

**MINUTES OF MEETING
LAKE ASHTON
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Lake Ashton Community Development District was held on Monday, October 15, 2018 at 10:30 a.m. at the Lake Ashton Clubhouse Ballroom, 4141 Ashton Club Drive, Lakes Wales, Florida 33859.

Present and constituting a quorum:

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| Carol Pontious | Chairman |
| Borden Deane | Vice Chairman |
| Brenda VanSickle | Assistant Secretary |
| Bob Ference | Assistant Secretary |
| Mike Costello | Assistant Secretary |

Also present:

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| Jillian Burns | District Manager |
| Jan Carpenter | District Counsel |
| Andrew d'Adesky | District Counsel |
| Rey Malave | District Engineer (by phone) |
| Christine Wells | Community Director |
| Matt Fisher | Field Operations Manager |
| Numerous residents | |

FIRST ORDER OF BUSINESS

Roll Call and Pledge of Allegiance

Ms. Burns called the roll and established a quorum was present and Ms. Pontious led the pledge of allegiance.

SECOND ORDER OF BUSINESS

Public Comments on Specific Items on the Agenda *(speakers will fill out a card and submit it to the District Manager prior to beginning of the meeting)*

Ms. Pontious: We have public comments next for items that are on the agenda.

Ms. VanSickle: Carol, can I make a request also? There is one request that is not on the agenda but I think the Board would agree I would let him to be allowed to go ahead and speak in the beginning. Let the others go first.

Ms. Pontious: Ok. Do we need a vote or a hands up? Do we want to take a comment not on the agenda?

Mr. Deane: Doesn't make any difference.

Mr. d'Adesky: If we ever do any modifications to public comment it has to be uniform so if we are changing it for one person we would have to say anybody who wants to make a comment.

Mr. Deane: Exactly.

Ms. VanSickle: I would add that I wanted to put this on the agenda but since it was last minute we are going this route. I agree if anyone was to speak on this topic they would be allowed to also. The topic is the golf course. So if anyone else was waiting to the end to give us comment about that they may also speak in the beginning.

Ms. Pontious: I also have one from Jack VanSickle on 7A, the attorney's report.

Mr. VanSickle: It is a question for the attorney on last month's meeting.

Ms. Pontious: Ok.

Mr. Jack VanSickle: Jack VanSickle. Lot 573, 4060 Ashton Club Drive. My question is last meeting I asked the Board to consider sending a letter to the city to look into developing the sidewalks as the developer 15 years ago did give the city money to do that. They are starting on Thompson Nursery Road a repave. The development across the street is going to be putting in sidewalks. It is an opportune time to get sidewalks in front of our development that the developer paid for so we can ensure that maybe they will do something smart and tie all these together so we can eventually have a path from here up to the shopping area on 27. I don't know whether the comment that I made last month was ignored. It is on the agenda somewhere to be written. I am just trying to get a status. If there is a status or a plan to do that I would appreciate it. Thank you.

Mr. Deane: Jack, I have already spoken to one of the city administrators about it. They are aware of it. I am giving them a copy of the letter and I have asked them to put it in this year's program and for them to put the sidewalks in front of our development.

Mr. VanSickle: I appreciate that. I also talked to the city and unless they get something official it doesn't become a public record down there so it is just politicians

saying they are going to do something. I would like to have an official record down there so we do have traceability. That is all I am asking for.

Ms. Pontious: Do you have a comment?

Ms. Carpenter: Would you like us to follow-up and send the letter confirming? We will get with you to get the specifics.

Ms. Pontious: Tom Scali?

Mr. Scali: Tom Scali, 3884 Dunmore. You are going to be discussing the bocce courts this morning and I was hoping, in fact I am a little bit disappointed because I understand it is now going to be piecemeal rather than the complete repair as was promised in the June meeting. I understand that there are other things on the agenda but there was a commitment by the Board to complete. I was somewhat disappointed that it may not be completed. I would encourage the Board to do whatever it could. When we turned the bocce courts over we gave the committee over \$2,000. We didn't challenge how it was spent, we just gave it to you. We encouraged you to put lights in, which you did and you used some of that money to put lights around the pool, too. I am just saying please, those courts are in bad shape and they need to be repaired. Thank you.

Ms. Pontious: Thank you, Tom, and we will address that when we get to the bocce. Is there anyone else that wants to speak? Then the one that Brenda is referring to is Mr. John Costanza. He has some information about the golf course.

Mr. Costanza: John Costanza. The reason why I am here is to address the golf course evaluation and the evaluation in general. I do live here in Lake Ashton. Though my business background is I have owned a consulting company around the world with the headquarters out of Denver. Our European headquarters was in France. We had offices across the country, had consultants that were doing evaluations predominately in the manufacturing arena. I have done evaluations for hundreds of companies all around the world. So as far as my background is concerned I am also the author of the Quantum Leap which is in five languages sold around the world. I have been selected to be the person of the year by Odyssey of the Mind and I have also been nominated for a Nobel Prize in economics.

Mr. Costello: Excuse me, could you speak into the microphone?

Mr. Costanza: I am doing this predominately as a neighbor and a friend of a lot of people here in the community. My background is substantial in the world of manufacturing. I have taught and consulted in 51 countries around the world and I have done a lot of business in the industrial world. I said my Nobel Prize nomination came from the U.S. Congress for my contribution to the financial community. The evaluation here is my primary point in addressing this group. I have done evaluations of commercial business for a lot of years. When you do evaluations for a commercial business it is totally different. It is not personal. It is not an opinion. It is strictly numbers. You get to the numbers pretty fast. Evaluations in business in the commercial world are based upon earnings. When we do an evaluation of a business it doesn't make any difference if it is a manufacturing business, it is always based upon multiples of earnings. If you are making \$5,000,000 a year and you have been in business for a substantial period of time then you have a track record of growing it to get to that number. Then your business multiples are taken to an evaluation of somewhere between \$25,000,000 and \$40,000,000 if you are making \$5,000,000 a year. If it is \$1,000,000 that you are making you have a track record, then your evaluation goes to somewhere between \$5,000,000 and \$8,000,000. If you are losing money and you get a track record doing it then it gives you earnings of zero. It is negative earnings. As we all know any number multiplied times zero gives you the same answer. The evaluation of commercial property such as a golf course that loses money every year is zero.

Ms. VanSickle: He has given us his credentials and I asked him to do that because I wanted you to know where this information was coming from. I ask for the Board to extend his time.

Ms. Pontious: Yes.

Mr. Costanza: So the evaluation of this golf course issue, it has no commercial value. You can get into salvage value. When you buy a golf course typically you buy a golf course and you would have property around the golf course and you would use that property to develop. Lake Ashton Golf Course has done exactly that. They have done a

great job developing around the golf course. The golf course was a calling card to sell houses. They make their money on the golf course through the houses. So you know it is losing money every year they offset that by growth in their housing industry which is totally legitimate and totally great. I am very impressed by the developer for doing that. Also as a developer, any developer that goes into an area always puts a clause to get out of the development so when they are done with the development they have the right to leave. They also have the right to deed property back to the community. If I am a developer and I build a guard shack out there, I built it and paid for it and I have taxes associated to my guard shack. I move my sales office over here to the maintenance building. I need that to do my development but I don't expect to pay taxes on it when I no longer use it for developing. I have the right to deed it back to the property. I would deed it back to the property and say that guard shack is now yours. That sales office is now yours. You can tear it down or use it however you wish but it doesn't require me to stay here and pay taxes for the rest of my life for something that no longer has value to it. I can totally understand why the developer would and should be wanting to deed to you the golf course sales office or whatever it has that no longer has value after the sales process. From an evaluation standpoint that evaluation that was done, that shot my dander up is an insult on the consulting world. I live in the consulting world. We have responsibility and we have liability. So if it gives a bad evaluation or I do something bad and you take my advice and you do what I tell you to do and lose money on it then you have loss. You have liability come back at you. No one in the consulting industry would put a value on a business based upon gross earnings. That is insanity. It is always on net earnings. Example, Sears Roebuck filed for bankrupt today. They are gross incoming millions of dollars every day. They filed for bankruptcy. They are not solvent. According to his evaluation they would be worth hundreds of millions of dollars. You never ever put a value based upon gross sales. That is incompetent. When we get into putting a value on the assets that are left that is where you would take a look at the facilities, the equipment and you start putting a value on that if you wish to break it up and sell the pieces off. We would offset our costs on acquisition by the value of whatever

you could sell off. Here you are not selling very much. You have equipment and that is about it. The golf course is already developed. You can't do types of things that you would typically do. If we bought it at a loss we would get our money back out of mineral rights, sold lots and property and get rid of equipment but there is no value there at this point in time. What it boils down to is the developer going to deed the property back to the development. It is the right thing to do. He should do it. We should take it. We may not even have a choice. That is a question for you legally. Do they have the right to deed it back to the property including the sales office, the guard shack and whatever else he has? As a developer I think he has that clause. He probably has that right and we should be ok with that. I talked to people that are in a community that have old golf courses and by the way I am a golfer. I would love for the golf course to stay but with a price sale attached to it, it is not worth buying the golf course to lose money. Taking it as a deeded property makes all the sense in the world. The only question should be for the powerful here is can we break even on it? I think that is a yes. I don't know if you would break even on two courses but you certainly can break even on one. There is a lot of discussion about some of the maintenance costs. The sprinkler system and those type of repairs that are in need by people in the community that know the golfing business not as a golfer but as a homeowner. As far as the right of developer to deed it to us we as a community should say yes we will take it. We don't have a choice but we will take it when you are done. As a developer, if I were developing and I had a losing proposition like the golf course I would try to tell you, you have to take it this month as a matter this week, as a matter of fact it has to be at the end of this meeting because I want to get rid of losing property if I can find some person to take it then more power to you as a sales person. I would assume our developer is a very good sales person and probably a very good developer. Buying it before they are done with it makes zero common sense because you at best can break even, more than likely you are going to lose money. So why would you want to lose money earlier as opposed to later. When they are done with it and they deed it to us, then we put together the budget and go after hard numbers. We figure out what the expenses are. How much are we paying for fertilizer? Can we get with three cutters,

not two cutters? Those discussions should be had at the point where you are ready to take deed. That certainly shouldn't be now. This pressure on picking up and buying it as quick as possible and all that kind of stuff is having a negative impact on the community. Rumors are flying all over the place. We have had good friends who have moved out because they are speculating that it is going to get so ugly. It shouldn't be ugly. It should be a very smooth thing. The golf course is currently in the developers hands. You have a handshake that says we are going to deed it to you and then the legal people get involved. Commercial evaluation and commercial selling when we actually decide to sell it and do all the paperwork that takes somewhere between six months to a year typically. The golf course is no minor discussion. Just surveying that so you can get an idea as to what the heck you are buying is going to take you some serious time. The paperwork that you are going to have to go through getting any of those commercial sales is horrendous and attorneys, you will be spending hundreds of thousands of dollars on legal fees for those types of things to get to the bottom of it. To say that you need to buy it now or by the end of the year is ridiculous. It is insane. It is part of the industry standard. I have done this for hundreds of companies. In the United States it is simpler than if you go to Europe where it is more bureaucratic. It takes years to get this stuff through. So the rush, stop it. From a creditability standpoint of the consultant, it is embarrassing to see a consultant create a document that says evaluation based upon gross sales. That is incompetent. As far as my credibility, I have been in this around the world for lots of companies. If someone were to hire me to do this I would take a look at the overview and synopsis of this thing and I wouldn't take the job. You don't need me. It is an evaluation of zero. The only other discussion is are you going to salvage it? It already has houses around it so that commercial value is gone. You don't need a consultant to write a fabulous report. It has no value. As far as time, and I hope I am slowing you guys down and my recommendation is real simple. Do nothing. Then if you want a handshake with your developer that you are going to deed it, no doubt then let's just talk about that time and you have a couple of years. There is no rush. Stop the vicious emails that are scaring people to get out of this community. As far as the actual

paperwork I would highly suggest you take at least a year no matter who tells you differently. I will tell you having done hundreds of these things, allow yourselves at least a year just to get the paper work from the legal shenanigans.

Ms. Pontious: Thank you, sir. We appreciate your credentials and your concerns. I am also very thankful that you were willing to bring expertise forward to us.

Mr. Ference: John, having said what you did, is there a danger near or not near as the developer's anxiety to be rid of the property would sell it to a third party?

Mr. Costanza: I hope and pray that he can find somebody that would pay to lose money every year and still continue to maintain the golf course. Nobody in their right mind would buy a losing property to lose money.

Mr. Ference: There are those people who would say we are going to open it up to the public. We are going to reduce our maintenance etc. etc. Might see it as a not for what it is, but for what it might be if they were to make some major changes like opening it up to the public, reduce fees etc. etc. Does that play into this at all?

Mr. Costanza: Do you have the right to limit interest in the ads to sell that gate first of all?

Mr. Deane: No.

Mr. Costanza: So that is a possibility that you could worry about. The second question is let's say they do that, are there any other golf courses around here in the community in the area here that already are currently doing that?

Mr. Deane: Yes.

Mr. Costanza: Are there any out in this community that have gone out of business?

Mr. Ference: Right absolutely.

Mr. Costanza: It has worked out very well for them right so as an investor if I were to come and buy your course, would I do my homework and at least ask that question. Can we get in? Yes, we can get in. Second of all, has anybody tried this before in the community? Yes. How are they doing? They all went out of business. That would be the end of that agenda item on the conversation of the Board. So if they were thinking about doing that why would you want to do it when you are going to lose money?

Mr. Ference: If the seller were to make the price right just to get out from under his tax liabilities somebody might think I will give it a try, what do I have to lose if I am getting it for little or nothing.

Mr. Costanza: To answer your question, if you got it for zero, nothing, then you still lose \$500,000 a year on day one. So at a Board level if somebody brought that up at a Board level they would have a hard time retaining their job after that conversation.

Mr. Ference: I was just looking at possibilities and that third party ownership is a possibility. I just thought I would bring it up to you sir.

Mr. Costanza: No one in their right mind would pay for it. If you gave it to me for nothing it has no value.

Mr. d'Adesky: We have to follow some of our public comments. If you could come up, Mr. Scali. At this point because we waived time for one individual, we have to apply that for all.

Mr. Scali: Thank you for taking your time and your expertise and sharing it with us. The question I have is if the developer continues to own and he continues to lose money his options are cut back on maintenance, cut back on a lot of things and by the time he gives it to us two and three years out, do we have a golf course or do we have just a grass field? In your opinion what is the right thing for us to do?

Mr. Costanza: The right thing to do for the community is to sit down and have a conversation with him about deeding it to us. The question is deeding it. That is the question that you should have. You have a couple of years to have that conversation starting today you have a couple of years to plan for that discussion. He still wants to maintain that golf course. He is not in the golf course business. He is here to sell houses.

Mr. Scali: I understand that but there is not much left. There are not that many lots left.

Mr. Deane: There are over 200 houses to be built.

Mr. Costanza: He is here to sell houses. If you have a civil conversation and say you are here to sell houses we understand that you are going to get out and have 200 lots left to go, can we have a discussion about the deeding and when that would happen?

Make a progression so you start getting out and we start getting in. At some point in time can we have control of the maintenance even though it is still your course until the day of deeding. Those are business discussions not personal. Just keep it at the business level. We are going to let you get out. We are going to take it on. This is how we are going to make that transition. You should be having that conversation today. You shouldn't be talking about throwing away \$500,000 so you can lose \$ 500,000 forever. We should be talking about when you deed it to us can we have a transition here where we take over ownership.

Mr. Scali: Do our attorneys agree with that?

Ms. Carpenter: We are in the middle of public comment. Is it ok from the Board for us to get into this now?

Mr. Costello: Quite honestly you, Andrew, Jill, myself and Mr. Meccsics are still in the middle of talking with the developer. Until we are done to make any kind of comment I think would be overstepping the five of us plus the developer.

Ms. Carpenter: The only legal comment I will make is I don't believe there is anything in any documents requiring the developer to turn over the golf course when they leave. I have not read all the covenants and restrictions for that point. We haven't done research on that but that is not something under Florida law we have ever seen. Other than that, I agree I don't want to make any comment because it is probably not appropriate to put it out in public right now.

Mr. Costanza: The thing I want to say is it is not an issue of law. It is an issue that the developer has the rights. You can check your legal documentation on the corporation of this development and I highly encourage you to do so. It is not forcing him to turn the golf course over to anybody. The issue is does he have the right to deed it to you. That is not a force.

Mr. Costello: I do not know law, but I would imagine that you can give anything to anybody. Personally what is to stop me from gifting a million to Lake Ashton?

Ms. Burns: I think you are right, Mike, we probably shouldn't have a discussion of pros and cons. He has presented his opinion on his view of the report.

Mr. d'Adesky: Another important part is this is not an agenda item. This was not placed on the agenda or noticed. From this point the public comments have been received. If there is any written material we can take that and it becomes part of the public record when it is submitted.

Ms. Pontious: Alright, we'll save the further discussion from our representatives then at the next joint CDD meeting.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the Meeting held on September 14, 2018

Ms. Pontious: We have to look at the minutes from the September 14, 2018 meeting. Do we have any additions or corrections to those?

Mr. Deane: Motion to accept the minutes.

Mr. Costello: Second.

On MOTION BY Mr. Deane seconded by Mr. Costello with all in favor the Minutes of the September 14, 2018 Meeting were approved.

FOURTH ORDER OF BUSINESS

Engineers Report

Ms. Pontious: Ok we are ready for our engineer's report.

Mr. Malave: A couple of things from a memo that I wrote dated October 11 that follow up on four items that are in front of us and trying to provide responses to and direction. The first one, and one thing that I did not put on there for everybody's information was an issue brought up a few months ago about a lot that had drainage issues in the back. That permit was issued as the Board directed us to do, as well as their inspection. So that has been taken care of.

Ms. Burns: Rey, hold on one second.

Ms. Wells: He sent something to me, but I didn't know it was for the meeting. He didn't say it was for the meeting.

Ms. Burns: Sorry, Rey, we didn't print the memo. We can forward it to all of you after the meeting.

Mr. Malave: Basically it provided a couple of the facilities we expected to check. The first one is the inspection of the Waterford Drive where we had the stormwater pipe system that created a depression in the street and movement in the driveway of the residence. A few years back we repaired a hole that was in the pipe around this structure. There was no evidence of other issues in this roadway. Therefore that was the only thing that was repaired. One of the things that was done was a TV camera was put into the piping system to determine the damage to the pipe and what were the issues. Several hoses of the pipes were dislodged and not connecting. The same with the pipe connecting to the structure therefore showing why dirt and pavement was becoming depressed. Therefore that dictates when you should do some repairs. Summary of this basically shows two options that we can do. One option that was provided to us by the contractor, I assume you all have copies of the two proposals from All-Terrain. One of them is for using a liner within the pipe. We are looking at some options on how to get it repaired a less expensive way. The other one is the full open cut, redo the pipe and that was a lot more expensive. The concern that I believe the Board members and the residents had we believe that we probably should repair the pipe totally. The concern we have with using the liner is if there is any movement at the joint, will this liner be a problem in the future. So going back we would recommend going with the higher cost which would be replacing the entire pipe making sure it is stabilized and compacted. The price for that is approximately \$97,171.65. Any questions so far on that?

Mr. Deane: Rey, you are recommending the complete replacement of the pipe is that what I understand?

Mr. Malave: Yes. The liner, my concern is if there is some misalignment between the two pipes where they join at the joint, will this liner get some extra forces in there that could make it crack in the future, therefore we have a problem two, three or four years from now versus restoring and replacing it will give us a better feel that you won't have a problem in the future. Now the deterrent of this is it will be inconvenient to people who live there. There is a lot of equipment required, but we can work around that.

Mr. Deane: There is the time difference between the two of them also.

Mr. Ference: Rey, I see qualifications and exclusions. No permits, they are extra. No testing, that would be extra. Any work that is associated with it would be extra. So this \$97,000 looks like it is not the total. Of course we would want to have some testing done. We want to have permits drawn.

Mr. Malave: That is correct. We did not believe you wanted them to do the testing. We would get a firm that can verify the result for us. We envision that being in the level of approximately \$2,000 to \$3,000 worth of efforts for the compaction test. We don't believe that there should be anything else in there. I know they qualify contamination of soil and stuff like that. We don't believe that any of that will be there. The permit we are going to have to check with the city and that will be a fee that we will have to pay for that based on whatever the city will charge. We believe it is a repair maintenance issue but do not know what the permitting cost will be for that. We believe it should be nothing but until we go to the city we won't know.

Mr. Ference: Now bonds are not required are they, Rey?

Mr. Malave: Yes, they would have to provide a bond. That would be an additional cost also.

Mr. Ference: How much are we talking about?

Mr. Malave: For a couple hundred thousand it will probably be \$3,000 to \$4,000.

Mr. Ference: We added another \$5,000.

Mr. d'Adesky: The contractor usually pays for the bond.

Mr. Ference: I beg your pardon.

Mr. Malave: It will be part of his cost that he will pass it onto us.

Ms. VanSickle: Number one says there are no bonds included. If they are required there will be an additional cost. Then we are going to pay it.

Mr. Deane: We are looking at over \$100,000.

Mr. Ference: Already over \$100,000.

Mr. Malave: For sure.

Ms. VanSickle: Rey, my concern is this is one area that we have seen a problem with. I know we have had other areas in the community where we have seen indentations

in the roads, depressions near storm drains. Would that be the first sign of this occurring somewhere else?

Mr. Malave: No, I do not believe that any place else has had this issue. This big depression in front of structures previously, they were directly related and each structure had these little holes that are used to lift them up and lay them in the hole that they put them in. This particular structure which has not occurred in any of the other structures has been a place that has been unstable. We have had a split there already. Something like this hasn't shown up any place else. We believe this is an isolated location, nothing like the other areas that we have looked at.

Mr. Deane: So we are looking at around \$105,000 for the testing and the permits and everything else.

Ms. VanSickle: It looks like to me that we really don't have a choice.

Mr. Deane: We don't. Something has to be done. The homeowner has already said that he is thinking of contacting legal.

Mr. Ference: I just want to get real numbers that is all.

Mr. Malave: I totally agree. I think if we can get approval up to \$105,000 then we can finalize the contract that we use with them and see what the costs are. If it is more than \$105,000 then we will have to come back to you, but I believe it won't be higher than that based on previous contracts that we have had.

Mr. Deane: I make a motion that we approve up to \$110,000 to make these repairs.

Mr. Costello: Second.

Mr. Malave: Make a note on that including bond and permit.

Mr. Deane: Including all costs.

Mr. Ference: All costs if you run into any electrical associated with it etc. That is all costs, that \$110,000.

Mr. d'Adesky: Except for Rey's time.

Ms. VanSickle: Because it is something that needs to be taken care of right away if it should come in above that could we be notified to authorize more? I don't want to, I think you want to keep the price down, but I think it needs to be done.

Ms. Carpenter: Why don't you delegate authority to one Board member with the discretion to go up to \$110,000 but they are authorized to negotiate and sign the contract.

Mr. Costello: That should go to the Chairperson.

Ms. Carpenter: Borden, will you amend your motion to delegate authority to the Chairperson to sign the contract and if there is any minor overage or underage has the ability to do that?

Mr. Deane: So moved.

Mr. Costello: Second.

Ms. Pontious: We have a motion from Borden and a second from Mike to approve the full replacement not to exceed \$110,000 hopefully and if it does go over that we will review the expenditures and make a decision at that point.

Mr. Deane: The Chair will.

Ms. Pontious: Ok. All in favor?

On MOTION by Mr. Deane seconded by Mr. Costello with all in favor a not-to-exceed amount of \$110,000 for pipe repair including all costs with the Chairperson delegated to make any decisions should the expenditures exceed \$110,000 was approved.

Ms. Pontious: I think that is one of the things that we would like to do with this as quickly as possible, efficiently but quickly because we are just coming into the busy season when more people will be affected.

Mr. Malave: The next issue is Dunmore Drive. There was an issue regarding a depression in front of the manhole. We have looked at and again it is very similar to some of the previous repairs we have done along Dunmore Drive where the depression is directly associated with the holes within the structure. We would recommend repairing that just like we have done previously. The cost previously has been in the range of \$2,500 to \$3,500 depending on the area. We would get a final proposal from All-Terrain and bring it forward. The one we believe is not urgent as the way it is right now. So we'll get the proposal from the contractor to do that repair.

Ms. Pontious: There is a lot of mobilization money involved here so if we can have this done while they are here that would be the smart thing to do.

Mr. Malave: Yes and that is what we will try to do so we won't get another mobilization cost. We have done this before very similar and have costs from before so we can easily get them to say here is what you charged us before, add it to your current work on Waterford.

Ms. VanSickle: Rey, in the past there has been occasions where we have had work done and they have included minor things for nothing. Might you suggest that?

Mr. Malave: I agree. This one is a little bigger than some of the minor stuff that we have done before but we will work towards doing that and see if we can.

Mr. d'Adesky: We would propose to delegate the Chair to sign off on any expenses. Is there a motion to that effect?

Mr. Deane: So moved.

Ms. VanSickle: Second.

Ms. Pontious: We have a motion from Borden and a second from Brenda to proceed with the Dunmore depression repair, get estimates and move forward. Hopefully at the same time that they are working on Waterford.

On MOTION by Mr. Deane seconded by Ms. VanSickle with all in favor motion to proceed with the Dunmore depression repair, get estimates and to do the work at the same time as All-Terrain is doing Waterford repair was approved; and the Chair was delegated to sign off on any expenses.

Mr. Malave: Proceeding after the next one for Board approval was the damaging of the pool heater equipment which you already have in your package, proposals for the placement or movement of that equipment. The pool equipment area we already know that there is a replacement of the pool heating equipment in this area. One of the causes of the heating equipment to do badly was the flooding that occurred to it. In replacing the equipment we believe that we need to also regrade or provide some improvement to the area so it won't cause pool heating equipment to get flooded again. We are proposing

two recommendations. One that heating equipment be raised at least six inches from the current pad. It would be done as part of the improving of the new equipment. Also we are looking at the option of installing a drainage pipe that would relieve some of that runoff that goes into this area and basically floods there. Stays there. This would include drains, a length of pipe which is approximately 65 feet to do that. We are talking about \$5,000 to \$6,000 to be able to do that. It would take the cost of this equipment and protecting it. The minimum we would need to do is at least raise it the 6 inches which can be done with block and a little bit of concrete. We hope that the installer could probably give us a price for that. Having just looked at this last week I don't have any prices for it but it can also be added to getting a price from the contractor or whoever we select for the heating equipment. Questions?

Mr. Deane: We only need to do one, we don't necessarily need to do both, Rey?

Mr. Malave: Raising the equipment is definitely a must. The second one could probably be off to see how that works. Since we are spending a lot of money right now try to do that as part of our work next year.

Mr. Deane: Ok that sounds good.

Mr. Malave: The last is the clubhouse parking lot paving. There is a concern that we got on a west side. We are working with the contractor and the asphalt provider. We believe the asphalt provider provided a batch of asphalt that did not meet specifications. There is a meeting that was moved but is going to happen between the supplier and the contractor and staff to help get the work complete. What we are expecting and anticipating is milling and repaving that area so we end up with a product that we want.

Mr. Costello: Have we paid a bill on that yet?

Ms. Wells: No.

Mr. Deane: Hold it.

Mr. Malave: Don't pay anything on that until that happens. Payment should not occur until everything gets completed.

Mr. d'Adesky: To your satisfaction.

Mr. Malave: That is all I have. Anything else the Board might have or questions?

Mr. Ference: That is enough, Rey, thank you.

Mr. Malave: Sorry I am bringing more bad news. Everything else looks in really good shape with the rains. I am glad that we are not in the panhandle. We are in good shape. With that I thank you all. Talk to you all soon.

Ms. Pontious: Thank you, Rey.

FIFTH ORDER OF BUSINESS Unfinished Business

A. Consideration of Janitorial Services Proposals

Ms. Pontious: We have been displeased for the last while here with our janitorial services so Christine has solicited some proposal from other vendors. I don't think we even want to maintain a proposal with these people. We have asked for help and tried to point out things on several occasions and it hasn't been improved much. We are going to look at some different proposals today.

Ms. Wells: We received four proposals back. We did send out five. One declined to respond just because of the scope of work. They didn't have the manpower to do it. I will just do these in alphabetical order. The first was Anago. They proposed a total of \$4,820 per month to perform the scope of services. The next one was Magic Genie. They proposed \$4,420 per month. Then we received, I just went out of order. We received one from CBM and they proposed \$3,700 per month. We received one from Service Master and it was \$3,030 per month. I did just a quick cost comparison. Currently we pay \$3,465 per month to Statewide. So if we went with the Service Master we would save \$435 per month, then a savings of \$5,220 per year. If we went with CBM it would be an increase of \$235 per month and \$2,820 per year. If we went with Magic Genie it would be an increase of \$955 per month or \$11,460 per year. If we went with Anago it would be an increase of \$1,355 per month or \$16,260 per year.

Mr. Ference: You evaluated their work and the discrepancy in price is over \$1,000 between Magic Genie and Service Master. Are they all providing the same service?

Ms. Wells: They are all providing the same services. They all did site inspections here so they have seen the facility. They provided all the requested services in their quote.

We checked references for all of them. Of course all the references came back great for all of the companies.

Mr. Ference: So the unit prices are a little less, is that how they get to numbers?

Ms. Wells: The only thing I could think of is hourly rates or it could just be volume of business.

Mr. Ference: But apples for apples?

Ms. Wells: They are all apples for apples. They all received the same RFP. They all received the same site inspection visit. We handed them a laminated copy of the scope of services that would be included in their contract. They provided a quote based on that.

Mr. Ference: I would tend for the cheapest price since it is equal to all the other apples in the basket. I say let's go with Service Master for \$3,030 a month. Why would we do anything less?

Mr. Deane: Are we sure of the people that rated their service? That is more important to me. The references, that is more important than anything else.

Mr. Ference: They all had fine references from what I can see.

Mr. Deane: Who is going to give you a bad reference?

Ms. Pontious: I think some of the places are an issue because they are dealing with a lot of medical facilities and those typically don't tolerate anything other than excellence.

Mr. Deane: Service Masters is doing a lot of medical facilities?

Ms. Wells: Yes. They had Florida Cancer Institute and Heartland for Children as part of their recommendations.

Mr. Costello: Would we have an out on any contract?

Mr. Deane: Yes 30 days.

Mr. d'Adesky: We always do it.

Mr. Costello: We have an out so worst case scenario we end up going with another company a month or two from now.

Mr. Deane: Bob made the motion, I will second it.

Ms. Pontious: We have a motion from Bob and a second from Borden to accept the agreement with Service Master. Any further discussion?

On MOTION by Mr. Ference seconded by Mr. Deane will all in favor proposal from Service Masters Commercial Services for \$3,030 per month for janitorial services was approved.

B. Consideration of Proposals for Bocce Court Paver Repairs

Ms. Pontious: We have some bocce pavers.

Ms. Wells: There was a capital project that was approved for refurbishing of the bocce ball courts. This is a just a piece of it. Just kind of knowing what was coming down the pipe with the storm water structure is why staff was recommending doing it in pieces. It is not that we are not going to plan on refurbishing the entire court but just to do it in phases just to keep mindful of budget monies. The first quote we received was from Freedom Brick Pavers to pull up existing pavers and to relay the existing pavers is \$3,325. We also received one from MJ Landscaping for the same scope of services. It was \$3,623.75. The final one received was from Unlimited Property Solutions and the total for that was \$3,750.

Mr. Deane: My question is why didn't we get a bid for all the work?

Ms. Wells: Staff was trying to do it in phases just so we don't spend all the money.

Mr. Deane: It seems to me it would cost twice more to do it in phases. Whenever I have tried before, unless we get it all done at once it is cheaper to do it that way.

Ms. Wells: It was really just going to be done in two phases. One was going to be the brick pavers and the rest was going to be the relaying of the carpet and all the repairs that needed to be done to the actual court. So it is really just in two phases, just take care of the pavers first.

Mr. Deane: It is different vendors then you are saying.

Ms. Wells: Yes, exactly. It wouldn't be the same vendor that would do all the work.

Mr. Deane: I understand.

Ms. Pontious: This is all labor work. We are going to take up our pavers and replace our pavers. We are going to pay to do that. I guess my question is Matt, how bad are they and are we better off to do the courts first so that the playing surfaces are better or is this a safety issue?

Mr. Fisher: The pavers are substantially separated on the southern side of the court. It a safety issue. It is a gap of about 4 inches and it is falling off. The concrete that supports those pavers has broken away thus the pavers are falling. I would recommend that just to avoid anybody causing a lawsuit. I can quickly get quotes on the carpet and installation no problem. Whichever direction the Board would like to take, but I recommend pavers first.

Ms. Pontious: Ok.

Mr. Ference: The difference between both quotes is that one charges \$350 per square foot and one charges \$375, so \$25 difference per square foot. They are doing the same work. I think we recommend that we take Freedom Brick for \$3,325 instead of \$3,750 since we are only talking about some labor costs, not any quality work difference just their per hour square foot work.

Mr. Fisher: Freedom has been given kudos by several residents so that is who we got our contact from.

Mr. Ference: I make a motion we accept Freedom's bid.

Ms. VanSickle: Second.

Ms. Pontious: We have a motion from Bob and a second from Brenda to accept the bid from Freedom Brick Pavers to repair our bocce courts. Any further discussion?

On MOTION by Mr. Ference seconded by Ms. VanSickle with all in favor proposal from Freedom Brick for \$3,325 to repair bocce court pavers was approved.

C. Consideration of Proposals for Pool Heaters

Ms. Pontious: Then we have this pool heater situation.

Ms. Wells: I sent a memo and quotes from three companies to the Board of Supervisors. Staff is seeking approval to purchase at least one propane pool heater for the clubhouse pool. As Rey mentioned our current propane heater is not working. It would cost approximately \$1,000 to \$2,000 to repair the current one. Two heaters were approved as part of the 2019 capital project so staff was moving forward to see if we could just get a new one approved versus investing money into one that is broken. Three

different propane heaters were sent in per quote. The Raypak Non Pro Series carries a one year manufacture warranty. That Raypak Pro Series and the Pentair brands both carry a three year manufacture warranty. The Raypak brand runs at about 85% efficiency and the Pentair brand runs at about 95% efficiency. A quote was received from Cool Breeze Pools. They submitted just one quote for Raypak Non Pro Series pool heater for \$3,795. It includes the removal of the existing propane heater and full installation. It is good to note since the other two did other pool heaters is that this is the only brand that the company installs so no other pool heaters were provided for that. Cool Breeze pools also did not provide a quote for the replacement of both heaters as it was not recommended by the company at this time. Three quotes were received from Heartland Pools. The first was for Raypak Non Pro Series propane heater. That cost was \$3,700. It includes releveling of the existing concrete pad, removal of the existing propane heater, installation and plumbing costs. They provided a second one for Raypak Pro Series. The cost of that heater was \$5,300, includes the releveling of the existing concrete pad, removal of the existing propane installation and plumbing. The final was for a Pentair which was \$9,750, includes a new concrete pad to accommodate a larger heater. Then as well as the removal of the existing installation and plumbing costs. They also said if Supervisors decided to replace the existing heat pump as well as the propane heater these prices would double and Heartland would offer a \$500 trade-in credit for the electric heat pump. There were again three quotes provided from Spies. The first was for the Raypak Pro Series propane heater and that was \$5,295, includes removal of the existing propane heater, installation and plumbing costs. The second was for Pentair propane heater and that was \$10,892 with the same inclusions. Then if Supervisors decide to replace the existing electric heat pump as well as the propane heater they included a quote for two Pentair heaters and it was \$19,992, included a removal, plumbing and installation costs.

Mr. Deane: What was budgeted for the new heater?

Ms. Wells: I believe it was \$20,000. It was replacing both of them, just to be more efficiently run. Right now we just have one that is broken. The propane heater. The heat pump does work. Right now we have a non-pro series Raypak. That is why I kind of did

it single propane heaters in case Supervisors given the money we spent with the engineer earlier, if we wanted to just replace the one propane heater with one that is more efficient than the one that we have now and wait to see about replacing the electric heat pump with a propane heater.

Mr. Costello: What is the age of the one that we are replacing?

Ms. Wells: I am not sure about that. I know it is a non-pro series. I am not sure. I know it has been here over five years. I am not sure when it was installed.

Mr. Fisher: It is a good five years old.

Mr. Costello: So we are saying five to seven years old, somewhere in there.

Mr. Fisher: Yes.

Ms. Wells: It could last longer once we get our issue. The issue with it was that water was flooding the wires and the wires were corroding.

Mr. Costello: We are in Florida. We think that the solar heat that we receive, I mean isn't it quite substantial that it heats the pool without these heaters?

Mr. Fisher: Solar is a benefit from the sun but gas heaters do play a deterrent role.

Mr. Costello: I am not telling you that we don't want to keep them because I don't want to see Brenda freezing in the pool.

Mr. Fisher: As far as replacing one I think that is what staff recommends now. One gas heater is down. We can replace it with a gas heater. The unit that is behind it is a HVAC unit that is an electric heater. It has been said to us by our pool vendor to adequately heat the pool he recommends two gas heaters. In that quote we provided a price to replace the electric heater in the back with another gas heater. We can see how the one works. It seems the Pentair has 95% efficiency rating. It is a bigger unit. It is a commercial unit. We may get by with one. We will have to see. What we know now is one is not working. I would say we just replace one gas heater now, raise the pad to get it out of the water when it rains and go from there.

Mr. Costello: How much of a detriment has it been with the padding now?

Mr. Fisher: The padding now when it rains it gets flooded back there.

Mr. Costello: We are going to make that repair before we put the new one down.

Mr. Fisher: I believe Heartland included that in their quote. They will take that work on to raise the pad up.

Ms. Pontious: We have three prices. A low, medium and a high. What are you recommending from a standpoint of efficiency versus money?

Mr. Fisher: From what I gather and Kevin is a reliable source of information and he does many properties. We reached out to Spies, who does a lot of GMS's Orlando properties, and they are reputable as well that both recommend Pentair as the high efficient unit. Even though it is costly, I believe it is going to benefit the pool just from what I have gathered from the vendors. The Raypak is a unit that Kevin wasn't familiar with. When you venture out to brands our vendors aren't familiar with, it becomes a maintenance pain in trying to get other vendors in to work on it rather than working with our contracted vendor. We sort of did that with our AC units.

Ms. VanSickle: It says if you go with a Pentair with Heartland the new concrete slab, would that include raising it the six inches?

Mr. Fisher: Yes that price is included they are going to raise it for us. Yes ma'am.

Mr. Costello: Now Rey had said we are going to need additional drainage on that area back there.

Mr. Fisher: That was another option if this raising is good and the pad keeps it out of the water during the next rain then maybe we can river rock down there.

Mr. Costello: We can raise and then see whether it is being effected by the drainage or the lack of drainage.

Mr. Fisher: Just to get it out of the water for now. We will see if it gets through.

Mr. Ference: Is it more economical to run a propane as opposed to gas?

Mr. Fisher: Propane is by far the more efficient to heating the pool. The Association has recommended 88 degrees. It is a struggle to keep that pool heated with those electric heaters. Those are in place to help cool the pool more than anything.

Mr. Deane: To cool the pool?

Mr. Fisher: Yes, to cool when you reach a certain degree it will go on. The gas units are ideal for winter months from November to late March.

Mr. Costello: How much of the time does it actually run to cool that pool?

Mr. Fisher: It runs pretty much from I would say about 10:00 till 4:00 and then it will shut off when it reaches the desired temp. It is constantly going with that equipment.

Ms. VanSickle: I think we need to concentrate on the heating part. I have to say that pool, if it is 90 – 92 degrees I am fine. There are people in the pool that say it gets too warm and have requested that it be cooled. My concern is also sometimes heating up to a certain temperature and cooling to a certain temperature that they work against each other. That is costing us more money. I am going to get into a lot of heat for this comment but I think we need to concentrate on the heating portion being cost effective.

Mr. Fisher: There are a lot of folks that have problems with joints that enjoy the pool for the warmth. When it gets above 90 that is a problem so we come out there three or four times a day checking that temp. Staff manages that equipment.

Mr. Deane: Matt, do you think that we need to do both heaters?

Mr. Fisher: Personally right now no. It was recommended, but let's do the Pentair with the higher efficiency rating and see how that does. Then we can approach it later. It benefits both ways.

Mr. Ference: I make that motion.

Ms. VanSickle: Second.

Ms. Pontious: We have a motion from Bob and second from Brenda to do with the Pentair Propane heater at a cost of \$9,750 from Heartland Pools.

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| On MOTION by Mr. Ference seconded by Ms. VanSickle with all in favor proposal from Heartland Pools for \$9,750 to install a Pentair Propane heater was approved. |
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Ms. Pontious: Thank you for all your work in putting these proposals together both of you. We appreciate that. Ok, I think we have spent enough money.

SIXTH ORDER OF BUSINESS

New Business and Supervisor Requests

Ms. Pontious: Next on our agenda is any New Business and Supervisor Requests.

Ms. VanSickle: I have several Supervisor requests. At the joint meeting I asked Jill how many CDDs they had that managed golf courses and she told me several. I think there were three or four of them. I asked whether they were making money or losing money and I asked for her to send me that information. Very efficiently I had that very quickly. I thought the rest of the Board might want access to that information. It might be useful. She said that it went out, Darrin made this information, sent it out to previous members of the committee. I wasn't sure the old committee negotiating the golf course or the new one so I wasn't sure who had it. I wanted to formally request that go out.

Ms. Burns: We can send that to everybody.

Ms. VanSickle: There also lies my concern that it hadn't already gone out to everybody. I thought in the past that we all received the same information. That if one Supervisor requested information it was automatically sent to others and it was said per request by Supervisor you are receiving this information. I would like to see that continue. Some of these concerns I want to make clear they are just concerning our Board. The other Board may offer it differently than we do so that doesn't apply to them but as far as we are I have some concerns I am going to bring them forward and see if you all agree with me or not. I really don't want to be censoring information to Board members. I think we are entitled to all that is available. Another concern is I feel like some of the information is being withheld and yet it is out in the public. There is nothing more embarrassing than for me to be out and find out something that I should have been aware of that has been released to other sources. I think that is very important we all be kept aware. In the past when one Board member was designated to meet with someone such as Borden when he negotiated the restaurant contract, staff would write a brief summary to keep the rest of us informed. I know currently Mike and Jim are working on the golf course. I would like to see us get a summary of that from staff so we are up-to-date. Do you have a problem with that, Mike?

Mr. Costello: No.

Ms. VanSickle: The rest of the Board?

Mr. Deane: No.

Ms. VanSickle: Several times I have asked Christine stuff of recent something she is not being kept abreast of. I want to see Christine kept in the loop on all issues because if I go to Christine, she is my first contact for information. I know in the past that was done and I would like to see that continue. I know that there is certain things I need to go to District management or attorneys but I feel any emails that come to us Supervisors she should be copied on. This one is a stickler and Jan brought this up at the joint meeting. Staff and legal need to represent each client with the best interest of that client. If loyalties are divided I think they need to make a choice. Just because one Board operates one way and we operate differently I don't want to have to change our way of doing business. I don't think the way another Board operates should impact us.

Mr. Deane: Correct.

Ms. VanSickle: I think we should be able to freely discuss whatever we choose at our Board meetings in the best interest of our residents. I think we have had interruptions before when we have discussed things and I think we ought to be able to bring up whatever we want and Jan says that should be the case also. This last one, any Board member can request information be sent to other Board members for informational purposes between meetings without violating the Sunshine Laws, is that true?

Mr. d'Adesky: We have to review the information to make sure it doesn't contain comments, facts, any opinion that would violate the Sunshine Laws, which is why we have if you would like information distributed send it to Jill or us to take a look at it.

Ms. VanSickle: Exactly. I don't send it directly.

Mr. Costello: It would be wrong if I was to say something where my opinion was written. Facts are facts. Opinions are something that could sway a vote either way.

Ms. Carpenter: That is why we ask that it go through Jill or us just in case it is an article that appears factual but maybe there is an inclination towards an opinion. If we can look at it with a clear eye or Jill we can help decide, well maybe you better not send that one or sure we will forward it on to everybody.

Ms. VanSickle: My concern was over a document authored by I believe it was Darrin that I asked that had already been sent out to some Board members and I was

requesting between Board meetings that it go out to the others. There was a concern that it possibly being a violation of Sunshine because one Board member is requesting information to go out to the rest of the Board members. This is nothing I wrote. None of my opinions. Darrin had already sent it out to one Board member, why should I have to wait for a meeting to ask it to go out to all of them?

Ms. Burns: You would not have to unless there was something in there that someone asked for specifically to support their side or their opinion on something. I am not sure what the exact email was but not just anything should be sent to anyone.

Ms. VanSickle: I think information as long as it is fact should not be a problem for informational purposes. I have been told to operate on a level playing field and if there is any stuff that I am not aware of that might change my opinion but as long as it is fact going out that is not authored by one of us I don't see what the issue is.

Ms. Burns: To be clear you requested it on Thursday and what I said was the meeting is on Monday, let's be safe and make sure everyone wants the information so it was waiting two days. It wasn't an unwillingness to send the information.

Ms. VanSickle: My only concern was with the Sunshine thing because I take that very seriously.

Mr. d'Adesky: It is on a case by case basis so we would really have to look at what it is and once again the law is very conservative in terms of what is interpreted as opinion versus fact. If there is a question between the two they would probably look kindly on it being on Sunshine law being applicable versus not. So we tend to err on the side of caution and look at the information and really boil it down. Sometimes we will take information and summarize it or request it to be summarized by the District Manager so that it is purely factual information.

Ms. Carpenter: Just an example so you can see how tough it is sometimes to make a decision. If for example someone said GMS you represent golf courses and are they losing money. GMS said yes, the majority of ours are and they said good, send us that information. That might support a view where if you got the information you didn't understand it was just those particular courses or something so that is why we just ask to

be able to look at it first to make sure it's not supporting a position one way or the other or somehow having you vote for it having an explanation of what the request was. That is the only reason otherwise everything is free for everyone.

Ms. VanSickle: That information was basically facts and figures correct?

Ms. Burns: Correct.

Ms. VanSickle: The sign out front, did anybody ever address this? We were going to ask the HOA if we could add no soliciting to the bottom. Did that take place?

Ms. Wells: I have an email. I don't want to comment whether I sent it. It may still be in my draft to send to the Board of Directors. I missed their October meeting so I did talk to Bob and he said to send it to him for discussion at their next meeting. I do have an email but I think it may still be in my drafts to send to them to discuss at their November meeting.

Ms. VanSickle: I just wanted to make sure it didn't fall through the cracks. I think that is something we need to update. I think that is all I have. Thank you.

Mr. Costello: One of the things that I would like to do is and part of it comes from Jack VanSickle, some of the stuff that I have read is look into solar panels for the roof of this building. We pay out substantial amounts of money every month. If there is a grant out there maybe we can get a grant but it doesn't cost anything to investigate it. I think that it could probably be something that would come up in our favor as far as we can save. Christine what would our normal electric bill be for the month?

Ms. Wells: I am sorry I didn't bring it with me.

Ms. Pontious: It is about \$17,000.

Ms. Wells: I can look in the check run summary.

Mr. Costello: We are paying a lot of money. We have a lot of solar energy hitting this roof here. We could more or less bottle it and pay part of that bill, I think we could save substantial amounts of money. Like I said I spoke with the mayor from Lake Wales and he said they have a grant and we could contact them. If there is a grant out there which I would imagine there probably is because renewable energy is a very hot ticket

item right now. If we fall within the parameters of what is reasonable as far as accepting a grant I think that quite honestly we could save a substantial amount of money.

Ms. VanSickle: There is a community north of here called Trilogy that a lot of their houses has solar. That is the one thing they're pushing in the beginning and it was included in the price of the house. Now they have to pay for it but they have an investor. I am not sure how it works. I have not been able to get that information and I wish somebody could. They have an investor that is putting in a solar farm in the property across from the community. It is going to power their clubhouse. Their clubhouse is over two times bigger than this one. The way they are going to pay it back is they are going to pay what their normal electric would be and I believe it is five or seven years something along that and then it will be paid for. Then it is going to power their clubhouse, which sounds like a really wonderful idea, but I haven't been able to get that information.

Mr. Costello: Who was that?

Ms. VanSickle: It is Trilogy. It is north of Clermont. I called their HOA. Now my contact, my brother, is getting ready to move into that community so I am hoping that once he is there he can do a little bit more research for me. The solar farm I believe they were just starting to clear the area. It hasn't been installed yet. But if it is going to work for one community, I think there is about 900 houses.

Mr. Costello: Let's be honest this is the way of the future. I mean renewable energy didn't really come along in our earlier years but it is here now. I think that we should if we can cut the bill, let's cut the bill.

Ms. VanSickle: It doesn't hurt to investigate it.

Mr. Costello: It doesn't cost a lot.

Ms. Pontious: You have LEGOLAND too with their solar farm there.

Ms. VanSickle: Disney has put one in, too.

Mr. Costello: Like I said if we investigate to see if there is a grant out there because we are from what I understand are entitled to grants. I realize that some of the grants you don't want to take some of the stipulations that go along with the grants and are something that you don't want to be involved with. Quite honestly like Brenda said

investigating doesn't cost anything. If we could come up a winner in the long run I think it is the thing to do.

Ms. Pontious: We have investigated the installation of the solar a couple of times.

Mr. Costello: That was for the pool I thought.

Ms. Pontious: Well if you are going to do it for the pool, then you might as well also do it for everything else. The cost has just been so prohibitive so the grant idea would be wonderful.

Mr. Costello: Tricia looked into it. Wasn't that just for the pool?

Ms. Pontious: Probably was.

Mr. Costello: Like I said have we investigated grants? There is also a sell back on it. I mean we have extensive amount of roof on here. We may have to bite the bullet for a year but after that we may be paying half the price that we are paying now. To investigate it I don't think it is going to be the wrong thing to do.

Ms. Pontious: Is there anything else to discuss under New Business and Supervisor Requests?

SEVENTH ORDER OF BUSINESS

Monthly Reports

A. Attorney

Ms. Pontious: Attorney?

Mr. d'Adesky: Nothing other than the ongoing issues unless there are any questions that anyone would like to ask.

Ms. Pontious: I guess in the back of my mind I have a concern about how we are going to move forward with the golf course situation if our voting tends to be different from one CDD to the other. How does that affect the attorney issue?

Ms. Carpenter: As we noted at the last joint meeting and I think the meeting before that if the Districts become divergent when they get to the point they need to negotiate an interlocal there would have to be other counsel brought in. Again I don't want to put a whole lot on the record before we talk with the other. Given the way the last meeting was I sensed there may be some differences and at that point we would either have to resign or stay on and ask them to bring special counsel in to deal with these issues. I

think the time is coming very quickly that we need to do that. It does appear there were differences coming up at the last meeting.

Ms. Pontious: So you are on top of that and will let us know.

Ms. Carpenter: We have been very aware of it.

Mr. Costello: I was under the impression at the joint meeting that you said that if one CDD went one way and the other went the other way that whichever decided not to be involved would have to give permission to the other.

Ms. Carpenter: Yes. A CDD doesn't have authority of property outside of their boundaries so if one went forward and the other didn't, they would need an interlocal still. If the deal dies we are fine. If everybody goes forward we will need someone to assist with the interlocal agreement of how it will be put together. If one goes forward and the other does not, it is not the same case. We would need to have other attorneys involved. We have been talking about it since that meeting of how best to address it. I think the time is coming where we will have to resign from one or both CDDs because it appears there could be a divergence of opinion. Hopefully not, but there may be.

Ms. VanSickle: I guess my concern is after listening to John Costanza this morning, he has brought up some things that haven't entered my mind before like Mr. Maxwell would probably be interested in deeding it back to us when he was done selling houses. That was an issue I never thought before but makes perfect sense. How hard do we want to push forward on this? Do we want to spend a lot of money? We don't have any money.

Mr. Deane: We spent all our money today.

Ms. VanSickle: This might be an issue that is a non-starter for us.

Mr. Deane: I don't see how we can go ahead with purchasing any kind of golf course. That is my opinion. Mr. Maxwell has an agreement with Mr. Schreiber. He has to maintain the golf courses for the next three or four years till all the houses are built. What is the rush? If it is going to take three or four years to build the houses why are we even talking about purchasing the golf course?

Ms. VanSickle: I agree and I think people are worried that he won't maintain it. I think as long as it is a sales tool it is going to be maintained.

Mr. Deane: He has an agreement to maintain it.

Ms. VanSickle: Maybe we need to decide.

Ms. Pontious: We have a representative that is representing us and we have a meeting coming up so we will see what happens there.

B. Community Director - Monthly Report

Ms. Wells: A copy of the community director report was included in the agenda packet for Supervisors review. I don't have anything to point out but if you have any questions regarding that report?

Mr. Deane: No it was straight forward.

Ms. Wells: Thank you.

C. Field Operations Manager - Monthly Report

Ms. Pontious: Matt is next.

Mr. Fisher: Good morning again. I included in the agenda is the operations manager's report, I do have to point out that we are constantly battling the ponds on Berwick and Aberdeen. They are algae growing ponds for whatever reason and they have been since I have taken over. I am working with Applied Aquatic and Archie is telling me he is doing everything he can. He can't explain why they are growing algae at the rate this year that it is. He did try a different product and it just caused the blooms to be more. The algae blooms. He stopped that and in fact he has been treating with copper. He can only treat it with what the state allows. He did explain that oxygen levels are low in the ponds and he recently had a fish kill in another property and is dealing with the paperwork with that so he is a little tentative on treating our ponds right now particularly those two ponds with the recommended copper. He did treat a little bit of it because when you mix copper with oxygen it causes the fish to de cease. He is keeping an eye on that. Hopefully with the colder weather the algae will stop and we can look at preventative measures for next year during the rainy and sunny season. The public forester we did meet with the forester from Yellowstone to look at the medjool palms on the Boulevard. They haven't gotten me any prices or preventative maintenance measures yet. Chris ensures that I will have it by next meeting. So that is that. The trees are

scheduled to be cut down on the 17th. They will take on the traffic control. I will be out there. Other than that is there any questions?

Mr. Deane: Thank you for everything.

Mr. Fisher: There were some annuals that weren't thriving around the clubhouse. The truck was here to replace those red annuals that are in front of the yellow ones. I am not sure the name of them. They are replaced. The place is looking good.

Ms. VanSickle: We have some residents that tend to pull some of those out periodically. I noticed that.

D. CDD Manager

Ms. Pontious: Jill, do you have anything for us?

Ms. Burns: We have the joint meeting scheduled for October 29th at 10:00 in this building. That would be our next meeting. I will get all that information on the other GMS managed golf courses to the Board today. Other than that nothing to report unless anybody has any questions I would be glad to answer them.

EIGHTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Run Summary

B. Combined Balance Sheet

Ms. Pontious: Did anyone find any questions in the check run summary?

Mr. Deane: Motion to accept.

Mr. Ference: Second.

Ms. Pontious: We have a motion from Borden and a second from Bob to accept the check run summary. All those in favor.

On MOTION by Mr. Deane seconded by Mr. Ference with all in favor the check run summary was approved.

Ms. Pontious: Would you like to talk to us about our combined balance sheet.

Ms. Burns: These are through August 31 so almost the end of our fiscal year. We will have the September ones out shortly. Nothing to point out. These are unaudited financials. If anybody has any questions I would be glad to answer them for you.

Ms. Pontious: Thank you, Jill.

NINTH ORDER OF BUSINESS Public Comments

Ms. Pontious: We are ready for audience comments.

Mr. VanSickle: Lot 573. I am a little concerned when I saw proposals come in for different pieces of work and haven't had disclaimers or it does not cover this and this. That puts a big burden on Supervisors to say we better add money to that proposal so we go forward. I think that we should be looking at proposals that cover the cost of the effort. That leads me into the next effort. The work that is going to be done on Waterford is \$97,000 of repair. Capital improvement budget, I couldn't get it up on my phone. I thought that was budgeted and we had \$25,000 for repairs. So we have a \$75,000 overrun into our current budget. Where is that coming from? Are you paying now for things that you are not going to be doing or are we just not going to do them? Budget looks like it is going to be very tricky this year and it is also projected to be less reserve money going forward than we planned. We are going to get pretty close to not having any reserve funds. It is a concern.

Ms. June Young: Good morning. First of all I would like to thank you for changing your meeting time to 10:30, it suits me just fine. You spent a lot of money today but I am going to tell you where you can get some of that back if you will listen to me. I would like to talk to you today about a concern I had for many years and that is the LA Times newsletter. There are several concerns I have but I would like to start with the cost of it. As you know the newsletter is the responsibility of our management company. They write and collect the articles. Valerie does the layout, the soliciting, accepts ads, they get it printed and distributed to the residents of Lake Ashton in Lake Wales and Winter Haven. The newsletter costs \$2.26 per issue. Since the beginning of the development of Winter Haven we have given copies of this newsletter to the residents. That means at the present time around 300 copies are being printed and given to Winter Haven. That costs us \$678 a month that equals to \$8,136 a year that you are simply giving away. When you figure it out from the beginning of the time of the development in Winter Haven it comes

to somewhere between \$65,000 and \$100,000 a year we have given them. No wonder they have money for the golf course. I think it is way past time that their CDD pays for their residents if they want them to have the newsletter. The fact that there is ad money collected has no bearing on the fact that the CDD II should not be charged. I have gone back into the records to find out exactly how many copies have been printed each year. Obviously there was not as many in 2006 as there are now. I hope you understand why it is necessary for you to ask the CDD II to pay their share. On a smaller scale personally I think the newsletter should be totally re-evaluated. It is being printed on very expensive paper which really isn't needed for the newspaper. By the end of the day many of the copies the day they are received are already in the recycle bin. There is \$2.26 being tossed away. I am asking the Supervisors to begin charging Lake Ashton II for their copies of the newsletter for their residents and for you to appoint several people or a Supervisor to dig deeper into the way the LA Times should be published with cost being the first concern. Thank you for listening to me and for all for your service to our community.

Ms. Pontious: Thank you, June. We will take that under consideration.

Mr. Scali: During the bocce court proposal I didn't hear when the second phase is going to occur. As a bocce court user I am very much interested in understanding that.

Ms. Pontious: Do you have a timeline for that?

Ms. Wells: I didn't.

Ms. Pontious: We do not have a current timeline, Tom, but we will keep that under consideration.

Mr. Goldstein: Morning, I just have a question. Al Goldstein. We have talked about a lot of dollars today and I know all of it is important. I would like to suggest at the next meeting I know we can get it on the internet etc. etc. but I think we should have a financial standings report what is in our budget and what is in our reserves. I get about \$160,000 this morning and I don't know if it is coming from column A or column B. I would like if you would for the next meeting to have our financial reports on the table where we can pick it up with the agenda. I would appreciate that thank you.

Ms. Pontious: We are at the end of a fiscal year, are we going to have all the information for the fiscal year for the next meeting?

Ms. Burns: Yes. We should depending on if we get all the final invoices through September 30. Sometimes it is into November before we get all those September year end to close out. Hopefully it just depends on if we receive all those invoices.

Ms. Pontious: Any further discussion from the Board?

TENTH ORDER OF BUSINESS Adjournment

There not being any further business to discuss,

On MOTION by Mr. Ference seconded by Mr. Deane with all in favor the meeting was adjourned.


Assistant Secretary/Secretary


Chairman/Vice Chairman