

**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, April 14, 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 (by phone)	Assistant Secretary

Staff present:

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

1. Call to Order & Roll Call

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

2. Consideration of Minutes

a) March 10, 2016 Regular Meeting

Mr. Ward asked if there were any additions, corrections, or deletions to the minutes. Along with two obviously inadvertent grammatical errors that were pointed out, a correction was made by Mr. Ballinger, who stated that George "Samonic," on page 3, should read, George "Semenuk." Mr. Ward stated that "Dr. Hendershot," on page 5, should read, "Dr. Herring."

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

3. Consideration of request to install two (2) fountains in the lake behind Villa d'Este by Miromar Development Corporation.

Mr. Ward said that he had expected Tim Byal to present the item but he was not present. Mr. Byal was suggesting that the homeowner's association maintain the fountain. Mr. Ward said that if they decided to have the HOA maintain it, he would have Mr. Urbancic work on an agreement with them for the installation and maintenance, reserving the District's right to remove it at any time, if they didn't maintain it. Mr. Hendershot asked if there would be an HOA just for the villas. Mr. Ward replied that Mr. Byal did not say. Assuming they were single family homes, in general, prior to closing they would establish an HOA over the subdivision, which the developer would control for a time. A board discussion ensued that the fountain installation was acceptable. Mr. Ward state then a motion to permit installation of the two fountains behind Porto Romano and Villa d'Este, subject to an agreement acceptable to staff between the HOA and the District. It was suggested that they add that the District had to know exactly where the fountains would be placed. Mr. Ward concurred, stating that a motion to approve the fountains subject to the conditions he had made, was in order.

On Motion was made by Mr. Hendershot and seconded by Mr. Donoho to permit installation of the two fountains, and with all in favor the motion was approved.

4. Staff Reports

a) District Attorney

Mr. Urbancic provided an update on legislation he had referenced at the previous meeting. Essentially, it concerned a revision to an existing section, to be included in every contract for services rendered by a vendor after July 1st. It was basically an acknowledgement that the vendor was subject to public records laws and had to comply with the section stating that what the provider of services was doing was on behalf of the CDD. There might be public records in their possession that they were responsible for maintaining in compliance with the law. The law also established the procedure that had to be followed before a lawsuit could be filed.

Another law had been enacted, designating further requirements with regard to information required to be posted on a CDD's website. Agendas had to be posted seven days before meetings, as well.

b) District Engineer

Mr. Krebs stated by telephone that he had nothing to report. Mr. Ward asked if there were any questions from the Board for Mr. Krebs. Mr. Ballanger made reference to a complaint by a homeowner, Reed Saunders in Volterra, on whose property there

was a problem in need of remediation. There was zero allocation of funds from Volterra to address it. Since there was no money, and in the next budget they would assess a certain amount, Mr. Ballinger asked who would be responsible for fixing the problem. Mr. Bernard replied that he would have to see what the problem was, and if it were an isolated problem repairs would be included in the regular budget. Mr. Krebs said that he missed spotting the problem because the CDD didn't own the little cove where Volterra was situated. Mr. Ballinger explained that the problem was at the top of the riprap which had just fallen in. Mr. Krebs stated that the location in question had not been turned over to the CDD, and the riprap would be the homeowner's responsibility since it was on a private lake. Mr. Ballinger cited a line in the first paragraph, at the bottom of the first page, stating that the District was were responsible for properties it didn't own. Mr. Bernard answered that most the area they looked at was what they owned; they did not inspect what had not been turned over to the CDD yet. Mr. Krebs was asked if the owner or developer planned on turning it over to the District. He replied that he expected that they would at some point, however, before the District accepted it, he would make sure that everything was correct, functioning, and not defective. Mr. Ballinger said it was a little confusing because if they were being assessed in the general assessment and were going to help pay for repairs, was there nothing the District could do for them, even though the South Florida Water Management District said it was the District's responsibility to make sure it was cared for? Mr. Ward explained the big difference between what was in the report and what the situation we were mentioning, is that the report covered only those areas where the permits issued by South Florida Water Management District, are for which the District had assumed operations and maintenance responsibilities. The permits issued in Miromar Lakes' name, still in the construction phase, were not included, and Volterra apparently happens to be one of those areas. When the developer was ready to turn them over to an operating phase, it would come before the Board and Mr. Krebs and Mr. Bernard would then inspect the property to make sure it met all requirements of the permit conditions. Following that, we would be able to sign off on it and accept it for operation and maintenance, thus taking it over. There was further discussion in which the case of Bellamare was brought up, where, it was recalled, they had received a violation regarding a retention wall, while the Bellamare hadn't yet been turned over to the CDD. Dr. Herring stated that whoever put the wall in would be responsible, theoretically, for any deficiencies, so it was not the District's responsibility. However, he had come to realize that there was more to a CDD than just lake management. Properties not situated on a lake still paid CDD dues because they were still connected with the lake in many ways. Mr. Hendershot commented that they were not saying they wouldn't do anything at Volterra, but perhaps it was more a question of priorities and time. Mr. Ward said that at that point, they would normally say to the developer that he had to fix the problem before the District took it over. Mr. Ward said that staff would call Miromar and advise them of the problem.

Asset Manager

I. Asset Management Report

Mr. Bernard reported that the Valencia subdivision had an issue with the landscape screening at Ben Hill Griffin so that had to be handled. He went on to say that electrical service had been restored, costing roughly \$25,000 in repairs. They submitted an initial notification to the insurance provider for the person who had had the accident, putting the insurers on notice that they would be filing a claim shortly.

They were proceeding with littoral shelf planning and barriers. Mr. Bernard showed a sample of the permeable, landscape barrier material to the Board, which, by the end of the month, they would place 18 inches to 2 feet below ground and 1600 feet all the way around. They would put up signs visible to boat traffic too, to beware of wetland barrier plantings. As Mr. Ward suggested, perhaps they would have a second informational sign made stating what they had planted. The first application would cover 200 feet in back of Cathy Polin's house. Another 25% of the project would target interior cove areas away from residential backyards for planting. Mr. Hendershot said the project was being carried out for two reasons: improvement of water quality and as a repository for fish. A third reason, meeting their regulatory requirements, was pointed out by Mr. Bernard.

Dr. Herring inquired about fish hatching on the other side of the barrier, wondering if they could get out. There could be circumstances where fish would be trapped behind the barrier. For the record, he wished to identify it as a potential problem that the consensus did not see as a big problem that could not be dealt with if it were to occur.

Mr. Bernard stated, for their information, that they would probably begin holding some HOA meetings in June to present their program to the parties they would be dealing with in the first year. The CDD would inform them of their program and what they would like to do, letting them know what was happening upfront so that they could get any questions out of the way and get the approval of the HOA heads before the District arrived in their neighborhood. He had some diagrams regarding drainage and what they planned to do, including dredging. He had drawn up a three-year list of HOAs, as per Mr. Ward's request, prioritizing those that currently had the biggest erosion problems, including Siena and Verona Lago. In any case, it was divided about the same for each of the three years, money-wise, with six HOAs coming on board in the first year, five in the second year, and five in the third, as well.

Mr. Bernard reported, lastly, that we filed our NPDES report with Lee County and FDEP for the previous year.

b) District Manager

I. Review of Cash Requirements – 1st Quarter – FY 2017

Recalling Mr. Hendershot's request at the previous meeting for more specific information on their cash flow status, Mr. Ward said that we have roughly \$240,000 in cash requirements for the first quarter of the next year, assuming they hit the \$484,000 cash mark in the current fiscal year. That meant their was approximately \$250,000 in

excess cash, so to speak, over the first quarter requirements. In response to a request for clarification, Mr. Ward stated that the \$484,000 was the surplus anticipated. Mr. Ward repeated that they had \$250,000 available and asked if the remainder was going into reserves. Mr. Ward replied no, the remainder was your cash requirements for October, November, and December. He explained that they needed about \$250,000 in order to make it through the first three months of the fiscal year, before they actually got some assessment revenue in January.

There were two issues that needed to be addressed as priorities. One was the turbidity screens and the other was the riprap and repairs at Verona Lago, about \$95,000 to \$100,000 worth of work. Those were the only real choices for projects they could afford to do if they desired that year. The turbidity screens, at a cost of \$13,000, were a requirement of the actual settlement agreement. The project could be done if they could get an agreement from Center Place. Mr. Ward thought they should hold off on the littoral shelves pending the outcome of their first priority, stating that they would get started on Verona Lago project.

The agreement that we have with Estate Landscaping was due to expire May 30th — a matter which he had forgotten to include in the agenda for the meeting. The current agreement was a one-year contract with four additional one-year renewals, for a total of five years. They were paying Estate Landscaping \$431,000 per year. Estate's original bid contained an error, on their part: the Bid Summary sheet listed the bid as \$431,000, whereas in the Detail sheet listed it as \$439,000. The company conceded the lower fee for the first year, but asked for the latter, higher fee in the second year, which was under the 2% threshold. Staff agreed to the price, if Estate would include mulching along some of the berm area, which had previously been handled by supplemental labor that the District engaged outside of their contract. Estate Landscaping agreed, saving the District from using another vendor at \$8,000. Thus, the total budget would remain at \$439,000 for the year. The Board could choose to approve extension of the contract for one year, or they could reschedule the item for the next meeting. Dr. Herring suggested they evaluate the company's work and not just rubber stamp the contract, since Estate Landscaping had been fired at Caprini. Mr. Ward pointed out that the contract had a short termination provision and suggested they give Estate Landscaping a couple of months to become proactive. If the District were dissatisfied their work, they could put it out to bid, since that was a difficult and time-consuming process. They could also extend the contract to May 30, 2017, and terminate it early, if necessary.

On Motion was made by Dr. Herring and seconded by Mr. Ballinger to extend the contract with Estate Landscaping for one additional period, and with all in favor the motion was approved.

II. Unaudited Financial Statements – Period ending February 29, 2016

Mr. Ward had nothing to report.

4. Supervisor's Requests and Audience Comments

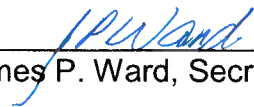
Dr. Herring asked what had been accepted as the number of doors Miromar was going to provide. Mr. Hendershot said that for billing purposes he thought it was 2,100. Mr. Ward stated it was 2,026, to be exact. Dr. Herring said that he had heard various numbers: 1,900 or 2,000, and then 1,600. Mr. Donoho said they were going to have to get to 1,475, or 90% of the 1,600 to 1,650. When they got to 90% of the capacity, they had to take over and the transition would start. Dr. Herring stated that they should figure 90% of 1,900 instead. Mr. Ward pointed out that there would be a difference between the Master HOA units and the CDD units because of the conversion we have for the clubhouse and some commercial fees. However, the difference was not a lot, being under 100 units. He didn't know how they arrived at the number, but they had given the District a land use plan for the undeveloped property. Mr. Ward explained that when you took into consideration what was developed plus what was undeveloped, it equaled 2,026 including the golf course, or roughly, 2,000 residential units. Mr. Ward went on to explain when they did the budget for the previous year, they had "on roll" and "off roll." "On roll" constituted properties sold to end users and developed lots that didn't have not sold, adding up to 1,221. "Off roll," or undeveloped, signified a vacant piece of land that potentially had X number of units on it. The undeveloped piece of land was assigned a number of units based on what Miromar said they were going to build on it. That number changed periodically. They would know the up-to-date number sometime in the summer when the CDD would be informed if they had any more units that were going to change. The District was aware of the variability but in terms of bond issues, their debt was based upon 2,026 units. The bad news for the operating assessment was that the denominator could go down and the per unit assessment go up. Although they wished to have an accurate number, for their purposes it was not advisable to ask for a change from the 2,026 figure. In the summer, Alice would, as usual, go over the undeveloped areas to make sure the corresponding unit numbers were still realistic. Tim Byal was also helpful in providing information on unit changes, important from an operating budget perspective. If the total number of units were reduced, a density reduction payment would be required to pay off some debt. In June, they would also receive the tax rolls from the property appraisers, so that if any new properties were platted they would know it at that time. The outcome never corresponded exactly to the Master Association number, but in most instances it was due to commercial conversions and the golf course, included in the CDD but not usually in the Master HOA numbers. Mr. Ward reiterated that for budget purposes he was using the 2,026, which might change by the date of the public hearing.

5. Adjournment

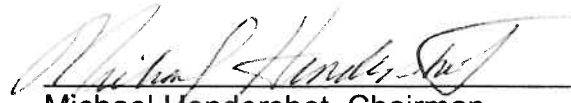
With no further comments or questions from the Board and no audience present, Mr. Ward asked for a motion to adjourn.

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

The meeting was adjourned at 3:08 p.m.



James P. Ward, Secretary



Michael Hendershot, Chairman