

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

A telephone conference meeting of the Board of Supervisors of the Portofino Isles Community Development District was held on Tuesday, July 14, 2020 at 10:00 a.m. It is being held in accordance with the Office of the Governor, Executive Orders authorizing the use of communications media technology, the Board of Supervisors and members of the public may attend and participate in the meeting utilizing the call-in information 1-224-501-3412, Access Code: 556-106-581.

Present and constituting a quorum were:

Dan Duncan
Ronald Willemstyn
Juan Azcona
Frank Austin

Chairman (via teleconference)
Vice Chairman (via teleconference)
Assistant Secretary (via teleconference)
Assistant Secretary (via teleconference)

Also present were:

Ginger Wald
Paul Winkeljohn
Butch Terpening
John Jado
Joseph Clarke
Nicholas McIntyre

District Counsel (via teleconference)
District Manager (via teleconference)
District Engineer (via teleconference)
Field Supervisor (via teleconference)
HOA Board/Resident (via teleconference)
Prop. Mgr./Newport Isles (via teleconference)

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 June 9, 2020 Meeting**

Mr. Winkeljohn: Item No. 2 on the agenda are the minutes from the June 9th meeting, and if those are in order a motion to approve would be appreciated.

Mr. Duncan: I'm ok with the minutes.

Mr. Austin: Can you repeat that?

Mr. Winkeljohn: I just need a motion on the minutes, and please state your name for the record.

Mr. Austin: This is Frank, I have reviewed them, so I move that we accept the minutes.

On Motion by Mr. Austin seconded by Mr. Willemstyn with all in favor, the Minutes of the June 9, 2020 Meeting were approved.

THIRD ORDER OF BUSINESS

Update on Lakes and Natural Preserves

Mr. Winkeljohn: The next item is the lakes and natural preserves, and there are a couple of different topics lumped into here. The first one is, our ongoing research of best practices and best costs, I have received a pretty good total amount now of proposals and just the big picture, we've looked at Solitude, Allstate, Lake and Wetlands, a company called Lake and Preserve participated, and our current fountain contractor, Lake Doctors all participated. The business situation is our preserve has had a monitoring service, but we think that we might want to pivot, and I'm summarizing our history, we've been discussing pivoting away from just having simple monitoring to some form of a maintenance program where we start doing more than just monitoring. The lake contracts in summary are very competitive, however Lake Doctors has given us a situation that is quite tempting. They have offered to include the fountain maintenance contract that they already have, as well as a lake contract only, and so that coupled with the discussion of a different kind of preserve maintenance strategy opens up the thought of maybe switching to Lake Doctors for just the lakes, and then researching a little more robustly a more specialized approach just for the preserves, and that's sort of my summary having read all of these proposals and talked with our chairman. Dan, would you like to take it to the next point?

Mr. Duncan: Well, I think that you summarized correctly. The Lake Doctors proposal for the lakes is the most comprehensive. There are 4 pages of explaining in detail what they would do. The other proposals are much sketchier because we had problems in the past with the maintenance of the lakes. I think your assessment is

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correct that the most comprehensive is the Lake Doctors at this moment. We can also go and ask for more information from the other people. As far as the natural preserve, I am still not sure because I do not have a description of what each organization will provide us, except 5 or 6 line items, I expect I destroy invasive species, and I give you a report.

Mr. Winkeljohn: Right.

Mr. Duncan: So, because I don't have enough experience with other companies, I will be consulting with Paul in making a decision of what is the most appropriate.

Mr. Winkeljohn: Thank you, and the second half of what I would recommend is to seize the economy of scale and the synergy, if you will from Lake Doctors, and go ahead and enter into an agreement with them, and remove the lake responsibility from Lake and Wetlands, that would be step one. Step two would be to develop a specification with Butch on what we want in the preserve, but here's my experience with preserve contractors, there's a very academic side to the equation, biologists, horticulturists, etc., who are usually highly credentialed, very academic, and I'll use that term. They are very expensive, and they will charge you \$50,000 to start a phone conversation, and I'm just being flippant, but I'm just pointing out that it can get like that.

Mr. Duncan: And we got all of these contractors.

Mr. Winkeljohn: Right, and so what I've learned is to go to these contractors and only ask them for a preserve proposal, removing the lake because that's where they sort of blend the two services together, and once we ask them just for preserve, we can get much more significant results from their proposal, and we'll ask them the right questions also, and without the lake clouding their economics, I think we'll get to the prize. Ideally the contractor would look at something large enough where they have the academic credentials at their disposal, but they have a seasoned veteran staff that can do the legwork, and nothing against what I'm describing in the academic style, for a lack of a better description, but their money is spent writing reports and putting their name on it, not necessarily trudging through the environment. So, one of these contractors which I found, and two or three of them I know can do this, but they have excellent skills, they can identify problems very quickly, and we would want to contract in the removal on different levels, a chemical removal and a mechanical removal, and a long term

preventive program. I think your community really begs this arrangement because of the pervasiveness of your upland, you have a huge amount of property, and your lakes have evolved to the point where I think Lake Doctors can keep it at this level and hit it out of the park for a good price, so then that savings on one side could be used for some more aggressive work in the upland, and that's my strategy recommended to you.

Mr. Duncan: Ok, so why don't we go forward with deciding on the lakes, we have at least 3 full proposals and Paul you go ahead and contact the natural preserve companies, and come to the Board with a proposal.

Mr. Winkeljohn: Got it. So with that, we can wait until our next meeting and bring back the draft proposal with an agreement and everything and have everything tied up neatly with Lake Doctors, and wait another month before we terminate the services with Lake and Wetland, or you can authorize that now and as soon as I can get that we'll execute it. It's better to have a little bit of an overlap frankly, so I would suggest we bring back a signature ready Lake Doctors proposal before we terminate.

Mr. Willemstyn: Correct, I agree, we're on hold.

Mr. Winkeljohn: That's enough direction and if no one disagrees I can move on to the next topic. We do have caller #3 online and I don't know who that is, but could you possibly help us by identifying yourself, if you haven't already. I think everyone else knows that they've said hello.

A resident: That's me.

Mr. Winkeljohn: Alright, if you want to say something under comments, when you do, just please say your name so we can get it in the record. The next item under lakes and preserves, we've sent around the most recent documents relating to our preserve violations issues, and also some lake issues. Let's start with the preserve discussion, and there are I believe 7 or 8 preserve violations, and we have had excellent response, and either Frank or Dan, if you want to bring us up to speed on just an overview for the record and for the Board, and then we'll talk about the issues going forward.

Mr. Duncan: So, the CDD through Paul sent a letter originally to all the homeowners whose property is adjacent to a natural preserve outlining their responsibility. There was a second letter from the District to the violators stating that

they have been found in violation. Frank and John contacted each of the homeowners and got a response, and some responses were more positive than others, in telling them that they would have to contribute the cost of replanting of their violations. So, Ginger at this moment sent us a legal agreement that Frank and John will have to present to each homeowner and get their signatures. In the previous meetings we decided that if the homeowners would not participate, we will try to put this money through a legal means, and we will see how many of these homeowners are willing, and we got estimates for each of the properties, and we tried to keep these estimates as low as we could, but also meeting the requirements of South Florida Water Management replanting. So, this is where we are, and we hope that within a week we'll have a better feeling of which of the homeowners will agree, so this is where we are. Frank, I think the maximum cost is \$4,000?

Mr. Austin: That's correct, 1822 for Isles, estimated at \$4,000.

Mr. Duncan: And the rest are less than that.

Mr. Austin: The next lowest one is \$2,300 and that's 2264, and the rest are less than \$1,000.

Mr. Duncan: One of the questions was if the homeowners can pay through some installments, and my feeling is, yes if it's a fine like \$1,000 and no more than \$4,000, but it's for the Board to decide, so we need some feedback in agreeing for them not to pay a lump sum, does anyone have any feedback?

Mr. Austin: Yes Dan, the only one that we had that has referenced that is 2264, and I think Paul had some interaction with that homeowner, she's an elderly lady, and her son actually did all the cutting in the preserve and she was concerned about it, because we told her it would probably be in the ballpark of \$2,000 or \$2,500, and it actually ended up at an estimate of \$2,300 but that included clearing the stuff they had cut down and just left in the preserve, so that was \$750 just to remove the debris she left in there. So, she's the only one at this point we initially talked to that asked about paying on a monthly basis, or installments, whatever you want to call it.

Mr. Duncan: Yes, but this is a policy, so if we offer somebody these terms, if we are asked, we have to agree that we can offer it to somebody else too.

Mr. Winkeljohn: Well, one of the precedents in the tax world is to offer a discount basically for those who pay all at once on time, and the word discount is a little bit of a misnomer because we increase the fees, and then discount them, and I don't mean to be humorous, but that's just actually the business practice. So, you could offer at a premium, say a 5% or 10% usually is what the tax bill is, actually 4%, and we could follow that precedent. We could increase it by 1% discount to each amount for early payment or on immediate payment, and if they want to split it in 4's, they lose a percent of that discount each payment, something along those lines.

Mr. Duncan: Paul, I don't want to make a profit out of stuff they'll be paying, so I understand there are violations, some people are saying that they haven't done it, and some people are saying that they didn't know and so forth. So, at this moment I would just ask to offer if asked, 4 payments a month but they will be all the fiscal year, and obviously for people that have to pay a large amount of money, that's my feeling.

Mr. Winkeljohn: So, say over \$1,000, for those over \$1,000?

Mr. Duncan: Yes.

Mr. Winkeljohn: I don't object to that.

Mr. Duncan: So, only two cases.

Mr. Winkeljohn: Right. Is there any objection to that approach from the Board? Hearing none, I'll take that as direction and we'll make that on a case by case basis under those parameters.

Mr. Duncan: One other thing, actually we have a letter of approval, and the history was that Butch hired Hobe Sound Environmental, they get a plan that's approved by South Florida Water Management. I looked at the properties, I came up with a different proposal, and that was now approved. I have a letter from South Florida Water Management approval and that letter requires us to finish the work in 90 days, in 3 months, so it has to be completed in 3 months.

Mr. Winkeljohn: Would you like a motion from the Board to authorize that work?

Mr. Duncan: That's correct.

Mr. Winkeljohn: Is there a motion?

On Motion by Mr. Willemstyn seconded by Mr. Austin with all in favor, authorizing staff to complete the preserve planting work within 90 days, or 3 months, which was approved by South Florida Water Management District was approved.

Mr. Winkeljohn: Juan, you didn't have anything else to add, a little while ago I know you and Frank were about to say something at the same time, but I'm guessing he covered it and you didn't have anything to add?

Mr. Azcona: Yes, this is Juan, I'm ok with the comments from Dan.

Mr. Winkeljohn: Ok.

Mr. Azcona: I think payments are reasonable as long as people are willing to comply, we don't have to make a profit on people, as long as it's paid within the fiscal year, if it was to be paid over many years I guess we would have to take that into consideration, but that would not be the case, so I'm ok with that.

Mr. Winkeljohn: Alright, thank you.

Mr. Duncan: And I just want it to be on the record, the homeowner does not completely pay for what it will cost to the CDD. We actually paid for the legal, we paid for the engineering, we paid for the Hobe Sound Environmental proposal, we paid for the sprinkler system for the water, because obviously planting needs to be watered and so forth. So, I considered these costs as to what the CDD does, and I did not want to impose additional costs to the homeowners.

Mr. Azcona: Ok, and this is Juan again, I'm ok with that but that should be notified to each homeowner so they are aware that would have been a possibility that they will be liable for all those additional expenses as a result of the actions they took to damages to the preserve, but the CDD has decided to cover those costs and they would only be liable for whatever costs we are putting forward.

Mr. Duncan: If we go legally to recover the costs, we actually recover the total costs, not only the replanting costs.

Mr. Azcona: That's in the case they don't want to cooperate, correct?

Mr. Duncan: That's correct.

Mr. Azcona: Ok, I agree with that.

Mr. Winkeljohn: Yes, I think that's an excellent practice, that's fair. Are there any other questions on the upland project? Please, go ahead Dan.

Mr. Duncan: I have two side issues. A law has been made that CDD does not have the right to cross homeowner's properties to get to the natural preserve. I looked carefully at the covenants, and I would like Ginger to take a second look, maybe my understanding is not correct, but we actually have the right through South Florida Water Management and that's a decision that has been made by the covenants to get to natural preserves. I would like to point out section 10, surface water and stormwater management systems, paragraph 10.3, section 3, lot maintenance and lawn maintenance, and several other paragraphs in this book. So, I would like Ginger, if you can to read carefully the easements in there and provide us with a legal opinion if we can cross the homeowner's properties to take care of what South Florida Water Management asks us to do in the permit.

Ms. Wald: Butch, this is Ginger, isn't it already listed on the plat, the access easements related to the preserve? *(inaudible comment)*

Mr. Duncan: It's not on the plats, it's in the covenants.

Mr. Winkeljohn: I see you're on the meeting Butch, but we can't hear you, are you talking?

Mr. Duncan: Well, we can take it offline.

Mr. Winkeljohn: Yes.

Mr. Duncan: And I would like Paul, if you could follow up and come back to the Board with a legal opinion.

Mr. Winkeljohn: Right, and I'm comfortable that you hit it, but we should cover all aspects and get a finite answer, I agree.

Mr. Duncan: Now, for the natural preserves we actually have in the agreement that Ginger without this one sentence that the homeowner will allow us to cross their property for this particular restoration. Go ahead Ginger.

Ms. Wald: I believe there is an easement that's already been recorded in regards to providing the access, and it was provided to South Florida Water Management District, and I'll have to get with Butch and I think he found it, I just do not recall if it was specifically on the plat, or if it was a separate recorded easement. So,

we'll go back and we'll look and we'll see what is available that way and additionally looking at the declaration to see if those easements were provided otherwise.

Mr. Duncan: We have easements every 15 houses, there is an easement between the houses. It's very difficult actually to go through there and cross on our property, which is a natural preserve with their equipment and everything else.

Mr. Winkeljohn: Ok, so we'll bring that back with a summary to nail it down for our records, and everyone's satisfaction. Do you want to move on from the preserve discussion to the lake bank discussion?

Mr. Austin: Paul, could I just ask a question?

Mr. Winkeljohn: Yes sir.

Mr. Austin: Do you have this situation with the violations in the preserves at any of the other Districts that you manage?

Mr. Winkeljohn: More in the lake world, but in the preserve sometimes, usually it relates to encroachment and not cutting. I have not had a lot of situations where people actually took over a land for their benefit. In a similar way, but differently they put a fence up, or they put a piece of equipment down to the water's edge, or the preserve edge that would in the future impede our ability to access it from a circular approach, but actually cutting back and making their yard as big as they want, in your preserve is unique to you because of the way your upland is, or those who are on the uplands it's such a large area, that it was hard for years to even know where it started and stopped during construction and such, and at this phase we're seeing it for the first real time in the last year. So, it's pretty unique in that respect, not to say it probably isn't happening in other communities, you just don't notice it as easily, but the approaches we're using is our best practices without a doubt.

Mr. Duncan: We have a caller #4 that joined us, please identify yourself?

Mr. Winkeljohn: I think that's Butch, I've asked him to call in again, so that he could speak, he wasn't able to speak through his computer for some reason.

Mr. Terpening: Yes, and I'm blaming it on the new workstation I got yesterday.

Mr. Winkeljohn: Alright, did you have something to contribute on our previous topics?

Mr. Terpening: You know, I'll work Ginger in getting those, I know we have access points into the lake that we designated years ago and I'll work with Ginger on that.

Mr. Winkeljohn: Ok, thank you.

Mr. Duncan: There are two points, yes we do have access to the lake banks every 20 homes or something, and that's not a problem, we can use the access when we come on the back of the lakes, we do whatever is required, even though it is a little more complicated than having access to the homeowner's property, but the natural preserves are different. Even though I have one access to the natural preserve, I cannot come to the natural preserve because the vegetation doesn't allow me.

Mr. Winkeljohn: Understood, very good, but Frank you opened up that question and I appreciate it because the other half of best practice is fortunate that we're about to talk about it specifically with the lakes. So, we have Nick and Joe on the line also from the HOA which is great, and I've had enough conversation with Joe to sort of talk about this collective. Best practice in the CDD, and you've heard me say this before, in the CDD/HOA arrangement is, the enforcement arm of the HOA is less costly and more immediate than the CDD enforcement. As we all know, we've realized that our enforcement capability is simple civil lawsuits, or cooperation on the good side, and that generates a lot of time and cost, and we don't have a code enforcement board like a municipal entity would, and we don't have lien capabilities like a HOA has, we're sort of unique in that respect in terms of enforcement. So, the best practice is for the HOA to have included in its rules some mirror of our responsibilities in terms of enforcement, like not going into the preserve, not cutting the preserve, not damaging the lakes with harmful chemicals to name a few that we've already talked about. When the HOA rules have that in their architectural compliance rule they add that into their list of inspections and list of activities in coordination with the field folks from the CDD, that harmony creates an immediate reaction from the homeowner, thinking ok the HOA is going to fine me for mailbox out of compliance and I'm cutting my grass the wrong way, or whatever, all of those aesthetics we call them in the business are usually best handled through the HOA because it just fits. It's natural for that role to continue, and in most communities we have the correct arrangements to accomplish that.

Mr. Duncan: Paul, in the covenants section 10, paragraph 11, states that the association through its Board shall be responsible for enforcing the provision of the declaration, and it's mentioning the South Florida Water Management, which is actually the part of the previous part, but it doesn't say that it's up to the association, it says shall enforce.

Mr. Winkeljohn: Right, and that's part of the conversation, is to get both parties understanding that, how it was intended, how it is written, and making sure that their practices, and their bylaws and their staffing matches this goal, and for years and years that hasn't been the case in terms of a total alignment, and with their leadership and cooperation I'm optimistic that we can move in that direction. One of the goals with Joe last time was to talk to him about these ideas which has happened, he's stated and he can talk for himself in a minute if he wants to or at any time, but he stated a willingness to work through this and to identify the different arrangements. There's some maintenance items that we also need to talk about, in particular with the lake bank, the history of the lake banks has been the residents mow to the water, what is called the high water edge in essence, not into the lake clearly, and with that practice he brought to our attention that he didn't feel comfortable entering the District's property. My review, and your review of the covenants anticipate that would be allowable for any member of the HOA, and in my mind any member of the CDD as an authorized activity, and so I know you've thought about it and Dan did you have more you wanted to amplify and then we can hear from Joe?

Mr. Duncan: Ok, so the lakes, we have 10 lakes which actually is also a unique feature of this community. Some of the lakes are what we call the townhouses lakes. In the townhouse's lakes the HOA is mowing the lawn all the way to the townhouses and they mow the lawn all the way to the lakes. They are what I call the entrance lakes, the Brigantine and Rosser entrance lakes. In these cases, the CDD land, the bank of the lakes is adjacent to HOA land, so the practices for the last 15 years was for the HOA when they mow their own land, they mow the bank of the lake. That was also done because the CDD is required to maintain that bank for only two reasons, erosion and the second reason is for the grade, not for aesthetic reasons, and because of that if the CDD would be responsible for that we would allow the grass to be much taller than

what the HOA aesthetics would require. So, as a compromise we said, ok HOA you actually can mow the grass to your requirements.

Mr. Winkeljohn: Right.

Mr. Duncan: So that's the history, there are two things, behind a homeowner's property is the homeowner's choice, if they don't want to do it, it would be very difficult for the CDD to get there, but we would actually let the grass be low maintenance, or no maintenance.

Mr. Winkeljohn: Right, and the reason you get to that is because the optimal condition for a lake bank is to protect the erosion and to benefit the natural grasses, the local native grasses, and Butch if you wanted to fill in the color and that why would the CDD's ultimate world not be what a homeowner might chose.

Mr. Terpening: You know in the water quality that we're responsible for our discharges, the lake banks, the nutrification that it takes in that littoral area, all those are critical elements, not only for treatment of the water, but also for filtering out the fertilizers and other herbicides that homeowner's apply to their yards, so it's critical. It's critical in the creation of erosion steps, it's kind of a growing liability if they're not maintained and eventually creating those shelves that you see due to the wave actions, so it's a critical interface.

Mr. Winkeljohn: Right, and the long term maintenance responsibility of the District, you eventually would have to recreate those banks and reinforce them with some sort of mechanism to get them added strength, I've done that a number of times for older communities that are in the 30 or plus years and you've heard me say this before, it's extremely expensive, I mean in the order of hundreds of thousands of dollars per lake to perform that level of restoration and maintenance. So, little habits now reduce that cost later. I see Joe unmuted, and Joe would you like to give us your perspective?

Mr. Clarke: My only concern about the height of the grass that the CDD wants, is that it also allows for snakes and some other undesirable animals that could cause severe damage and life threatening injuries to people as well, so that's my only concern with that. With leaving it as high as it is, I do think that the aesthetics is important as well because it does affect property values, which affects the homeowner's association,

but that's the only issue that I have with that. Then we're talking about best practices and all this stuff that we've been doing in the past, the problem is that nothing has been written down, and there's nothing in black and white that protects the homeowner, that's where the issue falls is the homeowner is not protected while on CDD property.

Mr. Duncan: Why don't we let Ginger address that, but my understanding is that if you are in Florida, tall grasses are everywhere, and you know from our point of view the mowing of the grass to the standards of the community if we are doing it, we are actually against the two objectives for our permit. Objective number one is to make sure that erosion doesn't occur, taller grasses are far better for stopping erosion. Secondly, we are actually increasing the quality of the water by not allowing fertilizers and herbicides to be put within 16 feet of the water. So, both of them if it would be up to the CDD will allow this grass to be natural with no maintenance.

Mr. Winkeljohn: Right, and Joe articulated what I'm very used to hearing is the traditional homeowner perspective which is their vision of their backyard is more of a manicured golf course sort of feel to the lake which is quite a bit counter to what the District is tasked with. Now the compromise historically that's worked is the arrangement where either the HOA or the private resident continues their maintenance standard to the high water edge, and the District maintains to that water edge, and can plant special littorals, can treat accordingly to kind of meet in the middle, if you will. So, I guess what I wanted to do with the lakes was to produce a management and maintenance agreement that's jointly agreed to between the property owner's association and the CDD. We've presented this many times in this community, it has never made it to the point of final execution which was Joe's point that there isn't such a thing in writing to really clear it up. I know Ginger probably has one under her fingertips right at this point that we could circulate to our friends at the HOA and begin that. Butch would be tasked with identifying the areas in an agreeable map, and that document should be executed and we should all reach this compromise in an agreeable balance, language protecting the homeowners the way Joe put it, and I think Ginger you can help us get to that point whenever you want, either in the agreement or in discussion today.

Mr. Clarke: Paul, absolutely and I know the Board has appointed myself as the point of contact for this agreement to be done, and that's kind of where we're hoping to

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get an equal agreement to where both sides are protected and both sides understand what their responsibilities are. I know in our conversations over the phone, we've talked a lot about different options, options that I know I can get my Board to pass, and they tell us there's options that your Board would pass as well, so we could actually move forward with some of this stuff. Unfortunately, since our last conversation I'm now finding out new information that this is being sabotaged, and unfortunately Dan has now gone to try and exclude me from these meetings.

Mr. Duncan: Can you give me an example of when I excluded you from these meetings? You actually made this comment twice and you even put this on Facebook, and I still think that CDD is responsible for mowing the grass that the people complained when this was actually not only not true, but that this is only a HOA management issue. So, tell me when I prevented you from talking to Paul, or to anybody else?

Mr. Clarke: First of all, the statement was made to my property manager that you wanted to make sure we had an agreement in place, and anybody other than myself should be at that meeting, did you or did you not say that?

Mr. Duncan: No, I said that I would be involved with Nick, not to exclude you.

Mr. Clarke: Ok, well Nick works for the HOA, so the fact of the matter is, the Board has appointed myself and Nick to work on this program, and so the fact that you made that comment is essentially accepting to sabotage any positive work relationship, and that's the reality of this. Now, the statements that were made about the lake bank, the fact of the matter is, that is 100% your property, and like you said, the homeowner has the choice, and the fact that they can do it either way.

Mr. Duncan: Excuse me Joe, you are talking about the complaint that was done by people at the townhouses where the mowing of the land was always done by the HOA. Your statement was that this is the responsibility of the CDD that refuses to mow the lawn.

Mr. Clarke: Correct, is it not your property? The fact that the HOA has been doing it, that can be addressed, but the realistic fact of the matter is that it's your property.

Mr. Duncan: It has nothing to do with your statement that actually is on the record.

Mr. Clarke: And the only thing that I did, was I passed him along to your management company's phone number.

Mr. Duncan: Ok, please work with whoever you want, including Paul, but your particular view that addresses your particular problem with your particular property, that actually the CDD doesn't mow the bank of the lake behind your property, and therefore your property value goes down, so your interest is actually personal interest, doesn't affect, you can work with Paul, and Nick, and with any members of the Board to make sure that what you propose, or what was proposed will have the blessing of the CDD Board, and let's finish that discussion.

Mr. Winkeljohn: Very good, so I'll work with Nick and Joe, obviously if Nick and you are the representatives asked to, then I'll work with all of you, and Dan's opinion, he has his opinion and Frank has his opinion, and Juan has his opinion, and I have the same job Nick has, we get to bring all those wonderful ideas into harmony somehow, so Nick we'll get our job done. Ginger, did you have any detail on the kind of elements in the agreement that we're talking about in terms of the individual residents relationship to working on the CDD easement, can you help us with a little bit of detail like the precedent there, or the parameters just so we all know it?

Ms. Wald: What you're actually discussing is entering into a formal maintenance agreement with the Property Owners Association. So, it will be the District and the Property Owners Association having the agreement as to placing that burden over some jobs on to the Property Owners Association for the maintenance. Now, however the Property Owners Association, should they choose to proceed forward with that in accordance with its declaration, and also its own bylaws and the regulations with each one of the property owners, the association would be able to do that. That is something that based on you discussing it in more detail as to a maintenance agreement with the Property Owners Association. If it's going to be separate than you're actually talking about more on the property owners which could potentially become extremely burdensome. It is a situation where sometimes government can't go out on the land themselves, and because we are dealing with property that is government property but is prescribed for certain uses, then the ability of the public to go onto the property is allowable except for certain permits that you know about, like you talked about with the

preserves and also rules and regulations that we're going to talk about next. So, there is a lot of different ways that we can go about in having this completed so everybody is completely on the same page, and when you talk about legal protections as the best we can, as to each parties involved. Of course, I represent the District, so my interest and my job is the protection of the District which each homeowner and each property is a part thereof. I have worked with, and have no problem working with the Property Owners Association attorney, and in preparing an agreement that would benefit both parties.

Mr. Winkeljohn: Ok, any questions? Yes, go ahead Dan.

Mr. Duncan: If I read the bylaws, the association, when you enter into an agreement with the association, it's actually binding for all the homeowners, is that correct?

Ms. Wald: First of all, I don't have the bylaws, number one. Number two I am not an attorney for the association, so I am not going to provide legal advice to the association as to their documentation, but I'm sure their capable attorney can do so, and if that's what the bylaws state, then that's what they state.

Mr. Duncan: You don't have the original, I thought you had the original summary and bylaws, and if not, I will try to send them to you.

Ms. Wald: I'm still not going to give the Property Owners Association legal advice.

Mr. Duncan: This is not for the association, the question that I'm asking Ginger is, do we have to enter into an agreement with the association, which is sure, but in addition to that, do we actually have to get an agreement from each homeowner?

Ms. Wald: No, if we're going to enter into an agreement with the maintenance with the association, then no, we're not going to have to enter a maintenance agreement with each homeowner.

Mr. Duncan: Ok, that was the question.

Ms. Wald: Right, and that would make the most sense for both parties, and I'm going to take my attorney hat off for a second, if I'm a homeowner in Portofino Isles, or Newport Isles, I would want my Property Owners Association and my Community Development District to work together to keep down the costs, and if the best way to

keep down those costs is for an agreement between the Property Owners Association and the Community Development District, where the party, in this case the Property Owners Association is right there on the premises has the authority to enact rules and regulations if it doesn't already have that in effect, which it sounds like they do, to make sure that each homeowner is abiding by what they need to, and then that keeps my cost down as a taxpayer and a homeowner, that's what I would want. From a legal perspective, the CDD can enter into a maintenance agreement with the Homeowners Association, that allows the Homeowners Association to maintain property that is CDD property.

Mr. Duncan: Ok.

Mr. Winkeljohn: Alright, sounds like we have the parameters to move forward, I don't think we need an action from the Board other than authorizing staff to take this to the next step which is a draft agreement, a map update and I'll get working with Nick and his team, and we'll get something back as soon as possible. Any objections from the Board?

Mr. Austin: Paul I have a question.

Mr. Winkeljohn: Yes sir, go ahead.

Mr. Austin: Could you recap exactly what agreement you guys are going to discuss, what does it entail.

Mr. Winkeljohn: One main topic of course would be clearly a lake bank arrangement and identify them and identify the party of responsibility and our proposal would probably begin with the HOA taking that, but we should take into consideration other areas, so I'm glad you brought this up. We have an irrigation project and program that's complicated and needs to be vetted out as well. We own the water in essence, literally not the water, but the withdraw of that water is our responsibility, so we would take that most likely, we would continue to take that, and then the actual use of the water upstream would tie in nicely with HOA rules, and procedures and aesthetics, etc. So, there's a natural split of responsibility and we'll find that natural split, so irrigation and lake banks would be the first two, lighting inside the community, water I call above ground items are typically the HOA, and the invisible below ground, including lake water, is CDD, that's sort of a natural split. So, we would continue to do our drain inspection

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and cleaning procedures, however, if you have storm grates or you have people using mulch that runs in blocks, those grates for instance, that's usually a HOA skill set to keep an eye on and teach the residents not to use mulch in that area, that's the best example I can come up with, things above ground. Then we talked about, and I think we can see where the preserve is a little bit different, so there's a natural alignment that I think we'll get to. Where it gets a little bit more interesting is, we already have a wall that we jointly put together. Dan has done, in that project a lot of the legwork on how to divide that wall up and who should maintain what part, I don't think that's going to be difficult, but that should be included. Gate systems are really security, the front gate elements, those are HOA day to day activities, so those should stay where they are, those are the basic things I can think of right off the top of my head. Outside the gates, almost all of that 100% would be CDD, we have our own responsibilities out of the community.

Mr. Austin: Ok, so the grass cutting is going to be addressed where the lakes around the townhomes, they don't cut their grass, the HOA does, and then the lake banks behind the property owners.

Mr. Winkeljohn: Right, and so Nick's team would make a decision on how they think the best way to handle that is. Some communities like to have their grass all cut at the same time so it looks nice like before a weekend for instance, so they might pick up the lake bank maintenance, I don't know, that's his team's choice if they assume and continue that role that exists now. Mike, I see you have your microphone on now you wanted to comment?

Mr. McIntyre: Yes, I actually just spoke with my landscaper, the new company that we have taken on regarding lake banks that not been cut over at the townhomes, and we're having that addressed, meaning the areas they can get to with mowers starting on Thursday. It wasn't our intention not to cut them, we were just having a little issue, they didn't feel safe, their mowers kept sliding so they were addressing their manpower, they've actually added on personnel to their crew to accommodate that, and they're still learning the property and they've missed a couple of things, they missed field out on Providence, a retention field and then they missed the whole wall area by Rosser, which was pointed out by John for me. So, it's still a work in progress, but we

had no intention of not cutting that area of the townhomes because the last thing I need is 214 residents calling me, and we want it to look crisp and clean at all times. As far as behind the homeowners go, like the lake areas, say behind Dan's house, where the homeowners cut that, I think most homeowners are going to cut it as usual. You'll have one or two or more rub the wrong way with the verbiage in the letter, saying that they had to, not that they had the option to, is really the only objection I've heard so far other than Joe. Joe has his own issue behind his house, feeling unsafe or whatnot, or not protected, but he's working with you guys on that. As far as it goes with the rest of the homeowners, I've only had a few people who were just rubbed the wrong way by the verbiage in the letter, not necessarily the act of cutting it, and none of them want to see tall grass back there.

Mr. Winkeljohn: Very good, and please pass on to any of those homeowners that I apologize for not vetting that letter more carefully, that was my fault.

Mr. McIntyre: Absolutely, that's no problem.

Mr. Winkeljohn: Alright, I think we have the parameters, Frank did that answer your question?

Mr. Austin: Yes sir. I'm going to say this because it's a fact, and it disturbs me that we continue to have negative postings on Facebook, when there's numerous complaints over at townhomes that is CDD responsibility, and if those people who live over there need to contact the CDD, when in fact it is a HOA contract issue as Nick just explained. So, if you're going to post something, post factual information not BS.

Mr. Willemstyn: Well said Frank.

Mr. Austin: It's a fact.

Mr. Winkeljohn: Right, and the habits of residents and social media posting are universal, not always perfectly worded and it's a lesson to learn and I hope any resident can talk to anybody or post something on a one on one basis and let them know that you're affecting everybody, so that's a challenge all communities face and so welcome to our modern world, but I appreciate your point of view. So, I think we have what we need on the lakes and the lake banks, very good, and thanks Nick for your cooperation and I look forward to talking to you and sharing the agreement and getting this thing moving forward.

Mr. McIntyre: Absolutely, thank you.

Mr. Winkeljohn: Please stay on though because the next item is related.

FOURTH ORDER OF BUSINESS

Update on Rules

Mr. Winkeljohn: The rules that have been proposed and that are set for a hearing for adoption is happening at our August meeting and so today I wanted to talk about, and we wanted to fine tune those rules and discuss adding in some more details, and I sent around some suggestions or topics that have been added from people which is the idea of recognizing that some of our rules would be enforced by the HOA. I think a sentence or line item in the rules should be included generically enough that we're not having to redo our rules to make that more clear, so I think we can do that. Dan mentioned that, with our allowance of fishing in CDD bank areas, and with a map doing that, we may also add a sentence about any activity in and around a fountain is inherently dangerous, and just as a sort of an educational line if you will in the rules, because we don't allow it, we won't allow it, but he thought that would be good to have in there, and if anyone has other suggestions or additional things we could think about for that rule change now is the time to discuss that.

Mr. Duncan: And there are two issues here, fishing in the lake adjacent to the clubhouse resulted in the fishing lines going around the blocks that stabilized the fountain, and as a result of that the fountain drifted all the way to the shore. So it created a counter problem in addition to other problems, so I'm not a fan of allowing fishing where the fountains are because we have to pay for the maintenance, but the rules accommodate that by saying that fishing is allowed where it's posted. What doesn't show is what really happened behind homeowner's properties, which is CDD property, on the other seven lakes. Some homeowners don't quite like to see people fishing behind their homes, so I do not know how we treat this situation.

Ms. Wald: Paul where was the designated area, I thought we had this discussion before that the designated area did not have fountains in it and was not going to be behind people's property.

Mr. Winkeljohn: Correct, I think that's partly true.

Mr. Duncan: The only designated area that I think is Rosser, the Rosser lake would be a designated area.

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Mr. Winkeljohn: I don't think it's going to be a significant issue.

Ms. Wald: Paul, we can't hear you.

Mr. Winkeljohn: Sorry, how about now? Can you hear me now?

Ms. Wald: Yes, we can hear you.

Mr. Winkeljohn: Ok, I don't think it's a significant issue, we would use signage as best possible and our map as an educational tool, but I see it as informative, obviously a rule, but just a nice to do kind of thing, helpful. So, I'm not worried about it, and if adding it to the rule, the practice is a whole other conversation. With the HOA involved, their rules would help tighten up any of the loose ends in essence on a day to day observation basis. Really, it's about enforcement and precedent and setting an example type of thing for people, but good education forward lean type of stuff where we send out in the newsletters and such just to clarify this, that will lower the likelihood of it. Most of the people come from offsite, or outside of the property, they're going to fish out in the outer perimeters, they're not going to be able to come through the gate necessarily, so Dan's comment about the Rosser lake is the best example. I'm sorry, everybody is frozen on my computer right at the moment.

Ms. Wald: No, we're all here.

Mr. Winkeljohn: Ok, I wasn't sure what you guys could hear or not.

Ms. Wald: I think this Board needs to decide, and I think you need to basically decide that. The way that this has developed over time is, fishing is prohibited in the lakes, except the location where designated, and you have the map that's attached to the rules that specifically provides that designation. You need to provide where that's going to be, that map has got to be attached to the rules because if you are going to move forward and advertise this, and so you need to make a decision exactly where that's going to be.

Mr. Duncan: Well, I would like, and we can make a proposal, but if the HOA would enforce it, we will need the input from the HOA before we put the map on there which might be completely different from the HOA. So, it's not a requirement, but in this case, it has to match what the HOA would want or agree to.

Mr. Winkeljohn: Well, that opens up a question, the ad for the public hearing could be re-run and postponed, and we could wait for that. I mean none of these rules

are particularly unique to our current situation so I don't have an objection to waiting until we have everything tied up neatly and then do our rules with everything incorporated because anything in our rules right now is really already practiced and covered under other areas.

Ms. Wald: I would recommend not to do that because of all the issues you've had with the preserves and the uplands. You need to make clear in these rules that it's prohibited and that's going to help you down the road. What you could do to continue to stay on track and move forward since it hasn't been advertised yet, is to just place that it's only in designated areas and those designated areas are identified by the Board and I'm paraphrasing as I go, identified by the Board and may be obtained by contacting the District manager's office, or language to that affect, so you could move forward with your advertisement and you could have the flexibility of having the discussion with the HOA because you are saying that it's in designated areas.

Mr. Duncan: I totally agree, I could not agree to the map yet. If we don't tie it to the map you can actually advertise it and put it forward.

Ms. Wald: Right, I think that's what you do Paul, go ahead and revise that and remove "except for what's on the attached map", and put only in designated areas, and have that list as we have stated, so remove that one line and then you could provide those areas would be designated by the District manager.

Mr. Winkeljohn: And like we do a lot of times, when we have a moving target in our rules, we make that under a resolution outside of the rules and the rules are written carefully, I get it, I like that approach.

Ms. Wald: So you have it, and you're going to advertise it, so go ahead and add that to that rule, the rules set forth on the attached map under paragraph 2, and leave it as designated fishing areas, so add that language there too, and then I think you're ok with moving forward.

Mr. Winkeljohn: Got it.

Ms. Wald: Then you can still have the discussion with the HOA. Now as to violations, you're going to have to add that language back if the HOA is willing to do so, that you had in one of the versions in the rules, which you already have, so add that back as well.

Mr. Winkeljohn: Ok, got it. Are there any other corrections or adjustments to this, and there's nothing wrong in a few months or 6 months revisiting these rules. This is an important element to get right, and no shame in trying to do it twice, but we want to get the basis in right away per Ginger's observation that we're doing all this legwork and upland work, we need to have rules right in line with it, so I totally get that. Are there any other comments?

Mr. Duncan: No, let's go on.

Mr. Winkeljohn: Ok, so we'll bring this back for our rule adoption and at that meeting, we're allowed to do some fine tuning because the very essence is well incorporated.

FIFTH ORDER OF BUSINESS

Staff Reports

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

A. Attorney

Ms. Wald: No, I think I've talked too much already.

B. Engineer

Mr. Winkeljohn: Butch, had a hearing I believe he's dropped off the meeting, and he had nothing else, he knows everything that he's been asked to do already.

C. Field Manager

Mr. Winkeljohn: Is John on the call, I haven't seen him, or heard him?

Mr. Jado: Yes, I'm here.

Mr. Winkeljohn: Ok John, how are you?

Mr. Jado: I'm good, I'm here.

Mr. Winkeljohn: Any updates for our friends today from the field?

Mr. Jado: Basically, we're working on the restoration of the violated lots and also the shoreline restoration that we're bidding it should start sometime next week. We need to see what we have to do repair the shoreline with different fabrics and rocks and to repair these two lots that have erosion on them, and just some general maintenance and all that other stuff we've doing walking the lakes and whatnot, just working on the repairs, and that's basically it.

Mr. Winkeljohn: Great, very good.

Mr. Jado: And we just finished the project on the north side of Rosser on the outside, we put the plantings in and I'm actually mowing the lawn there now, as soon as we get somebody to cut it properly.

Mr. Winkeljohn: Excellent. Any questions for John? Not hearing any we can move on to the next item. Yes Dan?

Mr. Duncan: Regarding the fence, we moved the fence all the way to the apartments, so you know the fence was temporary at the end of the wall at Rosser?

Mr. Winkeljohn: Right.

Mr. Duncan: To allow the apartments to be built, and now we moved it to the end of our property, so at this moment the whole property of Newport Isles is enclosed by walls and fence.

Mr. Winkeljohn: Very good. Any other comments related to field? Not hearing any, we can move on.

D. CDD Manager - Discussion of Financial Disclosure Report from the Commission on Ethics and Reminder to File Annual Form

Mr. Winkeljohn: Under manager's report, is a reminder for everyone to file their Form 1s, I believe most of you have, so those of you who haven't if you need any help just let me know. Juan, I think you did when you registered for your candidacy?

Mr. Azcona: Yes, I think I filed everything that I was requested to file. If there's anything else missing that see from my end that regards my attention, if you don't mind, please let me know.

Mr. Winkeljohn: I will sir, definitely.

SIXTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Winkeljohn: Are there any other Supervisor requests? Yes sir, go ahead.

Mr. Duncan: I sent my form through the mail, do you see from your feedback that I filed?

Mr. Winkeljohn: Yes, I'm looking, I have it in front of me, if there are any other comments, we'll take them and I'll try to pull it up right now.

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Mr. Duncan: Because when you send it by mail, you never know if they got it or not and you can be fined.

Mr. Winkeljohn: Right, and Jennifer keeps track of that, I know for a fact that I don't have the hard book in front of me today, but if anyone has a book or whatever, do you see it Ginger, do you have it in front of you?

Ms. Wald: Yes, everybody has filed their Form 1 except for Piotr.

Mr. Winkeljohn: That's what I thought it was, ok. So, congratulations to everybody here today, and I'll reach out to Piotr and remind him of the importance of that.

Mr. Duncan: I don't know if Piotr actually applied to be a part of the Board.

Mr. Winkeljohn: He did not.

Mr. Duncan: Ok.

Ms. Wald: He still needs to file his Form 1.

Mr. Winkeljohn: Right.

Mr. Duncan: You know that he has health problems.

Mr. Winkeljohn: I'm sorry to hear that.

Mr. Austin: Paul, do we know how many people filed for the open seats?

Mr. Winkeljohn: One person for each seat, so congratulations, there were no oppositions.

Mr. Austin: So, we have a new person then?

Mr. Winkeljohn: You'll have a vacancy that the Board will appoint to, so you'll have one vacancy you'll appoint to in the second or third week in November.

Mr. Duncan: Ok.

Mr. Winkeljohn: Any audience comments, I know Joe dropped off the call, and I don't think there's anybody else. Nick, any for our friends today that you haven't covered?

Mr. McIntyre: No sir.

Mr. Winkeljohn: Alright, thank you.

SEVENTH ORDER OF BUSINESS

Financial Reports

A. Approval of Check Register

B. Balance Sheet and Income Statement

Mr. Winkeljohn: In your Board packages are the financial reports, which have the check register, balance sheet and income statement. If there are any questions, I can take them, or a motion to approve would be in order.

Mr. Duncan: I checked everything, and everything is ok.

Mr. Winkeljohn: Alright, thank you. Is there a motion to accept the financials?


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

EIGHTH ORDER OF BUSINESS

Adjournment

Mr. Winkeljohn: With no other business, a motion to adjourn would be in order.

On Motion by Mr. Willemstyn seconded by Mr. Austin with all in favor, the Meeting was adjourned.


Secretary / Assistant Secretary


Chairman/Vice Chairman