

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 on Wednesday, May 22, 2013 at 6:00 p.m. at the Swim Club Meeting Room, 219 St. Johns Golf Drive, St. Augustine, Florida.

Present and constituting a quorum were:

Mike Veazey	Chairperson
Ed Randolph	Vice Chairman
Tracy Hayes	Supervisor
Paul Armstrong	Supervisor
Bob Sevestre	Supervisor

Also present were:

James Oliver	District Manager
Wes Haber	District Counsel
Mike Yuro	District Engineer
Erin Mixson	Art of Living Director
Residents	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 6:00 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the March 27, 2013 Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes of the March 27, 2013 meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Armstrong seconded by Mr. Veazey with all in favor the Minutes of the March 27, 2013 Meeting were approved.
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THIRD ORDER OF BUSINESS

Approval of the Minutes of the April 17, 2013 Continued Meeting

Mr. Oliver stated included in your agenda package is a copy of the minutes of the April 17, 2013 continued meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Veazey seconded by Mr. Armstrong with all in favor the Minutes of the April 17, 2013 Continued Meeting were approved.

FOURTH ORDER OF BUSINESS

Acceptance of FY12 Audit

Mr. Oliver stated a copy of the fiscal year 2012 audit is in your agenda package. This will be provided to the Auditor General. The deadline for the audit is June 30th, so you have met that deadline. The audit is a clean audit. Right inside the front cover, you will see the opinion letter. This is from Grau & Associates. This is the firm you chose through the RFP process. The third paragraph says, "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of governmental activities in each major fund of the District as of September 30, 2012 with the accounting principles generally accepted in the United States of America. The following pages are the management discussion and analysis. Beginning on page six, you will see various financial statements. On page 19 in the notes, note number eight does mention the interlocal agreement to the District entered into with St. Johns County at which they agreed to pay \$10,000 for preliminary work and that money was received by St. Johns County. On page 22, you will see the report on internal controls. In the middle section it says, "We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above." The next letter is the management letter pursuant to the Auditor General. If you look on the second page of that report, where it says report to management, you will see that the Auditor has no current year findings or recommendations. On the next page it states, "The District has not met one or more of the financial emergency conditions described in Section 218.503(1), Florida Statutes."

On MOTION by Mr. Hayes seconded by Mr. Randolph with all in favor the Fiscal Year 2012 Audit was accepted.

FIFTH ORDER OF BUSINESS

Presentation of Updated Capital Reserve Study

Mr. Oliver stated I had communications with Charlie Sheppard yesterday. There are still some final things he is working on. As soon as we get that and Mike and I review the draft, we will send it to the board before the next meeting.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2013-03, Approving Proposed Budget for Fiscal Year 2014 and Setting a Public Hearing to Adopt Budget

Mr. Oliver stated this is the formal start of the budget process. Once you approve a proposed budget and set a public hearing date, we will have the next 60 plus days to revise the budget and hold a public hearing in July and then adopt the budget. Once the budget is adopted, it will be put in the form of an assessment roll, certified and then given to the St. Johns County Tax Collector, so those assessments will show up in the tax bill to be issued November 1, 2013. Included in your agenda package is the proposed budget. When we developed this budget, the main premise we worked with was not to increase assessments. We wanted to hold assessments stable, so if you look at the very top line under revenues, assessments are at the same level at \$916,438. In order to do that, we have reallocated funds on the next two pages. There could be some line items that will be refined over the next 60 days, especially when we look at maintenance items. As the District gets older, there are more and more things that are going to have to be funded. If you look under other sources on page two, we still have \$94,000 listed as the capital reserve contribution and that may change as a result of the capital reserve study. Over the next several pages, you will see the line item descriptions that are related to the General Fund. On page 10 is the capital projects fund. If you look at the middle section that says expenditures, the number right now shows \$29,837 projected for fiscal year 2014 projects; however, we will adjust that accordingly when the capital reserve study comes back. The next page is the debt service fund. This is to pay the debt service on the bonds that were issued. Each year we have two semi-annual interest payments that are made November 1st and May 1st. There is also a principal payment that is made May 1st. This is a fixed schedule, so the assessments are the same for the landowners this year. There is an amortization schedule on the last page.

On MOTION by Mr. Sevestre seconded by Mr. Randolph with all in favor Resolution 2013-03 Approving Proposed Budget for Fiscal Year 2014 and Setting a Public Hearing Date for July 24, 2013 at 6:00 p.m. at the Swim Club Meeting Room, 219 St. Johns Golf Drive, St. Augustine, Florida 32092 was approved.

SEVENTH ORDER OF BUSINESS

Consideration of District Policies Regarding Serving Alcohol at Private Rentals on District Property

Mr. Haber stated you have a copy of the draft policy that Jim circulated yesterday. Presently the Districts policies as it relates to alcohol is prohibited. No alcohol is allowed on CDD owned property. At the last meeting or at the meeting before the continued meeting, there was a discussion of what can we do to allow alcohol at private parties, where a resident may rent one of the rooms. I did a review of the policies that other CDDs have adopted and crafted what you have in front of you. These are not as strict as some of the policies that have seen but they are stricter than others. It essentially says that if you want to rent a room and have alcohol at your party, you need to let the District know upfront in the rental form that you submit to Erin. You will be required to get event liability insurance for the particular event in the amount of \$250,000 for property damage and \$1M for personal injury and District staff need to be additional insured on the policies. Anyone renting the room essentially agrees to indemnify and hold the District harmless from any damages or claims that may arise from having alcohol at the party. Those are the four major points of the policy. One question that was asked of me is the fact that it was identified at the previous meeting that the rule of no alcohol may be broken from time to time at the pool and given that was identified to the District if the board chooses to not go forward with changing the policy then we would need to make sure you have signs that specify no alcohol when no alcohol is appropriate and send out a blast email of what the policy is. Maybe you can speak to the lifeguards when they are here during the day to enforce the no alcohol, like they enforce no running and things like that.

Mr. Veazey asked what is the low end? I am trying to figure out the cost of the policy for someone that wants to do it.

Mr. Haber responded I don't know think it is terribly expensive. I do know that the Districts where we have these policy limits some of these Districts have \$1M for both property damage and personal injury. \$1M is a pretty common amount for personal injury. I don't think the policies are cost prohibitive.

Mr. Hayes asked when they sign the waiver now, what is in there to remove the liability from us, whether alcohol is served or not?

Mr. Haber responded there is currently indemnification language in there. That indemnification language would extend to that alcohol use, as well.

Mr. Sevestre asked so we are going to say if they rent a room and have a party, the alcohol has to stay in this room?

Mr. Haber responded that is part of what you are deciding tonight. If they need to stay in this room then we should probably have appropriate signs, explain that on the rental form and explain it to the people working on the pool deck.

Mr. Armstrong stated being realistic we all know it is not going to end up in this one room. People are going to walk out. I don't mind it being on the deck but we definitely can't allow glass containers. That is the biggest issue we are going to have to look for.

Mr. Veazey stated and I would almost limit it to the upper deck area and not allow it at the pool deck.

Ms. Mixson stated when they rent this space they technically have this room and the veranda, so it would be hard to limit them just to this room. No food or drink is really suppose to be on the lower deck.

Mr. Sevestre asked and the lifeguards are going to be the ones that have the authority to enforce this? What happens if the people don't listen to them and something gets out of control?

Mr. Haber responded if they are on District property and they are not complying with District policies, I think you have the right to call law enforcement.

Ms. Mixson stated we don't allow parties to go past 10:00 p.m. anyways for the fact that there are houses right there. There is a noise ordinance, as well.

Mr. Hayes stated if we are not going to allow them to drink on the pool deck then the lifeguards are not going to have to enforce it.

Mr. Haber stated but they need to know in case they leak out to the pool deck area.

Mr. Veazey asked who is going to enforce it because staff isn't here all the time?

Mr. Randolph responded the lifeguards would police it anyways because they are technically suppose to police the pool deck.

Mr. Your stated keep in mind that the lifeguards aren't here until 10:00 p.m.

Mr. Veazey asked how many people have requested to have alcohol or have brought up this issue?

Ms. Mixson responded since I have been here maybe a half a dozen a year.

Mr. Veazey asked and are they adamantly upset?

Ms. Mixson responded usually if they want it bad enough, they will go some place else.

Mr. Veazey stated I just think we are opening ourselves up, where everything has kind of been status quo.

Mr. Hayes stated I think we are here for the community. I don't think this is a big deal. We are requiring an insurance policy. It says that they have to stay within the area of their rental and not be on the pool deck. As Wes recommended, we can add additional signage saying no alcohol on pool deck.

Ms. Mixson stated I would also recommend a higher deposit for someone.

Mr. Hayes stated I would agree to that.

Mr. Armstrong stated maybe have two deposits; one for no alcohol and one for people that want to bring alcohol.

Mr. Randolph asked what is the current deposit?

Ms. Mixson responded it is \$100.

Mr. Randolph stated so maybe make it \$200 for alcohol.

Mr. Armstrong asked so basically we need two signs to let people know?

Mr. Randolph responded I think it is already listed on most of these signs already.

Ms. Mixson stated I know it is listed on the front entrance sign for sure.

Mr. Yuro stated the general rules have a sign that says no alcohol.

Mr. Randolph stated I don't think you want to start getting crazy with more signage.

Mr. Yuro stated we just need to make it more clearly on the rental agreement.

Mr. Hayes stated you need to give them a map of where they are allowed to have alcohol.

Mr. Armstrong asked did we all agree on increasing the deposit to \$200?

Mr. Randolph responded yes.

Mr. Haber stated I have increase the security deposit to \$200, no glass containers and to indicate that alcohol is only permitted in the rental room and the attached veranda. I don't think a map is a bad idea. You can highlight the area.

A resident asked I assume the application will be rewritten to incorporate that language, so when they are signing it, it will say all of these conditions?

Ms. Mixson responded yes.

Mr. Yuro stated the lifeguards currently let people know if they have alcohol that it is not permitted.

On MOTION by Mr. Hayes seconded by Mr. Armstrong with all in favor to Amend the District Policies to Increase Security Deposit to \$200 for Alcohol Use at Rentals, Prohibiting Glass

Containers, Specifying Alcohol Use is Only Permitted in the Rental Room & Attached Veranda & Authorize Staff to Make Necessary Changes to Application Form was approved.

EIGHTH ORDER OF BUSINESS

Discussion of Process and Estimated Soft Costs Related to Application for Conveyance of Roads to St. Johns County

Mr. Oliver stated you have a handout that Mike provided.

Mr. Yuro stated this was brought up a little while ago, so I had done some initial homework on it. The County has a Section 35 in their development review manual that provides for a process to turn roads over to the County. The first step is that an engineering study needs to be done to determine any deficiencies with a cost estimate to what would be required to repair them. That would be things like repairing bad sections of asphalt. There is also a number of other elements that are involved aside from just the engineering. A surveyor has to provide legal documentation for the roadway right-of-ways. There are some agreements that would have to be drafted by an attorney. There is a fair amount of soft costs. I would estimate those to be in excess of \$50,000 to \$70,000. There is one other item in there that I wanted to make sure I pointed out. As part of the engineering study, all of the storm drains under the road would have to be tv inspected and that could get costly. We have about eight miles of road. I have done work with a crew that has done some tv inspection and it is about \$2.50 a foot. The tv inspection alone could be close to \$100,000. First, they have to plug the pipe. They have to pump it dry. They have to clean it out and then they have to put the tv camera in there and do a video inspection that has to be reviewed with recommendations as to whether the pipe is good or any repairs need to be made. Before you would even have anything to present to the County that says we have done our due diligence, I think we would be well in excess of \$100,000 of soft costs. A couple of years ago when we first brought this up I had a meeting with the County engineer and public works director to try to get a level of comfort that if we got to that point and we got any deficiencies identified and repaired, so long as we did that they would accept them. At the time I was told they don't envision any scenario, where that would be the case. I know from the last meeting Tracy had mentioned he talked to a County Commissioner. I would just recommend to the board before we go and start spending a lot of money that we get some level of comfort that when we get to the end as long as we meet all of the requirements that they will approve it. This is even before any construction costs. Then whatever repairs need to be made

would be identified and they would be on top of that. There is a significant investment on the CDDs part just to get to the point, where we can present something to the County.

Mr. Armstrong asked so you think it could be \$100,000 just for the cameras?

Mr. Yuro responded I think it could be.

Mr. Armstrong asked so just to open the door we are looking at between \$150,000 and \$170,000?

Mr. Yuro responded yes. I think that is very possible.

Mr. Randolph asked when we discussed this a few months back, were we thinking that if we were to hand the roads over that we would lower the assessment because we wouldn't have that burden of that annual in our budget?

Mr. Oliver responded not knowing the cost of the road repairs could be several hundred thousand dollars if we did turn them over.

Mr. Yuro stated it is possible. There are certain areas in the neighborhood, where there is a 100 foot section of road, where you see it rippling or cracking. I would expect that those are the type of areas that the County would want to see fixed. I would think from the County's perspective that they would want to see it with no defects. I think there could be a fairly significant construction dollar, as well.

Mr. Oliver stated my thought was to lay this out for you tonight and let you think about it. We can pick the discussion back up at the next meeting. It could be very costly. Even if you did get St. Johns County staff support, it could still go in front of the commission, receive opposition and be denied.

Mr. Randolph asked what do we have budgeted for our road repairs?

Mr. Veazey responded that would be on the capital reserve study.

Mr. Oliver stated we think the first repairs will be around 2020, so we have time to work this issue.

Mr. Veazey stated I think Tracy brought it up because of this pond and the 210 road and we might have a little leverage now.

Mr. Haber stated when John Thibault was on the board, he joined me in sitting at the table with St. Johns County when we were negotiating the interlocal agreement. John pretty much said to them if you don't take our roads, we are not going to enter into this agreement. I think it was Joe Stephenson and they had the County Attorney and a few people in their real

estate department, who just said the County is not accepting roads presently. That was when the economy wasn't showing any signs of recovering. That was their answer then.

Mr. Hayes stated I would like to keep poking at it. Right now, there is a huge amount of assumptions. I would be curious to know what their guidelines are. They would want us to put this money in escrow with the proposed budget to make the fixes and the County would make the fixes.

Mr. Armstrong asked what is the timeline for us to go through this?

Mr. Yuro responded all of those things would be done upfront. There is an application and the application says these documents must be included, which is the legal description of right-of-ways to be transferred to the County, any landscape, community signage, drainage or maintenance agreements, offsite drainage easements, interpretation of the subdivision, by-laws by title company, documentation of clear title, development site plan, phase one environmental assessment, underground drainage facilities inspection report, the signed and sealed engineers report, etc. Basically, you are not giving anything to the County until you have all of those things complete.

Mr. Armstrong stated that is my concern. Let's say it is a two year project for us and we back to the County after two years and they say they are not taking the roads.

Mr. Hayes stated it doesn't exactly say we need to make the repairs. We need to put the money in escrow, so the County can make the repairs. The County is just going to take this money out of escrow to make the repairs.

Mr. Armstrong stated we need to get a letter of intent from them saying if we do this then they will take them over.

Mr. Veazey stated in mind the only way we would really move forward is if we had that.

Mr. Hayes stated what they are basically saying is they are going to identify things that need fixed and how much they are going to cost. We are going to put that money in escrow and then the County takes over the roads and they fix them. We would be out of an engineering report but we don't have to fix anything according to this. If we decide not to put the money in escrow then the County doesn't take the roads, so really the only expense we have is the engineers report.

Mr. Oliver stated which could be \$150,000.

Mr. Sevestre stated I agree with Mike that a letter of intent is something we would have to get from the County before we agree to go ahead with the engineering study.

Mr. Hayes stated I would like to get a more detailed guideline of what they are looking for.

Mr. Yuro stated you have to make sure it meets the current County standard. The subjective part is going to be, do you think that this is acceptable and do they think it is acceptable. There is at least a half dozen places that I can think of that I wouldn't be comfortable saying that road is in good shape. I can think of a half dozen sections that no engineer would look at and say you have to do something. My experience in the County is that they error on their side but you are right if we can get some clarification on what the threshold is that would be a good idea.

Mr. Sevestre asked are they going to want to core drill?

Mr. Yuro responded I don't know.

A resident stated I am not sure arbitrage is the right word here but if these roads need work, it is going to have to get done eventually and there is long term maintenance. From what I remember the last time we went through the capital reserve study, the roads are the overwhelming majority of our capital reserve. On a 10 year basis somehow I remember it being up around \$1.5M, so a big chunk of our assessment goes towards that.

A resident stated what we are doing here is speculating and considering. My suggestion might be to preemptive. Write up a document. You could just say we are handing over this property to the County to assist and we are going to invest x amount of money. Write it up with conditions on either side and submit that to the County. Let them act and request action on it. Then at least we would have some legal standing if down the road they say we are going to change our minds. I know you were discussing about it taking two years to complete this but my feeling is you want to get this done as fast as you can because you could have one flood come in here and screw up the roads. I would think the best thing would be to get them done and get them transferred as fast as you can.

Mr. Haber stated you could draft an agreement that essentially says if the District meets all of your standards as it relates to the acceptance of roads, you will agree to accept the roads, so that way you have the guarantee that they are going to accept them, so you don't spend the money. I think the real issue is getting the County to agree to enter into that agreement. I

represent CDDs throughout the State and I don't really have relationships with County Commissioners in St. Johns County. It may be that there are lobbyist on the local level, who have those types of relationships, who could make those end roads with County Commissioners to get a feel for whether they are going to be able to push that through. It is an agreement that I think wouldn't be difficult to draft. I think what is complicated is the relationships and the politics associated with having the County agree to that before you make too large of an investment on either the engineering study or otherwise.

A resident stated then my feeling is go ahead. Let them turn it down but at least we did it. It might very well be that they will go ahead. As far as the lobbying part, send out a message to everyone in the community that we are concerned about this. My feeling is go ahead and make the agreement. The worse they could do is nothing. Then we could come back to them when there is an election and say you didn't support this.

Mr. Hayes stated, "Wes, thank you for your out of box thinking." There is nothing in here that says we can't go to the County board first with such a proposal. I think they understand. We are people of the community. We want to go to the board and ask them that question. This is very vague. Them saying yes today or yes 12 months from now is not going to make a difference.

Mr. Randolph stated at the end of the day, all of these items are probably going to have to be done in a tight timeframe because they are going to want the surveys, inspections, etc. current.

Mr. Haber stated generally speaking, we sort of already fall outside of this policy. You will see throughout it talks about private roads and HOA. We are a CDD and they are public roads. I think if anything they prefer to have them owned by a CDD than an HOA because of our ability to levy assessments and maintain them at a higher level.

A resident asked is all that \$170,000 incremental to this transfer?

Mr. Yuro responded none of that \$170,000 estimate is for repairs.

A resident stated but before you do a repair, you have discover the repair that needs to be done. When we start having to do large scale capital reserve study type of maintenance to the roads, do you do any of that work or is this strictly as it arises?

Mr. Yuro responded I don't think most of it would be done later. I would expect if we maintain the roads and we don't turn them over that the roads would be resurfaced as needed. I wouldn't expect that we would have to spend the money on the storm drain camera if we just see

some roadway asphalt failure. If you have a sinkhole forming then maybe but I think there is a lot of this that would be involved that would not need to be spent.

Mr. Veazey stated if you read through this, it is almost set up like a new development. We need to remember that everything we have is 10 years old, so their standards for new development are going to be different than after our system has been in and used for 10 years. They are going to find things that they probably would never have found or worry about but they will find them now.

Mr. Armstrong stated like you said we have \$1.5M budgeted for a 10 year period, so you are looking at doing \$100,000 per year for road repairs. If we go ahead and put the money in to do this, we spend \$170,000 and we go into next year's road repairs. We are going to have to get the money somewhere and we are going to have to cut out an expense one place or another to do it. I am all for it if we get a letter of intent.

Mr. Hayes asked what would it take to find an engineering firm that has actually done this in another community?

Mr. Veazey responded I work with them and Mike works with them all of the time. Most of them recently are new. I am going through the same thing on one that never got accepted. It sat for four years because of the downturn and I just spent at least \$200,000 in each community just cleaning to get the inspection. I am having to tv everything and make sure our buddies at JEA will accept them.

Mr. Oliver stated let staff to continue to work on this. I think you have given us enough guidance to move forward.

NINTH ORDER OF BUSINESS

Discussion of Tennis Program (Peter Treyz)

Mr. Oliver stated at the last meeting Peter Treyz was here. He is a tennis professional and he asked to be on the agenda again but he is not here today, so we will table this.

A resident asked can we hear what he wanted to bring up?

Mr. Veazey responded if you read the last set of minutes he was supposed to bring a more detailed program, so we understood what he was trying to do.

Mr. Haber stated they are the minutes from two months ago.

Mr. Oliver stated at the last meeting that Peter attended he was trying to develop some type of program and I think mainly for teenagers to be competitive tennis players. The board

asked him some pretty pointed questions and Peter just couldn't provide many details. He said he would attend a future meeting and provide the details. He asked to be put on the agenda. We put him on the agenda but he has not shown up. This District has a long standing policy that these facilities are paid for by the residents and they are for the residents and their guests. Peter did bring up with Erin and me, the possibility of having nonresidents here and I said the board has rejected that every time that it has been brought up before but you are welcome to bring that to them. I had discussions with one of the supervisors earlier in the week that there was an allegation that he was giving lessons to nonresidents. We were going to ask him about that but he is not here.

A resident stated the tennis courts are becoming a growing issue of outsiders using them. We have two teams here that claim to be St. Johns Golf & Country Club teams that are largely made up of nonresidents. In the minutes it said they represented themselves of having residents in those teams. They have a couple of residents and a ton of nonresidents. In those minutes they said they had members from here and one guy from St. Johns Forest. They are blatantly misrepresenting themselves here and they are taking premium court time. They take a bunch of courts on Wednesday nights.

A resident asked is there a way to have some sort of pad on it?

Mr. Hayes responded I don't know that it wouldn't be prudent for Mike to get a price to get keypads on those gates over there. I think it is a good idea to look at.

Mr. Randolph stated it is only going to stop so much.

Mr. Hayes stated just getting an overall policy on our use of our facilities would be good. I have a problem with teams coming in. I do have a problem with nonresidents coming in if we are not getting funding to help us maintain the area. My son's teams have rented that field for a night or two in between when the County has their fields open for soccer but there is at least one or two teams that are up here weekly using our field practicing. It is their new practice field. I am sure that they have one or two residents on their team but to make it their new weekly practice field I don't think is right. It is happening right?

Ms. Mixson responded the policy doesn't really specify that there has to be a certain number of people on the team, which I think wouldn't be a bad idea.

Mr. Hayes stated but we probably need a couple outsiders to make a tennis team. Am I right?

A resident responded it varies because you have people moving up and down. The A team is brand new this year, so they probably needed some outsiders on the team.

Mr. Hayes stated we need a slight mix. We need to decide what percentage needs to be members of the community right now. Then we can tweak that as time goes on. Hopefully it gets to the point, where we have enough to fill every team and no outsiders come in, like the swimming.

A resident stated I would say 70% of the team needs to be residents.

Mr. Armstrong stated but that is still Pandora's box because we had a swimmer that was on the swim team for four years and they just moved to Stonehedge. They still wanted to come back and swim with us but since we have a policy that says you can't swim with us, even though they were here for four years and now we are going to let outside tennis people in.

Mr. Hayes stated the point is we don't need outsiders to make the swim team work anymore. The tennis team still needs a few outsiders to complete the team, so the members of the community can actually have a team.

Mr. Armstrong asked this can keep escalating, so when do we put a cap of how many we would allow per team?

Mr. Veazey responded in my mind if you are getting too many teams then it kind of takes away from the people that just want to go up and hit the ball around. We need an overall policy.

Mr. Randolph stated maybe we should only dedicate two courts to team play and have the other two open for individual play.

A resident stated you can't do that because for matches, you have to have four courts.

Mr. Armstrong asked but you only have a match once a week, right?

A resident responded a lot of the time, there are two per week. The matches really don't affect most people.

A resident stated what is taking Saturday morning right now is predominantly nonresidents.

Ms. Mixson asked is that the men's group that came here and talked to the board about playing?

A resident responded yes and they represented themselves as residents.

Mr. Veazey stated I think that is almost over.

A resident stated I will make two suggestions to you. I am not really in support of outsiders being on the teams but if you do that and make some sort of percentage rule then you should require anyone from the outside make some sort of payment to this community to be a part of that team. I think if you redo the policies, then you need to make a clear statement that if you own a home in here and rent it out to someone that you have then conveyed the right to these facilities to that renter, unless the renter is not using the facilities. There are people on these tennis teams that say I own a home in here but their renters are using the facilities.

A resident asked why not make it a policy that if you rent court for individuals that they have to have their identification card just like they need to have it to get into the pool or the fitness center?

A resident responded if you have a card I think you are going to have people up there that live in the neighborhood and that respect the courts.

Mr. Armstrong asked can't we have a one hour block for a court that residents can call in and reserve that time for themselves?

Mr. Hayes responded I don't think we are at that level yet.

Mr. Oliver stated let us look at the best practices we have at other communities and we can also have Erin meet with the captains of the different leagues. We can work up some suggestions and bring them back to the board.

Mr. Hayes stated the first thing I think we should do is get the rosters of all of the participating teams. We need to put the perception out there that we are checking.

A resident asked is there a way in the future that you can email blast it out to everyone in the community if you are going to have a team?

Ms. Mixson responded yes. We send out emails.

A resident stated but nothing was even said about a doubles league. No one even knew this was happening until it was done.

Mr. Hayes stated that is true. That is a very good point. I don't remember seeing anything that said we are putting together a men's team.

A resident stated that is why they went out and found the people they wanted on the team.

TENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS Staff Reports

A. Attorney

Mr. Haber stated at the last regular meeting, the issue was raised regarding the fitness equipment and some of it breaking down. I took a look at the contracts and confirmed that the warranty we have on the aerobic equipment is a three year warranty. We have been making claims under that warranty. We have been having issues with the machines but I would say generally speaking, they are fulfilling their obligations under those warranties. The last time I checked with Mike things were up and running.

Mr. Yuro stated they are. Sometimes they take longer than you would expect them to take but they have been getting to it.

Mr. Armstrong stated I would like to see the up time to the down time. I know some of that equipment has been down for over a week at a time.

Ms. Mixson stated they did used to send a chart but they have stopped doing that. We can ask them to do that again.

Mr. Haber stated one of the big issues the board has been addressing is the pond and the expansion of the pond. In speaking with both your Chairman and your Engineer, it is my understanding that we have identified all of the issues as it relates to what I will call the capital improvements to the pond, like what we expect the County to do as it relates to the actual work on the expansion of the pond. I think we are comfortable that with the changes that the County has agreed to and the plans that they are doing everything that was asked for those capital improvements. The one issue that we haven't specifically identified is the landscaping and that is because the landscaping plans aren't yet done. My recommendation is that we try and get as much objectivity and specificity on our letter to the County saying here is the CDDs consent to you moving forward with the construction on the pond and understanding that these are the new plans. The agreement already provides that they need to leave the pond in the same condition or better that it is currently in. I think that would apply to the landscaping, so I would want to specify that we want landscaping that is just as mature. Then I think we are ready to move forward with telling the County that the CDD is giving the consent to move forward with the expansion.

Mr. Yuro stated I think that is a good summary as to where we are at.

Mr. Armstrong stated in reading the minutes, the pond level is still our biggest concern and they are not going to budge on it. According to what I read it is too late now.

Mr. Yuro stated I don't know if it is as much as they are not going to budge. I think it is too late to change it.

Mr. Armstrong asked is it still possible to put a fountain or two in there to give it the aesthetics that we are looking for?

Mr. Yuro responded I certainly think it is possible.

Mr. Veazey stated I think they want to move forward.

Mr. Haber stated I think that would go under the landscape/hardscape.

Mr. Yuro stated our lake maintenance company has a group that deals specifically with pumps, so I can ask them for a recommendation. Are we looking for one or two? We are kind of going to have a horse shaped pond when it is all said and done.

Mr. Armstrong responded I would like to see one really big one in the middle that is really shooting some water up.

Mr. Yuro stated I don't think you want to put something that is going to block the sign.

Mr. Sevestre stated my concern is in the fluctuation of the water levels. How is that going to impact them?

Mr. Yuro responded that could be an issue. The difference with this pond compared to the one out on hole number 13 is that one is really deep. I have been told it is the only natural pond that was here before the community was built.

Mr. Armstrong stated then they just need to make sure they dig the hole deep enough, where they are going to put the pump.

Mr. Veazey stated if they are pumping it down, they can actually go deeper now. The St. Johns River Water Management District isn't holding you to 12 feet anymore.

A resident asked what was agreed to with the County?

Mr. Yuro responded we are not going to be able to change the elevations of the water, so it is going to be lower. If they didn't do anything, they were going to expose the bottom of the existing stone out there. What they have actually agreed to now is they are going to remove all of that existing stone and they are going to replace it. They are going to replace it all the way down to the footer, so at the new normal water level it will still look like that. The stone will go

down into the water. On the east side of the bridge, we had a concern about what that would look like. Aren't they going to do stone around that too?

Mr. Veazey responded yes. They said they would take that down.

Mr. Yuro stated they are going to do the same stone treatment around that. They are going to remove what is there and make sure it all matches. Any damage to the electrical or irrigation is going to be repaired.

Mr. Veazey stated they are basically digging the pond larger towards 210. Surface area will be approximately the same. It is just going to be two feet lower. Right now it looks really nice when you sit at the red light on 210. It is going to be lower. It will still be the same size. I think the surface water of the pond will be about the same. It is just going to sit down lower.

Mr. Armstrong asked are we still doing the same pitch on the embankments?

Mr. Yuro responded yes. It is typically a 4:1 slope.

Mr. Haber stated, "Mike, the last time you and I spoke on the letters for the sidewalk repairs, now we are getting reasonable responses and people are signing the waivers."

Mr. Yuro stated yes. We have received 10 of the 12 back. I have gone and knocked on doors. We just haven't gotten them back from the two people. We are going to move forward with the repairs for the people that have signed theirs. Fortunately, the worst areas are people that have returned them, so we will get those fixed. The only request I had was from the one resident who signed it begrudgingly. He requested that we put it off until after June 10th, so he can be there to make sure no one is going to mark up his sidewalk. I didn't think that would be an issue, so we will get it scheduled shortly after that.

Mr. Armstrong asked what is our timeline?

Mr. Yuro responded once they get in here I don't think it will take them more than a week or so.

Mr. Armstrong asked so when are we planning to have the work commence?

Mr. Yuro responded as soon as I can get them scheduled after June 10th. I don't expect they will remove all of the sections.

B. Engineer/Property Manager

Mr. Yuro stated one of the things in my report was the board still needs to make a decision on ongoing maintenance for our equipment. Sears has put in a proposal. There was another company that was called Global Solutions, who I think Erin and I were both leaning towards going with. If I recall, you were going to double check to make sure if we used a company other than Sears that it didn't do anything to the warranty, correct?

Mr. Haber responded yes. I didn't see any language in the contract that specifies an obligation on our part to use Sears in order to have our warranty remain valid. All of the services that have been rendered to the District have been under that agreement in one form or another. I am not aware of any separate agreement for maintenance.

Mr. Yuro stated the other company that has proposed is a company that has done work with us. They were the original company that helped set up all of this stuff and then there was a personality conflict and that is why they got out.

Ms. Mixson stated Sears hires a third party company. It is not like someone from Sears is coming. They hire someone else.

Mr. Veazey asked do we need to send them a letter saying that we are going to go to an outside vendor because the last thing we want to do is void the warranty?

Mr. Haber responded there is no guarantee that they are not going to say if you use this other company that is going to the warranty and then we are going to have to fight with them over it. I think it may be worth sending them a letter. The contract is silent on the issue.

Mr. Veazey asked do you need maintenance now?

Mr. Yuro responded no. I don't think we have any immediate need. They proposed a preventative maintenance that is every other month.

Mr. Veazey stated my only concern is getting that letter out before we have someone start on the equipment. They are so outrageously high on their maintenance proposal that it would be idiotic to use them. That is what aggravates me. If they could meet the price of the other guys, we would say to stay with Sears.

Mr. Yuro stated Sears has been one of the more frustrating companies I have ever dealt with. We seem to talk to a different supervisor every time there is an issue. They don't talk to each other. They don't talk to their third party vendor. One of the reasons the equipment was down for a month is because the third party vendor showed up once if not twice and was asking us where the equipment was. They said they were told the equipment was shipped to us. We

made that clear at the beginning to not send us any parts because we are not going to be responsible. There has been a lot of that confusion and excuses.

Mr. Haber stated I will reach out to them.

Mr. Yuro stated I was told we would get a letter for the golf cart community status. It hasn't shown up. I reached out to the County Engineer and I haven't heard back from him. The County has written me and said all of our improvements have been completely signed off on. Now we are just waiting for the final letter from them. We will file it and then a copy will go to the sheriff's department for their file. At that point, we will send out an email blast to the community advising them it is now official and highlighting some of the rules.

Mr. Haber stated I sent the letter to the golf course asking them to reimburse us for 50% of the cost of the signs. I received a response saying they are willing to do that but they are not budgeted for it, so it is going to be 2014 before they get the money.

Mr. Yuro stated I believe the board has probably gotten some emails from some residents complaining about the number of signs. Those signs were directed by the County. The initial drawings that I submitted did not have that many signs and that is what we ended up with in order to get the permit. I have gone back to the County and requested that we be able to lower the signs. There are two different size signs out there. There are bigger signs for the main road and there are smaller signs for the cart path. They have agreed that we can lower the signs from five and a half feet down to four feet, which I think will help. I am also trying to get them to agree to let us combine signs onto one post, so they would remove the one extra post. The response I got was don't do anything that is going to be against what is permitted until you guys get your official approval and then let's talk. Once we get that letter I am going to invite the traffic engineer out and show him specifically what signs we want to do. We are going to try and minimize it as much as we can. We are not going to be able to eliminate the signs but we may be able to combine a couple of the signs and remove a post.

Mr. Sevestre stated some lady was asking about painting some of the posts a different color. Did you see that?

Mr. Yuro responded I heard about that but I didn't see that email. For those signs, we would need to get the County sign off on because they are in the County right-of-way. At the last meeting we talked about the fitness room and how the wrong paint was used. It was repainted at no cost to us. They put an eggshell finish on it, so we got that taken care of.

Regarding the community benches, I met the contractor a week and a half ago and we marked locations around the community. There are six locations. Most of them are around ponds. They were scheduled to be out here this week because the first thing they are going to have to do is pour a concrete slab to set the bench on. That was scheduled for this week but I believe the weather has pushed them back.

Mr. Armstrong asked so do you expect them to be installed by the end of the month?

Mr. Yuro responded I expect it to be by the end of the month. I actually thought it would be done already because we marked them a week and a half ago.

C. Manager – 1,830 Registered Voters Within the District

Mr. Oliver stated included in your agenda package is a letter from the St. Johns County Supervisor of Elections informing us there are 1,850 registered voters within the District. Chapter 190 of the Florida Statutes requires us to put that information on the record once a year.

D. Art of Living Director

Ms. Mixson stated we have a third party vendor agreement here with Hector Luis. He is a certified tai chi instructor. He approached me about doing classes out here. I explained to him about the insurance requirements. He brought me everything. We did an introductory class to see if there was some interest. We probably had a total of 30 people come to two separate classes, so we had a pretty good response. This is just to make it official that he will be out here. He is just like all the other contractors that he will just be using the space and the residents will deal with him directly.

Mr. Haber stated this is the same contract that you have seen in the past. It can be terminated with or without cause. It requires insurance. He needs to indemnify us.

On MOTION by Mr. Veazey seconded by Mr. Hayes with all in favor the Contract with Hector Luis to Provide Tai Chi Lessons was approved.
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Mr. Veazey stated when we do our policies for the fields, we need to discuss the vendors that are here and whether we are getting discounted rates and if the residents are benefitting.

Ms. Mixson stated I have a resident that put on a sports performance football camp last year. The way it was presented to me last year is that it was for residents. It turns out that it really wasn't. They do charge for it. They charge \$250 per person to attend. It is three days a week on Monday's, Tuesday's and Thursdays from 6:00 p.m. to 7:00 p.m. from June 17th through July 25th. They want to use our soccer field. We did it last year.

Mr. Veazey asked did we do it last year or did they just use it last year?

Ms. Mixson responded they used it last year and then they came back this year. He is a resident and his son is part of the program.

Mr. Armstrong asked so they are going to use our facility, charge \$250 to our residents and get the free field?

Ms. Mixson responded yes.

Mr. Randolph stated I wouldn't do it even if we charged them money.

Mr. Veazey asked but at the end of the day what is the difference between him and the tai chi guy?

Mr. Randolph responded he is not using the whole field.

Mr. Veazey stated but he is using the room.

Mr. Randolph stated but it is only for residents to come in and pay a fee.

Mr. Veazey asked is this only residents?

Ms. Mixson responded yes.

Mr. Armstrong asked do we know how many residents went to it last year?

Ms. Mixson responded I don't have that number but I don't think it is enough to justify it.

Mr. Hayes stated it needs to be 100% of residents.

Ms. Mixson stated I will let them know. We do have our dive in movie Friday night. We will be showing the movie Parental Guidance.

TWELFTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Armstrong stated it has been brought to my attention that we have storage here onsite that is being utilized by paid instructors and tennis coaches. The swim team is spending \$1,000 a year to store their equipment offsite due to the fact that they do not have anywhere to put their equipment. Is there anything we can do accommodate the swim team? When those signs and scoreboards come down, they have to be stored somewhere for the winter time.

Ms. Mixson responded even if we ask the tennis people to move their stuff out, I don't know that we would have enough space for all of the swim teams stuff.

Mr. Yuro stated the speakers and some of the electronic stuff is currently be stored onsite.

Mr. Armstrong stated that is during the swim team season but off year, they have to take it offsite.

Mr. Veazey stated I think that goes back to the policy that we need to review, as far as storage.

Mr. Armstrong stated the swim team cleaned out underneath the slide a couple of weeks ago. There were several items that were removed and left to be picked up. We were just told to sit them outside and they sat there for two weeks. Do we have someone that goes around and does an inspection and finds these things that need to be thrown away?

Mr. Yuro responded it is typically me. They were removed last week. I forgot about them.

Ms. Mixson stated and obviously, the lifeguards are supposed to be picking up garbage but it just depends on how much stuff.

Mr. Veazey asked what was it?

Mr. Armstrong responded umbrella bases. They were basically rotted to the point, where when you pick them up they fall apart.

Mr. Hayes asked can something be designed to hang the scoreboards on the wall?

Mr. Armstrong responded yes. We can just put hooks up there.

Mr. Veazey asked if you take care of the scoreboard, are you still going to pay the rental?

Mr. Armstrong responded no. Once we can get the scoreboards and everything over there then we are talking minimal stuff.

Mr. Hayes stated we have a lot of water bottles in that one closet, which could be stacked more efficiently.

Mr. Yuro stated I would be happy to meet with you and see what you have. Then we can see what kind of space you need. How many scoreboards are we talking about?

Mr. Armstrong responded four.

Mr. Yuro stated I would think we can fit them.

Mr. Armstrong stated we met with the CDD last summer about having an electrical outlet installed by the trellis.

Mr. Hayes asked I thought you were installing them?

Mr. Armstrong responded no. Mike said when he had the contractors here, he would have them run an electrical line out there.

Mr. Yuro stated I remember the discussion but I don't remember having direction to run electric out there but I can certainly talk to them about that.

Mr. Veazey stated I thought most of that whole project was for the swim team to do.

Mr. Armstrong stated we would like to integrate it in the trellis, so that way it is no eye sore.

Mr. Hayes stated I have been talking about this lost and found container outside of the door since September of 2009.

Ms. Mixson stated Mike and I have talked about it. My concern with getting rid of it completely is say you left your towel at the pool and the lifeguards cleaned up everything and threw it away and you came back then you may be pretty angry that they just threw away your \$10 towel. Mike and I talked about having lifeguards clean it out Friday evenings. Valuables would come to me.

Mr. Hayes stated it doesn't seem like we have a regular checklist, like the windows being cleaned every other week or whatever. I know we spent \$5,000 on this extra window on the other side of the fitness center and in the morning that window is dirty most of the time. Can we get a routine schedule? Does Jani King clean the inside of the windows?

Mr. Yuro responded they are supposed to.

Mr. Hayes stated another thing that needs taken care of are the cob webs that are up in the fixtures. Those things are just not regularly being done.

Mr. Veazey asked do we have a checklist for Jani King?

Ms. Mixson responded yes. They have a daily, weekly, monthly, quarterly checklist.

Mr. Armstrong asked who cleans the outside and takes care of the wasp nets? I have knocked two of them down in the last two weeks.

Mr. Yuro responded it kind of depends on where they are at. Jani King is generally from the door and back. Typically if I see them I will take care of them.

Mr. Hayes stated, "Erin, when you walk around and see the windows are dirty please let Mike know."

Ms. Mixson stated okay.

THIRTEENTH ORDER OF BUSINESS Audience Comments

A resident asked who is responsible for the landscape work in the common areas?

Mr. Yuro responded Down to Earth is our contractor that does that.

A resident stated it is an embarrassment. Most of the plant material is diseased. The Sego Palms are just sticks with nothing on them and that is at the entrance to our community. If I kept my lawn like that I would be getting a nasty gram every month and a fine.

Mr. Yuro asked where exactly are you talking about?

A resident responded at the two entrances to the community. We seem to talk a lot about fountains and we don't even need one because the sprinklers are spraying everywhere.

Mr. Veazey stated it looked like one of the palms was starting to grow. I don't know if frost got them or what.

A resident stated no. There is a disease they get. When does Down to Earth's contract expire?

Mr. Yuro responded they are on a yearly contract. All of our contracts have a 30 day termination clause.

A resident asked if someone wanted to put a bid in, is there a map to where the common areas are?

Mr. Yuro responded yes. When we bid out the landscaping, we advertise it publicly and then there is a full RFP that goes out with maps and locations.

A resident asked and when is that normally done?

Mr. Yuro responded their contract is December to December but we typically do it in late summer.

Mr. Veazey stated we don't necessarily do it every year.

Mr. Haber stated because the contracts typically have renewals.

Mr. Veazey stated it costs us some money to go through the RFP process.

A resident stated it is pretty bad. The turf is solid weeds. There are big beds of fire ants.

Mr. Yuro stated I had a conversation with Mike Veazey and I haven't been pleased. I have met with them several times. You have probably seen more activity in the last two weeks since we have met. We will see how that goes but we can certainly put this back out for bid if

the board chooses. They know that I have not been happy with what I have seen. I didn't notice the Segó Palms but I will point that out to them.

A resident stated and on the second entrance, a great percentage of the islands are dead. When you come in on St. Johns Golf Drive and you look to the right, it is solid weeds. If I were that homeowner that lived in that first house I wouldn't tolerate a snake pit in front of my place. Our community looks bad.

Mr. Armstrong stated we probably need to get the sensor checked because those sprinklers are always on.

Mr. Yuro stated I have never seen a sensor that works.

A resident stated two meetings ago I made a suggestion about having one central point of contact if you have a problem or complaint. What is the policy? Is there a specific person to ask specific questions to or is there an email address or phone number?

Mr. Oliver responded on the website, Erin has put a contact us link.

A resident stated that is great.

FOURTEENTH ORDER OF BUSINESS Financial Reports:

A. Balance Sheet and Statement of Revenues & Expenditures for the Period Ending April 30, 2013

Mr. Oliver stated included in your agenda package is the balance sheet and income statement as of April 30, 2013.

B. Check Run Summary

1. General Fund

Mr. Oliver stated included in your agenda package is the general fund check run summary.

2. Capital Reserve Fund

Mr. Oliver stated included in your agenda package is the capital reserve fund check run summary.

On MOTION by Mr. Veazey seconded by Mr. Randolph with all in favor the General Fund Check Run Summary & the Capital Reserve Fund Check Run Summary were approved.

C. Special Assessment Receipts

Mr. Oliver stated included in your agenda package is the special assessment receipt schedule. We are 99.16% collected.

FIFTEENTH ORDER OF BUSINESS

Next Meeting Scheduled – July 24, 2013 at 6:00 p.m.

Mr. Oliver stated the next scheduled meeting is July 24, 2013 at 6:00 p.m.

SIXTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Sevestre seconded by Mr. Armstrong with all in favor the Meeting was adjourned.

Secretary/Assistant Secretary

Chairman/Vice Chairman