

**MINUTES OF MEETING
PORTOFINO ISLES
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Portofino Isles Community Development District was held on Tuesday, April 12, 2022 at 10:00 a.m. at the Newport Isles Clubhouse, 1856 SW Newport Isles Blvd., Port St. Lucie, Florida 34953.

Present and constituting a quorum were:

Frank Wilson	Vice Chairman
Juan Azcona	Assistant Secretary
Rohn Timm	Assistant Secretary
Gerald Mirabile	Assistant Secretary

Also present were:

Ginger Wald	District Counsel
Paul Winkeljohn	District Manager
John Jado	Field Supervisor
Roberto Cabrera	District Engineer (by phone)
Tim Richards	Port St. Lucie Utility
David Kollar	FPL
Robert Winsor	Resident
Michele Logerby	POA Board member

FIRST ORDER OF BUSINESS

Roll Call

Mr. Winkeljohn called the roll and stated we have a quorum.

SECOND ORDER OF BUSINESS

**Approval of the Minutes of the
November 9, 2021 and
February 8, 2022 Meetings**

Mr. Winkeljohn: The minutes from the November 9th and February 8th meetings are in your packet. If those are in order, a motion to approve would be welcomed on the minutes.

On Motion by Mr. Mirabile seconded by Mr. Wilson with all in favor, the Minutes of the November 9, 2021 and February 8, 2022 Meetings were approved.

THIRD ORDER OF BUSINESS

Consideration of Resolution #2022-01 Authorizing the Disbursement of Funds

Mr. Winkeljohn: Item No. 3 is resolution #2022-01 which is a disbursement of funds, and Ginger, you developed this draft I believe for our friends.

Ms. Wald: When we were, I think it was at the last meeting, there was discussions in regards to providing the District manager with authority to expend funds as was needed, so you didn't have to wait for another meeting for certain items, so not knowing the exact parameters that you were looking at, I put together a resolution that basically talks about this and we have utilized this, and Paul has too in other Districts. So, it's basically saying that we know that you have to meet to conduct business, we know that you have monthly meetings, but they could be canceled, and in between, to go ahead and take care of business, and if you go to the second page thereafter, it really is talking about the non-continuing expenses. So, those regular, usual customary expenses that we've been talking about, that John talks about that he sees crops up, that sometimes he takes care of, and of course, then gives the authority to Paul. So, there's no amount that's been listed in here because it's at to the discretion of the Board what they would like to see. So, that's really all this resolution is. You can consider it, fill it in, have a discussion regarding what amounts you're looking at. Obviously, with the discussion with your District manager, and your field manager, what makes the most sense, and also with your budget, or you can just say never mind, we want to continue going the way we're going. That's it.

Mr. Wilson: A couple of questions with it, so I'm assuming this is going to initially pass.

Ms. Wald: No.

Mr. Winkeljohn: Not really, it's answering a hypothetical question, what if.

Mr. Wilson: And they used to do business.

Mr. Winkeljohn: Yes.

Mr. Wilson: So, your experience with other CDDs, what has a not to exceed value been?

Mr. Winkeljohn: Most of them are about \$5,000 at the manager's discretion per month, and then, in addition to that, or past that, is with the chairman's consultation. The scenarios that fits into, is obviously an emergency, and you don't want a limit on that, and I wouldn't want to buy or spend anything without consultation of a Board member just to make sure we all understand it the same way, that type of thing. Normally, the manager has in essence emergency powers in that respect, but the way I was trained and the way I worked in city government is, I would never approve anything that I don't believe I would have the support of the Board for, given a reasonable time to explain it, and the facts at the time, because things change, and so I'm never really one that asks for this necessarily, but it's really for your understanding of what a good limit would be. So, it's not being driven by anything like you said, it's not typically necessary, because of that emergency lean that I come to this profession with, I'm very comfortable with the decision making.

Mr. Jado: More of this is a maintenance item, correct?

Mr. Winkeljohn: Yes, that's a great example, so here's a good example, an irrigation pump goes out, say it's \$3,500 to repair, it's \$1,500 to put a bandaid on it, or excuse me, \$3,500 to replace, and \$1,500 to put a bandaid on it, that's sort of a cost benefit right in the middle, so you might be better to milk it along, that type of thing. This is perfect for that, and it's that type of thing, that's an excellent point. It's really for John and me to consult, and he's very good at saying hey, this is happening, or the other day say somebody spilled something in the lake and they weren't a utility company or responsible, and we had to call an evacuation truck to suck it out, so I would do it regardless of the price frankly, with obvious discretion.

Mr. Mirabile: So yes, it's outside of the Board's discretion, in an emergency or something like that.

Mr. Winkeljohn: Right, and then at a meeting you would be advised of it under the field report, or directly from the manager.

Mr. Jado: Right, and if it's a 10- or 15-year-old motor, we don't want to repair for \$2,000 into a \$4,000 motor, we want to replace it.

Mr. Winkeljohn: Declared emergency aside, because that sort of opens that whole topic up which you could expect what would happen there but say, a water line breaks out on our main entrance road on Brigantine and it washes out and it knocks a tree over, and the utility is not going to get there for a month to deal with the tree, we hired the landscaper to stand the tree up, so everything would have a cost benefit. Like if the asset is going to be more expensive to lose than to replace, or fix, or react to and the asset would be subjective too, like a mature tree, like I'm going to value that more than just, oh it's \$200 to replace Paul, why don't we do that, and I say, well it's 6 feet higher, it's mature, it's going to look better, so those are the value judgements I typically apply.

Mr. Mirabile: Right.

Mr. Azcona: And I've been around for a while, and this is the reason why we hire a professional team of people, and there may be some minor errors and so forth, but for the most part, everybody is responsible, everybody is professional. In the event something got out of hand, you guys will hear from the Board.

Mr. Wilson: So, with this, it would go to a vote for approval with a not to exceed amount, and then once it's in, let's say 3 years go by, Paul is no longer associated with our CDD, and we have some issues with the allocation of funds. At that point in time, is it just as easy for the Board to rescind it?

Ms. Wald: Yes.

Mr. Winkeljohn: Yes, it's a simple vote.

Mr. Wilson: Ok. So, let's get to the not to exceed value. He has a recommendation of \$5,000, and above \$5,000 he's going to reach out to the Board.

Mr. Mirabile: To reach out or to wait for a Board meeting?

Mr. Winkeljohn: It would be some consultation with the Board.

Mr. Jado: Let me explain, sometimes if it's a main pump and it's the middle of summer, and things are burning and we're losing plants daily.

Ms. Wald: "A" is the District manager has the authority to do it with that amount, "B" is the District manager in consultation with either the chairman or the vice chairman in his absence.

Mr. Wilson: Ok.

Mr. Azcona: And if there's an emergency, there is not a need for a meeting, I mean we should take action, but a call to say FYI this is what's happening, or an email to the entire Board, but I think that would be appropriate.

Mr. Winkeljohn: Yes, that would be the follow up.

Mr. Timm: Is this just to formalize what we've been doing in the past, or over the past several years?

Mr. Winkeljohn: Exactly.

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Winkeljohn: We have not had it in writing or a policy like that.

Mr. Timm: But I'm sure you had plans.

Mr. Jado: The day I was told I'd say, Dan, the pump is broken, or we need this redone. It's \$1,000 or \$1,500.

Mr. Winkeljohn: So, he would consult with him, and then they would both come to me, and I would give the final word.

Mr. Timm: I would think this is a prudent thing to do because in the past, and this is where you didn't have the meetings regularly, things to happen, decisions have to be made before the Board can meet, but in the past we trusted you all to make sure all these things were taken care of, like now we're just finalizing it because other CDDs probably already have this policy.

Mr. Winkeljohn: Some do, yes.

Ms. Wald: This just makes it official, and then remember every single one of these expenses, when you do have a meeting, will be on the agenda for Board ratification, so there won't be any questions, it will be complete transparency.

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Jado: I just want you to remember that sometimes things take weeks to get now.

Mr. Wilson: I totally support it; I want to get to those details so we can move on.

Mr. Winkeljohn: Right.

Mr. Wilson: The not to exceed value that enables Paul to do it without conferencing with the Board of \$5,000, and I believe \$10,000 for John and either the chairman or the vice chairman, if it's something beyond \$10,000, we need to have an emergency meeting because now you're talking about real funds and reserves. So, my recommendation there would be \$5,000 and \$10,000 as the two limits, so I motion to approve with \$5,000 not to exceed for Paul, and \$10,000 not to exceed for District manager the chairman consultation.

On Motion by Mr. Wilson seconded by Mr. Azcona with all in favor, Resolution #2022-01 Authorizing the Disbursement of funds not to exceed \$5,000 at District Manager's discretion on behalf of the District and a not to exceed \$10,000 for District Manager with Chairman's consultation was approved.

FOURTH ORDER OF BUSINESS

Consideration of Resolution #2022-02 Approving the Proposed Fiscal Year 2023 Budget and Setting the Public Hearing

Mr. Winkeljohn: The next one is for our newer Board members, which is the kickoff of the budget cycle. The Statute requires that you propose your 2023 budget before June 15th. The proposal has a few characteristics to it. One, if it's the same assessment, equal or lower than the prior year, there's much less to do about it. Simply put, if you were to be in a situation where you had to raise your assessment for whatever reason, you had an expense that went through the roof, or you had a new responsibility that you had never budgeted for, historically, and we were talking in those terms, which we're not, but if we were you would propose the highest possible assessment. You would set a public hearing to adopt that assessment or a lower amount, no sooner than 60 days from today, so there's a couple of dates, June 15th being the drop dead. You can't propose your budget at any level after that, so we're well within that, and we're going to do that today, and should you be increasing the budget, you would trigger a mailed notice to the residents of the intent to increase the assessment and you would invite them to a public hearing, you would present the

budget to the Board but in the public view of those invited and answer questions, etc. and either adopt that assessment or a lower amount. Now, in reality, the budget that's proposed to you today is the same assessment level as the prior year. From a staff and finance directive or perspective, this District has a very wide range of possible requirements, and because of that, you've assessed yourselves at a very excellent level where you generate a high level of savings every year, but, that balanced with the scope of responsibilities, I would never want your reserves to drop below where they are now, but I'd like them to continue to grow and so I'm proposing the same assessment level which does two things for you, and this was intentional. Years ago, with this Board, when it first became a resident Board, is to build funds for those large improvement projects, like a wall for instance, things that were not developer intended or at the level of the community necessarily, the quality of your landscaping, the quality of your irrigation, the quality of your preserves and upland preserves, all of those things. You guys have a forward, lean progressive history and I believe that is a reinvestment in your community, but also a constant state of standard increase, and that's exactly how I have been taught and believe you lead a community. You never try to do status quo because you're actually going backwards, if you try to be status quo, and without being burdensome to your residents. You refinanced your debt about 7 or 8 years ago, and with that refinance the actual envelope of costs that people bought into did not go up, you kept some of that refinancing, moved it over into operating, and used it for more discretionary type things, rather than just paying off more bonds, and it was a very slight impact to the resident by any measure. So, with that said, I feel that you have an extremely healthy assessment level. I feel you have an excellent history of repair, replacement and enhancement and would encourage that strategy, and this budget does that. So, today the real challenge for you is picking a date when you're going to adopt the second half, if you agree with what I've said, and don't feel there's any immediate need to reduce your assessment. There is a time in the future where you may be able to reduce your assessment when your reserves start to get, say you haven't had a hurricane, you haven't had a major restoration of a lake bank, or something like that. Perhaps you would consider that and, staff would recommend it at that point but, with the statements already made I feel very comfortable that this

assessment is appropriate, today's resolution #2022-02 accomplishes that. The actual line items have a lot of discretion in them, and we exercise that discretion throughout the year. We're not tied to these budget line items until the Board chooses to adjust them, and that can happen at any meeting at any time, between now, the adoption of a final budget, and throughout the fiscal year that it operates. So, you have no restrictions in that respect. The only restriction would be to buy something you don't have money for, which means you would need to increase your assessment, which is not the consideration at all. So, all that said, the hardest part is, of course picking a date when you're all going to be here because we have to have quorum for the budget adoption hearing. I heard earlier conversations about June being a little bit difficult attendance-wise for June 14th, because it can be telephonic if we have 3 Board members in the room.

Mr. Wilson: It would be difficult for me in person in June.

Mr. Winkeljohn: Right, so we can move to, and I try to stay away from the July meetings because of travel, so you could go to the August 9th. It does two things for you. One, it punts you towards the end of summer, that seems to be more favorable, but it also gives you a lot of insurance, a little bit of insurance. Between now and June, say something catastrophic happened, you could redo all of it and still use that hearing date because it gives you time, just an extra set of suspenders you won't need but I always tell people, there's more flexibility with August than June.

Mr. Wilson: Yes, and I can do August.

Mr. Timm: I have a question regarding the revenues and the assessments for the taxes. Going back and reviewing in the past, since every year costs go up, and my past being a treasurer and president of a POA and HOA and all that, is that it's been better to gradually increase the cost every year, maybe 2% or 3%, as a gradual increase to cover all these other expenses that we expect to go up as those services we're already paying for, because they're not stagnant, they're not going to be the same, and I found that Boards that gradually go up 2% or 3% gradually over a couple years is better than the groups that come out and suddenly have to be hit with a 10% because there's unexpected things, they have to have these assessments. So, I was trying to read this through my laptop thing, but I can't see the numbers. They're a little

bit hard for me to see, but that's why I wonder why we're just staying the same, because when was the last time the assessment was increased, I didn't go back through the past ones.

Mr. Winkeljohn: Right, and it would have been at that refinancing cycle.

Mr. Timm: Well, no, maybe for the assessments going up for the taxes. Has that been pretty much the same the past couple of years?

Mr. Winkeljohn: Quite a few years, yes.

Mr. Azcona: Quite a few years, yes, and I was thinking something similar because we keep talking about it, and we haven't really increased assessments in many years, or at all, other than when we had that refinancing, and the reality is that there is inflation, and if we keep the same level of assessment we are actually reducing, the reality is that we are reducing, if we don't increase a percentage just to keep up, that means we are actually reducing for everybody.

Mr. Winkeljohn: Right, and that goes back to what I said about the decision to keep quite a bit of the refinancing assessment level, rather than go all the way back down, was to do exactly that, to give you that straight line, and government is a little different in that respect, that it typically builds its budget for the placeholder of its expenses, versus the reality of its expenses which means, we have funds set aside for the CPI impacts on my contract, the landscaper's contract, those are fairly nominal compared to the hundred thousand plus annual amount of money you have discretion over. So, by scale, Juan is exactly right. You are in theory reducing your assessment, but, the scale of the increase is small across your budget, so you still have a large discretionary capital like infrastructure replacement enhancement chunk that is sizable enough to bite off, in one or even two years, like you have done multiple times.

Mr. Timm: Well, I would think, and what I was saying was already implied in what he was saying.

Mr. Wilson: Well, I think a better way to describe where we're at is, that there were decisions made during the time of refinancing that provided a significant amount of margin going forward. We still experience the benefit of that margin with a proposed budget without a 1.5% or 2% or 3% increase. There may be a point in time where we're going to make the decision on a 2023, 2024, 2025 budget, but understand that concept

of slowly increasing, the decision made I would say, more than half a dozen years ago, build up that margin if you kept the assessment the same, so you actually have addressed it, you just addressed it all up front. Now, the other real important thing is there's a lot of inflation of costs going on. To be crystal clear, Dan Duncan did an awful lot to manage and lower costs than the CDD, and the more I hear about it, the more impressed I am. So when we look at the contracts, the CDD contracts, and you look at their values year over year, some of them in fact have gone down because of the way Dan addressed doing the contracts. So, credit where credit is due, but those two things are what set us in the position for this budget. So, in general, I would say the concept is correct. In this particular case, that concept was applied years ago, and we're still benefiting from it.

Mr. Winkeljohn: Yes, and the other item, just to kind of switch hats with you from a finance director to a District manager, sort of the political advice, how it's perceived. You're absolutely right, a business and organization that the 1% or 2% gradual growth makes perfect sense and keeps up with inflation, but the perception of it will be completely opposite, it will be, why didn't you use the funds better, why aren't you using the funds better, and why do you need more. So, governments like ours, small governments, do not change the tax burden if you will, using that phrase, unless there's a specific need, and there is no specific need. Like if we had a thing happen, let's say 3 of the banks of our lakes were not well cared for, which is not the truth, and we had to restore those banks and it was \$200,000 each, so that's \$600,000. You have two ways of handling that. One, you are actually financed well enough to absorb it, which is fantastic news, but you would drain your reserves. You have the option of financing again. You have other abilities that are really specific to this type of organization. You are, and I say, a utility, in terms of your responsibility to land and drainage, and stormwater retention, that sort of thing, but you're also a government finance tool, and one of the best there is created for that exact purpose to be very efficient and effective at financing bigger projects, so you have all that above. Your refinancing was in 2013, which would actually be, in theory, right for another look at this time next year, and the rates, they may change a little bit, but I have seen historic low rates in the last 12 months, that are still below where you are right now for next year, so there's a scenario

where we're sitting at the table this time next year where we might be refinancing again, so that's something to think about. I can't promise it obviously, but there's a very good chance.

Mr. Wilson: So, back to the resolution on the budget, and I think the recommendation was to table it for August.

Ms. Wald: Not table it, so this resolution is actually, and let me tell you what it is. It's approving the proposed fiscal year 2023, next fiscal year budget, setting the public hearing for the public to come and speak and ask questions, get their comments as to the budget for August 9th at 10:00 a.m.. That's this resolution. So, you're going to get another bite at the apple for this budget on August 9th.

Mr. Wilson: So, I make a motion to approve resolution #2022-02.

On Motion by Mr. Wilson seconded by Mr. Timm with all in favor, Resolution #2022-02 approving the proposed Fiscal Year 2023 Budget and setting the Public Hearing on August 9, 2022 at 10:00 a.m. at 1856 SW Newport Isles Blvd., Port St. Lucie, Florida was approved.

FIFTH ORDER OF BUSINESS

Discussion of:

A. Water Quality

B. Procedures for the General Election

C. Status of Bonds, Debt and Financial Summary

Mr. Winkeljohn: So that moves us to our open discussion items. There was a topic about water quality, and I don't see, and Roberto, are you still there?

Mr. Cabrera: Yes, I'm still here.

Mr. Winkeljohn: So, just in case anything comes up with you. In terms of water quality, I wasn't quite clear on what this was about, is this lake water quality?

Mr. Mirabile: Yes, I emailed Latoya on just letting her know that two times I spoke with one of the lab technicians out here on the lake, I guess it's lake #1, and both times I mentioned that we do have a CDD Board meeting on this Tuesday, and both times I mentioned it would be nice if we had somebody just to come in and talk about the water quality and how it's testing and obviously nobody attended but, just some information that they relayed to me is, and I think the last time I talked to them was one

day at the end of last week, he said that the water is testing really well. He said, based upon the southern winds, the north part of the lake is testing worse than the south part of the lake because of the winds coming from south to north.

Mr. Winkeljohn: The winter prevailing wind pattern.

Mr. Mirabile: Right, and he said that a lot of the waste is more towards the north part of the lake. So, he said basically it's clearing up quite well, and he showed me samples of the water, and he even showed me the clarity of the water was looking good.

Mr. Winkeljohn: Excellent.

Mr. Richards: I actually have that report, your samples.

Mr. Mirabile: Oh, do you?

Mr. Richards: Yes.

Mr. Mirabile: So, maybe we can pass them around, and we can circulate these and enter them into the record if you'd like.

Mr. Winkeljohn: That would be great, and we can reach out to our lake contractor, and they would have an expert on staff, it would be several.

Mr. Mirabile: Ok, and maybe they didn't show up because maybe they didn't want to get into the break and finger pointing and whatnot, and that wasn't really the intent. I just wanted to have somebody come and just give us an idea as to the quality of water and so forth.

Mr. Winkeljohn: Right, and there's some excellent educational points coming from our contractor, or an expert.

Mr. Mirabile: And one of the highlights, I think, was that the first person that I talked to, and I think his name was Brian and actually he was working on a Sunday, and he says he loves coming in here. He loves coming into this community because these lakes and preserves are so amazing.

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Mirabile: So, I just wanted to point that out, that we've got an amazing preserve in here, and we have some amazing lakes.

Mr. Winkeljohn: And I would echo that, I manage over 100 communities in the State of Florida where many of them I go to for this exact topic, and I walk all the lakes. I usually come here early enough to walk today, but I only got to do this one, but I can eyeball more, from my experience, and I'll even read in a report usually, and I totally agree with your statement. You've had some history where the lakes were stabilizing, I'll call it, but yes, I think you're in that sweet spot where they don't cycle poorly, when the wind changes and the temperature and the sun angles all change, you get accumulation in a new section of the lake, and it overwhelms the lake, and it disrupts the whole thing. Your lakes are big enough, they're rounded in shape generally, there's a couple that are linear but, the more round shaped communities can tolerate that shifting and the water turnover, and stuff like that. I have communities that are narrow and long, and face the prevailing wind, so they get the east wind 10 months of the year, and then the winter storm switches it around and it devastates the lakes because it pushes everything into one corner, it's cold, poor sun angle, and you're fighting to maintain it. So, I've lived the bad and the good, and I would agree with all of that.

Mr. Mirabile: Right.

Mr. Jado: It's also the grass. The grasses keep this lake very clear. That's why the clarity of water is the way it is. The more grasses we kill, the purification from the grasses go away immediately, and people don't understand that.

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Wilson: Well, coming from the sewer spill a couple of weeks ago, it's a blanket, so what you see is about a 20-fold reduction in fecal chloroform based on the results. I don't know how much longer they would continue to test.

Mr. Winkeljohn: I think they have to test for like 60 or 90 days, like DEP has their standard.

Mr. Wilson: So, at this point, there's nothing else you can do to change it other than time.

Mr. Winkeljohn: Right.

Mr. Azcona: I have a question, and I did reach out to you about it. Who and obviously, John had this information and, he's been in touch with the people that came to the job. Within our team, who was responsible for also overseeing the project?

Mr. Winkeljohn: John.

Mr. Azcona: And you were aware of all the progress?

Mr. Wilson: I was here Saturday, Sunday, I've been here every day monitoring the repairs back there. John and I have been talking, it's all sodded, taken care of.

Mr. Azcona: Ok.

Mr. Winkeljohn: Right, he photo documented as well on behalf of the District.

Mr. Azcona: Alright.

Mr. Winkeljohn: And I notified Butch's office, they said we'll monitor it remotely, and if something isn't happening correctly, I had him verify that we wanted to keep the fountains running on their normal cycle. He confirmed that strategy, so we were all working together.

Mr. Azcona: Alright.

Mr. Jado: We also had the pump cleaned out. We have trouble with the lights now, but he took out the pump, blew it out, cleaned all the lines, cleaned the bottom of the pump because all of that was going into the system on the bottom.

Mr. Azcona: And all of those expenses should be covered by the city?

Mr. Jado: They may not because we have a contract for the cleaning of these things.

Mr. Azcona: Ok.

Mr. Winkeljohn: Right, if we were to incur an expense, we would present.

Mr. Wilson: So, if there are any charges, if they do come to the CDD, it should be redirected to the City of Port St. Lucie.

Mr. Azcona: Ok.

Mr. Winkeljohn: I'll definitely take care of that. I don't think there will be any so far.

Mr. Timm: I was also talking to Mr. Jado several times. He was keeping me up to date because I was curious about it, because the smell was horrendous and so he

would periodically tell me when they're cleaning, when they're testing and all of that. So, I felt comfortable that he was on the top of what needed to be done.

Mr. Jado: It's pretty much gone now, the smell.

Mr. Azcona: Yes, it was bad.

Mr. Jado: And I was testing numerous times too, and basically, they're going to test to a certain level and when it hits an acceptable level, they'll stop testing.

Mr. Winkeljohn: Alright.

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Winkeljohn: Is there anything you wanted to address the CDD about? We were just on the topic of the lakes and water quality.

Mr. Richards: No, I have no comments.

Mr. Winkeljohn: Ok, I thought that's why you were here, but that's alright. Where do you work in the city?

Mr. Richards: I'm in utilities.

Mr. Winkeljohn: Ok, anything you want to tell us?

Mr. Richards: Well, we were asked to be here. I don't really know why.

Mr. Azcona: Well, can you tell us the status of what happened and the current status?

Mr. Richards: I mean I could back up.

Mr. Winkeljohn: It would be great if you came up closer.

Mr. Timm: Can you come over here where we can hear you?

Mr. Winkeljohn: Right because we record these meetings.

Mr. Richards: Well, who is the representative for the engineer for Portofino Isles?

Mr. Winkeljohn: He's on the phone.

Mr. Richards: Oh, he's on the phone and he works for?

Ms. Wald: Wait, hold on, state your name for the record, please.

Mr. Richards: My name is Tim Richards.

Ms. Wald: Thank you.

Mr. Richards: And I work for the City of Port St. Lucie's Utility Systems Department, which is the water and wastewater operations. I was told that this was an HOA meeting, and this is a totally different meeting. I feel that I was misrepresented by being told that, and that this meeting is really about the stormwater.

Mr. Winkeljohn: Among other things.

Mr. Richards: Did you tell me that this was an HOA meeting?

Mr. Timm: No, me?

Mr. Richards: Yes.

Mr. Timm: No, this is a different Board, it's the CDD.

Mr. Richards: We manage the lakes, and the ponds and whatever.

Mr. Wilson: Ok, so we'll move past all that because I wasn't really prepared to cover something like that. I just came here. I just wanted to know who the individual is that is out there every day when they were taking the samples.

Mr. Richards: Well, I did. I talked to two different people, right by the lake.

Mr. Wilson: Ok.

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Richards: So, what is your question?

Mr. Wilson: We did not have a question for you.

Mr. Richards: Ok.

Mr. Winkeljohn: Unless you had any news on the recovery and repair.

Mr. Richards: Yes, I'll just comment on the repair that has been completed. We followed the Florida Department of Environmental Protection's protocol. I also followed government and the Sunshine; John had requested an email to have information of the break. I had emailed him all those documents that were shared, the public information for government and the Sunshine, and I don't know what else. I mean we remediated what we had on the situation and responded in a timely manner once upon notified, and once upon discovery, then we moved forward with the protocol set forth.

Mr. Winkeljohn: Perfect. We did just have a question about the testing protocol, when will that turn off? When do you have to no longer test? Are you done?

Mr. Richards: That actually was in an email that was put out by our laboratory that, when we originally had the first sample, and you'll see that sample was 752,475 CFUs per 100 millimeters, and then on Sunday, April 9th, with samples taken at that point of entry, we're now down to 420 CFUs per 100 millimeters, and overall, like an averaging across the board on Sunday was actually, all samples were below 650 CFUs per 100 millimeters, which at point the City of Port St. Lucie Utilities System Department had notified the FDEP that we would be discontinuing sampling and the analysis at this time, unless Denise Watts and FDEP tells us to proceed further, but we have not heard anything from her since, and usually she would say something if she disagrees and if she doesn't, then we just discontinue.

Mr. Winkeljohn: Excellent, that answers it.

Mr. Wilson: That's pretty much what we wanted, the sampling information.

Mr. Richards: Ok, and that's why I emailed that. I figured you would.

Mr. Wilson: Ok, and we didn't know it was emailed to the facility.

Mr. Richards: Well, I had given out, and passed out my business cards originally on the first day, and the day that I was here on that Sunday. I gave my business cards out, and I had brought up, there was another gentleman that used to manage the ponds or whatever before. I dealt with him when I had made the repair over here on this side of the pool.

Mr. Wilson: Dan Duncan.

Mr. Richards: Ok, and I was dealing with him, but John had told me that person was no longer within that group, is that correct?

Mr. Wilson: That is not correct.

Mr. Richards: That is not correct, ok well they worked for Culpepper & Terpening, that's who I was dealing with.

Ms. Wald: That's our engineer.

Mr. Azcona: Is Roberto on the phone right now?

Mr. Winkeljohn: He is.

Ms. Wald: Roberto.

Mr. Richards: And who is that?

Mr. Azcona: Can you verify that with him since he's on the phone?

Mr. Winkeljohn: Yes, he knows about it.

Ms. Wald: Hold on.

Mr. Richards: But I know that the company, whoever it was, I believe I was told that person may not work at Culpepper anymore, so whoever they are, they're representing you guys for the pond. I knew that all along.

Mr. Winkeljohn: Absolutely, that hasn't changed.

Mr. Richards: Ok, but because they're your representative, I would rather give my business card to you individuals because you're actually the Board that handles it. So, I don't want to deal with a third party.

Mr. Wilson: I would like to say that the county came out and responded in an immediate fashion, and I'm very impressed with how well they took care of this section.

Mr. Winkeljohn: And you're with the city, correct?

Mr. Richards: Yes, we're the city, yes.

Mr. Winkeljohn: Got it. We appreciate the excellent response, and do you know what happened, why it broke?

Mr. Richards: Well, Robin and I, and my superintendent, Ken Ives over at operations, and what we discovered in the break here, and the break there, that there is an AT&T communications line that was run parallel with that line. Now, that line must have been put in after the fact, after the sewer main went in, and what we've noticed is with the directional drill, that they had run along, and you can see the line. It's relatively close to the force main, there were some gouges that are in the side of that force main from the drill paddle banging on the side of the pipe, and then they deflect off. They can tell by the direction of drilling by the pressure, so when the operator is running the machine and they're doing all that with that, and they lubricate this, and they could tell that when that paddle starts pressuring up they know they're on a rock or hard material, or they're on something, and then usually they'll back up a little bit try to work their way around it, then the locator is out, if you ever see those guys doing a directional drilling, and he has unit he can check the depth, the direction and all of that. So, it's a very controlled type of unit, but that technology has gotten much more advanced and better, it creates more transparency, since this is put in the ground. So, what we've noticed is that break over there, and this break over here that those pieces of pipe had gouges in

the side of them. So, what happens is, and that's a weak point, and I'll only be able to tell you that, I think if we all flashback, if you all were in Florida at the time, when the economy took a down trot and this development was going on and then it kind of stopped, and when it started back up, but when they used a lot of the materials and the pipe that they had, some of that stuff sat in the sun for a long time, and UV rays have contributed to the deterioration to that pipe, which would create weak points. Now, through the processing, they extrude the PVC in that, the resin, and if there are thinner wall parts, and the wall thickness, that may be thinner or thicker in other spots, but it's usually pretty consistent, but the bigger detriment is the ultraviolet rays that sat on that pipe or that pipe sat in a stack somewhere, so there will be weak points in that pipe. To be able to determine where those are at this point, if we were all Superman, we'd be able to see through it.

Mr. Winkeljohn: Excellent, well I appreciate you giving us that explanation.

Mr. Richards: Right, is there's anything else you need?

Mr. Winkeljohn: No. Yes sir?

Mr. Winsor: So, you mentioned that the lake is.

Mr. Winkeljohn: For our record, your name is?

Mr. Winsor: My name is Robert Windsor. (Inaudible comment)

Mr. Jado: We usually try to see it down to that, but at this point I think it will go down. But one of the issues we're having, and the situation is, the water table has actually gone down too, so we're just going to keep testing the same thing and we're going to get that content, if you get one rain and whatever it will dissipate right away.

Mr. Winsor: (inaudible comment)

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Winkeljohn: The reality is, both are true. The fountains turn off at night, and because of that, it would get the settling that you would want, and it would lessen the upper column, and then you'd turn the fountains on add oxygen and, so it's really a perfect scenario to just let them run their normal cycle. Most fountains I use a wind sensor also for that reason, so people don't get wet, but, in this case, that would have been ideal to have a wind sensor post, so when it is windy, they shut off. So, the ideal

operation would have matched the right protocol, but we talked about it, we thought about it, we consulted with our engineer, when to turn them on, and when to turn them off, and we concluded that the normal on/off cycle would be the best.

Mr. Winsor: Thank you.

Mr. Jado: And I will keep note of that and if I do see the wind coming out of a certain direction, and we have this problem again, I will shut it off personally for the day.

Mr. Winkeljohn: Right, for a few hours maybe, just until things are settled.

Mr. Jado: Right, just until the wind shifts again, and it doesn't spray on the sidewalk areas.

Mr. Wilson: But so, we're all clear on the operations of those fountains. Not an individual Board member, or yourself, John, does that without the direction of the District.

Mr. Winkeljohn: Right.

Mr. Wilson: So, all crystal clear, unless we're doing maintenance, but for any other reason, if there's a desire or need to shut down a fountain, that direction comes from the District, not from an individual Board member, or yourself.

Mr. Winkeljohn: Right, and he consults with me.

Mr. Wilson: I just wanted that to be clear for the record.

Mr. Winkeljohn: Right, and I was able to have immediate access to our engineer, so we had a good response.

Mr. Timm: What happens on the weekend when the District manager isn't available?

Mr. Jado: Well, we were out here.

Mr. Winkeljohn: No, we talk on Sundays all the time, unfortunately.

Mr. Jado: Ok.

Mr. Winkeljohn: Excellent.

Mr. Jado: Alright, is there anything else?

Mr. Richards: No, that was it.

(At this point several people were talking at one time, and no one conversation could be heard)

Mr. Winkeljohn: Alright, John, we have to move on.

Mr. Jado: Yes.

Mr. Winkeljohn: Thank you guys. Alright, item No. 5B in our agenda is the election procedures. We've talked at the last couple meetings about this. The seats that are coming up are seats #1 and #4, which are Dan Duncan and Frank Wilson. Those two seats will be up for re-election. Frank is already aware of how to apply for it, but just for the good of the order, it's in your packet on what it is.

Ms. Wald: The qualifying period is June 13, 2022, at noon, to noon June 17, 2022, and that's throughout the state. It's every office throughout the state that's up for general election in November.

Mr. Winkeljohn: And so that's available to you, the addresses where they conduct that business is in the memo, so if you have any questions, I can take them, or we can move on to the next item.

Mr. Mirabile: So, which seats are those, is that my seat?

Ms. Wald: No.

Mr. Winkeljohn: It's seat #4 and #1, so Frank's seat and Dan's seat.

Mr. Mirabile: Ok.

Mr. Winkeljohn: Very good. Item C was a request to discuss the status of the bonds, debt, and financial summary. I don't really have anything specific but, I'm happy to answer any questions if anyone has anything related to that. You have two bonds in this community, so there's really two different conversations. The District bonds for Portofino Isles are covered very clearly in your last audit, that there's no financial issues, and those operate very normally and I mentioned that they expire, or they don't expire if they become eligible for refinancing in 2023 potentially, we'll see how that goes as rates change. Portofino Court is the other bond, which is not in our hands, that's been delegated down or over to a Special Purpose Entity, assigned by the bondholders because of the default, and the foreclosure of the property. The SPE is the title owner of all of the default bond property. Those bonds are in what we call a defeasement, which is basically a state of being frozen, which means that the bondholders, when they so choose that the property is viable again, and a property owner is on there, they can choose what they want to do, and they'll do it with our sign off, but they'll pick the term and the rate that they feel those bonds and it would be lower, it can't above what they're

already approved for, and then they'll restart the bonds, that's hypothetical. We don't know, sometimes they'll pay them off, make them go away. Again, it's nothing we have our finger on, other than I am regularly in contact with the entity that operates the Special Purpose Entity. They had a buyer multiple times in the last say 10 years, but none have ever gotten to the level of an execution. We were very close about 2 or 3 years ago, but the market shifted with the pandemic. I think it froze that one, but I wouldn't be surprised if the market climbs back up and something happens with that one.

Mr. Azcona: So, if you could explain just for the record, what would be the scenario of the next steps once somebody buys the property.

Mr. Winkeljohn: Right, so a buyer would negotiate with the SPE, and you may remember one of the wrinkles that was a problem was the existing homeowner association was a significant player because they held the majority of the seats in control and a new buyer would want that to be balanced in some way, or however they want it. That's not our problem, but that was what held up the last deal, because there are existing property owners there that formed an association and have a viable operation. So, that being said, the buyer comes in and settles up the business deal, the bondholders, through their representative of the Special Purpose Entity would negotiate a decision on what to do with the remaining bonds, and they have a laundry list of options on their part. That, again, has nothing to do with us, but that's what they would do. The operating expenses are being accumulated and we track that every year. We send them a notice of what they are, and the ones that are unpaid because they're the SPE's responsibility. Those would be paid at closing.

Mr. Azcona: Ok, so is there any liability at this point for the CDD?

Mr. Winkeljohn: Right, so your responsibility as the fiduciary entity overseeing those bonds was relieved by an agreement to hand that responsibility to the Special Purpose Entity. Your responsibility is black and white, in the trust indenture, when there is what's called an acceleration, or a default of the bonds, is to do all of the actions that are in the best interest of the bondholders, in essence, through that trustee agreement, and that was to adopt the agreement and let the SPE drive.

Mr. Azcona: Ok, and I'm asking questions just for the record because as I told you that I wanted to go over these, there's been some people out there making statements.

Mr. Winkeljohn: Right, and we have a history of some misinformation.

Mr. Azcona: Right, so I wanted to put some things on the record and if anybody has questions about the CDD, or financial status, everything is public, they have access to all of that. I just have a couple of extra questions. When the CDD did the refinancing in 2013, what was the consequence of that and what was the benefit of that?

Mr. Winkeljohn: Sure, so the interest rates from the initial bond improved in the market, and so in 2013 we were already past a 10-year window. Usually there's a no call period and protection in a bond document that basically says you have to pay a severe penalty if you try to refinance too early, and everyone is probably familiar with that concept. So, a 2003 bond, after the 10-year period, in 2013 it was favorable to refinance. That refinancing lowered the total cost to the community and a majority of that savings was sent back in an assessment reduction in this community. Some of those funds were transferred when we adopted our budget and set a public hearing at that time, increased the operating assessment to a proportion which we actually talked about a few minutes ago, but the point was to better facilitate a higher-level replacement, higher level improvements to the responsibilities of the District, rather than go back to the residents multiple times for assessment changes. You heard me say earlier, local governments like ours because it's on your tax bill, and a flat tax every year that does not change regularly up and down is ideal for a housing market versus just a flat expense to buy some groceries or whatever. You would constantly adjust the rates as you go, every time you buy groceries you pay that market rate. Well, when you're paying your tax bill, which is escrowed, nobody likes their mortgage payment to change, and that's the logic behind a flat history.

Mr. Timm: Mr. Azcona is asking some of the questions that had been on my mind previously about how we're going to deal with this, and the actual annual budget review last year was very negative on the effects of that bond, but I know there's some controversy that we were going to try and find someone else that would clarify that in the reports, and hopefully this new report coming out this year will clarify that.

Mr. Winkeljohn: Well, that had happened several years ago. The initial audit basically uses, and this isn't to make fun of accountants, but, they use a very black and white standard, and a default is a default, and it did get captured under the umbrella of the entire District, regardless of the fact that they were two separate bonds, one was extremely viable and healthy, one was in default. So, the characterization of the entire District was inappropriate and that's been fought in every District that had a default in the entire State of Florida, that had two bonds. That's reality, the industry had never seen that happen before and so the auditor that we had at the time did what they felt professionally they were obligated to do. This Board put it right, you have a response to an audit where you say to the auditor what you believe, and what you know to be the condition, and that's part of the entire assessment. The later audits spoke out more loudly that there's an agreement, that it's being done correctly, just to put it in words what we already knew was happening, so that's all in place.

Mr. Azcona: Ok, so based on your experience in hindsight, the refinance that was done in 2013 was that a good move, or a bad move by the Board?

Mr. Winkeljohn: In simple words, it's free money to the community and absolutely a good move. One of the covenants of a refinancing is that you cannot extend the length of the bonds, so your total expenses over 30 were lowered and that's a good thing. The total expenses per year were lowered, that's a good thing, and you also captured more operating expenses, which was a good thing, and you didn't have to go back to the residents in the last 7 or 8 or 9 years for one penny more than they've already been assessed, so that's four solid arguments why it was a good thing.

Mr. Azcona: Ok, and will the bond be paid off?

Mr. Winkeljohn: Your bonds expire in 2033.

Mr. Azcona: Ok.

Mr. Winkeljohn: So, that's right around the corner.

Mr. Azcona: So, the notion of people saying that the bonds have no maturity date, and they are internal.

Mr. Winkeljohn: That's a misstatement.

Ms. Wald: That's incorrect.

Mr. Winkeljohn: So, you've already gone 20 years of infrastructure and maintenance and you know what your expenses have been, the likelihood of something unusual happening in the next 10 years with the same maintenance standards and the quality of that lake bank. That's your only biggest responsibility is the erosion of those banks, because it can be hundreds of thousands of dollars per lake and good maintenance will keep that under manageable numbers.

Mr. Azcona: Thank you. I think that's in writing now. It's always been in writing, but it's now in the minutes. I would suggest that if anybody gets approached about things about financials, anything related to the CDD, I would encourage everybody to get educated and there is enough information in writing, rather than go around and make statements that are not accurate.

A resident: I think one of the questions was to reissue them and extend them.

Ms. Wald: No, you can refinance the bonds, you can also take out new bonds.

A resident: Correct, and that's what people were saying.

Ms. Wald: But there has been no indication, as we sit here today for a need for that to be done.

A resident: Correct.

Mr. Azcona: And keep in mind when they were extended.

Ms. Wald: They weren't extended.

Mr. Azcona: I mean, when it was refinanced, there was a benefit to the process.

Mr. Winkeljohn: Right, it was all an improvement, financially speaking, but the initial bond is a 30-year bond and none of that has ever changed.

Mr. Azcona: Yes, correct.

Mr. Winkeljohn: The court bond, which is the one that will be really interesting to see what the landowners and the people buying and selling that property end up doing, but that one is a 2036 expiration date, so that one lingers 3 more years past your bond because it was issued 3 years later, and that one will be a high level interesting discussion of finance on what the investors choose to do with it. I've seen it paid off multiple times, because the market wouldn't afford it. I don't know with housing prices right now, they won't even notice there's a bond on there, so who knows, to be determined.

Mr. Wilson: I think it's worth additional clarification for the record, declare the ignorance on how bonds work, so you talked to it earlier, it's not like you have a mortgage and the rates go down, and you refinance once a year if you'd like, these bonds are set up where they guarantee to be maturing to a bondholder. In our particular case, that we return and guarantee for 10 years, and then have an opportunity or window to refinance. So, for clarity, it's not like having a mortgage, it doesn't work like that and it never has, thank you.

Mr. Winkeljohn: Well said. Yes sir?

A resident: I'm assuming it's municipal bond?

Ms. Wald: Yes, it's a tax-free municipal bond.

A resident: Did the CDD have the option in the refinancing in 2013 to drop it from 30 years to a few years?

Mr. Winkeljohn: Yes, you would always have that option of converting it to a smaller term period, but that was not in the economics back then.

A resident: And this was financed through a local bank or New York Bank?

Mr. Winkeljohn: It was done through a standard bond underwriter.

A resident: Underwriter near here?

Mr. Winkeljohn: I have two or three in my head right now. I can't remember which one it was. I believe it was the one that did the original deal, they would be real familiar with it.

A resident: So, it's really not the bank holding the bond.

Mr. Winkeljohn: Not this one, but they can.

A resident: Ok.

Mr. Winkeljohn: The small ones, banks like to bite into those.

Mr. Azcona: And next year we'll do a financial assessment and determine if it's worth it.

Mr. Winkeljohn: We'll actually start that probably around September or October. Usually it's around May, is the refinance window, because you have a May and a November payment, so you want to do it before the May payment. So, as the interest rate changes, and no one knows what the interest rates are going to be between now and September, so I've had a couple this time last year for 2022 bonds. They were

confident enough to refinance even earlier because they could just tell. They're smart people I guess, and that was a bank deal and they were willing to lock it in 90 days in advance and we closed on March 27th or something like that, so imagine that, so that was a huge success. So, your team, that's what they do for a living, they're watching the market and they have a list of Districts and bonds that will ripen up, or be in the sweet spot, and those that are not, we won't address, those that are, will come before you like that.

A resident: Does the State of Florida have an authority that takes care of the bonds for CDDs?

Mr. Winkeljohn: No.

A resident: Ok.

Mr. Winkeljohn: And in certain, like industrial development bonds, those are monitored out of Tallahassee and there's an allotment, but Districts there's no cap, it only market driven.

Mr. Azcona: Is there anyone in the audience that has any questions about the financial status of the CDD or about the bonds? Any other questions? Hearing none we can move on.

Mr. Winkeljohn: Excellent.

SIXTH ORDER OF BUSINESS

Staff Reports

Mr. Winkeljohn: Moving on to staff reports, Ginger?

A. Attorney

Ms. Wald: I have no report today.

Mr. Winkeljohn: Ok, thank you.

B. Engineer – Discussion/Updates on Stormwater Management Needs Analysis

Mr. Winkeljohn: Roberto, how are you today sir? It's your turn on the agenda.

Mr. Cabrera: Alright, thank you. So, the stormwater management program we're working on the draft, and we'll probably need some information provided from the CDD. The history of annual contributions towards the stormwater infrastructure over the past 5 years.

Mr. Winkeljohn: Right, and we have that, and we'll be sending it to you any day now. We've already pulled it for all of our Districts, our accountants have done that for you.

Mr. Cabrera: Ok, great.

Mr. Winkeljohn: And Roberto, you have to speak up a little bit so we can hear you.

Mr. Cabrera: Ok, sorry the status on the project, we have that amenity center site plan revision, it's kind of ongoing, it's kind of on pause. There was a component where we were to be hired by the POA out there to do some surveying on the east side of that. We've done a couple of draft proposals for them but, haven't been able to get a sign off on that yet.

Mr. Winkeljohn: Their representatives are here, so we'll ask them.

Mr. Cabrera: Ok.

Mr. Winkeljohn: So, our engineer is also your engineer for some survey work on the proposal to add storage on this site, so he just had a question if that was approved and going forward.

A resident: We're working on that.

Mr. Cabrera: And there was another item that came to my attention not too long ago. There is something on the multi-family side of the CDD. There's a couple of proposed additional off-street parking stalls. I believe 22 of them, and I saw a conflict sketch by another one of our engineers here, where they're currently proposed on CDD open space tracts, so there would need to be some coordination on that.

Mr. Wilson: I'd like to speak to that now.

Mr. Winkeljohn: Yes, go ahead sir. Frank has a comment.

Mr. Wilson: This is Frank Wilson, with respect to the proposed plan Culpepper put together on increased parking. I had the opportunity to walk around with the HOA property manager, John. Items identified were in one whole occasion. It was on land in which the CDD is responsible for, there is a sanitary sewer stand pipe and there is a domestic water pipe, along with an electrical utility box. All three pieces of infrastructure are in the proposed parking area. I don't know if that was understood when the plan was put together. All three of those would take simple parking at a low dollar cost and

raise that cost significantly. So, I provided my opinion on it. Everything is possible, but it would not be cost beneficial to relocate significant infrastructure for parking spaces in those particular locations. Additionally, I had the request to determine if additional parking was provided in the cul-de-sac areas that the CDD is responsible for, how much of the open space margin for that particular area, and for the community would be impacted because that would be part of the decision for the Board on determining if an easement would be appropriate or not, and the third item was a quality of life issue that I asked the HOA, via John, to address, in some of the proposed parking if a vehicle parked with headlights on in the evening and the morning, would shine directly into pre-existing single family homes, that porch area backslides into their living room or their dining area. As a homeowner in Newport Isles, if that was my property, I would clearly not support that, but they're not my properties. But I believe if those individuals who own those single family homes, and individuals that own the corner townhomes, should be consulted, because the majority of them paid premiums for those properties based on having the open space next door, so infrastructure items to address, the percentage of open space usage, and then quality of life.

Mr. Winkeljohn: And the District engineer is tasked with identifying the stormwater calculation impact, and they are going to use some of our area, so if there's no detriment to the District, would we approve such a thing? We're not in the parking business, obviously, but we're in the cooperation business with our friends at the POA, and with that, our engineer working on their project would explore this is a non-starter because the District doesn't have the capacity to adjust A, B, C or they do have capacity to adjust A, B, C and then it would come before you for authorization. So, it's preliminary fact finding is how I would describe it at this point, and Mr. Wilson just identified his personal and certainly relevant to the District observations, so thank you for that.

Mr. Wilson: You're welcome.

Mr. Winkeljohn: So, it's nothing formal in front of you today, but just so we're all at the same level of information until it is. Very good, moving on to John's report, and were you finished Roberto, I'm sorry?

Mr. Cabrera: Yes, those were the items.

Mr. Winkeljohn: Thank you.

C. Field Manager

Mr. Winkeljohn: John.

Mr. Jado: Yes, so basically, we re-fertilized all of the plantings outside the center island, and everything is looking really nice right now. I'm also cutting the trees behind the townhouses, that are at the old townhouse wall, instead of paying somebody \$125 or \$150 per tree, I'm raising them up to 15 feet, intermittently as I'm cleaning and doing my other duties, so I have free time to go back there and hit a couple of them. The HOA has been nice enough to let me use a pile over there, so I'm able to get rid of the debris at no cost, so it should be a nice savings that would have had to been done because a lot of it hangs on that wall. We do have to address cleaning of that wall. We just cleaned the other walls, and behind that wall is our property also, and there's a lot of overgrowth that started to grow on the wall on the outside from the canal bank up, and I know when we built the wall the county wanted us to keep that area clean. So, I was wondering if I should get together with you guys and go ahead and get a bid to have somebody go through and clear 8' back, chop everything back so that it doesn't encroach, and get it cleaned up. We can even have them grind it onsite, and leave it and spread it, or we could have it removed or just drop it.

Mr. Azcona: What would be the most cost efficient and get some quotes?

Mr. Jado: The best shot would be to probably grind it with a portable grinder, and then we would just shove it in there, and just let the mulch sit, but eventually we're going to have to get that wall pressure cleaned also, because of the rust stains in different areas that I've noticed.

Mr. Winkeljohn: Do you have that on a regular cycle, the pressure cleaning?

Mr. Jado: No, we don't.

Mr. Winkeljohn: We should.

Mr. Jado: Right, yes.

Mr. Winkeljohn: I think by now we should know.

Mr. Jado: I was doing it as needed, and some water is worse than other water. Some people don't have that in their water, and some do get the orange.

Mr. Winkeljohn: Right, well, if you could find a percentage that you do every year at a certain time, I would recommend it. I also always recommend your pressure cleaning window be September. That gives you the best 12 month survival rate of any pressure cleaning, and it looks the nicest through your favorite holidays, which are usually October, November, and December, where people are home with their families, etc., and you don't pay twice because if you do it now, you'll be paying for it again in September anyway.

Mr. Jado: Right, so I am going to get a bid from Ignacio to come and just have two guys walking, cutting, and pruning.

Mr. Timm: Which wall was that?

Mr. Jado: It's the wall that we put up with the joint venture, with the HOA and the CDD.

Mr. Timm: Oh, that wall back there?

Mr. Jado: Yes, on Jamesport, because you can't believe how much that stuff grows.

Mr. Winkeljohn: Right that one was tight, so we take care of the other side of it pretty regularly. Anything else John?

Mr. Jado: Just the fertilization, basic trash pickup, the lights in the fountains are an issue right now. I'm going to talk to Michele after the meeting. We've got a bill of approximately \$2,600 or \$2,700. We have three lights out on this little fountain now, and two lights on the big fountain, and it's a joint venture split on the cost and I'm going to talk to her about it.

A resident: And that's explained in the agreement.

Mr. Winkeljohn: So, we know what to do to get it done.

Mr. Wilson: So, I know the pumps have the full warranties. Were there any warranties with respect to the lighting that was purchased?

Mr. Jado: Not on these, these are old, the other lighting is guaranteed.

Mr. Winkeljohn: The newer one will have a couple of years, but these won't.

Mr. Jado: But these have already been in for quite a while.

Mr. Wilson: Alright.

Mr. Jado: You'll notice there's a coil on the bank there for the lighting on lake #2 that he disconnected. He actually had them working. It was a little wire that was a little frayed in there, and then they stopped again.

Mr. Winkeljohn: Excellent, any other items?

Mr. Jado: No, just basic maintenance.

Mr. Winkeljohn: Thank you John.

D. CDD Manager

Mr. Winkeljohn: Under the manager's report, we've covered all my topics through the earlier part of the meeting. I do not expect any decision items next month, or probably even the month after that. To be honest with you, I know there's a probability of a resignation but that could take some time for you guys to act on, so be aware, I will consult with the chairman or vice chairman in this case about canceling any meetings to accommodate but, I don't foresee a lot of decision making that should require a meeting.

Mr. Wilson: Just so we're all transparent right now. Any issues that need to be made, any issue not having a meeting?

Mr. Timm: No, I think that now we've passed our resolution of any expenditures that need to be made that's already covered.

Mr. Azcona: I don't have any issues and if there are any issues, please send it in writing to Paul.

Mr. Winkeljohn: Right, that's normal procedure but, I'm reading my personal crystal ball and it's been right once or twice in my lifetime.

Mr. Wilson: So maybe August would be the next meeting you think?

Mr. Winkeljohn: Yes, that's what I'm thinking.

Mr. Wilson: Ok.

Mr. Winkeljohn: And if something pops up, we'll hold it, very good.

SEVENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Winkeljohn: Moving on to Supervisors requests, yes sir?

A resident: I have a quick question on the easement for South Florida Water Management for the road to go to the maintenance building. Has there been updates on that, because it's hard to hear when the A/C is on.

Mr. Winkeljohn: Right, and he didn't say anything, he said he's been working on it. Roberto, do you have an update on the easement with South Florida Water Management?

Mr. Cabrera: That's all tied in with the site plan revision document, and we are kind of waiting on the surveying side of it. There's a component on the east side of that amenity center, where, for some reason, we were going to do the surveying with the POA.

Mr. Winkeljohn: So, he's waiting for approval from the POA on the survey that has to be done to update the site plan to submit.

A resident: Ok.

Mr. Winkeljohn: So, it's a small log jam.

Mr. Cabrera: We do have a draft that's ready.

Mr. Winkeljohn: Right, correct, we've seen those. Anything else?

A resident: No.

A resident: (inaudible comment)

Mr. Wilson: So, this is the area that has the no fence that was put up on this border. There are no infrastructure issues, there is a little bit of banking issues be the wall, in that area, but my view would be no issues with additional parking.

Mr. Winkeljohn: So, it might work, ok.

A resident: (inaudible comment)

Mr. Wilson: So, there were a couple of items, when you look at the curve of the cul-de-sac, so you wouldn't have continuous parking if you avoided the infrastructure, so you would have a grass break of say 12' if need be, and then you'd come over, then you would eventually have the parking spots. What I did not opine on with respect to the potential shine impact, there are ways both engineering and architecturally in landscaping to address that, and if that was part of the proposal, whether it be shrubbery, or shrubbery and a wall that would address a homeowner's concern, that would eliminate all concerns.

A resident: Ok. So, what would it take because right now we're kind of stuck waiting on you guys, and what you guys want to do to move forward? Do we have to put more of a plan in place or how would we do that?

Mr. Winkeljohn: Right, so through the engineer you would submit a summary, a site plan, like a drawing, a sketch is enough, and a written request to the District. We'll put it on an agenda and maybe at one of these meetings we'll require that, and we're happy to hold a meeting to review just that.

A resident: Ok.

Mr. Winkeljohn: That makes sense and would be very appropriate.

A resident: Alright, thank you.

Mr. Wilson: Maybe they could focus in on each cul-de-sac.

Mr. Winkeljohn: Yes, and Roberto are you hearing that we think there is a decision point that might be separate with each location, so if you could articulate it along those lines.

Mr. Cabrera: Ok.

Mr. Winkeljohn: And obviously, the first check in the box for the District is, are we able to tolerate the impact on our drainage?

Mr. Cabrera: Sure, and I'm looking at a concept that was prepared of the five, and only three of them were proposed on CDD land.

Mr. Winkeljohn: Ok, so three out of five, so the other two you'd proceed accordingly at any time.

A resident: Yes.

Mr. Winkeljohn: Ok, so we'll keep up with your pace though, whenever you're ready.

A resident: Ok.

Mr. Winkeljohn: Are there any other Supervisor requests or audience comments? That's where we are in the agenda.

Mr. Wilson: Yes, just an update for the last phase of the fountains, so Dan Duncan has completed all of the work on the fountains, including the additional step-up transformers to address going from 208 volts up to 230. Everything is installed, everything is permitted, everything was functional test, all the bills are paid, the original

project budget was \$80,000 with a 50/50 split between the CDD and the HOA. All of the invoices have been collected, and the total funds expended was \$65,771.71, leaving a surplus of \$14,228.29 on this project. At this point in time, the return of 50% of the excess funds to the HOA in an amount of \$7,114.15, so at this point, John, here's a check from the CDD for that amount.

A resident: Please tell Dan we said thank you for that.

Mr. Wilson: That being said, again, thank you to Dan Duncan for the work he did, and those funds could easily have been expended if Dan wasn't the one putting in the plans, running down the permits, having the permits done again, working 4 or 5 times with FPL for meter base inspections, so again, thank you Dan Duncan and the fountains are done, and money returned. The last item I have, John, for our next meeting I would like the status of preserve signs, where we're at on that project, and where we believe additional signage would be appropriate and then, based on that, a forecast to complete to put that budget behind us. This is the signage, so you can make sure everybody is aware that they're not to go into the preserves and this all stems back from the violations that we've addressed over the past two years.

Mr. Winkeljohn: Yes, and we recognized in the permit that they're required, and we have already approved a plan to put them in, so that's on the maintenance list.

Mr. Jado: Yes, we have 50 to 100 signs sitting there, I've put some in just recently.

Mr. Wilson: Good, so take your time between now and the next meeting.

Mr. Jado: Ok, and I'm going to order the poles. I'm going to order 30 at a time.

Mr. Azcona: And also keep in mind because I've seen an increase of signs, and I don't have a problem with signs, but we don't want to have an abundance of over signage all around the community either.

Mr. Jado: Ok, and Dan originally, if I could interject, he wanted them in between every one of the houses backed up to the preserve, so there would be one sign that covers two houses. I don't know if you guys want to keep that density. Maybe we could go a little bit less.

Mr. Wilson: What I would like to do is, just get a status of how many signs are in general locations, and then your recommendation to the Board for where additional signage would be appropriate.

Mr. Jado: Ok.

Mr. Azcona: And then we can discuss, ok?

Mr. Winkeljohn: Right, and if there's any that are alibies that were put in because you didn't have the poles where you could proceed, the original scope has already been approved. I debated this with Dan, that I thought you would put them on the outside of every other property.

Mr. Wilson: It is every other property.

Mr. Jado: It's in between.

Mr. Winkeljohn: Right, and I thought I had it right, but anyway thank you.

Mr. Wilson: I have no additional items, Rohn, do we have your support?

Mr. Timm: I have a request. Last year the audit report came in June, at some point in June, but the Board didn't receive that until August, right before the August meeting. Could we maybe have the Board get copies of that in July, so they have a chance to really go through it, is it possible?

Mr. Winkeljohn: You'll get it immediately when it's drafted. I send the draft out and it goes on the next agenda. I can't recall but I thought it was already done. I do a lot of them, so I could probably find out for you and circulate it as soon as possible. But it's not a thing we choose, it's really the auditor's scope of work of all of his clients and some are bigger than others, they fall out of the production line earlier than others and yours is not too difficult.

Mr. Timm: Because I remember the date was in June when it was submitted and finished but we didn't get it until August, and I have a problem with seeing, and I just wanted to ask if we could get it a month ahead of time, I can go back and read it.

Ms. Wald: How about, as soon as it's received, it will be sent out?

Mr. Timm: Thank you, I appreciate it. Frank quick question, do we have any outstanding projects that you know of?

Mr. Wilson: We have the signage at the preserve, which is ongoing. There is the tentative project for the storage on the backside of the clubhouse, but I do not believe there are any other open items.

Mr. Timm: Ok.

Mr. Wilson: Alright, any other items Rohn?

Mr. Timm: I'm fine.

Mr. Wilson: Juan?

Mr. Azcona: I want to make sure there are no concerns at this point about what we discussed previously. That we are not going to have any meetings for the next couple of months. I want to bring it to your attention since it was a concern in the past, I want to make sure you're a Supervisor on the Board now you can speak your mind if you feel like there is a need that we should be meeting for any specific reason. So, do you have any concerns?

Mr. Timm: No, in the past, I, and I'm used to meeting regularly, but now this Board I see they plan ahead. They take care of things that now we've passed this resolution. If any expenses need to be made, we don't have to have a meeting. I mean I was concerned that business was being done in the past and not having meetings to take care of it. That's why, when I saw this resolution, maybe that was the result of that. Now we don't need to have meetings, but there's still decisions being made, and it will be brought up at the next meeting. So, in that case, since I don't see anything pending that we would need to discuss in the next couple of months, I'm satisfied with not meeting just to have a meeting. Thank you.

Mr. Wilson: Very good. Juan, any additional items?

Mr. Azcona: Yes, I do have one actually, personal one. I don't want to come across as arrogant or condescending. Maybe I should say this after the meeting, but, I guess I'll say it now, if we had many meetings, many occasions in which some of our vendors or participants or attorneys, or Culpepper, or any other third party they come to the meeting, 10, 15, or 20 minutes late, and we wait until they come to proceed with the meeting, today I came 1 ½ minutes late, and the meeting was already in process, so I would appreciate if you guys could wait for me, it's not that I'm purposely trying to be late, I'll try to come as early as possible but I have a lot of work, and I'm not retired in

any way and so forth, so sometimes stuff hits the fan, and for the most part I'm not 10 or 15 or 20 minutes late, but I would appreciate it if I'm not here in 1, 2 or 5 minutes if you guys could wait for me to be here to begin.

Mr. Winkeljohn: No problem.

Mr. Wilson: I'm going to backtrack. There was an additional item. I think we had a flow capacity study that was required.

Mr. Winkeljohn: Right and he mentioned that, under his engineer's report, that it's basically in place. I've already developed the financial component to it, and since you brought it up I did want to add, there's some logic to this report, and if you're in the waste water business, the State of Florida, you're very used to capacity analysis studies and annual requirements, and when you don't meet your capacity analysis, there's all kinds of bad things that fall out of the sky on you and hurt. What they do is they use that first, or your base capacity, as a measuring tool for your future, so every time you ask for more, they go back to that report and make you conflict or deconflict what you've reported. That being said, stormwater is a new venture into a new arena for them to venture into. It's really hard to quantify, like you could with water and sewer, but they're using the same protocols. That said, the engineers I've talked to, including yours, identified and they're looking for your future, like is your infrastructure being repaired, are you capitalizing the replacement of it, very water and sewer like thinking. Well, most of the engineers have said, well your stormwater systems have more than a 50-year life, and none of them are older than 50 years, so we're not answering that question, because you don't want to put too heavy of a baseline that's not realistic and the whole budget conversation, Districts don't budget for things 50 years from now, because that does not fit our financial world. So, all of that said, we're keeping the report simple, we're meeting the requirements, but we're not going to go outside the requirements.

Mr. Wilson: Ok, thank you.

Mr. Winkeljohn: So, we're on it.

Mr. Jado: I just wanted to state one thing. I purchased another load of fertilizer, so if you see a double billing in there, it's for June because I think the price is going to be going up and we could probably save a few bucks, but they say fertilizer is going to go through the roof.

Mr. Winkeljohn: I've heard that, yes.

Mr. Jado: So, I've re-purchased it and we have it in the shed.

Mr. Winkeljohn: And Mr. Kollar is on the call from Florida Power and Light and he'd like to say something. Go ahead sir, and I'll relay if they can't hear you.

Mr. Kollar: Thank you. Alright, thank you all very much. I have to compliment you on running a very efficient and effective meeting, so touché to you folks. I'm a project manager for Florida Power and Light in the system expansion division operating out of Jupiter West, and we have an upcoming project that is going to be extending a feeder out of the Gatlin substation which is located in that northwest quadrant close to your property there. We will be doing an underground bore to an existing switch cabinet that is located right near 1975 SW Newport Isles Blvd., and I'll be working with either existing easements or I might request an easement from you folks. I see where we cross some of your properties. I think in two or three places with an existing bore that we've got coming out of the substation of that switch cabinet, but I just wanted to make you aware of that, and I'm in the design phase of the project right now. We are looking to start construction on the project probably in the third quarter, I can't say exactly, but probably mid-third quarter at the soonest of this year, and I just wanted to find out who there I should contact with to go ahead and present just an overview of the project, as well as make notifications when we need to go ahead and access the properties to bring in our drill rig to go ahead and make the shot. There will be no, as I see looking at the design right now, there will be no new surface structures on any of your properties with the exception of possibly, what we call a handhold, which we would basically bury and then restore that with our restoration team to go ahead and put the sod back and do any restoration to the sod that might get disrupted during construction, but I just wanted to take an opportunity to jump into your meeting and make you folks aware of that. Oh, the purpose of this feeder is for system reliability, so what this does is bring a new feeder into that switch cabinet which will enable us to, God forbid, should they lose, or when we lose power, we're quickly able to switch in an alternative path with these feeder ties that we're constructing throughout the Treasure Coast area.

Mr. Winkeljohn: Ok.

Mr. Kollar: Again, my name is Dave Kollar, and I just wanted to introduce myself and just answer any questions or provide any contact information to you folks.

Mr. Winkeljohn: Right, and Dave, this is Paul Winkeljohn. I'm the District manager. I would be the first point of contact to circulate anything either to our engineer or to our partners at the property owner's association, so do you have my contact information?

Mr. Kollar: Can I get that from you sir?

Mr. Winkeljohn: How about you give us yours on the record and then we can go from there.

Mr. Kollar: Ok, so again my name is David Kollar. My cell number is 561-512-9941, my email address is david.kollar@fpl.com and that's all lowercase.

Mr. Winkeljohn: Alright, so our staff or myself will reach out to you so you're in the loop and I'm happy to work with you.

Mr. Kollar: Thank you, and I'm glad I caught you guys before you adjourned for the summer, so I guess it was fortunate.

Mr. Winkeljohn: Very good, thank you.

Mr. Azcona: Yes, perfect, and Dave, thank you for reaching out and if you could reach out to Paul and send him the details about the scope of work and anything pertaining to this project so we can take a look at it.

Mr. Kollar: Super, so if he could go ahead and just fire me off an email that way, I'll be able to go ahead and send you a package within the week.

Mr. Winkeljohn: Very good, thank you.

Mr. Kollar: Thank you, have a good day.

EIGHTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

B. Balance Sheet and Income Statement

Mr. Winkeljohn: The last item before adjournment are the financials reports, which include the check register, balance sheet, and income statement. If those are in order, a motion to accept would be welcomed.

On Motion by Mr. Azcona seconded by Mr. Wilson with all in favor, the Check Register, Balance Sheet, and Income Statement were approved.

NINTH ORDER OF BUSINESS Adjournment

Mr. Winkeljohn: If there's nothing else, Mr. Vice Chairman, would you like to adjourn the meeting?

On Motion by Mr. Wilson seconded by Mr. Azcona with all in favor, the Meeting was adjourned.



Secretary / Assistant Secretary



Chairman/Vice Chairman