

MINUTES OF MEETING
SAMPSON CREEK COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Sampson Creek Community Development District was held Wednesday, July 23, 2008 at 6:20 p.m. at the Clubhouse at the Swim Club Meeting Room, 219 St. Johns Golf Drive, St. Augustine, Florida.

Present and constituting a quorum were:

Mike Yuro	Vice Chairman
Brenda Griffey	Supervisor
John Thibault	Supervisor
Charles Sheppard	Supervisor

Also present were:

Jim Oliver	District Manager
Wes Haber	District Counsel
Sessell Boring	District Engineer
Jack Mangus	Hill, Boring, Dunn & Associates
Heather Mickelson	Art of Living Director
Emile Benoit	GMS, LLC
Rich Whetsel	GMS, LLC

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 6:20 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the May 28, 2008 Meeting

Mr. Oliver stated the next order of business is approval of the minutes of the May 28, 2008 meeting. Are there any comments or corrections to those minutes? If not, I will ask for a motion for approval.

On MOTION by Mr. Yuro seconded by Ms. Griffey with all in favor the minutes of the May 28, 2008 meeting were approved.
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THIRD ORDER OF BUSINESS

Acceptance of Audit Committee Minutes of the May 28, 2008 Meeting

Mr. Oliver stated behind the next tab are the minutes of the Sampson Creek audit committee meeting which was held May 28, 2008. The board would be making a motion to accept those minutes rather than approving them. Is there a motion for acceptance of the minutes?

On MOTION by Mr. Yuro seconded by Ms. Griffey with all in favor the minutes of the May 28, 2008 audit committee meeting were accepted.

FOURTH ORDER OF BUSINESS

Consideration of Audit Committee Ranking of Audit Proposals

Mr. Oliver stated before this meeting the audit committee met and ranked the three proposals that were received from Grau & Associates, Berger, Toombs, and Carr Riggs in response to the RFP. The board came up with a ranking of Berger, Toombs first, Grau & Associates second, and Carr Riggs third. I would like a motion from the board to accept those rankings and direct staff to pursue a letter of engagement from the top ranked firm.

On MOTION by Mr. Sheppard seconded by Mr. Yuro with all in favor the rankings of the audit proposals and authorizing staff to request a letter of engagement from the top ranked firm was approved.

FIFTH ORDER OF BUSINESS

Discussion of FY09 Proposed Budget

Mr. Oliver stated Item 5 is discussion of the FY09 proposed budget. There is a copy in your agenda package. I think this entire board has gone through the budget process before. At the last meeting you approved a proposed budget and set the public hearing to be held on August 27, 2008 at this location at 4:00 p.m. We are now in the process of refining the budget. I would like you to take a look at Page 2. If you look at the table at the very bottom of the page it shows what the increased assessments would be going from FY2008 to FY2009 with the current numbers. That would bring the O&M assessment from \$953 to \$1,131. The two biggest drivers of that increased number are not using any carry forward surplus in the revenue section at the top of Page 1 to subsidize the budget, as we have done in years past, and the second biggest driver is security. Last year you funded security at \$9,000. Right now the proposed budget has just under

\$100,000 for security. That is having St. Johns County Sherriff's deputies patrolling 12 to 16 hours per week, as well as having Giddens Security here seven days a week 12 hours a day. That's what has caused this number to balloon, not using any carry forward surplus and also increasing security. I think you have reaped some good dividends from that security. We haven't had any complaints about security lately. I think you are going to have to, as a board, decide what balance you want to find and how much you want to spend on security and if you want to use any carry forward surplus to reduce those assessments. Whatever surplus you carry forward will not be available as reserves for future years, capital replacements. Once you come to some type of consensus on the budget tonight we will send a mailed notice to all the landowners in the district announcing that there is going to be a public hearing on August 27. We will use the numbers that we agree upon tonight; however, the numbers can change as late as the public hearing. Once you have input at the public hearing you may change some numbers.

Mr. Haber stated let me specify that the numbers can change, although we like to advise that we use that number in the notice as a ceiling, but downward, otherwise you get the issue of people who receive that notice, see that the anticipated assessment for O&M on a given year is \$100, and at the budget hearing you raise something and it turns out it's \$125. That person could say at \$100 I didn't show up because I had no problem with \$100, but if I would have known it was going to go up I would have shown up and voiced my opinion with respect to the budget. We really like to advise that the number that we are using is going to be based on this budget. There's nothing in Florida law that says you can't go up, but we strongly, strongly advise that you don't go up from the amount we put in the notice.

Mr. Yuro stated as an example, this line item for security, the first reaction is that it's too much, but we are probably better off leaving it there until we get through the public hearing and get input and then if it comes down, so be it.

Mr. Oliver stated for public noticing purposes we are conservatively high so you have room to reduce, but again, once you reach that cap, per se, you don't want to go above that.

Mr. Haber stated one other thing that's worth noting for purposes of this notice, and what we can do if the board so desires, if assessments go up the assessments need to be re-noticed. That's if assessments go up, not if they go above what was previously noticed, but if they go up. In other words, if we set in this notice \$100 and assessments turn out to be \$75, if the following year's assessments go up to \$100 you have to re-notice because the assessment went up even

though it's the same as the notice said. We can include language in both the mailed and published notice that says this notice serves two purposes. One is to let you know that this amount is being set as a cap for notice purposes, which would then allow you to, and it's really for the benefit of the district for efficiency, because if the assessments go up \$2 in all likelihood it's going to cost you more in postage to resend all of the notices than it would for the benefit. What we can do is include language that says this amount is for notice purposes only. As long as assessments never go above this noticed amount you will not receive mailed notice again. That way you at least set a cap for this amount for all assessments going forward and then as long as your assessments don't go above the noticed amount, even if they go above the previous year's assessments, you don't have to go through the mailed notice process again.

Mr. Sheppard stated it looks like in the adopted budget we were going to put \$102,292 in the reserve fund, is that correct.

Mr. Oliver stated yes.

Mr. Sheppard stated actually we are not going to do that now. Did we use it somewhere else?

Mr. Oliver responded it flows back over to the next page on Exhibit A. It's part of that number that's reserved for capital projects/renewal and replacement. What we are doing is taking that off the table, unless you put it back on the table, for future reserves.

Mr. Sheppard stated you are not adding any in 09 to the fund, is that correct?

Mr. Oliver stated correct, although we do have \$20,000 budgeted for capital reserve. Given the likely large increase in assessments we didn't want that number to be too big.

Mr. Yuro stated last year, whereas we had the \$133,000 carry forward surplus, we are proposing this year not to consider that as revenue, and instead take that surplus and put it as reserve for capital projects/renewal and replacement.

Mr. Oliver stated correct.

Mr. Haber stated from my experience with representation of districts throughout the state I think it's a good idea, especially in light of the fact that this district owns the roads. I think it's important to start building up that fund.

Mr. Yuro stated if something were to have happened last year we could have been in trouble having to find a way to fund repairs and replacements. We didn't have anything set aside last year for that.

Mr. Oliver stated it was in the budget, but we are specifically setting it aside this budget year and in future budget years so that it's almost in a lockbox and it can't be used for operating by default. It would take explicit action by the board.

Mr. Sheppard asked what's the total in the reserve fund now?

Mr. Oliver responded \$183,980 that you see you on Exhibit A.

Ms. Griffey asked what's the difference between the net residential unit assessment and the gross?

Mr. Oliver responded two things. There's the discount that's offered by the tax collector going down to 4% if you pay by November 30th, and also there's a 2% collection fee by the tax collector, so it's 6% total. We have to gross that up 6% to back into the net assessment.

Mr. Sheppard asked since security is such a hot topic is \$99,000 going to be sufficient for next year?

Mr. Oliver responded it will be sufficient for what we are doing right now. The biggest question that the board will need to ask is is it sufficient, or is it too much. Those are things you will have to weigh out. Rich and I were having a discussion today trying to find out how much bang are we getting for our buck. Both are helping, but the Sheriff's office patrols probably have more bang for the buck. They are only here a few hours, but they are a lot more than just observe and report. They really make an impact. To the public, they are unpredictable on when they are going to be here and that helps to enforce.

Ms. Griffey asked how many hours a month are we having them come out?

Mr. Whetsel responded 12 to 16 hours a week at their discretion.

Mr. Yuro stated they have no set schedule, but they are out here.

Mr. Oliver stated its strategy of vandals not knowing exactly where deputies are at any given time because they are driving through the entire neighborhood on a seemingly random basis.

Mr. Yuro stated this proposed budget, which includes the security, bumps up the assessment fees \$109.

Mr. Oliver stated security is costing about \$125 per year per unit. For noticing purposes it would be good to have that higher number in there.

Mr. Sheppard stated it seems reasonable to me.

Mr. Thibault stated last year we budgeted \$22,500 for insurance and then came back with \$6,000, which was only like 26% of the original expected cost. Is this \$16,000 we have budgeted reasonable?

Mr. Oliver responded you changed insurers last year. You went from Florida League of Cities to HRH, which is another firm that does governmental insurance. They not only offered a lower premium, but this year for all the renewals they went with a lock in as of July 1 because of the hurricane season. We have locked in to the FY09 insurance, so matter what happens this summer with hurricanes, they can't raise the premium.

Mr. Thibault asked is \$16,000 the correct number?

Mr. Oliver responded that is the correct number.

Mr. Thibault stated we are experiencing a 168% increase. It says total projected for 9-30-08 is \$5,920.

Mr. Oliver stated she made an error on the projection. The \$22,500 is the correct for the adopted budget and \$16,000 is the correct proposed fee for FY09. Her projected cost of \$5,920 is not correct for property insurance for this district.

Mr. Thibault asked is \$5,920 correct through 6/30/08?

Mr. Oliver responded it's correct through the billings they have received.

Mr. Thibault stated that was a month ago and usually with insurance you pay forward.

Mr. Oliver stated they definitely do progress payments. I will find out what happened. That appears to be an error and I will investigate. After the board discusses the budget, although this isn't a public hearing, since you have an audience here they may have some questions, if it's okay with the board.

A Resident stated there's a line item called supplies and another line item called office supplies.

Mr. Oliver stated one is for operations and maintenance and the other is for this office.

A Resident asked is something going to happen to our street lights next year? We haven't paid anything this year and next year you have \$10,000 budgeted.

Mr. Oliver stated Rich has been using the repairs and maintenance line item for the street light repairs. It's become much bigger than a miscellaneous type item so he broke that out into a separate line item. You can see the street light maintenance was a zero line item in FY08. We

are putting \$10,000 aside for street light maintenance this year. It's not a new cost; it's a new line item.

Mr. Yuro stated that's only for the decorative lights at each of the intersections.

Mr. Whetsel stated it also includes the tennis court lights.

A Resident stated some of these things are quite increased. Some of them look like they have over 50% increases. I'm just wondering why that is.

Mr. Oliver stated I'm happy to talk about any of the line items. They all have different factors involved.

Ms. Griffey stated general cleaning went from \$10,000 to \$15,000.

Mr. Oliver stated Rich I will let you handle this, but I will say that at meetings I have been to quite a few times I have heard complaints about the facilities, especially right out here, not being clean enough.

Mr. Whetsel stated we are getting a lot more requests for the fitness room to be cleaned, the restrooms more frequent, and the tennis courts being picked up.

Mr. Yuro asked how are those funds authorized? We don't necessarily have specific contracts with people for those amounts.

Mr. Whetsel stated we have a custodial/janitorial person and we have been using him as needed.

Mr. Yuro asked are those the types of funds that don't need board authorization to use if it's within the budget?

Mr. Oliver responded unless there's an excessive amount, over \$1,000, some onetime type cost, it doesn't need board authorization before the fact. We can give you a break out of each of these individual line items or particular ones, if you want.

Mr. Yuro stated as long as we set the budget aside and then there's a request for the need, as a management company you can direct to get it done.

Mr. Oliver stated janitorial, for a lot of the smaller districts, it's a contract for either two days a week or three days a week for someone to come in for 30 minutes and leave. It's a little more high maintenance here and a little more upscale, so you want someone cleaning that every day.

A Resident stated on Page 10, under the debt service fund, I don't understand the special assessments levy. Does that flow into the revenue statement?

Mr. Oliver responded each of the 799 properties have an assessment against them from when they issued bonds to construct the district.

Mr. Haber stated one factor that's helpful to remind people is that that special assessment that you see is unchanging for the term of the bonds.

A Resident stated I'm trying to understand how it works. Does that flow back through the \$916,000 on Page 1 as revenue, or is that a separate assessment that flows through someplace else?

Mr. Oliver responded they are two separate funds. There's a general fund and a debt service fund.

A Resident stated I'm trying to understand the allocation of operating reserve. If we are using some of that fund for first quarter operating expenses does it get refunded once we collect the fees?

Mr. Oliver responded it does.

A Resident stated I'm trying to figure out, without a balance sheet, where we end up in terms of an overall surplus for the CDD and I can't quite put it all together.

Mr. Oliver stated the \$762,630 includes a transfer payment of \$438,000 that was made to the developer. It does include that amount of the beginning of the year, so it's lessened by that amount of money, so that brings us to about \$320,000.

A Resident stated it comes back into the projected surplus at the end of 9/30/08.

Mr. Oliver stated yes, deducted by that. When you see your total expenditures and then two lines below that you see the reduction of \$438,000, which brings the excess revenues to \$433,000. That \$433,000 carries over to the next page under capital projects. Essentially, we are looking at the \$183,000 to be set aside as reserves. The first quarter operating estimate of \$250,000, which is where to board has some wiggle room if they want to reduce it a bit, is to pay the district expenditures until the assessments start rolling in at the end of November.

A Resident stated what I was trying to work out in my mind was when we go through all of this is what do we end up with on the balance sheet at the end of fiscal year 2009 for a surplus.

Mr. Oliver stated let me tell you what our goal will be at the end of 2009. It will be to have this reserve set aside of \$183,000 and then have \$20,000 carry forward from the FY09 budget, bringing us to \$203,000. We are not looking to generate a surplus with the budget.

A Resident stated why I'm concerned is by starting with \$762,000 we have the \$400,000 that has to be paid back to the developer.

Mr. Oliver stated which has been paid back.

A Resident stated we should have about \$300,000 at that stage of the game. There's a cash flow using it for operating expense until it gets reimbursed, but after the first fiscal quarter that should replenish itself. It feels like we should have a reserve of \$300,000 if we balance the budget, plus the \$181,000, which is the excess of the revenues. I can't put all that together.

Mr. Oliver stated the \$183,000 is included in this number. Also, the same carry forward surplus, or rather the first quarter operating expense that we'd use for FY09, in the 09 budget year we are going to have to fund the first quarter of 2010. That cycle will continue, so it's never going to be a true surplus that you are going to be able to put aside. You are always going to be funding the first quarter waiting for assessments to roll in. If for some reason we spent all that money we wouldn't be able to pay bills in October or November of the following year.

A Resident asked what do the addresses on the water/sewer symbolize for the accounts?

Mr. Oliver responded two are irrigation and the other one is right here.

Mr. Whetsel stated that's actually the address of the meter.

A Resident stated now it makes sense.

Mr. Oliver asked is there any other discussion on the budget? There's no action needed by the board on the budget tonight. We will be sending out mailed notices within the next week or so. These numbers will be on there as well as a lot of information in the letter. We will have our phone number in the letter to field calls.

SIXTH ORDER OF BUSINESS

Ratification of School Bus Agreement

Mr. Oliver stated with the summer programs that Heather puts together as the Art of Living Director we need transportation for some of the field trips. This district, for several years in the past, has been using St. Johns County school buses and has been using the same contract each year. It's not at a cost to the district, it's actually fee driven. The children and parents that are using this service pay for that and the bus is contracted through the district. Next year we will revamp the form of contract with the district to make sure the district has a little bit better coverage in terms of indemnity.

Mr. Yuro stated it's fee driven, so the children that participate pay the fee that pays for the bus. Why exactly does the board have to approve this contract?

Mr. Oliver responded the CDD is the one who is actually sponsoring this after school program. It's run through the CDD and we are the coordinating entity. If we didn't get a school bus there would have to be some other transportation plan put together.

Mr. Thibault asked do we see this revenue and expense run through the income statement or financial statements?

Mr. Oliver responded you see it on the income statement. You'll notice that the revenues match that line item in the expenditures for the programs. I went ahead and ratified this because our first event was after our last meeting, but before this meeting.

Mr. Sheppard asked the insurance that the county is providing for the school buses, is it enough and does the CDD have an umbrella over the top of this in case there is some kind of catastrophic event?

Mr. Oliver responded the district does have liability insurance.

Mr. Sheppard stated that covers this, as well.

Mr. Oliver stated correct. It's for \$1 million. Do we have a motion for ratification of the school bus agreement with St. Johns County School Board?

On MOTION by Mr. Yuro seconded by Mr. Sheppard with all in favor the school bus agreement with St. Johns County School Board was ratified.

SEVENTH ORDER OF BUSINESS

Consideration of Proposals

Mr. Oliver stated that brings us to consideration of proposals behind Tab 7. You will see the proposals in your agenda packet. Counsel has also put those into the proper form of agreement should you choose to renew these agreements. Some of these numbers have been incorporated into the proposed budget. They are all good news proposals.

A. Arsenault Pools Maintenance Agreement

Mr. Oliver stated the first proposal is from Rick Arsenault. He has a proposal to do monthly maintenance at \$1,685. That is the same as it was for FY08. He has projected about a 5% cost of supplies and chemicals, but that's typical for most of these.

Mr. Haber stated our agreement with them last year had a term going through the end of September. This proposal the term is starting the beginning of September. That may just be an issue with respect to the term of the agreement. The term should be starting 10-1-08 through 9-30-09. I can adjust that as long as both parties are on the same page as far as what the term is supposed to be.

Mr. Oliver asked are there any questions from the board?

Mr. Yuro asked have we been satisfied with everything they have provided over the last year?

Mr. Oliver responded I think they have been good. Do we have a motion for approval?

On MOTION by Mr. Thibault seconded by Ms. Griffey with all in favor the proposal from Rick Arsenault for pool maintenance was approved, as revised.

B. Lake Doctors Water Management Agreement

The next agreement is with Lake Doctors for maintenance of the 29 ponds within the CDD boundaries. This agreement includes 12 inspections and treatments per year, and as necessary they will return to treat the aquatic weeds and algae. The cost is \$2,256 per month and an annual onetime fee of \$2,400 for stocking of the Triploid Grass Carp upon approval from the Florida Fish and Wildlife.

Ms. Griffey stated I thought we approved an extra stocking at one time.

Mr. Haber stated I think that's the \$2,400 that's on the agreement.

Ms. Griffey stated I thought we had, a couple of meetings ago, approved a stocking.

Mr. Oliver stated you may have, but when we are having these by-monthly meetings like this time goes pretty quick.

Ms. Griffey stated I thought we approved it individually without a contract.

Mr. Oliver stated sometimes they will actually have two different documents. They actually included it on this document for FY09.

Ms. Griffey stated I want to make sure we are not paying double for something they are doing annually.

Mr. Haber stated the contract is pretty much the exact same from the one from last year. This price did go up a little bit. Last year the price was \$2,169 as opposed to this year at \$2,256. The fee for the fish stayed the same.

Mr. Thibault stated I have a few complaints about Lake Doctors. When they go out and treat the water they are getting people's grass. They are getting my grass and my neighbor's grass.

Mr. Haber asked what do you mean getting it?

Mr. Thibault responded five feet from the edge of the water all the grass is dead and the weeds are sticking up from it. I don't know what they are doing, but they must be spraying something along the bank and it's killing all the grass.

Mr. Whetsel stated we can contact them about that.

Mr. Oliver stated if you ever experience anything like that, any resident, please contact us immediately.

Mr. Yuro asked is this a renewal to their existing contract?

Mr. Oliver responded correct.

Mr. Yuro asked do we have any requirements to bid this at any time?

Mr. Haber responded it's below the threshold, so you are not required to. You are welcome to and it's never a bad idea. I don't know how long in a row we have been going with Lake Doctors without putting it back out, but it never hurts to test the market and see competitively for price.

Mr. Sheppard stated they are good, they do my neighborhood. Is their annual fee \$29,472?

Mr. Oliver stated it's \$27,072 for the monthly service and \$2,400 for the carp for a total of \$29,472.

Mr. Sheppard stated we are carrying \$43,972 in the budget.

Mr. Oliver stated that's also for the mitigation and monitoring. We will break that out into a separate line item before the next meeting.

Mr. Thibault asked is there anybody else in this business?

Mr. Oliver responded there are a handful. We have no problem getting more proposals if you would like.

Mr. Boring stated I think Lake Doctors have the best reputation in town.

Mr. Yuro stated I'm okay approving it, but maybe next year when it comes up we can test it. I hate to put it out now and then have the lakes get nasty.

On MOTION by Mr. Yuro seconded by Ms. Sheppard with all in favor the water management agreement with Lake Doctors was approved.

Mr. Oliver stated also in front of you is a form of agreement for renewal with Turfection. We do not have a proposal from them, but Rich did receive a letter from the company stating they would like to renew the contract at the current price of \$22,040.17 monthly.

Mr. Haber stated just so you know, this is a contract that is required to be publically procured. The district went through that process and in that process specified that they wanted two renewal terms available. The contract you have in front of you is identical to last year's with the exception of the renewal section which now provides, instead of two one year renewals, a one one year renewal. As far as the scope of what they are doing and the attachments to this agreement it would be the same as you previously saw. Rich can answer any questions regarding the scope of what they are providing as far as the landscaping, or if anyone has any issues with respect to what they are providing, similar to the Lake Doctors issue, now would be an appropriate time to discuss that, as well.

Mr. Sheppard asked what's the difference between the proposed budget, which is \$292,300 and their contact amount? What's the roughly \$30,000 to be used for?

Mr. Oliver responded the landscape contingency.

Mr. Whetsel stated a portion of it is for the golf course to maintain the Bermuda. We pay the golf course for those services.

Mr. Sheppard asked do we have a contract with them?

Mr. Haber responded there is an old contract. It's a cost share agreement that was entered into before I was working on the district, but I pulled it up for Rich because we looked into that. I think it announces it was done of the benefit that maintenance of that landscaping to both the CDD and the golf club and then a percentage for the maintenance and because the golf club was going to undertake that maintenance, but there was some benefit to the CDD, there's a portion of that maintenance that the CDD pays for. If you would like, I can e-mail you a copy of that agreement.

Mr. Thibault stated I was on the committee for this maintenance agreement with Turfection. I seem to recall when they broke out the mowing schedules the soccer field was on it and that's Bermuda, isn't it?

Mr. Yuro responded I don't think it was. I know the golf course has always maintained that.

Mr. Thibault stated I could have sworn it was. They broke it out on that mowing schedule as once a month, twice a month.

Mr. Yuro stated they were pretty detailed proposals. I just remember that as always being the golf course, as well as the little area between holes 4 and 5 that's Bermuda. That was kind of the distinguishing factor that the Bermuda was not being maintained at all.

Mr. Thibault stated when we put out the RFP one of the requirements was that the person had the ability to mow Bermuda. If Bermuda was not one of the requirements, not one of the areas being mowed, why would that be a requirement of the RFP?

Ms. Griffey stated in here it says compensation terms and it says they will pay the contract amount of \$26,448 for the entire term, monthly payments of \$22,640.16 for the whole year. If you take \$22,640 or divide the other one by 12 they don't match.

Mr. Thibault stated they didn't match in the original contract either, I remember that too, and we were going to disqualify them because their math didn't add up. You guys didn't want to disqualify them because of a clerical error.

Mr. Whetsel stated let me pull those documents.

Mr. Sheppard stated it should be \$22,040.

Mr. Oliver stated that's what he has in his letter, \$22,040.

Mr. Haber stated because this doesn't start until October 1, it's something that if need be, we can bring back to you at your next meeting. You can hold off on this until we clarify the issues that you are concerned about. That's the benefit of having it a few months early.

Mr. Thibault stated I would like to table it.

Mr. Sheppard stated the difference in the budget amount and this amount is the reimbursement for the Bermuda maintenance. Is there a contingency for landscape and irrigation issues?

Mr. Oliver responded there is. The total cost of the contract is \$264,000; your proposed budget amount is \$292,000. There is some landscape contingency in there and there's also some room for the cost share agreement between the golf club and the district for those areas.

Mr. Sheppard asked is it enough?

Mr. Oliver responded it is enough, and it's typical to have some type of contingency, because you are going to have some things that happen outside their normal scope of services, such as a tree going down, replacements of certain plants, and when they do that they will have to honor the pricing that they included in the RFP response.

Mr. Sheppard asked does the total projected through 9/30 include the contingency amounts we have used and the reimbursement?

Mr. Oliver responded right. That's an estimate you are going to use.

Mr. Thibault stated they charge us per plant. Do they already know what the schedule of planting is going to be for the next 12 months?

Mr. Yuro stated maybe the thing to do is pull the proposal up before we approve this and double check the contract. We'll have time at the next meeting to do that.

EIGHTH ORDER OF BUSINESS

Other Business

Mr. Oliver stated that brings us to other business. At the last meeting we talked about the traffic study that Ayres & Associates had done on behalf of the district. They've got a final draft ready, which you have in front of you and you saw at the last meeting. John Davis of Ayres & Associates had suggested after discussion with Bill Kennedy of the county, that if it is the district's intent to allow golf carts to be on the interior streets of the district we should include it in this report. If it's not the district's intent to do that we can send the report forward once all the final changes have been made. I wanted to get a feeling on that from the board. You also directed counsel to get some information regarding who can drive the carts and what the requirements are.

Mr. Haber stated I thought I had copies, but I don't. Let me read to you what it says for the record and then I will pass it down and you can read what I have highlighted. Pursuant to Florida Law a golf cart cannot be operated on public roads or streets by any person under the age of 14. It's not 16 that we mentioned at the meeting, but 14. It must be equipped with sufficient breaks, reliable steering apparatus, safe tires, a rear view mirror, and red reflectorized warning

devices in both the front and the rear. It can only be operated between the hours of sunrise and sunset, unless the responsible governmental entity, which would be us, has determined that a golf cart may be operated between sunset and sunrise and the golf cart is equipped with headlights, break lights, turn signals, and a windshield. This also gives the entity enacting the ordinance designating the roads legal for golf carts the ability to make restrictive terms than what this statute provides, but I can't make any representations to the board that St. Johns County would be willing to do that. Because they are the ones that are going to be responsible for designating the roads legal for golf carts in response to this report that Jim put in front of you, if we include that request in that report, I think we can make the request that if the board decides they want it to be 16 year olds instead of 14 year olds we can do that, although I don't know that St. Johns County will 100% agree with that. They may say everywhere else we go in accordance with Florida Statute and you guys are going to as well. St. Johns County will have that leeway to make that determination. One other thing I wanted to bring to your attention is that the CDD will be responsible to post appropriate signs to indicate that the operation of golf carts is allowed. That will be an additional expense the CDD will have to bear to put those signs up indicating that golf cart use is allowed. I think that answers the questions you asked as far as the laws regarding the operation of the golf carts.

Mr. Yuro stated what you just read says that golf carts are not allowed on streets.

Mr. Haber stated right now golf carts are not allowed on the streets. In the last minutes we had the discussion that there may be people riding their golf carts on the streets right now and if an officer chooses not to enforce that then they are getting away with it, but they could be given a citation for not using a golf cart on the street that's been designated for use of a golf cart.

Mr. Yuro stated this is saying that right now Florida Statutes says golf carts are not allowed on the streets, however, if the local entity determines that we want to allow them.

Mr. Haber stated then those guidelines need to apply. Those are the minimum guidelines.

Mr. Yuro stated this came up because there's a lot of confusion with the Sheriff's department as far as could the Sheriff come out and enforce traffic laws when residents are complaining that people are speeding in the streets. The county's position was the CDD was private roads and they can't come in and enforce the rules. I know Wes' firm has had a difference of opinion and we have had a lot of residents complain that they tried to call the Sheriff and they are not getting any response because of this interpretation. In order to get

around that we went ahead and did this traffic study so that we could enter into an agreement with the Sheriff's office to allow them out here. In order to enter into that agreement we had to do a traffic study and then what came up was the concern that if now we are entering into this agreement to get the Sheriff's office out here we didn't want to create a whole bunch of new headaches for a lot of residents that use their golf carts to go to the pool and so forth. The decision for the board is do we want to include a provision in the traffic study that allows golf cart use, which would set those guidelines and make it official. The only obligation we would have at that time is for some signage.

Mr. Haber stated you would be obligated to put the signage required by that section of the Florida Statutes I just gave you. I think it would also be required, if you look at the report I just gave you, there were a few recommendations in the report as far as some updating on the signage. I know there was something about the golf cart crossing in the conclusions and recommendations on the last page of the report. I think the county would take the position that before it enters into what's called the traffic enforcement agreement with the district that it complies with the recommendations of the engineer that we hired to do the study.

Mr. Yuro stated that's independent of the golf cart issue itself.

Mr. Haber stated independent of the golf cart issue. It may be if they add the golf cart issue to this study that in the conclusions and recommendations they add another number that says includes signs indicating that golf carts are legal for these roads. As far as board action today, what I would like, to the extent the board is comfortable with it, are two decisions. One is do you want to include the request for the golf cart designation for your roads in this report? The second issue is approving this report in substantial form and authorizing it to be submitted to the county to continue with the process of finalizing that traffic enforcement agreement.

Mr. Sheppard stated we would need to write some sort of regulations based on that for golf cart usage, unless we wanted to make people subject to the state regulations. If we wanted to make any other adjustments we would have to come up with a legal document.

Mr. Haber stated I don't think the CDD has the power to do that. I think if we wanted to have regulations that are more restrictive than that statute that I handed out, my interpretation of that section is that it's probably something that has to be specified in this report requested of the county, and if the county approves that, and I don't know if the county will or will not, or if the

county will say we are only comfortable doing the state minimum. I think that's all something that has to be county approved. I don't think our policies on those roads would be enforceable.

Ms. Griffey stated we could make the request that the drivers of the golf carts be 16 years old with licenses.

Mr. Haber stated you can make that request in this report. I think in connection with the county's designation of our roads as legal for golf carts they can include that as a request in this report.

Mr. Yuro asked if we make the streets golf cart legal are we assuming any liability?

Mr. Haber responded I would say yes. The district owns the roads. I represent a district now where a traffic accident occurred on the road. The district doesn't own the roads; in this case the district owns the landscaping and the right-of-way. The district is a named defendant in the suit because there's an argument that the landscaping visually impaired the people in the accident. They weren't wearing their seatbelt, they weren't licensed, there are all types of facts that contribute to this case, but the CDD was named because it's arguably a deep pocket. We would have our insurance protect us, we would have the sovereign immunity protection, but any additional activities that you are allowing on your roads are going to increase the likelihood of an accident. Most personal injury attorneys are going to sue every party that is going to not be automatically dismissed as a ridiculous suit. I think it probably does increase your liability.

Mr. Yuro stated the whole reason we brought up possibly including it is we didn't want to create issues with residents. I think someone even told us this is not something that is high on their enforcement list. If we don't include it now and sometime in a month or year from now it starts becoming an issue where residents want it included would we have to do another report or would it just be a request to the Sheriff's office, or how would that work?

Mr. Oliver responded this is what John Davis said. I received a reply from Mr. Kennedy with St. Johns County traffic. He indicated it might be best to include the matter of the golf cart use in the current application. It could be done later, but the process would be the same.

Mr. Haber stated I think you may have to get another report for purposes of designating it for golf cart use. It would be an extra cost.

Mr. Sheppard stated my concern is our insurance carrier has based our premiums on the fact that these are CDD roads, there's no golf cart usage, presumably. If we add that use it could raise our liability. How do we check that? Can we ask him what that would do to us?

Mr. Oliver responded I will check with him.

Mr. Yuro stated it seems to me we would be better off not including it at this point. If it becomes an issue then we address it.

Ms. Griffey stated everyone can assume their own liability because it's not legal to drive the golf carts.

Mr. Oliver stated since you have hired the off duty deputies and you have had a lot more patrols out here we can table this until the next meeting. I can get some information from the insurance carrier.

Mr. Haber stated even though we won't have the traffic enforcement agreement and the benefit of the Sheriff coming in here on a regular basis, they are already out here because of the fees we are paying them on a private basis. In light of them coming on a private basis, if you want to table it until Jim does his research.

Mr. Oliver stated what we can do is I can get with the insurance carrier in the next few days and then get back with the Vice Chairman and you can give him the authority to execute and forward this draft study to the county without the golf cart language, once we get a response from the insurance carrier.

Mr. Yuro stated it seems everyone is in agreement to not include it at this point.

Mr. Haber stated we need two separate motions. The first motion being not to add a request in the engineer's study to designate the district roads legal for golf cart use.

On MOTION by Mr. Yuro seconded by Ms. Griffey with all in favor of not adding a request in the engineer's study to designate the district roads legal for golf cart use was approved.

Mr. Haber stated the second motion will be to approve the traffic study and authorize district staff to submit it to the county to move forward with the traffic enforcement agreement.

On MOTION by Mr. Yuro seconded by Mr. Sheppard with all in favor the traffic study was approved with authorization for district staff to submit the traffic study to the county.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any, the next item followed.

B. Engineer

Mr. Boring stated we had been asked to take a look at some areas of some erosion control for some erosion on the lake banks of some of the individual lots. We have gone out this afternoon and looked at three areas and determined that those areas were normal erosion and washouts and was not something that was the responsibility of the CDD. Those are normal because the property lines extend into the center of the lakes and the individual lot owners are supposed to maintain those lake banks and those areas. To us it is normal wear and tear and erosion and not something that should be the CDD's responsibility.

Mr. Mangus stated there's certainly not anything that affects the operation of the stormwater management facilities as they were designed.

Mr. Boring stated there was one area, lot 1080, where we experienced a pretty bad washout and we think there might be a problem where the pipes are connected together and we probably need to get someone to go in and take a look at that and see if that erosion and washout is being caused by a faulty installation of the joints in the pipe. We would need to do that to determine what the problem is on that particular lot.

Mr. Mangus stated typically when you have erosion coming over it will wash a plume out in the lake and there was certainly no evidence of that, so like Cecil said, it seems to be a joint or something with respect to the pipe, and obviously the first thing to do would be to dig it up and visually inspect it to see if that's the case. If not, we will need to look at something else. It would appear that likely that's the case.

Mr. Oliver stated I know you just found this out, but do you have a rough estimate of what it would cost to check it out.

Mr. Boring stated a few hundred dollars.

Mr. Oliver stated we will go ahead and proceed with that.

A Resident asked Mike, I know you were out about a month ago and looked and in your estimation it was quite damaged, but was an inspection done on that property?

Mr. Benoit responded that's the one they are talking about having to dig out to see if it has a pipe that's separating.

A Resident stated Mike was at my house three years ago and thought there was a problem. I live on Crosspark Way. St. Joe told you it was my problem, not theirs, but you thought something needed to be done.

Mr. Yuro stated I don't recall that. If there's an issue I'd be happy to look at it as I'm sure the engineers would. I was out at this particular property about a month ago and my recommendation was virtually the same as theirs. In this particular case I'm familiar with it and have looked at it. The washout is right on top of where there's a drainage pipe, so there seems to be evidence that there may be a possible leak. It wasn't along the bank of the lake; this was up into the property. That's what they confirmed today and I would concur.

A Resident stated three of us live along the bank of that one lake and we are all experiencing the same thing. Are your back yards settling into the lake? The way we know that is the mowers are dumping. Is that normal aggression of our erosion of the property?

Mr. Boring responded in all the cases, and we walked around several of the lakes today and looked at them, especially a B type lot where it splits and the water drains to the front in the back where the swales go down between the lots. You can expect over time for there to be some erosion and some washout underneath the sod. I stepped in one area that it seemed like there was some of that. Those are normal maintenance things.

A Resident stated I'm referring to the whole side. I'm saying the whole yard is lowering.

Mr. Thibault stated it's getting more of an angle. At the edge of the back lot it originally had a gradual decrease, but the last 10 feet of it, I'm walking sideways on my grass.

Mr. Mangus stated if you have any bit of water running over anything it's obviously, at the minimum, going to be a minor erosive force. If you have a lake bank, and even the lake action, the wave action, washing up it's going to wash some of that dirt off slowly over time. Again, those ponds are 10 years old, or however old they are, and some of that, at the greatest we saw, receded maybe a foot. It's very minor and something you can expect to happen pretty much on any piece of dirt in the state that receives rainfall.

Mr. Yuro stated for the last year and a half these ponds have been down lower than I've ever seen them. Does that also contribute?

Mr. Mangus responded it's exposes a little bit of that dirt. It's a slow process of little bits of dirt over time being washed out, which again, is normal for any piece of property in Florida

that's going to receive rainfall. With the way those lots are sloped, they are all sloped to drain, and they are not flat so water will be moving across them.

Mr. Boring stated I noticed some of the houses had gutters and some didn't. I would recommend in some of those areas where those swales are back, if they are having a big erosion problem going down to the lake, whoever the homeowner is should consider putting some gutters up on those sides.

Mr. Mangus stated certainly that would stem some of the water running down the lot line. It would reduce it, not a great amount, but it would certainly reduce it.

Mr. Sheppard asked are those drainage swales owned by the CDD? Do we have an easement on the swales?

Mr. Boring responded no, just where the pipes are.

Mr. Sheppard stated how about against the bank.

Mr. Boring stated there's a maintenance easement around the top of the bank to get in and maintain the lake, but again, the property is owned by the individual person and that's just an easement right.

Mr. Mangus stated the top of bank easement is for any maintenance you would have to do that would impair the function of the pond. Those areas that we are talking about do not impede the function of the ponds to do their jobs.

C. Manager – Proposed FY09 Meeting Schedule

Mr. Oliver stated under manager's business I have the proposed FY09 meeting schedule. We have the meetings on the third Wednesday of the months that are listed. We are still going with a bi-monthly schedule, other than when we are in the middle of the budget process. I have the time as 6:00 p.m. If that meeting schedule meets the board's pleasure I will ask for a motion to approve.

On MOTION by Mr. Sheppard seconded by Ms. Griffey with all in favor the fiscal year 09 meeting schedule was approved.

Mr. Oliver stated there are two seats that are up for election during the general election. For the two seats only one person qualified and that's Mike Yuro. After the November 4th general election, the four remaining supervisors take action to fill the other seat.

Mr. Haber stated essentially what happens is the person that was in that seat remains until the board declares a vacancy and the board fills that seat by nomination by a qualified elector. The definition of a qualified elector is someone who lives within the boundaries of the district, is over the age of 18, is a resident of the State of Florida, and is registered to vote in the county. It needs to be a resident that you appoint to fill that vacancy.

Mr. Thibault asked is the person we appoint still required to submit the annual financial information to the county?

Mr. Haber responded yes, they are.

D. Art of Living Director

Ms. Mickelson stated the carpet in this room was shampooed and scrubbed on 7-21 by Environmental Control at a cost of \$155. The slide tower and the stairs were pressure washed on 5-22 by GMS. The pool deck and bathrooms were pressure washed on 6-30 by First Coast Pressure washing for \$475. The new fitness equipment, the elliptical, two treadmills, and the exercise bike from TechnoGym were delivered on 6-16. The old equipment was donated to Fruit Cove Middle School and I have the donation waivers on file. Six district street lights were repaired during the month of June by GMS. The resident use only signs for the basketball courts and the playground were ordered through Sundancer Sign Graphics for \$180 and installed by GMS on 5-15.

Mr. Yuro asked have you gotten any feedback on the new gym equipment?

Ms. Mickelson responded they are getting used to it.

A Resident asked how does a person get a permit to solicit? There were some kids the other day coming around selling books.

Mr. Yuro stated if you see something like that that looks fishy call the Sheriff. We have the signs up and they will respond.

E. Operations Manager

Mr. Benoit stated we replaced the motor and the pump in the kiddie pool. We replaced two coordinators for the main pools to handle the load we have.

Mr. Whetsel stated we pulled some old invoices from the company we have that comes out with the lift and changes the bulbs. The last time they changed three bulbs it was \$1,056. I have been looking into this and we are going to provide this service at other districts, but I'm

looking into getting a lift and changing out the bulbs through GMS. I think we can do it easily at half that price.

Mr. Sheppard asked does the golf club help offset some of that cost?

Mr. Whetsel responded there's a cost share for the parking lot lights at 60% golf club 40% district.

Mr. Haber stated I can e-mail that to the board if they would like to see it.

Mr. Yuro stated if we can get it done a lot cheaper. It doesn't seem like it should be that expensive to replace three lights.

Mr. Whetsel stated they are one of the cheapest. I use this company at all the district because they are the cheapest that I have found in the last three years.

Mr. Thibault asked how much is it to purchase a lift?

Mr. Benoit responded around \$5,000 to \$6,000.

Mr. Yuro stated the lights that were repaired by GMS, did you contract out to get those fixed?

Mr. Whetsel responded we had our maintenance guys do it.

TENTH ORDER OF BUSINESS

Supervisor's Requests

There not being any, the next item followed.

ELEVENTH ORDER OF BUSINESS

Audience Comments

Mr. Lawgenfelder stated I'm the Vice President of the swim board and I'm coming before you today to let you about some of the improvements that we have done and paid for out of our pocket. There are some things we would like to try and pursue with the CDD blessing. We listened to some complaints at a meeting last year about how long the swim meets take to run at our pool. We are the largest team in the swim league we participate in and they were running 5 to 6 hours. The swim team has its own budget and we pay for our own insurance and carry a \$1 million liability policy, plus all of our equipment is insured by us. At the end of the season we have a small balance for start up expenses for the next year. With that said we went out and spent \$7,000 on a timing system. We have gone from six hours to four hours. We can return the pool back to the community in a much quicker time and we try to do our best to make sure the pool is cleaner than it is when we come in the morning. We purchased pool deck fans for our

swim meet events, but if Heather needs them for any big event they are there for her to use. We have no issue with the CDD using anything we have purchased. We are in the process of trying to raise more money to do some more capital improvements for our program, but with that said, there are some things we need to ask the CDD about. We would like to get all the stuff we currently store under the slide into a big, large storage unit that would be put behind the slide during our swim season. After swim season we will put it in a storage unit so it's not on the deck. We would like to upgrade our current system that we use for timing with electronic touch pads. We will go out and raise the money or pay for it ourselves, however, it requires that the boards be stored on a rolling bin that we would like to store during swim season under the slide. When we finish with swim season they would go into a storage unit. Another thing the swim team would like to pursue is the purchase of a trophy case to put all community trophies on display. There are quite a few in there from the swim team and tennis players. We would like to be able to put all the trophies on display. I think it would be great for the community to be able to see what programs we have and what type of youth programs we are doing for our kids. We won the championship last year and the trophy is sitting in a parent's home. The one thing we really want to go after is a permanent scoreboard. It will cost \$12,000 and we will pay for it and the installation. It would have our logo, but if the CDD would like the St. Johns logo on there we don't have an issue with that. There are a lot of things our swim team would like to do to enhance our program. I would be glad to answer any questions. We don't want to pursue anything further without the CDD saying yes. We are not asking for any money.

Mr. Sheppard asked how often do you have swim meets?

Mr. Lawgenfelder responded we had four counting our mock meet this year here.

Mr. Sheppard asked is that what you would anticipate for the future?

Mr. Lawgenfelder responded we would like to host one more. We went over to Bartram Springs this year and they don't know how to run a swim meet. Our team knows how to run a swim meet and get people in and out. We would not go more than 5 swim meets including the mock meet.

Mr. Yuro stated from the board you aren't asking for any participation or money, just basically agreement that if you were to get these things they could be stored on the property.

Mr. Lawgenfelder stated we would go out and get our own storage shed so that nobody can get into it. A touch pad runs \$600 each and we have to have 8. The rolling cart is another \$1,200.

Mr. Haber stated it's entirely up to the board as to whether you allow these things or not. At a minimum I would want some sort of agreement. All these things are going to belong to the swim team, but it sounds like for the scoreboard, and I don't know about the touch pads.

Mr. Lawgenfelder stated the scoreboard would be the only permanent structure. I have envisioned some places it would be. It's not going to be in the middle of the deck. One of the parents made a suggestion along the landscaping behind the fence between the tennis courts and the pool.

Mr. Haber stated my thoughts weren't really esthetics, that's a decision for the board to make, my thoughts are because this is a CDD swimming pool it will have the swim teams stuff there and to the extent that it's open to residents and paid users who are using the pool, we would want some sort of indemnity from the swim team that the district isn't responsible for any damages to their equipment that's being stored.

Mr. Lawgenfelder stated that's why we carry our own insurance.

Mr. Haber stated I'm comfortable with the stuff being there. I would just want to make sure that the CDD has an agreement with the swim team that the CDD doesn't have any additional responsibilities or obligations by virtue of allowing the swim team to do this.

Ms. Griffey stated I would like to see what the storage unit looks like and the scoreboard.

Mr. Yuro asked when does the swim season start up again?

Mr. Lawgenfelder responded this year we started the third week in May.

Mr. Yuro stated I wouldn't necessarily have an objection to anything you are proposing, but I think we need to have any idea of where it's going to be located and what it's going to look like.

Mr. Lawgenfelder stated I would like to walk the property with the board and show you what it looks like.

Mr. Sheppard stated we need a package. We can't give you any direction until we see what you want.

Mr. Lawgenfelder stated the biggest thing is the permanent score board. We wouldn't purchase the storage shed until you say it's okay.

Mr. Yuro stated I would say directionally the board is supportive, so I would say as a direction, I would think it would be worth the effort to take the next step and at the next meeting have some information so we can see what the score board looks like and where you would want it and what the storage unit looks like and where you want it. Probably at the next meeting, with that information, we would be comfortable saying go ahead and start purchasing.

A Resident asked what happened with the gate issue?

Mr. Oliver responded we talked about having a gated community and looking into the early costs of that. It could be anywhere from a half a million or more. In the meantime, as a stop gap, the board directed staff to enter into security agreements with Giddens and also with the Sheriff's office. As of the last meeting, when we brought back up the gated community issue, the board decided right now that response is working and we do not need to go further with the gated community.

A Resident stated I went back and read the minutes and just to see if I understand, the purpose of a gated community, the purpose of the traffic enforcement, the roads are owned by the CDD so they are private roads.

Mr. Haber stated we are not in agreement with the position the county is taking. The CDD is a body of government, everything it owns needs to be public. Because they are CDD roads, in our opinion they are public, and it's our opinion that we don't need a traffic enforcement agreement, but they disagree.

TWELFTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet as of June 30, 2008 and Statement of Revenues & Expenditures for the Period Ending June 30, 2008

Mr. Oliver stated behind Tab A is the unaudited balance sheet as of June 30, 2008 as well as a statement of revenues and expenditures for the same period. These are unaudited and will be audited at the end of the fiscal year.

B. Check Run Summary – July 23, 2008

Mr. Oliver stated behind Tab B is a check run summary for checks No. 2207 through 2178.

On MOTION by Mr. Yuro seconded by Mr. Thibault with all in favor the check run summary was approved.
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C. Special Assessment Receipts

Mr. Oliver stated behind Tab C you have the assessment receipt schedule. You are at 102% of collection, so compared to many districts you are way ahead of the game.

THIRTEENTH ORDER OF BUSINESS Next Scheduled Meeting –08/27/08 at 4:00 p.m. @ the Golf Club Meeting Room

Mr. Oliver stated the next meeting is scheduled for August 27, 2008. We will have the budget hearing at that meeting. Is there a motion to adjourn?

On MOTION by Mr. Yuro seconded by Ms. Griffey with all in favor the meeting adjourned at 7:50 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman