual savings.

Mr. Refkin thought Mr. Reagan and his staff had done a great job.

Mr. Reagan received no further questions from the Board, stating the closing would be the coming Wednesday, at which the Board's Chairman and other parties to the transactions would be present. He appreciated the District's business.

SECOND ORDER OF BUSINESS **Consideration of Minutes**

a. January 8, 2015, Regular Meeting

> **On MOTION by Mr. Donoho and seconded by Mr. Refkin, with all in favor of approving the January 8, 2014, Regular Meeting minutes as presented.**

THIRD ORDER OF BUSINESS **Consideration of acceptance of the Audited Financial Statements for the year ended September 30, 2014.**

Mr. stated asked Mr. McDirmit to go through the audited financial statements, copies of which were included in the Board's agenda package.

Mr. McDirmit reviewed the highlights of the report, stating page one was their audit report that stated it was an unqualified opinion, and that was the best and cleanest opinion that could be given to the financial statements of the District. Page seven showed a statement similar to a balance sheet of a for-profit type organization, and it showed that the District had net equity of $6.7 million, up from $5.6 million in the previous year.

On page nine were the General Fund and the Debt Service Fund activity of the year, and it showed a very healthy fund balance; the unassigned fund balance was about 48 percent of the annual expenses, which was a very good position to be in. He said page ten showed that the revenues for the General Fund were up from $736,000 to $788,000 in the current fiscal year, though expenses were up as well, so the District ended up with expenditures over revenue of about $52,000, as compared to an expense over revenue of about $5,000 in the previous year.

Mr. McDirmit noted debt service was a much higher assessment revenue this year as it related to some special redemption of bonds of about $1.1 million in additional redemption of bonds, showing some good activity in that area. He stated on the Debt Service Fund, there was a prior period adjustment of about $117,000, stating this was not an actual loss, rather it was market value fluctuations of the District's investments in the Debt Service Fund. However, if those investments were held to maturity, there was no actual loss. He mentioned page 12 showed all the budgeted expenditures were within the appropriations. Pages 26 through 29 were additional auditor reports, with the first one stating there were no matters of noncompliance as they related to financial matters, statutes, and regulations. On pages 28 through 29 was their report to the Auditor General (AG), stating they found no areas that the District was not in compliance.

He indicated they had an additional report that was an add-on that was a new report that the AG required auditors to report on, as it related to the District being in compliance with its investment policies. That report was stating that the auditors noted the District was in compliance.

Mr. Urbancic referred to page 25 in the Subsequent Event note, it stated the District was expecting to issue bonds no later than January 2015 and, based on the earlier discussion during Mr. Reagan's report, that would take place in February 2015, wondering if this mattered.

Mr. McDirmit replied at that the time of the auditor's report, the January 2015 timeframe was the best knowledge they had, and he did not think the later date would be an issue. Their estimation in the auditor's report was to put the reader on notice that there would be some activity subsequent to the year end.

On MOTION by Mr. Refkin and seconded by Mr. Ballinger, with all in favor of accepting the Audited Financial Statements for the year ended September 30, 2014, as presented.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2015-4 to permit Miromar Lakes, LLC, to pursue an administrative deviation from Lee County to increase the limits of allowable hardened shoreline on the large recreational lake to 65 percent.

Mr. Krebs directed the Board to the exhibits in their backup, noting he had been working with Mr. Elgin and others to try to increase the amount of riprap that is allowed by County code, as the latter set a limit of 20 percent on any lakeshore line. On the main recreation lake, due to the boat traffic and the wave action from storm events, there was erosion that would be seen on a smaller lake. He said the solution to try to address the situation was twofold: 1) get approval from the County to increase the percentage to address the riprap where it needed to be replaced to counteract the erosion; and 2) there was a lot of residents in the community who had installed riprap that had no permit approval. They hoped to submit their request as an administration amendment to the

zoning and had a limited development application in an effort to resolve the two abovementioned issues.

The County would have on record, which properties had riprap in the community where it should be, and the different associations or homeowners would submit for a certification on their riprap, so the County could inspect and signoff on it. Those not receiving approval would be closed and removed off the books and make them right, and for those areas that had no riprap but wanted it, they could get it permitted through the County without encountering any obstacles.

Mr. Refkin asked if someone put in riprap themselves, would that count against Miromar's total application.

Mr. Krebs answered yes, hence staff's seeking an administrative amendment, noting staff already signed off with the County, looked over the documents, made adjustments per a meeting held with County staff. The County was on board and wanted the amendment to go through and wanted the District to submit it, so everything could be cleaned up, and they were aware there were residents in the District that had no riprap, and they were unsure how to address it. He said the county had no wish to send out numerous noncompliance letters.

Mr. Refkin asked if the riprap included enough for other communities in the District.

Mr. Krebs affirmed it did, as they went after 65 percent, leaving about 3,000 linear feet extra the District could have on the books that someone, the CDD, a future developer could come in and use that area up if needed. The limitation was only on the currently developed properties in the District, and this was only on the recreational lake, not for any of the internal lakes. He said the recreational lake was unique due to its size, boat traffic, and storm events.

Mr. Refkin wished to confirm the amendment did not apply to Sienna.

Mr. Krebs said it did not, stating the County recognized that the old mine lakes had a life of their own as far as what happened to them, and due to the recreation nature, the storms, the fluctuation in the water tables, the outcomes were different on these lakes.

Mr. Refkin asked if there were any future plans going and asking for riprap for any of the internal lakes.

Mr. Krebs replied this was possible, as any such work could be done as an administrative amendment, but the landowners had to be involved, so if Sienna or another community wished to do that, they had to make an argument to the County that it was needed. The community representatives would have to make a presentation to the Board and ask for their help, and the District could be a co-applicant and sign off on the request.

Mr. Refkin thought the residents of the community did know about the process, as they were looking at over $100,000 for fixing the area in which it was needed. He thought the District might offer some of its communities, without any guarantee they would be successful with the County, but if they were willing to pursue the effort, District staff would show them now the process was done.

Mr. Krebs indicated it was possible for his staff and him to educate the communities on the subject process.

Mr. Refkin believed this might prevent residents installing the riprap they were not authorized to do that could result in a hodgepodge manner that would be unsightly. This would be a good thing for the community.

Mr. Krebs stated the first thing the interested communities would have to do, either with their own engineer or if the Board wished to offer the services of the District's engineer, was meet with County staff, and the latter would then explain the situation. He noted his staff had been shooting for a higher percentage, thinking this was what they would need once they started looking at the situation, and the County voiced no opposition. The recreational nature of the lake was what the County was working for in addressing the matter, but there was no way of knowing if the County would have the same opinion regarding the internal lakes, whether they were on the golf course or behind residences. He said such matters were looked at on a case-by-case basis.

Mr. Ballinger asked what objections the County had.

Mr. Krebs responded that the County staff on the environmental side looked at the hardened shoreline, and they saw it as impervious, and the riprap acted as a block from water permeating in on the ground. There were pros and cons either way, but the County felt the riprap reduced the availability of aquatic plants to pulling nutrients out of the water, so they were against hardened shorelines.

Mr. Donoho wished the County could come over to where he lived and checked before putting the "no wake" zone at each end of the island, as they were losing their property every day when boaters drove by fast dragging people on inner tubes. He had lost enough of that part of his walkway when the dock collapsed, though the "no wake" zones being in place for three years, the conditions had improved.

Mr. Krebs agreed, stating as part of the proposed amendment, they identified different areas identified with cross sections that were prepared by Hans Wilson. Thus, if in the future one of the residents or communities needed to revise their riprap, they would use the amendment document to replace the riprap, as they contained the slopes, materials and methods that were set and approved by the county. He said, for the present, for some residents with riprap, there was no documentation stating how it was installed, and the county was willing to turn a blind idea for now, as they did not want the resident ripping out existing riprap or inspectors having to rip it out to verify what was in place. It would be with the caveat that if any improvements were done, the riprap had to be put back in correctly.

Mr. Ballinger commented other communities were being adversely affected as those in his community, as though he had riprap, it was the land under it that was being eroded.

Dr. Herring asked if there had been any conversation about what would happen when and if boat traffic increased.

Mr. Krebs indicated that issue would be in another conversation District staff had with County staff, as the latter understood that with future development around the lake, the need would arise for more riprap to be put in place. For the present, the proposed amendment was to facilitate addressing the issue in the already developed areas to ensure everyone's shoreline was stabilized.

Mr. Ballinger asked if the measurement of the area was a negotiated figure on the 65 percent or did he ask form more.

Mr. Krebs answered no, stating he came up with that number by going through all the communities, the residential areas where the District had no beach access, and assumed that would all be hardened shoreline. To the number he came up with, he added five percent, so the District would have some area left over to provide a channel. Regarding the landscaped side of the channel, with the littorals in the lake and the wading areas, he did not include that in any riprap the District showed. However, there was 3,600 additional

linear feet, so if District staff later saw areas in which erosion needed to be addressed, they could look at installing it in those areas or in other areas in the community where it was.

Dr. Herring asked if this would be a CDD expense.

Mr. Krebs replied the expense would be the District's if it was on CDD property, but if it were on private property, the homeowners or other residential communities, that would be at their own expense. The District was facilitating the opportunity for them to install the riprap and allow the community/property owner to come back into compliance.

Mr. Urbancic stated that with the resolution before the Board, the District was notifying the County of consenting to Miromar Lakes, LLC, going forward for the subject deviation. This included the District's consenting to give Mike Elgin as the Miromar Lakes' representative authorization to pursue the subject matter with the County on the District's behalf.

On MOTION by Dr. Herring and seconded by Mr. Ballinger, with all in favor of approving Resolution 2015-4.

FIFTH ORDER OF BUSINESS **Consideration of grant of conservation easement to South Florida Water Management District (SFWMD) for property owned by the District and located in Hendry County, and which is preserved as a panther habitat.**

Mr. Ward stated the subject property encompassed over 90 acres, and it was a requirement of portions of the development's orders that were issued for this project. This is consistent with what the District had done before, but the form had not been approved, to his knowledge, by the SFWMD, and as such will be subject to SFWMD approval.

Mr. Ballinger asked how the District came to own 194 acres in Hendry County.

Mr. Urbancic stated the District purchased it.

Mr. Ballinger asked if it was a requirement.

Mr. Krebs answered yes.

Mr. Urbancic said it was part of the original bond issuances, specifically, in the development order; that is, a requirement in one of the development permits was that the

District have panther mitigation land in Hendry County. He assumed the mitigation could be provided either onsite or offsite. It made sense for the District to own the land from a liability and from a tax perspective, as the District was able to get Hendry County that the land the CDD owned should not be subject to taxation, as it was owned by another governmental entity.

On MOTION by Mr. Herring and seconded by Mr. Refkin, with all in favor of approving the granting of conservation easement to South Florida Water Management District for property owned by the District and located in Hendry County, and which is preserved as a panther habitat.

SIXTH ORDER OF BUSINESS **Consideration of grant of perpetual utility easement to Lee County for the construction, operation and maintenance of utility facilities over, under and through property owned by the District.**

Mr. Krebs commented the subject item was the finalization of the Board's months of ongoing discussion about the utility easement that was coming off Corkscrew extension to service FGCU. The specific affected areas were highlighted in blue in the backup documents, as well as photographs received from Mr. Elgin illustrating the centerline of that easement; it showed there was adequate room to install the utilities without much disruption to the existing landscaping. He mentioned the area was more visible by the golf course than it was by Ben Hill Griffin Road, and the District owned and maintained the buffer that went along Ben Hill that the easement would encumber.

Dr. Herring if the land had been given to the District by the developer or had the District purchased the land.

Mr. Krebs thought the land had been given to the District by the developer, but he was not completely sure.

Mr. Urbancic distributed copies of a document that contained comments by Lee County staff, noting he had been in continuing discussions with Lee County regarding the easement. The biggest concern of the District was what would happen to the existing

landscaping in the area, and ensuring that the District could maintain the existing buffer. Lee County was being represented by Mr. Keith Gomez from the County's Utilities Department. He stated the County was aware that the District needed to maintain the buffer in the subject area per County code, so they were willing to work with the CDD and what happened in the area, noting they agreed to additional changes highlighted in the copies of the draft distributed. Thus, the County was cognizant of the fact that there were some buffer requirements per County code that the District had to comply with.

Mr. Refkin recalled previous discussions about the definition of replacement by the County differed from the District's definition of replacement, questioning if replacement meant putting back whatever was removed, or just putting something in, even if it was not the same. For example, could they remove one type of grass and put in another type. It seemed, in legal terms, it was very vague. He said if the County chose not to put back the same landscaping they removed to do the work, then that was an expense the District would have to take on.

Mr. Urbancic said he was unable to answer as to whether the replacement landscaping in the county's agreement to restore meant they would put in identical plants they removed. It's important for the District to know what it was getting.

Dr. Herring asked what was currently in place, as it did not appear to contain any special kind of grass.

Mr. Krebs remarked at present there were probably weeds in the subject area, as it was not actually visible.

Mr. Ward suggested an "equal to" clause.

Mr. Refkin thought it best to include some "equal to" clause in the agreement, so everyone was on the same page as to what was expected.

Mr. Urbancic asked Mr. Gomez if the County would be willing to consent to an "equal to" arrangement.

Mr. Gomez affirmed they would.

On MOTION by Mr. Refkin and seconded by Mr. Donoho, with all in favor of approving the granting of perpetual utility easement to Lee County for the construction, operation and maintenance of utility facilities over, under and through property owned by the District.

SEVENTH ORDER OF BUSINESS Staff Reports

a. Attorney

I. Request for extension of time of filing a petition by Miromar Lakes CDD to SFWMD for the Center Place application for a permit from the South Florida Water Management District.

Mr. Urbancic referred to his email sent to the Board members on the pending case regarding Center Place that was dismissed, noting it that could be revived. Center Place was issued its SFWMD permit, and there was a period of time in which one could request an administrative hearing to contest that permit, and he believed Miromar Lakes, LLC, was likely to file some sort of administrative challenge. He indicated, as there was a limited time in which to request the administrative hearing, out of an abundance of caution, they requested a continuance of the chance to respond, so staff could discuss the matter with the Board and have Mr. Krebs' office look at the area. He said the continuance was granted, and the District had been given until February 23, 2015, to file a response.

Mr. Krebs added that the basis for a challenge the District would have to give was that the District failed to consider something in the review of their permit, and put that in the petition to request that hearing. They would then determine review whether the District's request was valid and, if so, a hearing would be scheduled. He said, in looking at Center Place's permit and what they had done, it was such a mixed bag of things because of what they were doing with the building of the lakes and those silts, and the possibility of having those materials enter into the lake, and how it would affect the District's system. There was also the possibility of this leading to the District being brought into noncompliance; it was just not a sound design, as anyone else would try to avoid those materials.

Dr. Herring asked if this was the District's responsibility, and did the developer have any concerns in the matter, as this had to do with a lake that the District might use but did not own.

Mr. Elgin remarked the developer filed for a request for extension to the deadline for the District's filing its petition, and that deadline was also February 23rd.

Mr. Urbancic commented the question was whether the District wished to join forces with the developer.

Mr. Refkin wished to know what the developer planned before the District joined forces with them.

Dr. Herring asked if it added more weight to the District's position if it joined forces with the developer.

Mr. Ward thought it would add more weight to the District's cause, as this was part of the deal whereby the developer was repaying the District for all the costs involved with it, so it helped the cause of the entire development, working with the developer to help in the process. If the Board had no objection to the arrangement, he would recommend permit Mr. Urbancic to file the extension and do whatever was necessary on a going-forward basis, with the understanding that the developer was paying for the process.

Mr. Donoho asked Mr. Krebs if he would urge us to join in the process also, from his point of view.

Mr. Krebs agreed there were considerations for the District to look at with how the subject area would be developed and the fact that the District held the permit. Going through the plans as the District staff had been doing revealed some inconsistencies, and they had not gone through all the plans to see how those would be addressed, regarding water quality, the fines, etc. He knew that when SFWMD issued the permit, they put additional special conditions on how they had to address turbidity, etc.

Mr. Donoho observed that it sounded as though there were some loose ends.

Mr. Krebs affirmed there were, and he did not think the arrangement was as tight as it needed to be with what Center Place was proposing. He said the outfall was the lake in question was the District's control structure.

Dr. Herring thought the District had little choice.

Mr. Donoho concurred, and the District needed to do whatever it could.

Mr. Urbancic noted he would speak further with Miromar Lakes' lawyers, as there would have to be some sort of joining, so the District and the developer would be co-petitioners of some sort to file the action. If not, what would happen was it would likely go to an administrative hearing in front of an administrative law judge, and there would be a trial type of situation, usually taking place near the site of the dispute. He stated at the hearing each party would have to show what was not correct in the Center Place application and permit, so it would be a fairly significant process.

Mr. Refkin asked if the impact on the CDD would not only be a portion of the large lake that the District did not own, as well as on the small lake that the District owned.

Mr. Krebs answered right, and if the fines of the lake were disturbed and they became suspended, they would spread everywhere, into channels and canals throughout the whole community. In a worst case scenario, the District might have to dredge those areas again to get rid of that material.

Dr. Herring believed this was a battle that had to be fought, and it was important for the District to participate.

Mr. Urbancic stated he was neither a SFWMD or an administrative law expert, as those two areas were a kind of specialty, so the District would probably have to piggyback on whatever the developer was doing and join them in the effort. He believed the developer hired significant experts in the field from the State of Florida to guide them.

Mr. Krebs affirmed the people the developer hired for the subject matter were top notch.

Mr. Urbancic reiterated the District had to either piggyback on the developer's case or find somebody else to represent the CDD's interests to take on the matter.

Mr. Donoho saw reason to piggyback on the developer's case.

Mr. Urbancic explained that a motion from the Board was needed to authorize District staff to make the CDD a co-applicant with the Miromar Lakes entity filing to request an administrative hearing.

On MOTION by Dr. Herring and seconded by Mr. Donoho, with all in favor of approving the request for extension of time of filing a petition by Miromar Lakes CDD to SFWMD for the Center Place application for a permit from the South Florida Water Management District.

Mr. Ballinger asked if Mr. Urbancic could summarize what was said in the email he sent out to the Board regarding the above-discussed matter as to what was said and how it would affect the District.

Mr. Urbancic thought what was said was that the judge had sent a copy of the order from Judge Laboda, and that was her order after reviewing the case and hearing oral arguments that Miromar Lakes, LLC, had no standing in order to object to the hearing

examiner at present. This basically suggested that if Miromar Lakes was an aggrieved party, there was a process after going through the zoning process by which they could challenge the zoning approval. He believed Judge Laboda was stating the Miromar Lakes was premature on the challenger, and they had to wait for the county actually approve the zoning application, particularly as Miromar was not a "party" under the county rules. That ruling could also be appealed by the developer.

Mr. Ballinger asked if this outcome was something Miromar expected to happen.

Mr. Urbancic stated it was unlikely that Mr. Elgin could answer questions on the matter on the record, as this was a public meeting, and he might not wish to disclose their position on certain matters.

Mr. Elgin concurred, stating with the different rulings and motions, those were working themselves through the legal process at present.

Mr. Urbancic thought there was the possibility of an appeal of that decision in some way, as well as the hearing examiner might issue their decision and then move the matter to Lee County, where there might be additional challenges.

Mr. Ballinger asked if the delay was over for the time being. That is, the subject process was delaying future actions of Center Place until the decision was final, so did the granting of the SFWMD permit mean that the delay was over and development would proceed.

Mr. Urbancic said he could not answer that question, but with the opinion on its face stating that Miromar was not in a position to challenge the ruling at present, the county could review that and allow the matter to move onto the County Commission for consideration. Alternatively, the county might choose to wait to see if there would be an appeal, as if there was an appeal, moving the matter to the County Commission could be a waste of everyone's time. He noted there was usually a 30-day window, so the county might choose to wait to see if an appeal was made before moving forward. The next step might be a notice of a county hearing.

b. District Engineer

Mr. Krebs commented on a water quality issue, stating Bill Kurts take some water quality samples to test for nitrogen and phosphorous, as the correspondence going back and forth between the University and the District indicated that the lake was in some huge

state of irreparable repair. The testing showed the lake was healthy, with low levels well within the State standards, and the alarm being spread by the emails going back and forth were unwarranted at present. He said a second sample was taken by the bridge that crossed Ben Hill Griffin, and the levels there were many times over what was seen in the lake. When asked, Mr. Kurth response to the latter result was that he thought it was due to standing water that had been trapped, and through evaporation those levels were getting concentrated, so the result was not necessarily an actual reflection of the water going through the slew.

Mr. Krebs said the water quality was being looked at, and the District was working with the developer to do testing. While the clarity might not be what they expected, the nutrients and the dissolved oxygen, etc. seemed to be within an acceptable level.

Mr. Elgin indicated, to give a summary and an update from the developer on this issue, the University did some more unofficial tests, had some students doing the tests on behalf of their professor. The lab reported results were not controlled as one would expect, so the results were unqualified. Mr. Kurth did his own sampling that was very controlled, and the results were very different as to how bad or how good the lake's water quality was, and this was a very beneficial process. He stated the developer had since paralleled what Mr. Krebs and the District's team presented a number of meetings ago that was the District's annual monitoring, and the developers used that as a tool to go out to their water quality testing companies. About a month ago, he executed an agreement for that same reporting on an annual basis with a company that did the testing for the developer's bathing places.

He indicated, additionally, the annual testing was to build data, as in some of the emails, Bob White, another of the developer's consultants on water quality, recommended one of the best things the developer could do was to establish data. There was no data on these lakes, and now data was slowing being gathered that would allow the possibility for forming some conclusions, though Mr. White cautioned against knee jerk reactions that could have big swings within the lakes. Mr. Elgin encouraged the District to keep in its financial thoughts moving forward the same level of monitoring the developer was doing, noting their first sampling results would be in February, then once at the beginning of the rainy season, and again at the end of the rainy season.

Mr. Cusmano asked if the testing agreement was with WUP (Water Use Permit)

Mr. Elgin affirmed the agreement, as they appeared to be the most knowledgeable of the companies he contacted, and they had been using them for three or four years, and District staff used some numbers from them in their analysis.

Mr. Krebs added Mr. Kurth also did some coring of the shoreline, as there had been a question on whether the carp had eaten littoral plants and they were now completely gone or had some root material remained. Mr. Kurth found root material, and if the carp were not there, many of the plants would return, but it was likely that there had to be some supplemental planting to make up for some of the plants that were lost. This was something for the Board to keep in mind, as Mr. Kurth stated he already saw some shoots materializing along the shoreline, so the shoreline was a long way from dead, and some plants would come back if the carp left them alone.

c. Asset Manager

Mr. Bernard referred to our monthly report that included various issues, including that of the water quality. On the matter of the lake banks, they met with the homeowners' association (HOA), and the five associations that attended were very receptive to their discussion, and they thanked the CDD for putting the matters on the agenda for discussion. The associations received clarification about which entities owned what and the sloping, etc. behind their properties. He referred to the pictures with captions in the report to illustrate what was found and what the developer was fixing.

Dr. Herring asked how many people attended the meeting.

Mr. Bernard replied there were five associations, with an average of three representatives each, along with members of the Master Association, and the meeting ran for about an hour and a half. Once the associations grasped the ownership issues, they were able to move forward as to which entities would be responsible for the maintenance for what. He mentioned they met with one of the associations prior to the present meeting to look at what they had and make suggestions as to vendors they might get to help them to fix issues with their personal property. He stated they had a pre-bid meeting for the landscaping that was out for bid, and the bids would be back in on February 24th, and they would be opened on the 27th of February, and they hoped to present the Board with recommendations in April 2015 for the District's landscape maintenance.

Dr. Herring asked for Mr. Ward to go over the logistics of the landscape bidding process thus far.

Mr. Ward replied the bid went out about a week ago Monday, and they had until February 24, 2015, to respond.

Dr. Herring questioned if the bid was opened to any vendor to respond or had the District pre-vetted any vendors.

Mr. Bernard said the District held a mandatory pre-bid meeting, and only the vendors that attend the pre-bid meeting could bid later, and the vendors that attended were taken around the District, showing them the all the areas they would have to maintain, so everyone was on the same page prior to providing bids.

Mr. Ward clarified the vendors did not pre-qualify so to speak this is a request for proposals, rather those vendors that showed up at the pre-bid meeting were satisfying the District's issuance of a request for proposals (RFP). This is the same process the District went through before. There was a series of qualifications in the bid specifications that vendors have to meet, and the pre-bid meeting allowed interested vendors to submit the package to the District that staff would then review for their qualifications in accordance with the specifications, then this will then come back to the Board for final determination.

Dr. Herring believed the last time there was a landscape maintenance bid was about seven years ago. He asked if the qualified bids would be presented to the Board at its March meeting.

Mr. Ward replied it was a long time ago, but he would like to present the bids to the Board in March, but certainly at the latest it would be the April meeting to award and that could be extended to May, if necessay, and the current contract expired at the end of May 2015.

Dr. Herring asked if the Board was obliged to accept the lowest bid or was there a way for the Board to evaluate the bids.

Mr. Ward stated no, it was the lowest and most responsive and responsible bid.

Mr. Refkin said the bid chosen did not have to be the lowest.

Mr. Ward affirmed this to be the case, as there were a whole series of qualifications that were in the package, and they were the same qualifications that were in the last

package the Board did. The Board would evaluate the bids on that, including price, and then make an award.

Mr. Refkin recalled in the past the District had one large contract for everything.

Mr. Ward responded, pretty much, this was still the case.

Mr. Refkin wondered if it were possible or if it would be a good idea to break that up a little bit in the different segments.

Mr. Ward commented, from when he looked at it as a Manager, it did not seem to him to be a smart business move, as the services would be more expensive, certainly more expensive to manage on a daily basis. It was questionable if the District would get consistent quality that it received at present. He thought the way the package was put going out was good, and the qualifications in the specifications were good, as they were tightened up a little more and made the contract duration was longer than previously.

Dr. Herring asked how long the proposed contract would be.

Mr. Ward replied the way the contract was written, it was a one-year contract that allowed the District to renew it for seven additional one-year periods, so it was an eight-year contract. The existing contract was much shorter, probably three or four years, I just don't' remember.

Mr. Donoho sought confirmation the District had the right to cancel the agreement during any of the one-year periods.

Mr. Ward answered correct, on either side of the contract. To get to the longer period, he put a little adjustment that allowed them to change their price no greater than two percent per year based upon their cost of doing the work. It was important to give the vendor something to get to the longer period, and he thought the longer period was a better contract for the District to try to get consistency and quality in this project on a longer basis than previously.

Mr. Refkin understood Miromar used Estate, asking when that contract expired.

Mr. Elgin indicated Miromar just renewed their contract with Estate.

Mr. Kollmann replied the renewed contract went for seven years starting January 2015.

Mr. Refkin recalled the last time the subject contract came up, there were some synergies that worked out very well.

Mr. Kollmann mentioned a few months ago they won a national award for the landscaping maintenance they did through the District and the HOAs, a copy of which he distributed to the Board. The District was a part of the award, as Estate won it through its partnership with both the HOA's and the CDD. He agreed there was some synergy with the various entities working together, and he appreciated the Board's consideration of their qualifications to work for the District.

Dr. Herring asked if the District's hands were tied about extending the contract.

Mr. Ward affirmed there was no provision in the present contract to permit an extension, and State law is very clear that if the contract value was over $195,000, it had to go out to bid.

Mr. Refkin reiterated if the contract was broken up in portions of less than $195,000, then it would not have to go out to bid.

Mr. Ward stated that possibility was discussed with Mr. Urbancic and that essentially circumvents the law.

Mr. Urbancic remarked on there being some clause about when such services were aggregated, etc. but that is just doing an end run around the law.

Mr. Refkin commented if the system was not broken, then there was no reason to fix it, and he felt the District's landscaping looked very good.

Dr. Herring thought breaking up the landscaping contract might be a good idea.

Mr. Donoho said it was likely the District would end up paying more for those services if they were broken up.

Mr. Ward stated that from my perspective, this is the last thing that we need to do right now, and bid a contract simply because it's over some arbitrary threshold, there is a ton of work on a lot of people's part to bid this contract, and if would have been much simpler to extend the existing contract, especially since we have a good contractor and quality work being provided, unfortunately, we do not seem to have that choice.

Dr. Herring mentioned the District had the ability to cancel the contract if dissatisfied.

Mr. Elgin remarked he was the District's asset manager when the CDD component of the maintenance contract was created, and that contract lacked recurring renewal language that would satisfy the current CDD Board; the new contract added a lot of flexibility. He did not expect the quality to go down, and it involved an enormous work, and it was the

contracts and the statutes that bound the District, but the process was in the best interest of the District from many standpoints, including legal, long-term contractual securing down the road, etc.

Mr. Donoho thought the good thing about the seven one-year deals, that if the performance went down, the District could get out of the agreement.

Dr. Herring observed that there were a number of brilliant financial minds present, and he wondered if they should be involved in looking at the prequalification bids, as they had extensive business experience, and they could see factors that could benefit residents.

Mr. Donoho felt the others and he were not qualified to review a landscape, etc. bid, as that was very specialized field, and the team selected to review the bids submitted to the District.

Mr. Urbancic stated the results of the bid process would be put together in a readable format for the Board.

Dr. Herring commented it was not just a matter of the bottom line number, as if it was there would be no need for further discussion.

Mr. Refkin stated why this was important, was the last time there was bid consideration, it was not an exact match on what the various vendors would do, so the Board had to rely upon someone to explain what each vendor would be doing or not doing and their cost to provide those services. It was a very complicated effort to try to put the bids on an equal playing field.

Mr. Kollmann confirmed at the last bid, their competitor came in with a lower bid, but they had left out some of the services the District required in the services they sought.

d. District Manager

I. Financial statements for the period ending December 31, 2014

Mr. Ward stated, in relation to the District's December 31 financial statements, he was impressed that the District received 84 percent of its revenue at this point on the General Fund from taxpayers. This was always a good sign at this time. Expenses were in line with the budget, and he saw no issues with the financial statements. He remarked on the issue of the District's website, for which he sent the Board an email, noting the website was operations as of today and was called www.miromarlakescdd.org. He encouraged the Board to look at it, stating he would send them an email with the website's name; the site

met all the statutory requirements the District had to go through in the present year for the disclosure of information. The website would have upgrades and have other changes made on a periodic and regular basis; for example, the Board's February agenda was posted to the website, as well as the landscaping RFP for the Board and residents to view.

EIGHTH ORDER OF BUSINESS **Supervisor's Requests/Audience Comments**

None

NINTH ORDER OF BUSINESS **Adjournment**

On MOTION by Mr. Refkin, seconded by Mr. Ballinger, with all in favor of adjourning at 3:14 p.m.

James P. Ward, Secretary

Mike Hendershot, Chairman