

**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 14, 2013, at 2:00 p.m.**, at the offices of **Miromar Development Corporation, 10801 Corkscrew Road, Suite 305, Estero, Florida 33928.**

Present and constituting a quorum were:

Mike Hendershot	Chairman
David Herring	Vice Chairman
Burnett Donoho	Assistant Secretary
Alan Refkin	Assistant Secretary

Also present were:

James Ward	District Manager
Greg Urbancic	District Counsel
Charlie Krebs	District Engineer
Mike Elgin	Miromar Development Corporation
Tim Byal	Miromar Development Corporation

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

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

SECOND ORDER OF BUSINESS

Consideration of Minutes

a) January 10, 2013 Regular Meeting

Mr. Ward stated the January 10, 2013 meeting was previously distributed, and if there were no additions, corrections or deletions, their approval was in order.

On MOTION made by Mr. Donoho and seconded by Mr. Refkin, with all in favor, the regular meeting minutes of January 10, 2013, were approved as presented.

THIRD ORDER OF BUSINESS**Review and Consideration of Scope
of Services for Field Asset
Management Services**

Mr. Ward stated he wrote up what he thought was a detailed scope of services the Board could put out to bid to for all the services over time the District would need. The first section was the procurement and bidding scope of services. This section indicates the vendors the District uses to provide these field asset management services in future years need to ensure the District complied with the requirements of the statutes; for example, some contracts require bids, some did not. The biggest contract that the District has is with Estate Landscaping, which has been bid in the past, and the balance of the contracted services could be contracted through a less formal process.

The document outlines the scope someone would need to go through in order to put a bid package and contracts together, and send it out in a biddable form. One of the items in the scope of services currently missing was a detailing of where all the vendors were actually providing and performing all of the services within the District. The maps were not up to the standard I was used to seeing, so he included somewhat of a description, so the consultant could provide or create a type of geographic information system (GIS) maps that provided a more detailed outline of the areas in need of maintenance by the vendors. It would be helpful in the long run to the Board in terms of identifying what areas were the District's responsibilities and what were not.

Section two on page two and three was the operations and maintenance (O&M) that stated the District had a storm water management program, landscaping, maybe some street lighting and some roadways, and vendors needed to be familiar with all of those projects. The detail specifications the District would use for those were the details specs under the existing contracts, and vendors would be provided those and given the opportunity to expand on those kinds of services moving forward.

On page three at the top, vendors were being asked to go through weekly walk throughs and on-site inspections with all the maintenance contractors to provide either weekly or monthly reports to the District that would be included in the Board's agenda packages or forwarded to the Board. This would facilitate a complete understanding of what was going on with all the vendors on a regular basis; their primary responsibility was to make

sure all the services were provided, ensure they had emergency services in place for the necessary O&M, and the review and the approval of the pay estimates that came to the District for payment.

In the next section, Asset Monitoring, are for items which were not currently identified in existing contracts, and the District's asset manager would be responsible for identifying all of those, having those maintained on a regular basis for the District. For example: if something broke and needed to be fixed; this was not a regular maintenance item, so their responsibility would be to ensure they got the vendor quotes for the repair, coordinated getting the work done, making sure purchase orders were issued correctly, and making sure all the repairs were handled in an adequate time frame. From an administrative perspective, vendors were being asked to maintain all their records in an electronic format and provide that information to the District, so the District had a complete paper background of all the necessary information related to this service.

Finally, on a more long-term basis, the GIS mapping and scope of services that did not exist currently and, over time, this information should be available for the District, so the Board and staff knew exactly where things were within the District, and all those assets would be easily identifiable, and that information could be provided when requested.

Once the Board was comfortable with the scope, staff would put it out on the street, have companies able to provide such services bid and, in terms of how the Board decided to bid, whether a lump-sum contract, or in the first year do it on an hourly rate basis, with the number of hours estimated by the vendors to get a feel of what these kinds services would take and cost over time.

Mr. Hendershot stated up until now we have been able to survive without these services, and I thought the administration of many of the services mentioned in the scope were already covered in Mr. Ward's contract.

Mr. Ward stated his contract provided some assistance with the contract work, which I already did for the District. The subject scope was more detailed to create the detailed specifications for the actual services: how many times the lawns were mowed, the chemicals used, etc. The basic contract documents of how the District and vendors did business, insurance liability limits, contract terms, etc. I do for the District.

There was a discussion as to: it appeared an hourly basis seemed best to reveal to what extent service would be needed; the possibility of piggybacking on some services to save the District some expense; historically, when District management changed, most of the existing contracts were already in place with the current specs, and none had come up for rebid; new contracts or the need to rebid would eventually arise, and that would require a review of the specs to establish formal contracts; Mr. Ward could handle the bid process or the District could contract with an outside firm to handle bidding processes, though the latter might be better for monitoring purposes of the bid process; once the scope of services was determined, the District should get estimates as to hours of work for various services and their costs prior to sending out the bid, though there might be some difficulty for those services for which there was no history.

Mr. Ward stated the work Miromar Development Corporation (MDC) did for the District was monumental and itemizing the scope of the various services would lead to increased expenses but, at some point, the right vendor had to be paid to do the right job.

General discussion continued: should the first year be a one-shot deal in order to develop a history and records for those services, after which an O&M could be established; GIS would provide more in depth details on scope of services, but the specs were likely to be the same and/or close for the most part; did the District need such in depth information to enhance the provision of the services; in the long run, the added details helped the manager and maintenance staff to know where everything was located and set up; historically, Cleo handled the administration of many of the named services, and it appeared her being a part of the management company facilitated the smooth running of that arrangement, and the thought was Mr. Elgin now handled those duties, so the cost to manage those services was currently covered under Mr. Elgin's current contract.

General discussion continued: was providing more ready access to expanded information on the District's assets and the O&M services on its website rather than going to the developer for the details a positive move; it seemed better for the District to separate the GIS formatting and make it one single item and not have it entangled with the field management aspect; there needed to be justification from a business aspect for procuring additional details, and the Board needed to gain a better understanding of such District matters; Mr. Ward would get quotes from two firms experienced in formulating scope of

services - hours, costs, etc. for the purpose of bidding; all scopes need not be implemented immediately, but the development of the scope would provide the District with information for later activation of some services when desired; Mr. Ward could either work with the firm chosen under his existing contract or they could be contracted by the District as an outside entity.

General discussion continued: the biggest benefit of a well-defined scope of services was it enhanced the District's ability to manage its assets in the long run; with Board approval, Mr. Ward would arrange presentations from consulting firms experienced in defining scope of services; the Board was not expected to take over the management task, as the added information facilitated the Board's having a better comprehension of the O&M of the District and the reports as provided by the various service providers, further facilitating the Board's ability to make executive decisions; established scope of services provided the Board with a better understanding of the District's long term business plan and its management; the natural progression of the Miromar Lakes CDD showed a change in focus and direction, and the District needed a business plan in place going into the future that included checks and balances, and it was likely this would be a one to two-year process; having an outside consultant enhanced the checks and balance environment for the District, and created more objectivity and transparency in the running of the District.

General discussion continued: the aim was to ascertain the costs involved for the above changes, that they might be included in the next fiscal year's budget and implemented on October 1, 2013, the start of the new fiscal year; when Mr. Elgin and MCD began working with the District, there was a lull in development activity and Mr. Elgin handled a multitude of operational tasks, and as development activity increased, those tasks needed to be contracted out privately; MDC could maintain its existing scope until the Board made its decisions, preferring that the process not drag out over the next three years.

Mr. Ward would have the proposals ready for the Board at its next meeting in March.

FOURTH ORDER OF BUSINESS**Review and Consideration of the
Business Plan for the Evaluation of
the Developer-owned Irrigation
System**

Mr. Ward stated he put together a short memo, as more fully identified in the District's enabling legislation there was a very specific procedure the District must go through in order to acquire any kind of reuse, irrigation, water, sewer systems, plants, etc. The document he presented was an outline of the services to be gone through in order to do due diligence, with the two big parameters to go through being: 1) what was the value of the system; and 2) if that value, based on the District's underwriter, was financeable. If the District could get past those two issues, it would be possible to deal with the balance of the statutory requirements.

General Discussion on: the issue of title, whether the District had title to the irrigation system and if it was installed using CDD funds; the irrigation was not a part of the infrastructure and was not funded by the bonds, they were paid for independently; the District should assume management of its irrigation system, as it would be less expensive in subsequent years; the system was comprised mainly of the hard assets of all infrastructure, including pumps, and the intangible asset and larger dollar value that made it work, the consumptive use permit that allowed the water to be withdrawn from the lake and distributed throughout the physical asset to various users; the objective was to ensure the system did not lose money and rates for usage remained below what anybody could buy elsewhere; water was supplied through bulk purchase agreements, with the golf course and the CDD being the largest consumers of irrigation services; the management of the irrigation system equipment was currently facilitated by the golf course maintenance.

Mr. Ward stated, if the Board was comfortable proceeding with the item, the next step was to find a firm that could do a simple business valuation for the District, then speak to Mr. Reagan about the associated financing parameters. There would be some preliminary discussions with the developers to determine the level of interest. He received a Board consensus to proceed.

FIFTH ORDER OF BUSINESS

Consideration of Extension of Lake Master's Agreement to provide Aquatic Weed Services to the District

Mr. Ward stated, as he indicated at the previous meeting, there were some conflicting dates in the existing agreement and addendums as to when these contracts expired. He extended the existing agreement out through July 2014 at the current rate .

General discussion on: the map from which the current agreement and services were based on; the current contract included an annual inspection and cleanup by the District's aquatic contractor, and it was inspected by an outside party once a year and a report submitted to the South Florida Water Management District to ensure the District was in line with all its permit compliance.

On MOTION made by Mr. Hendershot and seconded by Mr. Donoho, with all in favor, the Extension of Lake Master's Agreement to provide Aquatic Weed Services to the District was approved.

SIXTH ORDER OF BUSINESS**Staff Reports****a. Attorney**

Mr. Urbancic stated the only thing I wanted to mentioned was we expect to have something on your agenda for the next meeting; it has to do with the request we received from the developer that was related to easement, where there might be a potential encroachment by a roof overhang. That's something that they had asked that Mr. Krebs take a look at, and we'll have to document it from a legal perspective. All those documents, to the extent of coming forward, would be in your packets, you can review it for the next meeting, and we can have an open discussion. It will be up to you guys, ultimately, but we're not there yet in terms of the due diligence. It was a third party roof that overhangs the easement for our benefit.

There was general discussion on: this was not an existing home but on a future development site, currently developer owned; the easement was such that, in order for the homes to have the standard setback between each home, the easement was fine for the building, but in going up, the easement was in the airspace; Mr. Elgin went to the County to ensure they were satisfied, and the County was okay, subject to the District's granting an

okay for the easements to be in the airspace, a consent to the encroachment essentially; a full presentation would be provided at the March meeting.

b. Development Manager

i. Update on Grass Carp Program

Mr. Elgin stated I think that our release, there were certain areas that had seen good benefit from that, as some of the areas around Morano were much cleaner as the water dropped this year. Over the last week that I've been out there, there were certain areas of the north lake that were the most impacted, as well as the areas the District did not currently treat via chemicals. The combination of the grass carp, plus the continued chemical treatments on the CDD maintained portions have really seen good benefits as the water recedes. In areas where the District was not supplementing the chemical treatments, stuff was starting to top out as the water recedes, as we continue through the dry season.

I think, in discussions with the aquatic contractors and the person that released them, as the carp appetites grow and they grow larger, the long-term benefits most certainly are going to be very good for the lakes. We've had zero mortality that I've been notified of, I haven't seen any. The marine service people are out regularly, and we don't have any reports where we've had any significant mortality, so that's the good news.

A male speaker asked if there was any benefit for the District to do one more spray, at least when the lake was at its low height, when a lot more was above the surface.

Mr. Elgin stated not necessarily. We're continuing treatments within the boundaries of the contract. I've not come back to you in previous years and asked for supplemental treatments. The applications aren't really sprayed on the surface anyway. The process that Lake Masters uses is actually the spray bar that they drop, and it's actually sprayed at the root base that they can get to. There are certain applications where they seed it and then allow it to go down, but most of the others are submerged spray that they do. In some of the interior lakes, it could be seen that there were some really good benefits and, unless things get significantly worse, we don't want to spend needless money treating the north lake to any great degree right now.

A male speaker stated the last time I was out on the north lake, I still had significant problems getting through it, and I wonder if it wouldn't be helpful to mark those areas to keep people from going through it.

Mr. Elgin stated Marine Services were currently and actively marking for low water conditions as it goes down. I've asked them to put together an eBlast notification that should go out in the next couple of weeks. I will tell you the area of Costelli and up through where the lake channel is is the worse section, which is probably what you're referring to. Certain areas over Lake Bellini and the boat ramp, those have been treated under the normal contract. I communicate weekly with Lake Masters on specific requests due to docks and other things that maybe have some other aquatic issues as the water recedes. They are actively still treating, but we're not doing any additional applications over and above what the contract calls for.

If you'd like, I can have Lake Masters prepare an estimate, if you wanted to do a heavier treatment. Maybe you would want to consider at your next meeting what the cost of a one-time application to knock that back would be.

A male speaker stated I'm just making a comment based on my observations. If you are happy with what the lake looks like at this time of year.

Mr. Elgin stated I'm not happy, but I think the breadth of that north lake is very difficult to manage, which is really the reason we went through the grass carp, as that's a long-term solution, as the short term ploughed money into chemicals on an annual basis.

A male speaker state the grass carp should be given a chance to work.

Mr. Elgin stated the only other preview, just so that you're aware, we will be bringing to you in the next couple of months, we're not there, yet, a couple lakes that are right in this area, some of you have seen or some of our presentations of some of the lake modifications that were born with the new construction, we should start within the next two weeks out there. Some of those lakes will be modified; those were lakes that were turned over to the CDD, so there will be a document that will be coming to you that, basically, will have a net acreage of what you have and a net acreage of what you're going to be gaining through the water management system or navigable ways. The CDD will ultimately end up on the positive side of additional lake area.

We'll have to go through Greg and Charlie to put together that presentation of here's what you have, here's what the new plans are. We won't be able to finalize it really until we do the (Inaudible 1:14:25) and certify it after construction, so that we can actually get the boundaries, that there will be new lake easements that will be granted, there will be platted

areas. We'll have some cleanup elements that will happen over the next handful of months, and as that construction happens, it will impact some CDD assets out there and, most certainly, we'll resolve that through the end of that construction process and certifications.

c. Engineer

Mr. Krebs stated nothing to report this week.

d. Manager

I. Updated Board Agenda Schedule for Balance of FY2013

Mr. Ward stated the report was just for the Board's information, stating he would move the Field Asset Management Review to March instead of April, and then complete that by April rather than May.

II. Financial Statement for the Period ending December 31, 2012

A general discussion on: page three of the financial statement showed the District collected 77 percent of its on-roll assessments and whether this on target for this time of year; 77 percent was a little lower than Mr. Ward was used to but not a cause for concern unless the percent had not changed in February.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests/Audience Comments

Mr. Donoho stated he missed the last two meetings, and to go through the minutes of those two meetings with this verbatim way of the minutes, I had no idea where we are. Page 17 is a very good example of trying to catch up with what has happened; by the time I got through that page, I'm calling these guys saying: is the meeting at 12:00, is it on the 13th, is it on the 14th, is it 12:30, when is it? It's so much information, and there's so much that is not understood, that you can't keep a train of thought. I'm on another Sunshine board where there is an assistant that takes the necessary minutes, produces the necessary minutes, and you know exactly what's happened, with nothing extraneous. I know this has come up before, but I'm telling you, I tried reading this the last couple of days, the last two months, I'm lost.

Mr. Ward stated let me try to put something together that's a little different than this.

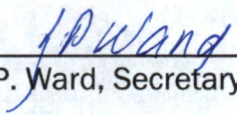
Mr. Donoho stated a lot of us made comments that don't need to be in here, they're superfluous.

EIGHTH ORDER OF BUSINESS

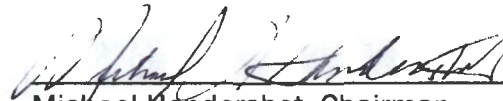
Adjournment

Mr. Ward stated that's all I had for you, so a motion to adjourn if you have nothing else would be in order.

On MOTION by Mr. Herring, seconded by Mr. Donoho, with all in favor of adjourning at 3:21 p.m.



James P. Ward, Secretary



Michael Hendershot, Chairman