

**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 Tuesday, March 11, 2014, at 2:00 p.m., at the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Present and constituting a quorum were:

**David Herring
Doug Ballinger
Burnett Donoho
Alan Refkin**

**Vice Chairman
Assistant Secretary
Assistant Secretary
Assistant Secretary**

Also present were:

**James Ward
Greg Urbancic
Charlie Krebs
Shelly Eichner
Paul Cusmano**

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

Others present were:

**Tom Mayo
Dana Hume**

**Florida Gulf Coast University (FGCU)
Johnson Engineering/FGCU**

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Ward called the meeting to order at 2:05 p.m. and the record reflected all members of the Board were present at roll call with the exception of Supervisor Hendershot.

SECOND ORDER OF BUSINESS

Consideration of Minutes

a. February 13, 2014, Regular Meeting

<p>On MOTION by Mr. Donoho and seconded by Mr. Ballinger, with all in favor of approving the February 13, 2014, Regular Meeting minutes as presented.</p>
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THIRD ORDER OF BUSINESS

Consideration of Amendment #3 to Lake Masters contract to extend the term of the contract to June 20, 2017, at the same pricing as agreed to of \$103,168.00/year in June 2010

Mr. Ward stated Bill Kurth with Lake Masters who was present at the meeting, was the company's onsite representative for the District for many years. The amendment extended the term of the contract for three years to June 30, 2017, at the same prices since the inception of the contract with the District in 2008.

Mr. Refkin observed in the backup that it stated the amount was \$103,169.00, asking if this was a typographical error.

Mr. Ward believed this was an error, as it should say \$103,168.00.

Mr. Ballinger mentioned on page nine of the minutes in the backup, it stated that Mr. Ward recalled the Lake Masters' contract was roughly \$90,000 a year for both the lake and water system.

Mr. Ward indicated he was wrong in his estimation; the contract was originally and remained at \$103,168.00 and was composed of two parts: a lake contract for one amount, and a wetland maintenance contract for another amount, with a combined total of \$103,168.00. He would make the correction to the record accordingly, noting he enclosed in the Board's agenda package a map from Mr. Krebs that outlined the District's landscape and lake systems, delineating the limits of the contract with Lake Masters.

On MOTION by Dr. Herring and seconded by Mr. Refkin, with all in favor of approving Amendment #3, extending the Lake Masters to June 20, 2017, at the same pricing agreed to of \$103,168.00 since June 2010.

Dr. Herring asked if an event happened to put more water in the lake than there currently was, would it have any effect.

Mr. Kurth replied it was more likely to be beneficial, asking if anyone had any concerns about the water clarity of the lake.

Dr. Herring asked if the grass carp was being monitored, as he did not see them.

Mr. Kurth assured the Board they were in the lake, and there was a vivid difference in the lake since their being put in there, as the submerged vegetation was virtually gone. He stated they stocked the grass carp in the lake at a very responsible rate of five fish per acre, where the normal stocking rate was eight to 20 fish per acre, and it appeared there might be a few fish in the lake than was preferred, as they had cleaned out the lake. This resulted to some degree in lower water clarity, as submerged vegetation took all the nutrients out of the water, reducing the plankton growth.

Less clarity meant better fish production, and a slight amount of plankton algae was very healthy for the lake, as the **Unclear** plankton feed on that, and the smaller invertebrates and the fish going up the food chain. There was also less sunlight penetrating deep into the lake, reducing weed problems as deep as 15 feet into the water, which was unusual. He mentioned the District had a considerable amount of construction going on at present, and there were multifamily residences on one side of the lake with the dirt coming right up to the edge of the lake. On another lot he observed muddy water being pumped, and that was probably impacting the lake's clarity. He expected the water clarity of the lake to improve over time.

Dr. Herring asked if the grass carp in the lake were sterile.

Mr. Kurth replied the fish put in the lake were triple A grass carp, and though he did not actually stock the fish, and his information was the lake was stocked with 8,000 sterile fish, and as the years passed, since the fish would not breed, they would become less efficient and the weed growth would recommence. At that point, they would monitor the situation to determine if more fish were needed in the lake.

Mr. Donoho stated if one rode a kayak onto the lake, one would see that the lake was much improved.

Mr. Kurth concurred putting the grass carp in the lake was a huge benefit, stating the improvement was not really seen until about November 2013. He said about nine to 12 months ago, all the Hydrilla in the lake was a very bad, as it was a fast-growing weed that impacted the water ski course and a few of other areas. Once the Hydrilla were removed, they focused on removing the pond weed, which was reduced to almost to nothing by November and December; it was likely that most of the weeds had been uprooted by the carp and blew ashore and dried up, as he did not think the fish ate all the weeds.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2014-2 amending the General Fund Budget for Fiscal Year (FY) 2014 to provide for the repair of irrigation pumps

Mr. Ward stated the amendment was to provide a line item for the replacement of the pump station, and the funds would come from the contingency portion of the aquatic weed control in the amount of \$10,800. It would be cost neutral with respect to the District's budget, as it would not be using any fund balance for the repairs. He believed the work was authorized by Hoover Pump.

Mr. asked when the work would be completed.

Mr. Cusmano replied in another week, as the work had begun.

On MOTION by Dr. Herring and seconded by Mr. Donoho, with all in favor of approving Resolution 2014-2.

FIFTH ORDER OF BUSINESS

Staff Reports

a. Attorney

Mr. Urbancic stated the legislative session in Tallahassee was about to begin, and there were a few bills being introduced that affected CDDs, so he would continue to monitor the situation, as it was early days yet. Some bills were designed to give methods to CDDs with no maintenance responsibilities, while others were trying to affect special district recording requirements that would make the process a little more onerous.

Mr. Ward mentioned there was a major study recently published that he would e-mail to the Supervisors about CDDs in general, their history in Florida and, specifically, some of the plethora of state laws, that affect CDD's, including the reporting requirements, and some of the issues that occurred in recent years with CDD's that did not make bond payments.

b. Engineer

Mr. Krebs stated he had a conversation with Mike Elgin earlier, who was over at Lee County meeting with one of the County Commissioners regarding the utility easement going across the golf course that he mentioned at the last Board meeting. He would relay that

information to the Board when he learned what transpired at the meeting from Mr. Elgin. The previous week he was invited to participate in a conference call with Tom Mayo of FGCU, and Dana Hume of Johnson Engineering about procuring a dewatering permit for FGCU to do repairs to their pool. Due to the difficulty they were having, South Florida Water Management District (SFWMD) suggested they modify their permit and transfer the water into the District's lake rather than into a dry retention area.

In the conference call, they went over the specifics of the operation, and Mr. Mayo and Mr. Hume were present at the meeting to elaborate on the situation.

Mr. Mayo felt Mr. Krebs adequately described the matter, stating that in their quest to repair the pool, they were dewatering the it to keep the pressure on **Unclear**, which they would do to the extent they could without flooding the adjacent wetlands. The SFWMD suggested FGCU seek approval from the CDD Board of supervisors to put the additional water into the lake.

Dr. Herring asked how would this be done mechanically.

Mr. Krebs responded, at present, FGCU was pumping water into their dry retention area, and they would set a second pump into one of the catch basins that would pump the water out of that area into the lake. He assured the Board it was clean ground water, and was not water taken from an excavation, so it was not full of vines or suspended solids.

Dr. Herring wondered if it was similar to the water that was already in the lake.

Mr. Krebs affirmed it was.

Dr. Herring inquired as to the quantity of water they expected to go in the lake.

Mr. Krebs replied whatever quantity of water they pumped into the lake would be a benefit to the District, as it would keep the lake levels up, though based on the discussions, he doubted anyone would notice a difference in the lake level. He thought FGCU was coming to the District as a good neighbor to request the Board's approval, and he felt the use agreement the FGCU was already a party to with the District granted them the ability to use the lake. SFWMD controlled what water went in and out of the lake, despite the District owning the land, so this was a win/win situation for the District.

Mr. Refkin commented since being on the Board, the District granted FGCU many concessions, such as the lights on the entrance at Alico, the easement to the back of the University, and the median where the water pump was not working. When the lights were

installed, the District was not told prior to the work being done, and the median had been torn up, though it was now fixed. He had been serving on the Board for seven years and could not think of one concession the District received from FGCU, and there might be some things before the Board that could be discussed as being joint, good neighbor actions, helping both sides with easements. He wondered if FGCU felt the scales were more even than he perceived.

Mr. Mayo stated he had only been with FGCU for a year and could only speak to issues he was aware of, and when he came onboard, there was a lawsuit against FGCU by Miromar Place. He went through the process to resolve that issue, and one of the concessions was to change out all the lighting on the baseball and softball fields, so that it would reduce light spill onto neighboring homes. That was a \$600,000 bill the University footed for that work. He was aware that, at present, FGCU was doing some design work to enhance their landscaping and monument signs at the front entryway, and they hoped to take some of those enhancements into the median area. That might or might not be a direct benefit to the District's property, but it enhanced the appearance of Ben Hill Griffin.

Mr. Refkin said it might aesthetically improve Ben Hill Griffin, though he was unsure how the lighting issue would be resolved in the lawsuit.

Mr. Mayo commented the lighting improvements had been promised long before the lawsuit.

Mr. Refkin mentioned there were a number of issues discussed at the Board's last meeting that could be beneficial to the residents of Miromar, whom the Board represented, noting there was one specific issue that was discussed.

Mr. Cusmano elaborated the specific issue was related to the easement behind the berm to which the District had been trying to gain access. Mr. Ward, Mr. Urbancic and he received information that the District would not have access through Don's land to the berm, as he preferred the District to use his landscapers. He asked Mr. Mayo if the 48 acres to be transferred to FGCU that was discussed earlier had been transferred to the University as yet.

Mr. Mayo replied the transfer was still in progress; the matter was with the lawyers.

Mr. Cusmano queried how long Mr. Mayo thought it would be before the transfer was complete.

Mr. Mayo hoped the transfer would be completed by the end of the year.

Mr. Cusmano remarked, once the transfer was completed, the District needed to get an agreement to allow access through the University's land, and Don would need an agreement with FGCU for access, as he would no longer have the easement. The District currently had access via an agreement he worked out a month and a half ago with Florida Power & Light (FPL), and that area went right up to the edge of the FGCU property. He said once the transfer was complete, the District had to establish an agreement to allow access to maintain the berm, to which he believed the University already stated it had no objection.

Mr. Krebs stated there had been another coordination with FGCU in the matter of access to the weir to control the structure, as that went through the University, the back berm, etc. He was aware of the issues Mr. Refkin spoke about, but there had been other interactions between the District and the University, and he had no wish for the Board to feel the interaction was more one-sided than it appeared.

Mr. Refkin agreed.

Dr. Herring asked when the work on the lights referred to earlier was done.

Mr. Mayor believed the work was completed some six months prior.

Dr. Herring stated he lived across the lake, and though the lights had not bothered him, but he noticed no difference since they were changed.

Mr. Donoho noted the lights did not bother him, but it was the residents living down in the peninsula area where development was currently taking place who were affected.

Mr. Ballinger stated there were trees planted in his line of sight, so he did not have a direct view of the lights, and they never bothered him.

Mr. Krebs mentioned one of the requests that would be coming to the Board from FGCU was an agreement letter for the Board to consider and sign that stated the CDD had no objection to FGCU discharging the water into the lake. The SFWMD knew all parties were informed and had no objection with the proposed operation.

Mr. Ward asked if there was some urgency to the subject work.

Mr. Krebs affirmed there was; FGCU was trying to get the repairs completed, as the longer it dragged out, the more the vegetation in the retention area under water could be killed off.

Mr. Mayo concurred, stating they could pump more water into the dry retention area, but the SFWMD warned the University that they were getting to dangerous levels of flooding

the wetland and suggested the water be diverted to the lake. This would delay the water getting to the wetland.

Mr. Ward commented, if there was some sense of urgency, was there a letter of agreement for the Board to consider.

Mr. Urbancic responded he had seen a letter sent to the developer, Miromar Lakes LLC, and they were doing the same thing; that is, a request for them to sign an agreement with FGCU. The University's attorney revised the letter and sent it back to the developer, which he perused and had no objection to the changes, switching Miromar Lakes LLC to Miromar Lakes CDD. He said if the District was comfortable with the revised consent letter, so was he.

Mr. Ward summarized FGCU was seeking the Board's approval of the revised letter requesting an agreement for the dewatering subject discussed earlier in the meeting; he assumed he too would sign the letter of agreement.

Mr. Urbancic said yes.

Mr. Mayo indicated he brought copies of the letter for the Board to peruse.

<p>On MOTION by Dr. Herring and seconded by Mr. Ballinger, with all in favor of approving the discharge of water into the lake as discussed above.</p>

Mr. Mayo reiterated, since joining FGCU, the CDD and the University had worked together previously and would continue to do so, and they had a good relationship with Mike Elgin and the developer, as they strived to be good neighbors.

c. Asset Manager

I. Status Report on Operations

Mr. Cusmano referred to his report contained in the backup, highlighting:

- The annuals included in the budget
- Ficus hedges and trees had mulch added, but they continued to work on the whitefly issue that never went away
- Coconut Palms continued to have the spider whiteflies, though they thinned out during cold spells

- State sprayed for whitefly, so the District would have to pay for the next series of spraying for whitefly.

Dr. Herring asked how the whitefly control affected individual property owners.

Mr. Cusmano replied there was no fix all for whitefly, and going south from Okeechobee, whitefly was present to some degree on all vegetation, and there had not been a harsh enough winter to eliminate them. The spraying to maintain the vegetation had to be ongoing.

Dr. Herring felt the District's spraying tended to benefit the individual homeowners as well.

Mr. Cusmano affirmed most of the homeowners did not have ficus in their yards, as it was a tree that grew through sewer lines, water lines, etc., so they were seldom planted within properties. Thus, most of the hedges were located on CDD property, and the developer sprayed their vegetation as well.

Mr. Ward asked if the cost to address the District's whitefly issue was being recommended for the present or coming fiscal year.

Mr. Cusmano responded his recommendation was for the next budget year, as they were finished spraying for the year. He moved on to discuss storm water issues, indicating he began examining the District's storm water structures, and he received a plan from Mr. Krebs, which he went through and highlighted as he investigated them. MRI could go down in the structures and check the neighborhoods that were bad, and he would make a recommendation once he finished his explorations. Thus far, of the 26 structures he examined, he found 22 in good condition, though he was finding that the system that led into Verano where the debris of homeowners was coming out into the master lines, and then it was the District's. He said the District had to talk to the homeowners about clearing out their debris in each neighborhood, as it had begun to wash down into the Districts storm drains.

He noted one of the issues was that the townhomes had gutters that were tied into some of the streets, and they were backing up and sending all the street and gutter debris into the main line that tied into the District's. He would draft a letter for the Board to discuss sending out to the homeowners associations (HOA) about cleaning out their drains. It appeared the developer cleaned their debris out regularly by the construction area. The cost

indicated in the backup would be to spray the badly affected areas, and a budget for \$15,000 was included for cleaning out the structures, as he was unsure what they would encounter in the drains. Thus, the cost was based on what had been found in other drains.

He referred next to the diffusers in the lakes, as depicted in the pictures in the backup.

Mr. Ward inquired if this was work the District needed to do in the current fiscal year or the next one.

Mr. Cusmano replied the work he was discussing was to take place in the next fiscal year, 2015. The diffusers were original, and he spoke with Lake Masters and learned they installed three quarters of them, while the remaining diffusers were installed by another company in the beginning. There was no maintenance agreement for cleaning the lines and most of them were failing and needed to be replaced. He asked Lake Masters to send him an agreement, so he could bring it before the Board for consideration. For the diffusers that needed to be replaced, the cost was \$38,892, and for those that could be repaired, the cost was \$6,123. He reiterated the cost would be included in the Districts next budget, and the work would be done in sections. The diffusers kept the algae out and the water flowing, and some of the buildup seen along the outfall areas was due to a failure to get the mix of water needed in the smaller ponds.

He next discussed the retention areas previously discussed that needed to be cleaned out, as the water that came through Verona Lago got backed up. He asked when the budget for the next fiscal year would be approved.

Mr. Ward replied the District's budget would first come to the Board in May.

Mr. Cusmano commented, as long as he got the work done before the heavy rainy season began, he could get the lines cleared up, and there would be no further issues.

Mr. Ward indicated the District's budget year ran from October 1 through September 30, so the budget he was presenting to the Board in May would become effective on October 1, 2014. If Mr. Cusmano hoped for the work to be completed in 2014, he would do a budget amendment, put the matter on the Board's next meeting agenda and discuss it at that time.

Mr. Cusmano discussed the lake maintenance and the bulrushes growing around the District's lakes and ponds. The bulrush had been trimmed over the years by the developer,

and it was not initially on the original permit to recut; it was a complaint from the homeowners about not being able to see the golf course when they looked across the lake. He said it was not a part of Lake Masters' contract to keep that vegetation sprayed down, so he calculated what it would cost to remove the bulrushes and spike grass in a number of areas that needed to be maintained, none of which was included in the maintenance contract. The cost would be about \$31,000 to do that work and maintain the areas moving forward; this cost had never been included in the District's budget.

Mr. Ward sought clarification that, conceptually, the idea was the District would spend \$31,000 in the current fiscal year to do the work, and for ensuing fiscal years, the work would be included in the Lake Masters contract.

Mr. Cusmano responded for Fiscal Year 2015, the District would spend \$31,000 to clear up the identified areas and, henceforth, he would meet with Lake Masters, once the areas were cleaned up, to amend their contract, if necessary. He believed, based on the work that was needed, it only required additional spraying to keep the vegetation down. Bulrushes were very aggressive, and it was necessary to get under the water and cut the plants, and it was better to remove them, then spray on an ongoing basis to keep them down.

Dr. Herring asked if the golf course maintenance people had been cutting them.

Mr. Cusmano answered no, stating Mr. Elgin had Lake Masters cut them, spending about \$3,500 to do the work the last time the matter came up, and about three years ago, another report showed \$2,800 was spent to address the same matter. The whole neighborhood was complaining about the plants, so the District should remove them and spray the area to keep them down going forward.

Dr. Herring stated he was aware of the golf course maintenance crew doing a variety of work leading right up to the lake, allowing vegetation to grow up to prevent golf balls falling into the lake. He was unaware of which entity dealt with the foliage that was actually in the lake.

Mr. Cusmano replied it was Lake Masters and the CDD that were responsible; the golf course did nothing to maintain the vegetation in the lake. He went through the District with Ken Klein of Lake Masters and looked at every pond, lake, etc. and some areas would be left untouched, as they obstructed no views and looked fine. The areas residents

complained about would be cleaned out and maintained to a level he considered top condition for the ponds and lakes, and the estimated \$31,000 included work to address all the issues on the District's ponds and lakes.

Mr. Refkin asked in what areas were the bulrushes the worst.

Mr. Cusmano replied the Sienna area, where Mr. Klein and he met with the residents and looked at the issue from both sides of the lake; he spoke with the wife of the resident he met to let her know the matter would be dealt with.

Dr. Herring wondered if such work had to be put out for bid.

Mr. Ward responded, individually, the cost of the abovementioned work was under his authorized threshold, and he asked Mr. Cusmano to get at least two to three quotes from vendors other than the vendor currently used by the District.

Dr. Herring asked if the numbers contained in the backup reflected such investigation.

Mr. Cusmano stated, based on his discussions with Mr. Ward, he was setting the budget, and Lake Masters had been out to the area, and he had other vendors from whom he would get quotes to ensure the numbers the contractor used by the District was in line with industry standards. He would secure three quotes to ensure the District was not favoring any one vendor, noting he would contact Rockline, MRI, and Sewer Masters and supply Mr. Ward with the three quotes and his recommendation. He discussed the mitigation area, stating he had been going back and forth with the Army Corps of Engineers and, as of an email received the previous Thursday, a plan was sent over to the Army Corps. Park Lewis spoke with them and the lady handling the matter, and everything to date seemed fine. He summarized that the District believed the area the Army Corps thought there was an issue with growth was outside of the CDD's mitigation area, so they did a map, sent it back to the Army Corps, and the matter would be dealt with as it progressed.

Mr. Cusmano next addressed the District's access agreement, noting on the previous Monday, an email was sent to the District by Donald, who represented the property owner in the back. Donald said they felt more comfortable having one of their landscape people doing the maintenance on the berm in that area, as they were his landscape guys, for whom he had insurance and access. The issue he foresaw was twofold; the first was that FGCU

would be taking over the land in that area, and the property owner would then need to get access from the FGCU.

Secondly, in the last month, the District gained access from FP&L, but it hit the edge of Donald’s client’s property for about a quarter of a mile. He believed one option was to go back and ask the property owner to allow access to that quarter mile, reminding him that in the near future they would no longer have access. Another option was to get a price from the other landscape individual to see what the cost would be, and match that to the price of State Landscaping, and let them do the work until the property was transferred.

Mr. Ward wished to confirm the berm belonged to the District, and this was an access only issue.

Mr. Cusmano affirmed this to be the case.

d. District Manager

I. Financial Statement – February 28, 2014

Mr. Ward stated the District’s financials were in very good shape; as of the end of January 2014, the District was at 90 percent of collections, and the budget was right on target. At the previous meeting, there was a discussion about the \$1,099,000 payment Miromar would make with respect to a prepayment on the District’s Series 2003 bonds, and he was advised the previous day that they would be making the payment in the present week. The payment would be reflected in the March financials, and on May 1 when the District made the bond payment, the Board would see a \$1.1 million prepayment in the Series 2003 bonds due to the density reduction they contemplated for that series of bonds.

II. Fiscal Year 2014 – Agenda Schedule

Mr. Ward stated the District’s budget process would begin in May, and he anticipated having the District’s website finished by then. A draft would be ready for the Board to look at by May. The audited financial statements would be provided in April, and the balance of the current fiscal year would be taken up with consideration of the District’s 2015 budget.

SIXTH ORDER OF BUSINESS

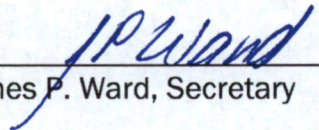
Supervisor’s Requests/Audience Comments

No discussion.

SEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Refkin, seconded by Mr. Donoho, with all in favor of adjourning at 2:52 p.m.



James P. Ward, Secretary



Mike Hendershot, Chairman