

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

The Regular Meeting of the Board of Supervisors of Miromar Lakes Community Development District was held on Thursday, November 11, 2021, at 2:00 p.m. at the Library in the Beach Clubhouse, 18061 Miromar Lakes Parkway, Miromar Lakes, Florida 33913.

Present and constituting a quorum:

Alan Refkin	Chair
Michael Weber	Vice Chair
Doug Ballinger	Assistant Secretary
Patrick Reidy	Assistant Secretary
Mary LeFevre	Assistant Secretary

Also present were:

James P. Ward	District Manager
Greg Urbancic	District Attorney
Charlie Krebs	District Engineer
Bruce Bernard	Asset Manager

Audience:

Tim Byal

All resident's names were not included with the minutes. If a resident did not identify themselves or the audio file did not pick up the name, the name was not recorded in these minutes.

**PORTIONS OF THIS MEETING WERE TRANSCRIBED VERBATIM. ALL VERBATIM PORTIONS WERE
TRANSCRIBED IN *ITALICS*.**

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

District Manager James P. Ward called the meeting to order at approximately 2:00 p.m. He conducted roll call; all Members of the Board were present, constituting a quorum.

SECOND ORDER OF BUSINESS

Consideration of Minutes

October 14, 2021 – Regular Meeting

Mr. Ward asked if there were any additions, deletions, or corrections for the Minutes. The Board recommended a few corrections. Mr. Ward indicated the corrections would be made.

<p>On MOTION made by Ms. Mary LeFevre, seconded by Mr. Doug Ballinger, and with all in favor, the October 14, 2021, Regular Meeting Minutes were approved as amended.</p>
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THIRD ORDER OF BUSINESS**Consideration of Resolution 2022-2****Consideration of Resolution 2022-2, a resolution of the Board of Supervisors of the Miromar Lakes Community Development District adopting the 2021-22 reserve study prepared by Dreux Isaac & Associates Inc**

Mr. Ward indicated Dreux Isaac & Associates intended to be present today; however, could not make it. He stated he would attempt to review the reserve study. He explained Dreux Isaac did a site inspection over the summer, reviewed the District's assets which included miscellaneous site improvements, aerators, fountains, lake embankments, the stormwater system, irrigation systems, and landscaping. He explained the purpose of the study was to determine renewal and replacement costs related to the assets over the next 30 years. He indicated the renewal and replacement costs were what the District would need in terms of money in the bank over the next 30 years to be able to replace assets or repair assets as necessary. He reported two methods were utilized to do the analysis. He stated the first method was called straight line reserve funding which took the overall cost and divided it by the number of years. He stated the other method was called pooled cash which took the overall cost and allocated amounts according to when the asset would need some kind of renewal or replacement to occur. He noted it also took into consideration interest and inflation. He stated the straight-line method required a lot of cash on a yearly basis in order to fund it; the pooled cash was the more standard method and more accurate in matching cash requirements to meet the needs of the District. He stated he felt Dreux Isaac did an excellent job estimating the costs. He noted the District Engineer and Asset Manager did an excellent job providing information to Dreux Isaac. He stated at the end of the day, under the pooled cash concept, beginning next year, the District would need to fund roughly \$200,000 dollars per year which was approximately \$205,000 dollars when you added in the fees for putting this on the tax bill, which equated to \$122 dollars per unit per year beginning in fiscal year 2023. He noted the number would actually be a little less as the District had approximately \$50,000 dollars saved for this purpose. He asked if there were any questions.

Mr. Refkin asked did they take into account any new assests.

Mr. Ward responded in the negative; this study was for existing assets only. He noted this study should be updated regularly and Dreux Isaac offered a very substantive price break on keeping this study updated annually; however, this would be discussed in the 2023 budget.

Ms. LeFevre asked a question about levying assets per unit.

Mr. Ward explained the District levied assessments based upon 1,675 units within the District which included undeveloped land which did not have a water management system on it yet. He explained as the asset base increased, and the units came online with the water management system the numbers would change going forward. He indicated the 1,675 units included on roll and off roll units.

Mr. Weber asked how the older assets were calculated into the study.

Mr. Ward stated he believed Dreux Isaac used the value of the existing assets on a going forward basis, based upon a replacement cost number which was provided by either Mr. Bernard's assistants or their

assistants. He explained it was based on the useful life of the asset over the 30 year reserve period and based on when Dreux Isaac believed some renewal or replacement would be required.

Mr. Weber explained on page 2.2-7, on the straight line number, there were categories which showed useful life and the highest number was 20 years. He noted the first year of the reserve was projected at approximately \$200,000 dollars, the second year it was projected at approximately \$400,000 dollars per year and remained at \$400,000 dollars per year for many years; however, money would also be spent annually. He discussed the study's estimated expenditures including \$54,000 dollars for the aerator pump in 2021 and \$453,000 dollars for stormwater system piping in 2022/2023. He asked if the District would be spending \$453,000 dollars on stormwater system piping in 2022/2023.

Mr. Bernard responded in the negative. He stated he believed the storm drainage piping allowance for \$453,000 dollars was a number which could be in held reserve in case there was a major break in one of the lines.

Mr. Weber asked if someone from Dreux Isaac sat down with Mr. Bernard or Mr. Krebs to review the proposed renewal/replacement schedule. He indicated he understood Dreux Isaac was projecting what it thought might happen; however, realistically after 20 years was this really going to be the case.

Mr. Bernard responded it could happen as it was planned out. He stated a thorough examination of the stormwater system had never been performed to determine how the stormwater system stood. He noted while annual drainage basin cleaning was performed, the lines had never been televised to see which pipes were deteriorating.

Mr. Weber stated he felt some of the items in the District's capital improvement plan should match some of the items in the reserve study plan. He asked if Mr. Bernard felt in the next two years the District would be spending \$600,000 dollars in stormwater improvements as indicated in the reserve study plan. He stated if this was the case, so be it. He noted the purpose of the schedule on page 2-9 was if the annual contributions were collected every year, then the District would have enough money to cover the costs listed. He noted every ten years a storm event was anticipated. He stated basically for ten years the annual contribution was approximately \$400,000 dollars. He noted he wanted to be as realistic as possible. He stated if the District was going to run into a half of a million dollars in costs in a year it was important to know this. He stated there was also a landscaping plan which had separate costs.

Mr. Bernard noted the stormwater system was like any other system, it would have breaks and leaks, but \$600,000 dollars was enough to cover the replacement of several collapsed pipes. He stated the next step he would like to take with the stormwater system would be to televise all the piping to determine the piping's condition.

Mr. Ballinger asked how much televising the piping would cost.

Mr. Bernard responded \$30,000 to \$50,000 dollars. He noted anything which was constructed in the last five years would not need to be televised. He stated once the pipes were televised, he would know how much money would be needed and how accurate the reserve study plan was. He discussed the type of maintenance which could be done once the pipes were televised; televising the pipes would extend the life of the system and reduce long term costs. He noted storm events would cause minimal damage to the drainage system.

Mr. Weber stated he wondered how realistic the bigger ticket items were in this reserve plan. He stated it was good to see the storm event numbers included in the plan. He noted building up a reserve account to cover storm damage was important.

Mr. Ballinger stated televising the pipes would zero in on any problems within the system and would be cost saving. He indicated this made more sense than adding \$400,000 dollars each year to the reserve fund.

Mr. Reidy indicated he appreciated the report as it opened his eyes to potential costs. He noted the reserve report provided an opportunity to prioritize expenditures. He commented there was still the landscaping numbers to discuss.

Mr. Weber stated while it would be easy to determine what the events/expenditures might be during the first five years; after the first five years it became rather tricky. He noted the document identified all District assets and while the timing of the expenditures might be off, the cost was there. He stated at the end of the day the District would most likely spend the indicated money over the next 30 years as repairs and replacements were required, just not necessarily according to the reserve study schedule.

Mr. Ward noted the straight line funding mechanism was unrealistic; however, the pooled cash funding was a consistent funding of \$200,000 dollars per year.

Mr. Weber stated this was incorrect; it was a consistent funding of \$400,000 dollars per year. He noted only the first year was funded at \$200,000 dollars. He agreed the funding was relatively consistent at \$400,000 dollars per year.

Mr. Ward stated he felt the bottom line was the Board could pick a number it was comfortable with, be it \$200,000 or \$300,000 dollars or another amount, and work that number into the budget. He noted the full \$550,000 dollars was probably needlessly high.

Discussion ensued regarding the amount to work into the budget.

Mr. Reidy noted the stormwater system was approximately \$400,000 dollars per year over the 30 year period, landscaping was \$500,000 to \$650,000 dollars per year over the 30 year period, together this was \$900,000 dollars to \$1 million dollars. He noted with the operating budget at \$140,000 dollars for G&A, stormwater management around \$450,000 dollars, the full budget for the District would be \$1.62 million dollars which divided by 1,675 units was \$967 dollars per unit. He noted the residents were paying \$537 dollars per unit currently which reflected a \$430 dollar increase in annual fees. He indicated he was not saying the District should do this, he was just outlining the numbers.

Mr. Tim Byal noted the number of units would change significantly in the next year or two and at the end of the day the District would be at 1,400 units, not 1,650 units. He noted every time the number of units went down, rates would rise.

Discussion ensued regarding the rate increase; 1,400 units would mean \$1,160 dollars per unit which was a \$600 dollar increase.

Mr. Reidy asked if residents complained about CDD fees.

Mr. Ward responded in the negative; however, currently Miromar Lakes' operating assessments were probably \$200 dollars per year on average lower than what he was seeing in the market right now. He stated Miromar Lakes' neighbors were paying \$200 dollars per year more annually. He stated Miromar Lakes was getting older and a reserve fund was important. He indicated the residents would complain the first year the rates were raised due to the necessity of mailing out notice regarding the increase and holding a public hearing.

Mr. Reidy noted the second half of the study was the landscaping. He stated he wondered if the full recommended amount was necessary for the reserve fund.

Mr. Ward noted the Board should also consider the timing of expenditures. He noted the District did not have the same luxury as an HOA in being able to levy an assessment at any time; the District had to plan ahead when levying assessments. He noted it took a minimum of four months to put an assessment of this magnitude in place and then the CDD had to wait until the next cycle to fund it. He discussed the difficulty in funding large projects quickly.

Discussion ensued regarding what the Board was comfortable with in terms of raising the annual assessment; the timing of certain repairs/replacements; and the various factors going into the assessment calculation.

Mr. Refkin agreed scoping the pipes was an excellent idea. He suggested gradually building the reserves as opposed to being aggressive up front.

Mr. Ward noted there was \$8 million dollars in existing assets which did not include the new infrastructure scheduled to come online for the balance of this development. He noted the current reserve fund at \$150,000 dollars was way too low for the existing assets.

Mr. Byal discussed increasing the reserve fund as the debt service decreased. Much of Mr. Byal's statement was (indecipherable).

Mr. Ward noted there were 10 years left on one of the bond issues, and the other bond issue had 12 or 13 years left.

Mr. Reidy stated he felt the residents would understand the need for the increased assessment if a clear explanation was provided. He discussed the funds which would become available with the refinancing of the bond issue and the increase in the assessment. He noted there would always be a few homeowners who would complain, but the majority would be understanding. He indicated it was the responsibility of the Board to be fiscally responsible while ensuring the development was well maintained. He stated potential complaints from homeowners should not be a reason for not increasing the assessment to the necessary degree.

Mr. Refkin agreed noting the Board would attempt to determine the appropriate assessment increase.

Discussion ensued regarding the appropriate assessment increase; and how much money should be held in reserve.

Mr. Ward stated if it were up to him, he would take all the money from the refinancing and put it back into the refinancing to keep the debt service assessment as low as possible while raising the operating side of the budget at least as much as the debt service assessment was lowered and then raise it up to the necessary amount.

Mr. Krebs asked if the term of the loan could be extended to reduce the rate even further.

Mr. Ward responded in the negative; bond issue terms could not be extended.

Mr. Urbancic agreed.

Mr. Weber stated the Board had some calculations to do including determining: the number of units, the refinancing savings, expenses, etc.

Mr. Refkin agreed.

Mr. Bernard noted televising the stormwater system pipes could be included annually in operations and the District could develop a maintenance and repair plan which would eliminate the need for large expenditures for the stormwater system. He noted if the District regularly maintained the stormwater system as it did the lake banks there should be no big surprises down the road.

Mr. Ward stated the Board had to think 20 years ahead and set the community up for the long term. He stated now that the Board understood that the value of its assets was \$8 million dollars, and knowing the assets would grow, and knowing the cash assets were almost nonexistent, the Board had to find a way to fund the \$8 million dollars in assets in a big picture fashion, for example at 80% or 90% of the asset value. He stated he felt the best way to do this was to throw the cash back into refinancing, lower the debt service as much as possible, and raise the operating assessment up to the required threshold.

Discussion ensued regarding debt service; assessment rates; the appropriate reserve fund amount; and understanding the reserve fund would eventually be spent and need to be recollected.

Mr. Ward stated he felt the reserve study should be left alone, the refinance would occur in February, the refinance savings would then be known, and the budget process could begin; the Board could then determine what the appropriate assessment increase should be.

Mr. Refkin asked about Mr. Bernard's suggestion regarding televising the stormwater system pipes.

Mr. Ward responded he felt this should be done in the context of the regular operating budget, outside of the context of this reserve study. He agreed this would be beneficial to the community. He stated the reserve study was an excellent base document which could be built upon in the future. He noted adopting Resolution 2022-2 did not bind the Board to the reserve study in any fashion, it simply made the study a matter of record.

Discussion ensued regarding the necessity of adopting the reserve study. It was decided to wait before adopting the reserve study.

FOURTH ORDER OF BUSINESS

Staff Reports

I. District Attorney

No report.

II. District Engineer

No report.

III. Asset Manager

a) Operations Report November 1, 2021

b) Water Quality Report September 30, 2021

Mr. Bruce Bernard reported he reached out to the necessary homeowners regarding bringing existing rip rap up to code and submitting the rip rap to the District for maintenance; the homeowners agreed.

Ms. LeFevre thanked Mr. Bernard. She asked if the Board could be informed when homeowners submitted applications to the District for informational purposes.

Mr. Bernard noted the aerators in lakes 1A, 1B, 1C and 3A would be replaced in the next month.

Mr. Ballinger asked about adding carp to the lakes.

Mr. Bernard noted the permit was not yet completed; upon completion carp would be released into the lakes. He noted the permit was only for 2,500 carp total.

Discussion ensued regarding the residents not wanting carp to be released into the lakes; and residents not understanding carp were beneficial to the lakes as the carp ate problematic grasses.

Mr. Bernard stated the Board could decide to put in as many or as few carp as it pleased.

Mr. Weber stated he encouraged any residents with an issue with putting carp in the lake to attend a board meeting for discussion.

Mr. Bernard stated Solitude, the company which handled the District's aquatics, also worked in Wild Blue. He noted Solitude was turning the lakes in Wild Blue into fisheries and he was having Solitude evaluate Miromar Lakes for fisheries as well. He stated this meant adding various types of fish to the lakes and keeping the lakes stocked.

Mr. Refkin asked what something like this might cost.

Mr. Bernard responded he was unsure; he was meeting with Solitude to get a proposal.

Mr. Refkin stated it was good Mr. Weber encouraged residents to attend meetings.

Mr. Byal reported the lake was overstocked with carp the last time due to the extreme condition of the weeds within the lake. He stated this would not be necessary in the future with regular maintenance.

Discussion ensued regarding residents not understanding the necessity of carp; chemicals helping keep grasses down but not being an effective solution alone; the difficulty in maintaining weeds in the lake; the possibility of partnering with FGCU's Water School; and the possibility of turning the lake into a fishery.

IV. District Manager

- a) State Law Requirements for new Stormwater Reporting**
- b) Resolution 2022-1 (FINAL ADOPTED)**
- c) Financial Statement for period ending October 31, 2021 (unaudited)**

Mr. Ward reported during the last legislative session, legislation was adopted called Stormwater Needs Analysis Reporting. He explained the state adopted a law requiring CDDs to provide local governments with a needs analysis pertaining to the stormwater systems, water and wastewater systems owned by CDDs. He noted this CDD did not own a water and wastewater system, so this portion of the law would not apply to Miromar Lakes CDD. He stated as a result of this legislature the CDD was required to provide certain information to the County. He noted the first report was due June 30, 2022. He explained Charlie Krebs and Bruce Bernard would prepare this report for submission over the next 5 months; he wished to have this in draft form by February or March of next year for review and early submission.

Mr. Refkin asked if this would be an annual requirement.

Mr. Urbancic responded in the negative; the report was required to be filed every five years.

Ms. LeFevre asked what the cost would be.

Mr. Ward responded he was unsure as this report had never been done before; the cost would be determined during the process. He reported included in the Agenda was Resolution 2022-1 (adopted last month), the final resolution with respect to the stormwater program. He noted it was included in the Agenda so the Board could see the resolution in its final form.

Ms. LeFevre asked a question about the resolution.

Mr. Urbancic explained this meant when there was a minor encroachment (by an inch or two as a result of an inexact survey) the CDD would deal with these at the Staff level as opposed to bringing them before the Board for review. He noted typically these types of encroachments arose during home closings when a new survey was obtained, and it was found that perhaps the fencing was an inch off.

Mr. Ward noted he sent the Board a new set of financials; the only change was on the balance sheet where he segregated out the fund balance in a manner which he felt would be clearer and easier to understand.

Mr. Reidy asked about the \$19,000 dollar change from the September statement.

Mr. Bernard responded this was a drainage improvement in a parking lot. He noted the work was done in July, but the payment did not go through until September.

Mr. Reidy asked about the water quality sampling.

Mr. Bernard stated this was the sampling which was done three times a year.

SIXTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Ward asked if there were any Supervisor's requests; there were none. He asked if there were any members of the audience present in person or via audio or video with any questions or comments; there were none.

SEVENTH ORDER OF BUSINESS

Adjournment

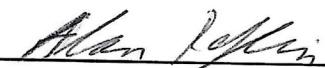
Mr. Ward adjourned the meeting at 3:15 p.m.

On MOTION made by Mr. Alan Refkin, seconded by Mr. Doug Ballinger, and with all in favor, the meeting was adjourned.

WITNESS:

Miromar Lakes Community Development District


James P. Ward, Secretary


Alan Refkin, Chairperson