

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

The Regular Meeting of the Miromar Lakes Community Development District's Board of Supervisors was held on Thursday, March 10, 2016, at 2:00 p.m. at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Board members present and constituting a quorum were:

Michael Hendershot	Chairman
David Herring	Vice Chairman
Doug Ballinger	Assistant Secretary
Burnett Donoho	Assistant Secretary
Alan Refkin	Assistant Secretary

Staff present:

James Ward	District Manager
Greg Urbancic	District Counsel
Paul Cusmano	Calvin Giordano & Associates
Bruce Bernard	Calvin Giordano & Associates
Charlie Krebs	District Engineer

Others Present:

Tim Byal	Miromar Development Corporation
Residents	Approximately Five (5)

1. Call to Order & Roll Call

Mr. Ward called the meeting to order at 2:00 p.m. The roll call determined that all members of the Board were present.

2. Consideration of Minutes

a) February 11, 2016 Regular Meeting

On Motion was made by Mr. Herring, and seconded by Mr. Ballinger, to adopt the Minutes as described above, and with all in favor the motion was approved.

3. Staff Reports

a) District Attorney

Mr. Urbancic reported that there was one bill that had been passed by the Legislature and was awaiting the Governor's approval. He was unaware whether the Governor had signed it yet. The legislation pertained to oversight of special Districts and was drafted in order to foster transparency. Its passage would require them to update certain items on the website, as well as post additional information. It would mostly fall under the category of Jim Ward's responsibility. There was one other bill pending which was not expected to have much impact on the District, if it were to pass. Mr. Urbancic said he would keep the Board apprised of that bill.

In response to an inquiry by Mr. Hendershot regarding an update on the Miromar Lakes litigation with Center Place, Mr. Urbancic replied that he had spoken with their counsel and nothing was settled.

b) Asset Manager

Mr. Bernard stated that his report would highlight Ben Hill Griffin and the accident. There were two generators running the pumps outside. The electrician had submitted an application for a permit to rebuild the electrical service, which would start immediately upon approval of the permit. As soon as the accident report was received, they would look into recouping the costs. He estimated that it would cost between \$22,000 and \$26,000 to do the repair. In reply to a question by Dr. Herring, Mr. Bernard added that they would have to pay upfront to get the service back and then recoup the cost from the insurance company, hopefully. Mr. Ward stated it's not the preferred approach, that because of the presence of live wires outside, it was the appropriate approach, instead of their dealing with the insurance company first and then authorizing the work, as was usually the case.

There was a discussion ensued in which it was explained that they had employed an emergency water truck and the estate landscaping company to run the irrigation pumps so that all the plantings would not be lost. It was observed also that plantings had just been put in at the Ben Hill Griffin easement, including fifteen new palm trees, and Lee County had put in utility lines too. It was not known who approved that though Tim Byal had mentioned additional plantings at a previous meeting. Regarding the berm at the top of Ben Hill Griffin, plantings that were not growing due to the lack of sunlight would be mulched, giving the same neat appearance as at San Marino.

Mr. Bernard reported that with reference to aquatics, they had had the vendor spray lake #6, the water level of which was high, for an algae bloom. They had also met with the vendor on that day before the meeting, and checked the lakes in Valencia and Porto Romano, which had seen accelerated growth of spikerush. They discussed what needed to be maintained, cut back and cleaned up. The lakes would be sprayed in the next couple of weeks and then the dead spikerush would be removed. It was a matter of trying to find a balance in complying with differing preferences of residents/HOHs

regarding the look of the individual lakes. Finally, on April 14th, water samples would be taken by GHD, under the contract.

A question was posed on the matter of Lake Masters and the removal of carp. Mr. Ward answered that they had a permit to take the carp out but the Fish and Wildlife Commission had stipulated specific ways it had to be done. Lake Masters had pulled out since the way they wanted able to proceed was not acceptable to Fish and Wildlife. The District then expanded the search to other vendors, with the goal of removing the carp, as was originally intended. They could not find a vendor that would be able to comply with Fish and Wildlife.

Comments were made by members of the audience with reference to the grass carp. Mr. George Samonic, a resident of Sorrento, commented that when he moved there in 2010 the fishing was spectacular, and it remained so through 2012. Some areas of the lake had been inaccessible, owing to thick weeds, and he was happy when grass carp were introduced. However, in the end, the effect was that all plant life was stripped away and other fish populations were extremely depleted. The few fish that were left were puny, and he was in favor of removing the carp. It was observed that that the number of carp they were told to put in was obviously too large. Catherine Polin commented that they should be given some leeway by Fish and Wildlife, given the extenuating circumstances. Still, the fact remained that no licensed professional could not be found to do the job in compliance to government specifications. Ms. Polin asked about the potential fine and ramifications if they were to remove the carp without adhering to the specifications. It was thought that they would receive more than a slap on the wrist since they would be dealing with a State agency. Nevertheless, the number of a contact person at Fish and Wildlife would be provided to the residents, if they so wished. It was suggested that barriers be placed in the lake and plantings be put in to filter the water. It was further suggested that the lake be restocked with fish.

c) District Engineer

Mr. Bernard reported that he had met with Carl Barraco to go over the barriers and they were on the same page. Mr. Barraco was going to respond to Mr. Bernard's initial email in which Mr. Bernard listed his suggestions, recapping what they had discussed.

Mr. Ward explained that the barriers he was referring to were pursuant to the settlement agreement with Alico. He said he had Glenn Smith contact the Attorney, Kevin Hennessy, who was representing Alico, to check on the status of the settlement. The matter was not a high priority for Alico, however, the only real issue pursuant to the operating agreement was the turbidity barriers.

d) District Manager

i. Review of Anticipated Financial Position – General Fund – fiscal year ending 9/30/2016

Mr. Ward recalled that we have increased assessment levels in the current year to deal with the litigation with Alico. The litigation ended in August and we held off paying a lot of the professionals that had been used until January, when we received bulk of the assessment revenue that they had anticipated, to fund the prior year's expenditures. The anticipated year end expenditure statement cleared up all of the litigation expenses we had as of the end of January. There were no more accounts payable on the books as of the end of January with respect to any of the legal, engineering, or other fees. However, there were ongoing issues with respect to Alico that were reflected there, where he had accumulated into one line an item called "Legal Services Center Place," which was basically the contingency. Based upon current expenditures, we would probably hit roughly \$95,000 in the current fiscal year for legal expenses associated with Center Place, and not much in engineering – perhaps around \$5,000. The good news was that based on your current financial position, at the end of the fiscal year, the cash balance would rise up to the prior-litigation levels. The year began with approximately \$160,000, and it was anticipated that the cash balance would rise to roughly \$480,000 by the end of the fiscal year. It would be reviewed at budget time and he would updated periodically to make sure that they were on track with that figure.

Mr. Ward went on to report that we had budgeted \$48,000 in the current year for grass carp removal, however, now those funds can be used for littoral shelf replanting and barrier replacement. In Mr. Bernard's report at the previous month's meeting, the total replacement cost of the littoral shelves and surrounding barriers was calculated at \$100,000. Mr. Ward recommended that they go ahead and spend the \$48,000, doing roughly half of the littoral shelf replanting and surrounding barrier replacement that needed to be done in the current fiscal year. Then, in the following year's budgeting process, they could decide whether to finish the project or defer it another year. He concluded by saying that it was the only big decision that he had brought before them in the analysis he had given that afternoon, and that it represented a change from what they had been doing. Mr. Ward asked for feedback on how to proceed. Mr. Hendershot answered that the sooner they could do the work the better, explaining that he'd received phone calls and emails from irate residents regarding the lake, and it was important to show them that at least, they were doing something. Mr. Bernard stated that in the capital budget for 2017, they had set aside another \$48,000 to finish the job. Mr. Byal recommended that they focus on a portion of the landscape berm on the other side of the canal. Mr. Ward stated that if the Board was of a mind to go forward, he would have Mr. Bernard and Mr. Krebs put together a location map of where the \$48,000 would be spent, which he would share with the Board members at the next board meeting, or as soon as possible. Any recommendations from the Board on the locations were welcome also. Mr. Byal requested confirmation that as critical as the planning was, the maintenance would be the most important thing. Mr. Ward said that was correct. Mr. Byal asked if there would be no addressing of how the barriers were going to work and not get knocked down. He pointed out that having a limited section

that could be closely monitored, to make sure that the investment they made would work, would be wise, as opposed to going out and completing the project, only to find that the big carp were knocking down the barriers instead. He recommended they start with a test case and then based upon the results, they could expand the process. Mr. Ward said that he thought that was a great idea. Dr. Herring asked if they had had any communication with other communities that had to deal with a similar situation. Mr. Bernard said that most places had never had an abundance of carp as they had. He went on to say that they had asked the original vendor to shore up the original barrier to strengthen it, so that the carp could not get through and they would have to do the job twice. Mr. Hendershot recalled that they had also talked about approaching the University to join them in tackling the problem, although it might raise quality issues. A comment was made that the University backed out of everything as a rule. Mr. Ward suggested they not consider re-opening that door, simply because of the reliability of the information, in a real world situation. Mr. Refkin pointed out that such projects were used as an academic assignment and teaching tool, and they had found in past dealings with the students that their numbers were completely unreliable. Mr. Ward suggested that they needed to focus on using quality experts: professional consultants like Lake Masters, or professional staff like Charlie, Bruce and Paul. After further discussion, Mr. Ward concluded that with the general consensus among Board members and staff being in favor, they would proceed, devising some location maps, a timetable for the project, and providing details on the barriers and process of installation.

II. Unaudited Financial Statements – Period ending January 31, 2016

Mr. Ward stated that there was some good news on the financial front, with respect to where they would be proceeding for the balance of the fiscal year.

4. Supervisor's Requests and Audience Comments

Mr. Ward reported that, as mentioned earlier, they would be starting the water quality testing program included in the fiscal year's budget. As the results came in there was now a process in place that would entail his receiving a report from the particular vendor hired, which he would then share with the Board. Testing and analysis would take place quarterly.

Mr. Hendershot asked if there was available cash in the current year to start the capital project earlier. Mr. Ward stated he was comfortable with the numbers, but he had not done a cash flow projection in conjunction with them. He would undertake a cash projection through December or January 2017, to see what was really needed in terms of cash, and what might be excess. That was done by him normally as part of the budget process, but he could do it earlier as a way to clarify their status.

Dr. Hendershot thanked the residents that were in attendance. Mr. Ward explained that there was an audience section for residents to fill out, in which they could

ask their question or make a comment, and the Board would endeavor to respond to them, giving them an opportunity to speak also.

Ms. Polin asked if they could come up with a better way to disseminate information to residents. She was surprised so few residents were there when she knew they were as upset as she was about the situation. She explained that they were spraying her house for grasses and weeds and she wanted the natural grasses that birds depended on, and wanted the fish, and even carp, to be there. She asked what it would cost for her as a homeowner to have plantings done, and if they were not in front of her house, then residents could all contribute to plantings in another area, if they wished. She pointed out that it was primarily the people who were not right on the water who were not noticing how bad it was, but it was something she saw everyday strolling on her dock. She believed that residents felt they would like to be part of the solution. They were aware of the problem and that it was a mistake that had happened and what could they do now to go forward? Ms. Polin reiterated that a way was needed to disseminate information to the residents, who felt in the dark about it. She had been on the website which she had not found particularly helpful and had it served to confuse. She went on to say that she would like to have access to the water quality testing results and she had called Lake Masters to that end. She went on to say that she was watering her organic garden with lake water, and was not at all confident that what the garden produced was safe to eat.

Mr. Ward replied that that lake water was safe and accessible. They were just starting the water quality testing but it was something that they had been talking about for a long time. The results of the water quality program they were starting would be available by the end of June 2016, and would be posted on the website at miromarlakescdd.org. He added that she was always welcome to call any of them if she needed information, which he could email it to her. He went on to explain that their fiscal year started October 1, and by April or May the budget process began. During the process, the Board would go through the months of May through September, identifying all the programs that they would want to put in place for the community the following year. They attended a public hearing in September. Once the assessment was levied, it went on the residents' tax bills, and it was implemented in the following year. In the past year, litigation had been the big issue. For the present year, Calvin Giordano & Associates (CGA), Charlie Krebs and everybody worked together to put formulate a rather large plan, as described on the website, of capital improvements that needed to be done, including the littoral shelf planting and everything else they could think of. They planned to present at the next meeting a plan that listed the timetable of when they could do it all, within the constraints of a particular resident's existing assessment levels. Presenting the plan at the Board meeting would enable them to give good idea of where the capital program was going for the next two or three years, by the time he started the budget process. It was a pretty significant program, as shown by the document on the website. The meeting dates were on the website and she was welcome to come. She could contact him, as his cell phone number was posted on the website, as well. An important point included in the plan, which the Board had discussed at the previous meeting, was the fact that getting involvement from the local

community of homeowner's associations would be important. Upon completion of the budget process, staff would be reaching out more to the homeowner's associations that were involved in the capital program, to get their concurrence and understanding of where they were in the process.

Ms. Polin commented that she didn't belong to a homeowner's association and she didn't think she would be informed with regard to their dealings. Mr. Ward responded that they could reach out to residents if that were true, it was not a problem.

Ms. Jackie McIntyre, President at Valencia and a Miromar homeowner since 2005, stated she was in agreement with Ms. Polin since it was the first time she had ever been apprised of the meeting, and shame on them that she wasn't on the website. She suggested that the minutes or notes of the Board meeting be included in the Miromar Waves newsletter, since every homeowner received that. She thought it was intriguing to know that such issues were going on and she was hearing many rumors. And as a way of just dispelling some of the bad rumors, they should be informed since knowledge was power. As residents, they were going to have it turned over to them soon, and it would be their ball of wax. The residents would be in management and she worried that residents didn't even acknowledge it.

Mr. Ward explained that the meeting agenda went out about a week before it was posted on the website. He stated that one of the things she could do, if she liked, was to ask to be added to that distribution list for the agenda. Mr. Byal said he would have them put a link on her residents' website. He explained that it was a quasi governmental board, bound by the sunshine laws, and they, as a group, could only discuss things there at the meeting on that day. They could discuss things with her all the time, but they themselves were limited to discussing matters at Board meetings only. All the residents paid their fair share of the CDD whether they lived on the water or not. The quality of the water affected everybody and they were residents too so they all cared. Water was, in fact, their main responsibility and he was all for improving communication, like providing the CDD link, or in any other way they could. Ms. McIntyre said their providing the link would be awesome.

Mr. Byal stated that most people probably thought that they did a little better job on the landscape. There was a little thickness that he would like to resolve, whether through growth or the addition of other plants, but they were moving in the right direction. Apart from the developer's standpoint, after 18 months or so, they believed their South Florida Water Maintenance Permit would be issued the following week. They had sent an announcement to all the residents informing them of the good news that the development operation could begin, and the bad news that it would bring a lot of truck traffic with it.

Mr. Byal mentioned as an aside, that they had been having better luck within the last week or two on service-related issues with regard to Comcast. They had a very good resource in the person of Barb Hagen, with whom he had negotiated a deal twelve

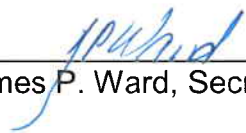
years previously. He was beginning to see results, whereas before Comcast had the worst record of responding to customers.

Tim Byal of Miromar Development was thanked for taking the time to attend the meeting.

5. Adjournment

On Motion was made by Mr. Refkin and seconded by Mr. Ballinger to adjourn the meeting, and with all in favor the motion was approved.

The meeting was adjourned at 3:07 p.m.



James P. Ward, Secretary



Michael Hendershot, Chairman